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DATE: May 26, 1998
TO: NATIONAL COUNCIL SSMA OFFICERS AND EXECUTIVE COMMITTEE
RE: Legislative Report #18 -- **SUPERVISORY OVERTIME BILL INTRODUCED**

Just before Congress recessed last week for the Memorial Day break, Rep. Tom Davis (R-VA) introduced **H.R. 3956**, a bill to lift the outdated supervisory overtime cap from a base of GS 10 Step 1 to GS 15 Step 1. Under this bill, all supervisors/managers graded GS 15 Step 1 and below would receive true time-and-a-half for overtime effective in January of 2000. The long lead-time is intended to give agencies the opportunity to incorporate the change into their FY 2000 budget requests. Rep. Constance Morella (R-MD) and Rep. Jim Moran (D-VA) signed on as original co-sponsors of the bill.

Attached is a copy of the NCSSMA Press Advisory distributed today. Also attached is a copy of the letter and fact sheet Ron Neising is sending to Members of the Government Reform and Oversight Committee, where the bill is being referred for consideration. The more support we can obtain from members of this Committee, the greater the chances of the bill advancing. Chairman Mica of the Civil Service Subcommittee is the first stop; he is expected to request the Congressional Budget Office to analyze the cost of the bill to Federal agencies.

Although it does not appear that any Civil Service Reform legislation is likely to move in what remains of the 105th Congress, Rep. Davis has said he will re-introduce the bill in January if necessary, maintaining the January, 2000 effective date. Members who sign onto H.R. 3956 can be expected to again sign the re-introduced legislation next year upon receiving a reminder, so I continue to press on this issue despite the dwindling legislative days this year.

Nancy Smolinski will be distributing additional materials through the SSMA regional grassroots networks.

End

NATIONAL COUNCIL OF
SOCIAL SECURITY MANAGEMENT ASSOCIATIONS
Ron Niesing, President
528 N. Monroe Ave., Green Bay, WI 54301, (920)433-3920

--- PRESS ADVISORY --- May 26, 1998
WASHINGTON CONTACT: Janet Garry (301)770-1850

**NCSSMA COMMENDS REP. TOM DAVIS FOR PROPOSING
EQUITABLE OVERTIME PAY FOR FEDERAL SUPERVISORS**

NCSSMA commends and fully supports Representative Tom Davis in his effort to correct a serious inequity in federal supervisory overtime pay. Current law caps the base for supervisory overtime pay at GS 10 Step 1. The cap has been in place since 1966 (P.L. 89-504), when it was raised from GS 9 Step 1. It has not been updated since that time, and its obsolescence threatens quality control in public services and creates a strong disincentive for advancement into supervisory positions. Many supervisors currently earn less than their regular rate of pay for overtime hours. Davis has introduced H.R. 3956, raising the cap to GS 15 Step 1 to ensure true time-and-a-half overtime pay for many supervisors directly serving the public each day.

NCSSMA President Ron Niesing expressed thanks to Rep. Davis and the bill's co-sponsors, Rep. Constance Morella and Rep. Jim Moran, for recognizing the unfairness of a thirty-two-year-old cap on overtime pay. In addition, Niesing noted that governmentwide downsizing and reduction in the numbers of supervisors have resulted in more responsibility and a greater overtime burden for the remaining supervisors.

"At SSA," said Niesing, "local offices offer extended hours for the convenience of the public, and managers are performing additional educational activities in the evenings and on weekends to inform the public about solvency and the debate on the future of Social Security. It is becoming increasingly critical that we treat fairly, in order to retain, those who have such responsibilities. In addition, the overtime inequity is a serious impediment to our ability to recruit the best qualified employees to step into vital supervisory jobs."

Niesing noted that for several years NCSSMA has advocated raising the overtime cap: "The inequity in overtime pay has a negative effect on the relationships and morale in offices serving the American public each day. We will do everything we can to help Rep. Davis advance this much-needed correction for supervisors at SSA and throughout Federal government."

NCSSMA represents over 3000 Social Security field office and teleservice center managers and supervisors across the country.

End

NATIONAL COUNCIL OF SOCIAL SECURITY MANAGEMENT ASSOCIATIONS
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May 26, 1998

Dear Representative:

The National Council of Social Security Management Associations (NCSSMA) represents over 3000 field office and teleservice center managers and supervisors across the country. We ask your co-sponsorship of legislation introduced by Rep. Tom Davis, H.R. 3956, to provide equitable overtime pay for Federal supervisors.

Because Federal supervisors are not covered by the Fair Labor Standards Act (FLSA), their overtime pay has been capped since 1966 by the base pay of GS 10 Step 1 (P.L. 89-504). This thirty-two year old cap results in many Federal supervisors earning less on overtime hours than their regular rate of pay. In addition, they earn far less on overtime than those they supervise, who are guaranteed time-and-a-half because they are covered by the FLSA.

Significant changes in GS grades and other Federal workplace demographics since 1966. We have learned that the first grade-based overtime cap, enacted in 1954, set the base at GS 9 Step 1 (PL.83-763). Although it was lifted to GS 10 step 1 in 1966 (PL. 89-504), nothing has been done in the intervening decades to keep pace with changing workforce realities. That fact alone argues for its modification. It is, moreover, the negative effect of the inequity on relationships and morale in the Federal workplace and on the quality of the Federal supervisory ranks that creates an urgent need for relief.

Federal downsizing and reduction in the number of supervisors result in more responsibility and a greater overtime burden for the remaining supervisors. SSA's local offices offer extended hours for the convenience of the public, and managers are performing additional educational activities in the evenings and on weekends to inform the public about solvency and the debate on the future of Social Security. It is becoming increasingly critical that we treat fairly, in order to retain, those who have such responsibilities. In addition, the overtime inequity is a serious impediment to our ability to recruit the best qualified employees to step into vital supervisory jobs.

The attached fact sheet provides a detailed overview of the problem and some examples of the effect of the outdated overtime cap in several agencies. I ask your support for H.R. 3956. Please contact me or NCSSMA's Washington Representative, Janet Garry, at (301) 770-1850 if you have any questions or need further information. Thank you for your attention to this problem. I look forward to your reply.

Sincerely,

Ron Niesing, NCSSMA President

IN SUPPORT OF H.R. 3956:

THE NEED FOR A BILL TO MODIFY INEQUITABLE FEDERAL OVERTIME POLICIES WHICH ERODE RANKS OF QUALIFIED SUPERVISORS AND UNDERMINE QUALITY CONTROL IN DIRECT PUBLIC SERVICES

Federal supervisors in many agencies throughout the country, who are responsible for the quality and timeliness of work mandated by law and vital to the American public, seek legislation to lift a thirty-year-old cap on overtime pay for supervisors who are exempt from the Fair Labor Standards Act (FLSA).

Under the outdated overtime provision in Title V of the U.S. Code Sec. 5542, enacted in 1966, the base for overtime pay for all FLSA-exempt supervisors at and above GS Grade 10 is restricted to time-and-a-half based on the GS Grade 10 Step 1 pay level. This means that:

- * Federal supervisory personnel required to work overtime are frequently paid substantially less on overtime than the people they supervise.
- * Many federal supervisors earn substantially less for overtime hours than they earn for their regular hourly rate.

These inequities result in large part from increases in GS grades over the past thirty years. Not only are many supervisors now graded above the GS 10 step 1 level, but many of the employees supervised (who are covered by the FLSA and therefore guaranteed time-and-a-half for overtime) are themselves at pay levels higher than GS 10 step 1. For example:

- * At the Social Security Administration, Claims Representatives -- responsible for interviewing the public and accurately handling their benefits claims -- have been upgraded from GS 8 to GS 11 since 1966, due to increasingly difficult work as both Medicare and Supplemental Security Income workloads were undertaken. Their supervisors, who have similarly been upgraded from GS 9 to GS 12 since 1966, work alongside those they supervise, doing direct claims work, and are also responsible for troubleshooting and ensuring the quality and timeliness of the work. Yet some of these supervisors earn more than \$10 per hour less than those they supervise when workloads require overtime.
- * At the Internal Revenue Service, Customer Service Representatives -- responsible for answering the public's questions about their tax obligations and delinquencies/problems -- are generally graded at GS-9, while their supervisors are GS-11. The increased emphasis on customer service and on resolving taxpayer concerns has increased the amount and frequency of overtime worked by these employees. Supervisors work closely with the representatives to resolve difficult cases and answer more technically complex questions. These supervisors are compensated at \$10 to \$12 less per hour than the persons they are supervising.

Compounding the problem, governmentwide "reinvention" within federal agencies has resulted in overall staffing losses and reductions in the numbers of supervisors on the front lines of public service. Those who are left carry more responsibilities and often bear a heavy burden in overtime which must be performed in order to keep vital workloads moving.

Some of those overtime workloads result from:

- * Congressionally mandated initiatives, such as welfare reform and the requirement that SSA conduct an increasing number of reviews of disability beneficiaries, including a review of children receiving Supplemental Security Income (SSI), to ensure the integrity of the disability rolls.
- * Routine workloads for an ever-expanding U.S. population which must be handled by a shrinking workforce with a widening range of responsibilities. At SSA's Program Service Centers, employees are now routinely taken off other work processes to assist the calling public on SSA's 800# during especially busy phone periods. Critical workloads involving approval of benefits awards, debt collection, and cyclical workloads, such as earnings recalculations to ensure proper payment of benefits, require regularly scheduled overtime.
- * Increased requirements for Taxpayer Assistance at the Internal Revenue Service during the tax filing season, making IRS employees more accessible to taxpayers for more hours during more days of the week than ever before. These requirements will increase in the future as the agency goes to a 24-hour per day schedule for taxpayer inquiries.
- * Professional work that is critical to public health and safety. For example, Federal veterinarians with the Department of Agriculture are, like supervisors, subject to the overtime cap. They are called on frequently and unpredictably to travel to meat-processing facilities for inspections, yet they are paid far less than even their regular hourly wage for the overtime hours required of them.

Employees who are among the most vital to the missions of the federal government and the most accountable to the American public are seriously disadvantaged by the overtime cap. Insufficient overtime pay has led to severe morale problems. A growing number of experienced supervisors are taking voluntary downgrades to positions of less responsibility because, in the "delaying" environment of today which reduces opportunities for further advancement, they see no reward for staying in positions of responsibility. With the government's reliance on overtime for critical workloads, they can earn as much or more money in a lower-graded job.

Without retention and recruitment of qualified supervisory employees, effective public service and program integrity are compromised, and long-term organizational health of agencies will deteriorate.

The overtime cap for FLSA-exempt federal employees should be eliminated or set at a level which assures equitable overtime pay in line with today's federal workforce realities. In 1966, when the current overtime cap was set at GS 10 Step 1, the average GS employee grade was Grade 7 Step 3. In 1996, the most recent year for which OPM has published data, the average GS employee grade was Grade 9 Step 5 -- more than two full grades higher.

The overtime cap has become egregiously outdated and will require an increase of at least three grades -- to GS 13 Step 1 -- if we are to maintain a cadre of experienced, qualified supervisors capable of ensuring integrity in the delivery of federal services.