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Towns Secures Changes to Civil Service System in Defense Authorization Bill Conference Report

Washington, DC – Chairman Edolphus “Ed Towns (D-NY) today announced that the final National Defense Authorization Bill for Fiscal Year (FY) 2010 conference report includes several civil service provisions he added to the defense bill. Title XIX of the legislation, H.R. 2647, includes important changes to the federal retirement system, and repeals authority for the Defense Department’s National Security Personnel System (NSPS). The House will vote on final passage of the conference report tomorrow.

“The changes included in the conference report will enhance the federal retirement system’s efficiency and effectiveness as a recruitment and management tool – at a time when the government needs to be attracting the best and brightest individuals, said Chairman Towns. “Government agencies, including the Defense Department, will have the tools they need to encourage highly talented individuals to return to government service, and to allow senior civil servants to pass along experience as they phase out of their careers. The bill also addresses the related problems of absenteeism and lost productivity in federal agencies that result from the current ‘use it or lose it’ approach to sick leave.

Title XIX will allow federal employees to receive credit toward their retirement for unused sick leave while reducing the incentive for employees to use excess sick leave as they approach retirement. The Office of Personnel Management (OPM) estimates that the current system results in \$68 million in lost productivity each year.

In addition, Title XIX includes provisions to eliminate inconsistency in the way breaks in service are considered in determining retirement benefits, and therefore providing incentive for individuals to return to government service. Title XIX will also ensure that senior employees are not unfairly penalized in their retirement calculation for working part-time at the end of their career. The legislation also repeals the authority for the Defense Department’s unpopular pay-for-performance system, NSPS, and requires that employees covered by NSPS be transitioned back into the General Schedule (GS) pay system by January 1, 2012.

“The Defense Business Board recently found that NSPS is in such a dysfunctional state that it needs to be ‘reconstructed.’ In order to accomplish this reconstruction, the current NSPS must first be repealed. The language agreed to by the conference committee takes this important step, stated Chairman Towns. “I am committed to working with my colleagues to ensure that the Defense Department has the performance management tools and the hiring flexibilities it needs to build a workforce able to meet the national security challenges of the 21st century. The

conference report repeals the current flawed system, while giving the Defense Department these essential tools.

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