



(January 20, 2016)

In order to further improve the lines of communication and to respond to the concerns between the National VA Council and you our members, I have established a National VA Council Briefing. This NVAC Briefing will bring you the latest news and developments within DVA and provide you with the current status of issues this Council is currently addressing. I believe that this NVAC Briefing will greatly enhance the way in which we communicate and the way in which we share new information, keeping you better informed.

Alma L. Lee
National VA Council, President

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**In This Briefing: After Nearly Four Years, Phased Retirement Hasn't Quite Taken Off**  
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It appears that when it comes to phased retirement, “phased” is truly the operative word.

Congress **passed a law in 2012** allowing eligible federal employees to partially retire while remaining on the job part-time to help federal agencies better manage their workforce needs. As of mid-January, a whopping 31 people across government had applied to take advantage of the benefit, according to the Office of Personnel Management.

OPM isn’t tracking every agency’s phased retirement implementation because the law doesn’t contain a reporting requirement. But at *Government Executive*’s request, the agency provided information on how many applications it’s received so far. Based on OPM’s data, smaller agencies are making more progress getting phased retirement off the ground at this point.

Here’s the tally from OPM as of Jan. 15:

- Smithsonian Institution: 11
- Library of Congress: 10
- Energy Department: 4
- Broadcasting Board of Governors: 2
- NASA: 2
- Federal Trade Commission: 1
- Nuclear Regulatory Commission: 1

“To learn that there are only 31 employees participating in phased retirement both shocks and disappoints me,” said Richard Thissen, national president of the National Active and Retired Federal Employees Association. “This money saving management tool is a win-win-win: A win for the agencies in terms of continuity in operations; a win for the employee who can test the retirement waters; and a win for the American taxpayers, as this flexibility saves the government money.”

The reality is that lots of interested federal employees have not been able to **take advantage of the program** since OPM implemented its **final rules in August 2014** and began accepting applications in November 2014. That’s because many agencies either haven’t finalized phased retirement plans yet that meet the needs of their missions as well as collective bargaining agreements, or aren’t offering the benefit to eligible employees. It’s also possible some federal employees don’t know what their options are, or just aren’t interested/eligible.

Agencies have broad discretion in deciding how to implement phased retirement, including deciding which jobs are eligible for it, determining mentoring activities and deciding how long an employee can remain partially retired. When eligible employees can apply for the opportunity will depend on how quickly their individual agencies can figure out a framework for offering the program.

Specifically, phased retirement allows eligible feds to work 20 hours per week, receiving half their pay as well as half their retirement annuity. Those employees who enter phased retirement must devote at least 20 percent of their work time, or about 8 hours a pay period, to mentoring other employees, ideally for those who take over for them when they fully retire. The idea is to keep talented employees with valuable institutional knowledge on the job a little longer so they can train other workers, while they also enjoy a partial retirement.

The Housing and Urban Development Department, which in September was the first major executive agency to **announce a roll-out of phased retirement**, is still working with the American Federation of Government Employees on a plan, so the program isn’t totally up and running yet. However, HUD in August 2015 successfully negotiated an agreement with another union, National Federation of Federal Employees Local 1450, which represents 440 bargaining unit employees at the department in Arizona, California, and Nevada. The union negotiated a 12-month pilot program with the department to see how phased retirement works for employees, and will assess pros and cons and talk about making it permanent at the end of the trial period, said union officials.

“Our interest was to make this work as fluidly and as well as possible, so that’s why we demanded the bargain as opposed to just following the policy that the agency generated,” said Elizabeth McDargh, president of NFFE 1450. “Our role as unions is just to kind of fine-tune the policy to make sure that it is fair and equitable for our bargaining unit employees,” she said.

McDargh and Ken Einbinder, regional steward for NFFE 1450, said their negotiations on phased retirement with HUD were quick and painless.

“It was less than a week, couple of days,” said Einbinder. He said the two sides negotiated phased retirement as a **“supplement”** because the union and the agency are in the process of renegotiating their entire contract and wanted to make phased retirement an option for interested employees quickly. So far, though, none of NFFE 1450’s employees have applied for the benefit, said McDargh and Einbinder.

The Environmental Protection Agency at the end of last summer announced it would offer phased retirement. “While we have only had limited interested in the program so far, we are continuing to make sure agency employees are aware of this option to help them transition into retirement while continuing to support the agency’s mission and next generation of employees,” said EPA spokeswoman Christie St. Clair, at the end of December. EPA did not say whether any employees had applied officially yet.

According to OPM, phased retirement can be subject to collective bargaining agreements. That also could be why the benefit has been slow to take root. OPM has developed its own phased retirement program and is working with unions now on implementation, an agency spokeswoman said.