

# OFFICE OF PERSONNEL MANAGEMENT

## Federal Funds

### General and special funds:

#### SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed \$2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, **[\$122,521,000] \$111,095,330**, of which **[\$6,983,000] \$6,913,170** shall remain available until expended for the Enterprise Human Resources Integration project; **[\$1,450,000] \$1,435,500** shall remain available until expended for the Human Resources Line of Business project; **\$500,000** shall remain available until expended for the E-Training project; and **\$1,412,000** shall remain available until expended until September 30, 2007 for the E-Payroll project; and in]. In addition, **[\$100,017,000] \$126,908,100** for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs, of which **\$26,730,000** shall remain available until expended for the cost of automating the retirement recordkeeping systems: *Provided*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), and 9004(f)(2)(A) of title 5, United States Code: *Provided further*, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: *Provided further*, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year **[2006] 2007**, accept donations of money, property, and personal services: *Provided further*, That such donations, including those from prior years, may be used for the development of publicity materials to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission. (*Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006.*)

#### Program and Financing (in millions of dollars)

Identification code 24-0100-0-1-805	2005 actual	2006 est.	2007 est.
<b>Obligations by program activity:</b>			
00.01 Strategic HR policy .....	29	25	21
00.02 Human capital leadership and merit system accountability .....	36	30	31
00.03 HR products and services .....	5	3	2
00.04 Management services .....	99	38	33
00.05 Executive services .....	15	13	14
00.06 e-Government projects .....	15	10	8
00.07 Federal investigative services .....	2	2	2
01.00 Direct program by activities—Subtotal .....	199	121	111
09.00 Reimbursable program .....	127	99	127
10.00 Total new obligations .....	326	220	238
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	55	68	68
22.00 New budget authority (gross) .....	339	220	238

22.10 Resources available from recoveries of prior year obligations .....	2		
22.30 Expired unobligated balance transfer to unexpired account .....	4		
23.90 Total budgetary resources available for obligation .....	400	288	306
23.95 Total new obligations .....	-326	-220	-238
23.98 Unobligated balance expiring or withdrawn .....	-6		
24.40 Unobligated balance carried forward, end of year .....	68	68	68
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	126	122	111
40.33 Appropriation permanently reduced (P.L. 109-148) .....	-1		
40.35 Appropriation permanently reduced .....	-1		
43.00 Appropriation (total discretionary) .....	125	121	111
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	184	99	127
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	30		
68.90 Spending authority from offsetting collections (total discretionary) .....	214	99	127
70.00 Total new budget authority (gross) .....	339	220	238
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	10	-8	-9
73.10 Total new obligations .....	326	220	238
73.20 Total outlays (gross) .....	-325	-221	-240
73.40 Adjustments in expired accounts (net) .....	-10		
73.45 Recoveries of prior year obligations .....	-2		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-30		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	23		
74.40 Obligated balance, end of year .....	-8	-9	-11
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	310	205	224
86.93 Outlays from discretionary balances .....	15	16	16
87.00 Total outlays (gross) .....	325	221	240
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-190	-99	-127
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-30		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	6		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	125	121	111
90.00 Outlays .....	135	122	113

It is OPM's responsibility to help agencies to build a high-quality and diverse Federal workforce based on merit system principles, which America needs to guarantee freedom, promote prosperity, and ensure the security of this great Nation. OPM leads Federal agencies in the strategic management of their human capital, proposes and implements human resources management policy, and provides agencies with ongoing advice and technical assistance to implement these policies and initiatives.

In 2007, OPM will work to implement major reforms in the Federal civil service, as contained in the Administration's proposed Working for America Act. These reforms include a multi-year effort to replace the current General Schedule pay system with a modern classification, pay, and perform-

**General and special funds**—Continued

## SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFER OF TRUST FUNDS)—Continued

ance management system that is both results-driven and market-based.

OPM also provides for veterans' preference in Federal hiring and manages the process for personnel security and background checks for suitability and national security clearances. OPM continues to honor the Government's commitment to employees by managing the trust funds that support the retirement and insurance benefits they earn, and delivering benefit services and support to civil servants both during and after their Federal careers.

The 2007 Budget will allow OPM to implement long-term human capital strategies that deliver results, pursue an aggressive agenda of policy initiatives to transform human resources management, and enhance the values of the civil service. New human resources management policies will streamline the Federal hiring process, decrease time to hire, and change how Federal employees are paid and how their job performance is evaluated. Many of these policies will be driven by the lessons learned in setting up the new human resources management system of the Department of Homeland Security (DHS) and of other agencies with contemporary and efficient personnel systems.

The functions and objectives of the OPM Divisions are:

1. *Strategic Human Resources Policy (SHRP)* promulgates policies to strengthen leadership and succession planning; provides quality workforce information and common standards for agency payroll and human resource (HR) systems; supports improved employee/labor relations and security/suitability requirements; supports new HR systems for Department of Defense (DOD), DHS, and other agencies; furthers competitive compensation and benefits systems; and improves the hiring process.

In 2007, OPM will continue to lead the design, development, and implementation of HR policies and strategies that will aid Federal agencies in adopting human resource management systems that improve their ability to build successful, high performance organizations. Major emphasis areas in 2007 will include supporting the Administration's civil service reform initiative. OPM will work to maximize HR flexibilities and results-driven compensation across the Federal Government.

In an effort to promote the Government's ability to attract and retain qualified employees, OPM will continue enhancements of the Senior Presidential Management Fellows and Federal Candidate Development programs, and will develop and make available other mechanisms to enhance agency recruitment programs.

OPM will assess the results of its strategic HR policy activities by analysis of data collected by the Federal Human Capital Survey and Federal Benefits Survey in 2006. OPM will continue to track and report on the extent to which agencies use innovations such as hiring flexibilities, telework, and student loan repayments. It will collect and analyze data obtained by agencies in administering annual employee satisfaction surveys which are required by statute. The result will be to provide broad, Government-wide indicators on the status of Federal human capital that will benefit lawmakers, managers, and employees, and enable OPM to develop appropriate human resource policies.

*Program performance.*—During 2005, OPM developed policies to support agencies' leadership succession planning efforts, specifically for a Government-wide Senior Executive Service (SES) Federal Candidate Development Program and the Presidential Management Fellows Program. The agency also issued regulations to establish an SES pay-for-performance program and to specify the

criteria that performance management systems covering senior executives or senior professionals must meet. As a result, most agencies now have approved or provisionally approved programs in place. In addition, OPM worked jointly with DHS to issue proposed regulations to establish a new human resource management system within DHS. OPM also partnered with DOD to implement provisions of the Defense Authorization Act of 2004, as high level staff from both agencies worked with unions representing the various DOD employee groups and other stakeholders on the new personnel system. Finally, OPM developed a policy structure to offer High-Deductible Health Plans with Health Savings Accounts under the Federal Employees Health Benefit Program.

In 2006, OPM plans to issue additional common data standards for payroll systems; publish proposed regulations for pay-banding at the IRS; and issue regulations on staffing and employee development, and classification and qualification standards for new job families. In 2007, OPM will focus on implementing major reforms in the Federal civil service, as contained in the Administration's proposed Working for America Act.

2. *Human Capital Leadership and Merit Systems Accountability (HCLMSA)* leads the Government-wide effort to transform human capital management so that agencies are held accountable for managing their workforce effectively, efficiently, and in accordance with merit system principles to achieve mission results.

In 2007, as part of the President's Management Agenda, OPM continues to work with Federal agencies as the owner of the Strategic Management of Human Capital initiative. OPM uses its leadership position to establish guidelines for human capital under the Standards for Success in the Human Capital Assessment and Accountability Framework. OPM provides guidance to agencies in the assessment of their human capital programs and assists agencies in preparing for personnel reforms Government-wide. As part of this guidance, OPM developed specific milestones that contain tools, models, and training to hold agencies accountable for their human capital practices. OPM also works with agencies to ensure that agency programs are being managed to accomplish the mission and are in accordance with merit system principles. Furthermore, OPM assists agencies in building and strengthening their internal human capital accountability programs to include data collection and analysis, program evaluation, and compliance with merit system principles.

In 2007, HCLMSA will provide technical assistance to agencies in various ways. For instance, OPM has statutory mandates to pre-approve agency actions in a wide range of human capital matters. HCLMSA, through agencies' Human Capital Officers, reviews and acts on agency requests on such authorities as: Volunteer Early Retirement Authority; Volunteer Separation Incentive Authority; dual compensation waivers; temporary and term appointment extensions; classification appeals; and pay and leave claims. Through these review processes, HCLMSA staff work closely with agency HR staff to ensure that each agency implements human capital programs that are best suited to achieve the agency mission.

*Program performance.*—During 2005, HCLMSA successfully led the implementation of the Strategic Management of Human Capital initiative. As agencies improve their management of human capital, more Federal employees are working for organizations that are closing gaps in mission critical skills, better recognizing differences in levels of employee performance, developing a cadre of potential leaders, and linking day-to-day work to corporate goals.

HCLMSA also made progress in ensuring agencies comply with the merit system principles in 2005 by conducting audits of 120 Delegated Examining Units and

providing technical assistance and outreach to agencies. These activities resulted in: hiring makeovers at 5 agencies that significantly reduced the time required to fill vacancies; certifying 60 provisional and 2 full Senior Executive Service (SES) pay-for-performance plans; and training for 2,900 military personnel at 28 facilities in veterans' rights and benefits in Federal recruitment systems and employment. In addition, HCLMSA administered the SES Qualifications Review Boards which led to more than 500 SES appointments, as well as administered the Administrative Law Judges Program which processed more than 500 agency requests for actions.

In 2006, OPM plans to have 20 major agencies meeting targets for closing mission-critical occupation gaps and also have 12 agencies meeting targets for closing leadership competency gaps.

3. *Human Resources Products and Services (HRPS)* provides cost-effective products and services to help maintain the Government's position as a competitive employer by assisting agencies, employees, and annuitants with staffing, selection, development, and retirement and insurance programs. In addition, HRPS is responsible for supporting the Department of Justice in ensuring voting rights for American citizens.

The 2007 Budget includes funding to improve claims processing times and about \$27 million to continue efforts to greatly improve the speed and accuracy of Federal retiree benefit payments by implementing the Retirement Systems Modernization (RSM) effort. RSM is OPM's central information technology strategy to meeting its long-term customer service, business, and financial management goals for the retirement benefits programs.

This project will replace OPM's legacy information technology systems with modern technology, move from paper to electronic recordkeeping, and transition important business processes to meet the needs of our customers and employees. RSM will deliver more cost-efficient and timely retirement services, allow for agency life-cycle retirement counseling, and provide employees and annuitants with access to account information and financial tools.

During 2006, OPM will license a defined benefits technology solution to replace its legacy systems. OPM will also begin the transition from paper-based to electronic record keeping, modifying business processes and infrastructure of the program to support the modern technology. These modernization activities will allow OPM to process retirement claims in a much more timely and cost-efficient manner.

*Program performance.*—OPM sets ambitious targets for its annual performance measures which assess progress in achieving goals and determine whether OPM meets its objectives. In 2005, OPM reduced the FERS claims processing time from 97 days in 2004 to 93 days and achieved a rate of 80 days for CSRS. OPM achieved its target of 29 days for CSRS survivor claims processing times in 2005. In 2006, OPM plans to achieve retirement claims processing times of 30 days for FERS and CSRS.

Through the Federal Employees Health Benefits (FEHB) program, OPM will continue to provide customers with a variety of resources to make more informed health insurance decisions, including health plan brochures and website postings, health plan customer satisfaction survey results, web-based comparison/decision tools, and performance results for managed care health plans. The FEHB program offers comprehensive and competitive benefit choices for Federal employees, annuitants and family members, and helps the Federal government recruit and retain a high quality workforce.

In coming months, the Administration will identify options for increasing price competition among health plans offered to Federal employees and retirees. In addition, the Administration will work with stakeholders to better

coordinate the Medicare and the FEHB programs and follow best practices from the private sector to ensure high quality, cost-conscious choices for retirees. These important programs jointly finance health insurance for about 1.9 million Federal retirees and their dependents.

In 2007, OPM will introduce an employee-pay-all dental and vision benefits program to meet the dental and vision insurance needs of Federal employees.

OPM will also continue to manage the Federal Employees' Group Life Insurance Program, the Federal Long Term Care Insurance Program which is the largest employer-sponsored long term care insurance program in the world with over 210,000 enrollees, and the Flexible Spending Account Program which allows employees to pay for health and dependent care expenses on a pre-tax basis.

4. *Federal Investigative Services Division (FISD)* provides background investigative services to agencies on a fee-for-service basis. These services include background investigations, suitability determinations, technical assistance to agencies' security staff, and agency training on investigative services and adjudicative authorities and processes.

In 2007, funding will be used to provide for administrative and contractor staff to handle suitability determinations to ensure the fitness and suitability of Federal applicants for and appointees to positions in the Federal services. FISD will take adjudicative action in the most egregious cases where suitability issues exist and provide uniform suitability guidelines to facilitate agency focus on day-to-day suitability issues. FISD will also continue to provide thorough suitability determinations that can be sustained if appealed to the Merit Systems Protection Board.

5. *Management Services* includes: OPM human resources, equal employment opportunity, security, facilities, telecommunications, publishing, acquisitions, information technology management, risk management, strategic planning, and financial management to support all of OPM's goals. In 2007, OPM will continue to support agency-wide performance reporting and independent evaluation of policies and programs.

OPM also manages the Human Resources Line of Business (HR LoB) initiative which is transforming and modernizing HR business processes and systems Government-wide. The HR LoB has coordinated the selection and implementation of five Shared Service Centers to provide technology solutions to support Federal agencies Government-wide with HR management and back office transactional activities. The HR LoB is also responsible for agency migration to these service centers.

In addition, the Enterprise Human Resources Integration project is an e-Government initiative to transform human resources processes from paper-based to electronic-based. OPM operates and maintains a comprehensive data warehouse of HR information across the Executive branch. Cost efficiencies are realized through these streamlined HR processes.

6. *Executive Services* includes: executive direction, legal advice and representation, public affairs, and legislative activities concerning OPM as well as assistance for the President's Commission on White House Fellows.

**Object Classification** (in millions of dollars)

Identification code 24-0100-0-1-805	2005 actual	2006 est.	2007 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	85	56	54
11.3 Other than full-time permanent .....	3	3	3
11.5 Other personnel compensation .....	4	4	4
11.9 Total personnel compensation .....	92	63	61
12.1 Civilian personnel benefits .....	25	15	14

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**  
(INCLUDING TRANSFER OF TRUST FUNDS)—Continued

**Object Classification** (in millions of dollars)—Continued

Identification code 24-0100-0-1-805	2005 actual	2006 est.	2007 est.
21.0 Travel and transportation of persons .....	3	3	2
23.1 Rental payments to GSA .....	7	6	6
23.3 Communications, utilities, and miscellaneous charges .....	3	3	2
24.0 Printing and reproduction .....	2	1	1
25.2 Other services .....	59	22	18
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	6	6	5
99.0 Direct obligations .....	199	121	111
99.0 Reimbursable obligations .....	127	99	127
99.9 Total new obligations .....	326	220	238

**Personnel Summary**

Identification code 24-0100-0-1-805	2005 actual	2006 est.	2007 est.
Direct:			
1001 Civilian full-time equivalent employment .....	885	938	938
Reimbursable:			
2001 Civilian full-time equivalent employment .....	1,008	1,029	1,029

**OFFICE OF INSPECTOR GENERAL**

**SALARIES AND EXPENSES**

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act, as amended, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, **[\$2,071,000] \$1,597,860**, and in addition, not to exceed **[\$16,329,000] \$16,165,710** for administrative expenses to audit, investigate, and provide other oversight of the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate trust funds of the Office of Personnel Management, as determined by the Inspector General: *Provided*, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere. (*Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006.*)

**Program and Financing** (in millions of dollars)

Identification code 24-0400-0-1-805	2005 actual	2006 est.	2007 est.
<b>Obligations by program activity:</b>			
00.01 Direct program activity — Program oversight (audits, investigations, etc.) .....	2	2	2
09.00 Reimbursable program .....	16	16	16
10.00 Total new obligations .....	18	18	18
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	18	18	18
23.95 Total new obligations .....	-18	-18	-18
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation .....	2	2	2
43.00 Appropriation (total discretionary) .....	2	2	2
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	15	16	16
68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	1		
68.90 Spending authority from offsetting collections (total discretionary) .....	16	16	16
70.00 Total new budget authority (gross) .....	18	18	18
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-3	1	1

73.10 Total new obligations .....	18	18	18
73.20 Total outlays (gross) .....	-18	-18	-18
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
74.10 Change in uncollected customer payments from Federal sources (expired) .....	5		
74.40 Obligated balance, end of year .....	1	1	1

**Outlays (gross), detail:**

86.90 Outlays from new discretionary authority .....	18	18	18
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**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-17	-16	-16
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-1		
88.96 Portion of offsetting collections (cash) credited to expired accounts .....	2		

**Net budget authority and outlays:**

89.00 Budget authority .....	2	2	2
90.00 Outlays .....		2	2

This appropriation provides agency-wide audit, investigative, evaluation, inspection, and administrative sanction functions to identify management and administrative deficiencies that may create conditions for fraud, waste, abuse, and mismanagement. The audits function provides internal agency audit, insurance audit, contract audit, and information systems audit services. Internal agency audits review and evaluate all facets of agency operations, including financial statements. Insurance audits review the operations of health and life insurance carriers, health care providers, and insurance subscribers. Contract audits provide professional advice to agency contracting officials on accounting and financial matters regarding the negotiation, award, administration, repricing, and settlement of contracts. Information systems audits review both general controls and application controls for the agency's systems and programs. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. Administrative sanctions debar from participation in the health insurance program those health care providers whose conduct may pose a threat to the financial integrity of the program itself or to the well-being of insurance program enrollees.

During 2005, these Inspector General activities resulted in positive financial impacts of approximately \$122 million, 38 arrests, 43 indictments, 20 criminal convictions, and 2,279 administrative sanctions. In 2006, OIG anticipates positive financial impacts of \$135 million.

In 2007, the Office of the Inspector General will continue to develop its prescription drug audit program, which includes pharmacy benefit managers, that was established during FY 2005. It is estimated that \$6 billion is paid annually for prescription drug premiums by both the Federal Government and employees combined. This represents approximately 26 percent of the total premiums for health benefit coverage for Federal employees and annuitants. By performing these audits, the Office of the Inspector General assists the Federal Employees Health Benefits Program recover inappropriate expenses charged in previous years, negotiate more favorable contracts, and positively affect the future costs and benefits provided to program enrollees.

**Object Classification** (in millions of dollars)

Identification code 24-0400-0-1-805	2005 actual	2006 est.	2007 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	1	1	1
12.1 Civilian personnel benefits .....	1	1	1
99.0 Direct obligations .....	2	2	2

99.0	Reimbursable obligations .....	16	16	16
99.9	Total new obligations .....	18	18	18

**Personnel Summary**

Identification code 24-0400-0-1-805	2005 actual	2006 est.	2007 est.	
<b>Direct:</b>				
1001	Civilian full-time equivalent employment .....	11	18	18
<b>Reimbursable:</b>				
2001	Civilian full-time equivalent employment .....	113	113	116

**GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS**

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, such sums as may be necessary. (*Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006.*)

**Program and Financing (in millions of dollars)**

Identification code 24-0206-0-1-551	2005 actual	2006 est.	2007 est.	
<b>Obligations by program activity:</b>				
00.01	Government contribution for annuitants benefits (1959 Act) .....	7,887	8,202	8,779
00.02	Government contribution for annuitants benefits (1960 Act) .....	2	2	1
10.00	Total new obligations (object class 13.0) .....	7,889	8,204	8,780
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	7,889	8,204	8,780
23.95	Total new obligations .....	-7,889	-8,204	-8,780
<b>New budget authority (gross), detail:</b>				
<b>Mandatory:</b>				
60.00	Appropriation .....	7,889	8,204	8,780
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year .....	760	826	863
73.10	Total new obligations .....	7,889	8,204	8,780
73.20	Total outlays (gross) .....	-7,823	-8,167	-8,728
74.40	Obligated balance, end of year .....	826	863	915
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....	7,063	7,341	7,866
86.98	Outlays from mandatory balances .....	760	826	862
87.00	Total outlays (gross) .....	7,823	8,167	8,728
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	7,889	8,204	8,780
90.00	Outlays .....	7,822	8,167	8,728

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2005 actual	2006 est.	2007 est.
<b>Enacted/requested:</b>			
Budget Authority .....	7,889	8,204	8,780
Outlays .....	7,823	8,167	8,728
<b>Legislative proposal, not subject to PAYGO:</b>			
Budget Authority .....			-15
Outlays .....			-13
<b>Total:</b>			
Budget Authority .....	7,889	8,204	8,765
Outlays .....	7,823	8,167	8,715

This appropriation covers: 1) the Government's share of the cost of health insurance for annuitants as defined in sections 8901 and 8906 of title 5, United States Code; 2) the Government's share of the cost of health insurance for annuitants (who were retired when the Federal employees

health benefits law became effective), as defined in the Retired Federal Employees Health Benefits Act of 1960; and 3) the Government's contribution for payment of administrative expenses incurred by the Office of Personnel Management in administration of the Act.

The budget authority for this account recognizes the amounts being remitted by the U.S. Postal Service (USPS) to finance a portion of its post-1971 annuitants' health benefit costs.

	2005 actual	2006 est.	2007 est.
<b>Annuitants:</b>			
FEHB .....	1,834,429	1,848,500	1,874,000
(USPS non-add) .....	443,510	452,000	465,000
REHB .....	1,565	1,252	1,001
Total, annuitants .....	1,835,994	1,849,752	1,875,001

**GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS**

(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 24-0206-2-1-551	2005 actual	2006 est.	2007 est.	
<b>Obligations by program activity:</b>				
00.01	Government contribution for annuitants benefits (1959 Act) .....			-15
10.00	Total new obligations (object class 13.0) .....			-15
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....			-15
23.95	Total new obligations .....			15
<b>New budget authority (gross), detail:</b>				
<b>Mandatory:</b>				
60.00	Appropriation .....			-15
<b>Change in obligated balances:</b>				
73.10	Total new obligations .....			-15
73.20	Total outlays (gross) .....			13
74.40	Obligated balance, end of year .....			-2
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority .....			-13
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			-15
90.00	Outlays .....			-13

**GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE**

For payment of Government contributions with respect to employees retiring after December 31, 1989, as required by chapter 87 of title 5, United States Code, such sums as may be necessary. (*Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006.*)

**Program and Financing (in millions of dollars)**

Identification code 24-0500-0-1-602	2005 actual	2006 est.	2007 est.	
<b>Obligations by program activity:</b>				
00.01	Direct program activity .....	38	39	39
10.00	Total new obligations (object class 25.2) .....	38	39	39
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	38	39	39
23.95	Total new obligations .....	-38	-39	-39

**General and special funds—Continued**

**GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE—Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 24-0500-0-1-602	2005 actual	2006 est.	2007 est.
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	38	39	39
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	4	4	4
73.10 Total new obligations .....	38	39	39
73.20 Total outlays (gross) .....	-38	-39	-39
74.40 Obligated balance, end of year .....	4	4	4
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	34	39	39
86.98 Outlays from mandatory balances .....	4		
87.00 Total outlays (gross) .....	38	39	39
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	38	39	39
90.00 Outlays .....	38	39	39

This appropriation finances the Government's share of premiums, which is one-third the cost, for Basic life insurance for annuitants retiring after December 31, 1989, and who are less than 65 years old.

**PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND**

For financing the unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C. 8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, such sums as may be necessary: *Provided*, That annuities authorized by the Act of May 29, 1944, as amended, and the Act of August 19, 1950, as amended (33 U.S.C. 771-775), may hereafter be paid out of the Civil Service Retirement and Disability Fund. (*Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006.*)

**Program and Financing (in millions of dollars)**

Identification code 24-0200-0-1-805	2005 actual	2006 est.	2007 est.
<b>Obligations by program activity:</b>			
00.02 Payment of Government share of retirement costs	10,199	10,362	10,460
00.03 Transfers for interest on unfunded liability and payment of military service annuities .....	15,348	16,748	17,000
00.05 Spouse equity payment .....	71	72	72
10.00 Total new obligations .....	25,618	27,182	27,532
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	25,618	27,182	27,532
23.95 Total new obligations .....	-25,618	-27,182	-27,532
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.00 Appropriation .....	15,348	16,748	17,000
60.00 Appropriation .....	10,270	10,434	10,532
62.50 Appropriation (total mandatory) .....	25,618	27,182	27,532
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....	25,618	27,182	27,532
73.20 Total outlays (gross) .....	-25,618	-27,182	-27,532
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....	25,618	27,182	27,532
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	25,618	27,182	27,532
90.00 Outlays .....	25,618	27,182	27,532

*Payment of Government share of retirement costs.*—This payment amortizes increases in the static unfunded liability created since October 20, 1969 by any statute which authorizes new or liberalized benefits, an extension of retirement coverage, or pay increases.

*Transfers for interest on static unfunded liability and payment of military service annuities.*—This transfer covers interest on the static unfunded liability and annuity disbursements attributable to military service.

*Payments for spouse equity.*—This payment provides survivor annuities to eligible former spouses of annuitants who died between September 1978 and May 1986 and who did not elect survivor coverage.

**Object Classification (in millions of dollars)**

Identification code 24-0200-0-1-805	2005 actual	2006 est.	2007 est.
12.1 Civilian personnel benefits .....	10,270	10,434	10,532
13.0 Benefits for former personnel .....	15,348	16,748	17,000
99.9 Total new obligations .....	25,618	27,182	27,532

**POSTAL SERVICE CONTRIBUTION FOR RETIREE HEALTH BENEFITS**

**Special and Trust Fund Receipts (in millions of dollars)**

Identification code 24-5391-0-2-551	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year .....			2,961
01.99 Balance, start of year .....			2,961
Receipts:			
02.40 Postal Service contributions for benefits accruing to current workers, retiree health benefits—legislative proposal not subject to PAYGO .....		2,933	3,138
02.41 Earning on investments, Postal Service contribution for retiree health benefits—legislative proposal not subject to PAYGO .....		28	105
02.42 Postal Service contributions for benefits paid for current retirees, retiree health benefits—legislative proposal not subject to PAYGO .....		1,713	1,999
02.99 Total receipts and collections .....		4,674	5,242
04.00 Total: Balances and collections .....		4,674	8,203
Appropriations:			
05.00 Postal Service contribution for retiree health benefits—legislative proposal not subject to PAYGO .....		-4,674	-5,242
05.01 Postal Service contribution for retiree health benefits—legislative proposal not subject to PAYGO .....		2,961	3,307
05.99 Total appropriations .....		-1,713	-1,935
07.99 Balance, end of year .....		2,961	6,268

The Budget proposes to use the pension savings provided to the Postal Service by the Postal Civil Service Retirement System Funding Reform Act of 2003 (P.L. 108-18) that would otherwise be held in escrow in 2006 and beyond, to put the Postal Service on a path that fully funds its substantial retiree (annuitant) health benefits liabilities.

This new account would receive from the Postal Service: 1) payments for the accruing actuarial costs of Postal Service contributions for post-retirement health benefits for its current employees; and 2) amortization payments necessary to provide for the liquidation of the Postal Service's unfunded liability as of September 31, 2005, for post-retirement health benefits (including both principle and interest). For the first 10 years, the amount of the payment made by the Postal Service would be capped at the size of the pension savings that would otherwise be held in escrow plus the amount the Postal Service is currently paying for its annuitant health benefit premiums. After 10 years, the Office of Personnel Management would re-calculate the unfunded liability and establish a new amortization schedule that would liquidate any remaining unfunded liability over a period of 30 years.

As a result of this new health benefits financing system, the Postal Service would cease to pay annual premium costs for its post-1971 current annuitants directly to the Employees and Retired Employees Health Benefits Fund. Instead, these premium payments would be paid from amounts that the Postal Service remits to this new fund. Payments for a proportion of the premium costs of Postal Service annuitants' pre-1971 service would continue to be paid by the General Fund of the Treasury through the Government Payment for Annuitants, Employees Health Benefits account.

POSTAL SERVICE CONTRIBUTION FOR RETIREE HEALTH BENEFITS  
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 24-5391-2-2-551	2005 actual	2006 est.	2007 est.
<b>Obligations by program activity:</b>			
00.01 Employer share for Postal retiree health insurance premiums .....		1,713	1,935
10.00 Total new obligations (object class 25.6) .....		1,713	1,935
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		1,713	1,935
23.95 Total new obligations .....		-1,713	-1,935
<b>New budget authority (gross), detail:</b>			
Mandatory:			
60.20 Appropriation (special fund) .....		4,674	5,242
60.45 Portion precluded from obligation .....		-2,961	-3,307
62.50 Appropriation (total mandatory) .....		1,713	1,935
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....		1,713	1,935
73.20 Total outlays (gross) .....		-1,713	-1,935
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....		1,713	1,935
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		1,713	1,935
90.00 Outlays .....		1,713	1,935

**Intragovernmental funds:**

REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 24-4571-0-4-805	2005 actual	2006 est.	2007 est.
<b>Obligations by program activity:</b>			
09.01 Talent services .....	147	210	166
09.02 Investigation services .....	437	638	681
09.03 Leadership capacity services .....	47	99	110
09.04 Enterprise Human Resources Integration .....	10	28	26
10.00 Total new obligations .....	641	975	983
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	242	359	362
22.00 New budget authority (gross) .....	709	978	1,033
22.10 Resources available from recoveries of prior year obligations .....	33		
22.22 Unobligated balance transferred from other accounts .....	16		
23.90 Total budgetary resources available for obligation .....	1,000	1,337	1,395
23.95 Total new obligations .....	-641	-975	-983
24.40 Unobligated balance carried forward, end of year .....	359	362	412
<b>New budget authority (gross), detail:</b>			
Discretionary:			
42.00 Transferred from other accounts .....	25		
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	819	978	905

68.10 Change in uncollected customer payments from Federal sources (unexpired) .....	-135		128
68.90 Spending authority from offsetting collections (total discretionary) .....	684	978	1,033
70.00 Total new budget authority (gross) .....	709	978	1,033
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	-171	-126	-129
73.10 Total new obligations .....	641	975	983
73.20 Total outlays (gross) .....	-698	-978	-1,033
73.45 Recoveries of prior year obligations .....	-33		
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	135		-128
74.40 Obligated balance, end of year .....	-126	-129	-307
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	698	978	1,033
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-819	-978	-905
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	135		-128
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	25		
90.00 Outlays .....	-120		128

OPM's Revolving Fund supports the President's Management Agenda by fully or partially funding three E-Government projects: E-Clearance; E-Training; and Human Resources Integration. On a fee-for-service basis, the Enterprise Human Resources Integration project provides Federal agencies with an electronic official personnel folder (eOPF) system, as well as workforce analysis and other analytical tools. These tools are designed to streamline and automate the electronic exchange of standardized HR data and provide comprehensive workforce analysis, forecasting, and reporting across the Executive Branch for the strategic management of human capital. The Revolving Fund also provides financing on a reimbursable basis for several other products and services to Federal agencies.

*Talent services.*—OPM provides Federal agencies with relevant, cost-effective human capital products and services on a fee-for-service basis. The Center for Talent Services' (CTS's) products and services are designed to help Federal agencies: 1) transform the management of Federal human capital; 2) accomplish their missions, by having the right person in the right job at the right time; and 3) successfully implement effective personnel systems. Examples of CTS's products and services include a Federal job website called USAJOBS, a range of human resources consulting services, a nationwide testing service for applicants of the U.S. Armed Services, employee competency assessments, and surveys on organizational culture and climate.

*Investigations.*—OPM conducts more than 90 percent of the Federal Government's background investigations concerning Federal employees, contractors, and military members for various Federal agencies. Investigations are a critical step in the Federal hiring processes, and can affect hiring or removal decisions based on the individual's fitness and suitability for employment. Based on information gathered in background investigations, Federal agencies also issue security clearances and place individuals in positions involving national security or the public trust where job duties are most sensitive to the employing agency.

In early 2005, OPM accepted transfer of the Personnel Security Investigations (PSI) program of the Department of Defense, Defense Security Service (DSS). Through this transfer of function, OPM also accepted the transfer of nearly 1,600 personnel and related space, equipment, and services. The transfer of the PSI program to OPM consolidated the re-

**Intragovernmental funds—Continued**

REVOLVING FUND—Continued

sources that conduct the vast majority of background investigations for the entire Federal government.

OPM took an aggressive approach to improve investigation case timeliness by increasing investigative capacity during 2005. This approach included establishing contracts with new private-sector companies to increase capacity to meet the national demand for investigations; maintaining continuous liaison with national record repositories and state and local law enforcement entities to expedite the receipt of record information; and training about 1,600 former DSS staff in OPM investigative processes.

In coming months, OPM will work together with the Office of Management and Budget and other stakeholders to meet various requirements concerning the investigative and security clearance programs that were outlined by the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA). Some of the IRTPA requirements include: 1) ensuring reciprocity of security clearances and access determinations; 2) creating a database on security clearances; and 3) evaluating the use of available technology in clearance investigations and adjudication. Also, a reduction in length of personnel security clearance process is mandated. For instance, the IRTPA requires that not later than December 17, 2006, each authorized adjudicative agency shall make a determination on at least 80 percent of all applicants for personnel security clearances within an average of 120 days (90 days to complete the investigation and 30 days to complete the adjudication) of receiving the security clearance application. Beginning December 2009, adjudicative agencies must make determinations on at least 90 percent of all applicants for personnel security clearances within 60 days (40 days to complete the investigation and 20 days to complete the adjudication).

*Leadership capacity services.*—OPM conducts residential and nonresidential programs for Federal executives and managers to improve the effectiveness and efficiency of Federal programs.

**WORKLOAD COUNT**

	2005 actual	2006 est.	2007 est.
Participant training days .....	101,784	102,000	101,020
Background security investigations processed .....	184,589	210,000	150,000
National and special agency check and inquiry cases closed ..	729,521	750,000	750,000
Special agreement checks closed .....	321,588	335,000	335,000

**Object Classification (in millions of dollars)**

Identification code 24-4571-0-4-805	2005 actual	2006 est.	2007 est.
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	135	165	178
11.5 Other personnel compensation .....		10	8
11.9 Total personnel compensation .....	135	175	186
12.1 Civilian personnel benefits .....	28	52	57
13.0 Benefits for former personnel .....		1	
21.0 Travel and transportation of persons .....	10	21	21
22.0 Transportation of things .....		1	1
23.1 Rental payments to GSA .....	11	13	13
23.3 Communications, utilities, and miscellaneous charges	16	31	42
24.0 Printing and reproduction .....	5	1	2
25.2 Other services .....	382	664	650
26.0 Supplies and materials .....	35	8	6
31.0 Equipment .....	19	8	5
99.9 Total new obligations .....	641	975	983

**Personnel Summary**

Identification code 24-4571-0-4-805	2005 actual	2006 est.	2007 est.
Reimbursable:			
2001 Civilian full-time equivalent employment .....	1,550	2,429	2,432

**Trust Funds**

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 24-8135-0-7-602	2005 actual	2006 est.	2007 est.
01.00 Balance, start of year .....	627,273	655,921	685,675
01.99 Balance, start of year .....	627,273	655,921	685,675
Receipts:			
02.00 Agency contributions, Civil service retirement and disability fund .....	13,059	13,346	14,365
02.01 Postal Service agency contributions, Civil service retirement and disability fund .....	4,092	4,222	4,342
02.02 Postal Service supplemental contributions, Civil service retirement and disability fund .....	290	290	290
02.03 FFB, TVA, and USPS interest, Civil service retirement and disability fund .....	323	651	651
02.04 Treasury interest, Civil service retirement and disability fund .....	35,871	38,162	40,161
02.05 General fund payment to the civil service retirement and disability fund .....	25,618	27,182	27,532
02.06 Re-employed annuitants salary offset, Civil service retirement and disability fund .....	34	35	36
02.60 Employee contributions, Civil service retirement and disability fund .....	3,818	3,768	3,659
02.61 District of Columbia contributions, Civil service retirement and disability fund .....	50	49	49
02.62 Employee deposits, redeposits and other contributions, Civil service retirement and disability fund .....	535	550	565
02.99 Total receipts and collections .....	83,690	88,255	91,650
04.00 Total: Balances and collections .....	710,963	744,176	777,325
Appropriations:			
05.00 Civil service retirement and disability fund .....	-100	-91	-118
05.01 Civil service retirement and disability fund .....	1	1	
05.02 Civil service retirement and disability fund .....	-83,592	-88,255	-91,650
05.03 Civil service retirement and disability fund .....	28,649	29,844	30,341
05.99 Total appropriations .....	-55,042	-58,501	-61,427
07.99 Balance, end of year .....	655,921	685,675	715,898

Program and Financing (in millions of dollars)

Identification code 24-8135-0-7-602	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.01 Annuities .....	54,593	58,087	60,980
00.02 Refunds and death claims .....	314	287	291
00.03 Administration—operations .....	129	121	150
00.04 Transfer to MSPB .....	3	3	3
00.05 Administration—OIG .....	3	3	3
10.00 Total new obligations .....	55,042	58,501	61,427
Budgetary resources available for obligation:			
22.00 New budget authority (gross) .....	55,042	58,501	61,427
23.95 Total new obligations .....	-55,042	-58,501	-61,427
New budget authority (gross), detail:			
Discretionary:			
40.26 Appropriation (trust fund) .....	100	91	118
40.37 Appropriation temporarily reduced .....	-1	-1	
43.00 Appropriation (total discretionary) .....	99	90	118
Mandatory:			
60.26 Appropriation (trust fund) .....	83,592	88,255	91,650
60.45 Portion precluded from balances .....	-28,649	-29,844	-30,341
62.50 Appropriation (total mandatory) .....	54,943	58,411	61,309
70.00 Total new budget authority (gross) .....	55,042	58,501	61,427
Change in obligated balances:			
72.40 Obligated balance, start of year .....	4,599	4,851	5,110

73.10	Total new obligations .....	55,042	58,501	61,427
73.20	Total outlays (gross) .....	—54,790	—58,242	—61,177
74.40	Obligated balance, end of year .....	4,851	5,110	5,360
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority .....	99	90	118
86.97	Outlays from new mandatory authority .....	50,092	53,302	55,950
86.98	Outlays from mandatory balances .....	4,599	4,850	5,109
87.00	Total outlays (gross) .....	54,790	58,242	61,177
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	55,042	58,501	61,427
90.00	Outlays .....	54,790	58,242	61,177
<b>Memorandum (non-add) entries:</b>				
92.01	Total investments, start of year: Federal securities: Par value .....	631,860	660,750	690,754
92.02	Total investments, end of year: Federal securities: Par value .....	660,750	690,754	721,219

This fund: 1) pays annuities to retired employees or their survivors; 2) makes refunds to separated employees for amounts withheld and to beneficiaries of employees who died before retirement or before annuities equaled the amount withheld; and 3) pays expenses of the Office of Personnel Management for administering the program.

The fund covers two Federal civilian retirement systems: the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS).

CSRS is basically a defined benefit plan, covering Federal employees hired prior to 1984. CSRS participants do not participate in the Social Security system. FERS is a three-tiered pension program that uses Social Security as a base, provides an additional basic benefit, and includes a thrift savings plan. FERS covers employees hired after 1983 and formerly CSRS-covered employees who elected to join FERS.

The Budget includes funding for legislation which would correct benefit inequities, simplify program administration, and reduce improper payments. The legislation for this proposed Federal Retirement Improvements Act of 2006 will be transmitted separately. OPM will also continue working with the Department of the Treasury to submit legislation to amend the Right to Financial Privacy Act in order to reduce overpayments. The Budget also proposes that the United States Patent and Trademark Office (PTO) will fund the full cost for retirement benefits for PTO's employees covered under the Civil Service Retirement System.

	2005 actual	2006 est.	2007 est.
Active employees .....	2,668,000	2,668,000	2,668,000
Annuitants:			
Employees .....	1,797,227	1,875,509	1,907,968
Survivors .....	625,300	638,693	639,074
Total, annuitants .....	2,422,527	2,514,202	2,547,042

**Status of Funds (in millions of dollars)**

Identification code 24-8135-0-7-602	2005 actual	2006 est.	2007 est.
<b>Unexpended balance, start of year:</b>			
0100 Balance, start of year .....	631,873	660,773	690,786
0199 Total balance, start of year .....	631,873	660,773	690,786
<b>Cash income during the year:</b>			
<b>Current law:</b>			
<b>Receipts:</b>			
1200 Agency contributions, Civil service retirement and disability fund .....	13,059	13,346	14,365
1201 Postal Service agency contributions, Civil service retirement and disability fund .....	4,092	4,222	4,342
1202 Postal Service supplemental contributions, Civil service retirement and disability fund .....	290	290	290
1203 FFB, TVA, and USPS interest, Civil service retirement and disability fund .....	323	651	651
1204 Treasury interest, Civil service retirement and disability fund .....	35,871	38,162	40,161

1205	General fund payment to the civil service retirement and disability fund .....	25,618	27,182	27,532
1206	Re-employed annuitants salary offset, Civil service retirement and disability fund .....	34	35	36
<b>Offsetting governmental receipts:</b>				
1260	Employee contributions, Civil service retirement and disability fund .....	3,818	3,768	3,659
1261	District of Columbia contributions, Civil service retirement and disability fund .....	50	49	49
1262	Employee deposits, redeposits and other contributions, Civil service retirement and disability fund .....	535	550	565
1299	Income under present law .....	83,690	88,255	91,650
3299	Total cash income .....	83,690	88,255	91,650
<b>Cash outgo during year:</b>				
<b>Current law:</b>				
4500	Civil service retirement and disability fund .....	—54,790	—58,242	—61,177
4599	Outgo under current law (-) .....	—54,790	—58,242	—61,177
6599	Total cash outgo (-) .....	—54,790	—58,242	—61,177
<b>Unexpended balance, end of year:</b>				
8700	Uninvested balance (net), end of year .....	23	32	40
8701	Invested balance, end of year .....	660,750	690,754	721,219
8799	Total balance, end of year .....	660,773	690,786	721,259
<b>Commitments against unexpended balance, end of year:</b>				
9900	Uncommitted balance, end of year .....	660,773	690,786	721,259

**Object Classification (in millions of dollars)**

Identification code 24-8135-0-7-602	2005 actual	2006 est.	2007 est.
25.2 Other services .....	135	127	156
42.0 Insurance claims and indemnities .....	54,593	58,087	60,980
44.0 Refunds and death claims .....	314	287	291
99.9 Total new obligations .....	55,042	58,501	61,427

**EMPLOYEES LIFE INSURANCE FUND**

**Program and Financing (in millions of dollars)**

Identification code 24-8424-0-8-602	2005 actual	2006 est.	2007 est.
<b>Obligations by program activity:</b>			
09.01 Basic life insurance payments .....	1,261	1,321	1,377
09.02 Optional life insurance payments .....	899	935	986
09.03 Shenandoah life insurance payments .....	3	2	2
09.04 Administration—OPM & OIG .....	1	1	1
09.05 Administration—long term care .....	1	1	1
10.00 Total new obligations (object class 25.2) .....	2,165	2,260	2,367
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	27,370	28,716	30,169
22.00 New budget authority (gross) .....	3,511	3,713	4,016
23.90 Total budgetary resources available for obligation .....	30,881	32,429	34,185
23.95 Total new obligations .....	—2,165	—2,260	—2,367
24.40 Unobligated balance carried forward, end of year .....	28,716	30,169	31,818

**New budget authority (gross), detail:**

<b>Spending authority from offsetting collections:</b>				
<b>Discretionary:</b>				
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	2	1	1
<b>Mandatory:</b>				
69.00	Offsetting collections (cash) .....	3,514	3,707	4,006
69.10	Change in uncollected customer payments from Federal sources (unexpired) .....	—5	5	9
69.90	Spending authority from offsetting collections (total mandatory) .....	3,509	3,712	4,015
70.00	Total new budget authority (gross) .....	3,511	3,713	4,016

**Change in obligated balances:**

72.40	Obligated balance, start of year .....	309	333	366
73.10	Total new obligations .....	2,165	2,260	2,367

EMPLOYEES LIFE INSURANCE FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 24-8424-0-8-602	2005 actual	2006 est.	2007 est.
73.20 Total outlays (gross) .....	-2,146	-2,222	-2,359
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	5	-5	-9
74.40 Obligated balance, end of year .....	333	366	365
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	2	1	1
86.97 Outlays from new mandatory authority .....	2,144	2,221	2,358
87.00 Total outlays (gross) .....	2,146	2,222	2,359
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Agency contributions .....	-417	-486	-520
88.00 Government contributions for annuitants .....	-38	-39	-39
88.20 Interest on Federal securities .....	-1,166	-1,212	-1,353
88.40 Basic life insurance withholdings .....	-751	-818	-875
88.40 Optional life insurance withholdings & LTC reimbursement .....	-1,144	-1,153	-1,220
88.90 Total, offsetting collections (cash) .....	-3,516	-3,708	-4,007
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	5	-5	-9
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-1,371	-1,486	-1,648
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	28,107	29,485	30,937
92.02 Total investments, end of year: Federal securities: Par value .....	29,485	30,937	32,579

This fund finances payments to private insurance companies for Federal employees' group life insurance and expenses of the Office of Personnel Management in administering the program.

The Budget proposes that the United States Patent and Trademark Office (PTO) will fund the accruing costs associated with post-retirement life insurance benefits for PTO's employees.

*Budget program.*—The status of the basic (regular and optional) life insurance program on September 30 is as follows:

	2005 actual	2006 est.	2007 est.
Life insurance in force (in billions of dollars):			
On active employees .....	628.3	638.5	650.0
On retired employees .....	64.6	67.5	69.5
Total .....	692.9	706.0	719.5
Number of participants (in thousands):			
Active employees .....	2,412	2,412	2,412
Annuitants .....	1,601	1,637	1,665
Total .....	4,013	4,049	4,077

*Financing.*—Non-Postal Service employees and all retirees under 65 pay two-thirds of the premium costs for Basic coverage; agencies pay the remaining third. Optional and certain post-retirement Basic coverages are paid entirely by enrollees. The status of the reserves at the end of the year is as follows:

Status of Reserves	2005 actual	2006 est.	2007 est.
Held in reserve (in millions of dollars):			
Contingency reserve .....	61	61	61
Beneficial association program reserve .....	3	2	2
U.S. Treasury reserve .....	28,717	30,170	31,819
Total reserves .....	28,781	30,233	31,882

EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS

Program and Financing (in millions of dollars)

Identification code 24-9981-0-8-551	2005 actual	2006 est.	2007 est.
<b>Obligations by program activity:</b>			
09.01 Benefit payments .....	29,540	31,859	34,949
09.02 Payments from OPM contingency reserve .....	190	250	250
09.03 Government payment for annuitants (1960 Act) .....	2	2	2
09.04 Administration—operations .....	11	14	14
09.05 Administration—OIG .....	14	13	13
09.06 Administration—dental and vision program .....		1	1
10.00 Total new obligations (object class 25.6) .....	29,757	32,139	35,229
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year .....	8,408	10,116	11,683
22.00 New budget authority (gross) .....	31,465	33,706	36,268
23.90 Total budgetary resources available for obligation .....	39,873	43,822	47,951
23.95 Total new obligations .....	-29,757	-32,139	-35,229
24.40 Unobligated balance carried forward, end of year .....	10,116	11,683	12,722
<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	25	27	27
Mandatory:			
69.00 Offsetting collections (cash) .....	31,282	33,577	36,128
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....	158	102	113
69.90 Spending authority from offsetting collections (total mandatory) .....	31,440	33,679	36,241
70.00 Total new budget authority (gross) .....	31,465	33,706	36,268
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year .....	2,350	2,393	2,390
73.10 Total new obligations .....	29,757	32,139	35,229
73.20 Total outlays (gross) .....	-29,556	-32,040	-35,092
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....	-158	-102	-113
74.40 Obligated balance, end of year .....	2,393	2,390	2,414
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority .....	25	27	27
86.97 Outlays from new mandatory authority .....	28,143	30,625	33,575
86.98 Outlays from mandatory balances .....	1,388	1,388	1,490
87.00 Total outlays (gross) .....	29,556	32,040	35,092
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Agency contributions .....	-8,671	-9,292	-9,901
88.00 Postal Service for Active Employees .....	-4,532	-4,801	-5,119
88.00 Postal Service for Annuitants .....	-1,504	-1,731	-1,955
88.00 Government contributions for annuitants .....	-7,822	-8,167	-8,729
88.20 Interest on Federal securities .....	-375	-531	-587
88.40 D.C. Government contributions & Dental/Vision reimbursement .....	-68	-76	-82
88.40 Employee salary withholdings .....	-4,413	-4,789	-5,166
88.40 Annuity withholdings .....	-3,922	-4,217	-4,616
88.90 Total, offsetting collections (cash) .....	-31,307	-33,604	-36,155
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....	-158	-102	-113
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-1,750	-1,564	-1,063
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities: Par value .....	10,774	12,533	14,081
92.02 Total investments, end of year: Federal securities: Par value .....	12,533	14,081	15,141

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	2005 actual	2006 est.	2007 est.
Enacted/requested:			
Budget Authority .....			
Outlays .....	-1,751	-1,564	-1,063
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			
Outlays .....			41
Legislative proposal, subject to PAYGO:			
Budget Authority .....			
Outlays .....			-34
Total:			
Budget Authority .....			
Outlays .....	-1,751	-1,564	-1,056

This display combines the Federal Employees Health Benefits (FEHB) fund and the Retired Employees Health Benefits (REHB) fund.

The FEHB fund provides for the cost of health benefits for: 1) active employees; 2) employees who retired after June 1960, or their survivors; 3) those annuitants transferred from the REHB program as authorized by Public Law 93-246; and 4) the related expenses of the Office of Personnel Management (OPM) in administering the program.

The REHB fund, created by the Retired Federal Employees Health Benefits Act of 1960, provides for: 1) the cost of health benefits for retired employees and survivors who enroll in a Government-sponsored uniform health benefits plan; 2) the contribution to retired employees and survivors who retain or purchase private health insurance; and 3) expenses of OPM in administering the program.

*Budget program.*—The balance of the FEHB fund is available for payments without fiscal year limitation. Numbers of participants at the end of each fiscal year are as follows:

	2005 actual	2006 est.	2007 est.
Active employees .....	2,173,054	2,180,000	2,180,000
Annuitants .....	1,834,429	1,848,500	1,874,000
Total .....	4,007,483	4,028,500	4,054,000

In determining a biweekly subscription rate to cover program costs, one percent is added for administrative expenses and three percent is added for a contingency reserve held by OPM for each carrier. OPM is authorized to transfer unused administrative reserve funds to the contingency reserve.

The REHB fund is available without fiscal year limitation. The amounts contributed by the Government are paid into the fund from annual appropriations. The number of participants at the end of each fiscal year are as follows:

	2005 actual	2006 est.	2007 est.
Uniform plan .....	444	355	284
Private plans .....	1,121	897	717
Total .....	1,565	1,252	1,001

*Financing.*—The funds are financed by: 1) withholdings from active employees and annuitants; 2) agency contributions for active employees; 3) Government contributions for annuitants appropriated to OPM; and 4) contributions made by the United States Postal Service in accordance with the provisions of Public Law 101-508 and Public Law 103-66.

*Operating results.*—Funds made available to carriers but not used to pay claims in the current period are carried forward as special reserves for use in subsequent periods.

OPM maintains a contingency reserve, funded by employee and Government contributions, that may be used to defray future cost increases or provide increased benefits. OPM makes payments to carriers from this reserve whenever carrier-held reserves fall below levels prescribed by OPM regulations or when carriers can demonstrate good cause such as unexpected claims experience or variations from expected community rates.

The Budget reflects savings from a proposed technical change to the FEHB statute that will be transmitted separately. The Budget also proposes that the United States Patent and Trademark Office (PTO) will fund the accruing costs associated with post-retirement health benefits for PTO's employees.

**Status of Funds (in millions of dollars)**

Identification code 24-9981-0-8-551	2005 actual	2006 est.	2007 est.
Unexpended balance, start of year:			
0100 Balance, start of year .....	10,760	12,511	14,075
0199 Total balance, start of year .....	10,760	12,511	14,075
Cash income during the year:			
Current law:			
Offsetting collections:			
1280 Postal Service for Annuitants .....	1,504	1,731	1,955
1281 Postal Service for Active Employees .....	4,532	4,801	5,119
1282 Agency contributions .....	8,671	9,292	9,901
1283 D.C. Government contributions & Dental/Vision reimbursement .....	68	76	82
1284 Interest on Federal securities .....	375	531	587
1285 Government contributions for annuitants .....	7,822	8,167	8,729
1286 Annuity withholdings .....	3,922	4,217	4,616
1287 Employee salary withholdings .....	4,413	4,789	5,166
1299 Income under present law .....	31,307	33,604	36,155
Proposed legislation:			
Offsetting collections:			
2280 Agency contributions—legislative proposal not subject to PAYGO .....			-15
2281 Government contributions for annuitants—legislative proposal not subject to PAYGO .....			-13
2282 Postal Service for Annuitants—legislative proposal not subject to PAYGO .....			-6
2283 Postal Service for Active Employees—legislative proposal not subject to PAYGO .....			-7
2284 Annuity withholdings—legislative proposal subject to PAYGO .....			-19
2285 Employee salary withholdings—legislative proposal subject to PAYGO .....			-19
2299 Income under proposed legislation .....			-79
3299 Total cash income .....	31,307	33,604	36,076
Cash outgo during year:			
Current law:			
4500 Employees and retired employees health benefits funds .....	-29,556	-32,040	-35,092
4599 Outgo under current law (-) .....	-29,556	-32,040	-35,092
Proposed legislation:			
5500 Employees and retired employees health benefits funds—legislative proposal subject to PAYGO .....			72
5599 Outgo under proposed legislation (-) .....			72
6599 Total cash outgo (-) .....	-29,556	-32,040	-35,020
Unexpended balance, end of year:			
8700 Uninvested balance (net), end of year .....	-22	-6	-3
8701 Employees and retired employees health benefits funds .....	12,533	14,081	15,141
8701 Employees and retired employees health benefits funds—legislative proposal subject to PAYGO .....			-7
8799 Total balance, end of year .....	12,511	14,075	15,131
Commitments against unexpended balance, end of year:			
9900 Uncommitted balance, end of year .....	12,511	14,075	15,131

**EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS**  
(Legislative proposal, not subject to PAYGO)

**Program and Financing (in millions of dollars)**

Identification code 24-9981-2-8-551	2005 actual	2006 est.	2007 est.
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			-44
24.40 Unobligated balance carried forward, end of year .....			-44
<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Mandatory:			
69.00 Offsetting collections (cash) .....			-41

**EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS—  
Continued**

**Program and Financing (in millions of dollars)—Continued**

Identification code 24-9981-2-8-551	2005 actual	2006 est.	2007 est.
69.10 Change in uncollected customer payments from Federal sources (unexpired) .....			-3
69.90 Spending authority from offsetting collections (total mandatory) .....			-44
<b>Change in obligated balances:</b>			
74.00 Change in uncollected customer payments from Federal sources (unexpired) .....			3
74.40 Obligated balance, end of year .....			3
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Agency contributions .....			15
88.00 Postal Service for Active Employees .....			7
88.00 Postal Service for Annuitants .....			6
88.00 Government contributions for annuitants .....			13
88.90 Total, offsetting collections (cash) .....			41
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired) .....			3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			41
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....			
92.02 Total investments, end of year: Federal securities:			
Par value .....			

**EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS  
(Legislative proposal, subject to PAYGO)**

**Program and Financing (in millions of dollars)**

Identification code 24-9981-4-8-551	2005 actual	2006 est.	2007 est.
<b>Obligations by program activity:</b>			
09.01 Benefit payments .....			-79

10.00 Total new obligations (object class 25.6) .....			-79
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			-38
23.95 Total new obligations .....			79
24.40 Unobligated balance carried forward, end of year .....			41
<b>New budget authority (gross), detail:</b>			
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash) .....			-38
<b>Change in obligated balances:</b>			
73.10 Total new obligations .....			-79
73.20 Total outlays (gross) .....			72
74.40 Obligated balance, end of year .....			-7
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new mandatory authority .....			-72
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 D.C. Government contributions & Dental/Vision reimbursement .....			
88.40 Employee salary withholdings .....			19
88.40 Annuity withholdings .....			19
88.90 Total, offsetting collections (cash) .....			38
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			-34
<b>Memorandum (non-add) entries:</b>			
92.01 Total investments, start of year: Federal securities:			
Par value .....			
92.02 Total investments, end of year: Federal securities:			
Par value .....			-7