

NTEU Working for You @ FDIC

Summer 2010

NTEU: Your Advocate In Every Available Forum

Recently in a radio interview a reporter asked me about the value of belonging to a federal employee labor union, especially for traditionally white collar employees such as employees at the FDIC and the SEC.

To me, the value proposition is clear. You get a powerful, professional organization working on your behalf every day. Lobbyists, lawyers, labor relations experts, media relations specialists, trained and experienced leaders, all working for you and in your best interest.

Every Day

With NTEU, every day there is someone watching out for you on Capitol Hill, monitoring legislation, talking with staff and key committee members, providing data and facts on employee issues, testifying before Congress, strategizing to ensure that FDIC employees have the tools and resources they need to get their jobs done and advance their careers.

Every day, there is someone working at the bargaining table negotiating agreements, meeting with management, outlining proposals seeking ways to improve your work lives and working conditions. Your new compensation agreement provides locality pay increases for many employees at a time when pay increases for federal employees are under serious attack in other arenas.

Every day, our Office of General Counsel is working legal issues, monitoring court cases and ensuring that decisions made in the courts are favorable to FDIC employees. Currently, attorneys are working to eliminate the Federal Career Intern Program, to preserve veteran's preference and make sure that merit principles are adhered to in the hiring process.

Every day, our Public Relations Department is monitoring the media, talking

with reporters, communicating with members on issues important to federal employees and FDIC employees.

"A single employee could never have the resources to work with Congress, monitor and analyze federal labor law, and negotiate with management to address workplace issues."

And every day, there is someone in the workplace, one of your co-workers with special training and expertise, to advise you and represent you should an issue arise in your workplace.

A single employee could never have the resources to work with Congress, monitor and analyze federal labor law, and negotiate with management to address workplace issues. That is why NTEU is here for you. And because we represent employees in other FIRREA agencies (Financial Institutions Reform, Recovery and Enforcement Act of 1989) our voice carries a lot of weight on these issues.

Regulatory Reform

Financial regulatory reform legislation is a good example of how NTEU works for you. Our primary focus in this debate has been on employees and how the reform will impact them and their ability to do their jobs. Throughout the debate, NTEU was focused on your unique perspective, advocating solely for our members. When various proposals were being considered, it was NTEU that analyzed how employees would be affected and informed the key congressional and administration players what unintended consequences there might be.

NTEU's work in Congress also included

our longstanding and now successful effort to increase the age of health care coverage for dependents. Our work in the health care debate also included maintaining the integrity of the Federal Employees Health Benefits Program (FEHBP). When a public option was being considered, there were a number of proposals that involved FEHBP and our primary focus was to maintain FEHBP as a separate pool and program. This was critical to maintaining reasonable health care rates for you and your families. And remember, FDIC employees pay the lowest rates in the federal sector—about half what most federal employees pay—because of the agreement negotiated by NTEU.



Colleen M. Kelley
National President

Employee Input

This issue also includes an update on the Culture Change Initiative, an effort initiated by Chairman Sheila Bair. NTEU's goal is to ensure that the voices of frontline employees are included in the Initiative. To that end, we will be pursuing Labor-Management Forums under the December 2009 Executive Order issued by President Obama. These forums will be a place where problems can be identified and solutions can be found in a non-adversarial format.

On any given day, NTEU is working on your behalf in myriad and meaningful ways. Your support for our work is very much appreciated and I encourage your involvement in our union.

A handwritten signature in black ink that reads "Colleen M. Kelley". The signature is written in a cursive style.

"...to ensure that every federal employee is treated with dignity and respect."

NTEU Wins Increases in Locality Pay, Travel Stipends

There is a lot to like in the new NTEU-FDIC compensation agreement.

For starters, NTEU won locality pay increases in the face of agency efforts to eliminate the program altogether. This year and next, employees in most major cities will get 1.5 percent locality pay raises with those in the Rest of U.S. region receiving .82 percent—levels that are likely to exceed increases set for other federal employees. Along with locality pay increases, FDIC employees will receive an average 5 percent annual increase under the Performance Management and Recognition Program plus additional lump sum bonuses.

In another key victory, NTEU won long-overdue promotions for Grade 12 examiners, who for years have been performing more complex Grade 13 examination work without the higher pay rate. Under the agreement, the FDIC will begin filling at least 250 temporary promotions to Grade 13 examiner positions while it studies long-term staffing needs.

NTEU also went to bat for employees who spend a lot of their time on the road. The union not only got the FDIC to withdraw a proposal to cut the Frequent Traveler Lodging Stipend Program (FTLSP), but eligibility has been expanded to include all nights on regular duty. Now, employees can receive stipends for training and conferences; previously, stipends were limited to examination duties. This will result in hundreds of more dollars for many employees, including Financial Institution Specialists (FIS), most of whom easily spend more than 100 days traveling for training.

Karl Drefke, a Houston-based FIS and Chapter 275 member

(FDIC Dallas), estimates that of his 120 nights out in 2008, he had 35 nights out that were counted as training and therefore not eligible for the \$50 per night stipend. “I missed out, but the newly-hired employees will get to benefit from this improved benefit,” he said.

“It would have made a huge difference,” agreed Dana Pape, a Chapter 274 member (FDIC Kansas City), looking back at her days as an FIS. Now a commissioned examiner spending most of her time in the Minneapolis area, Pape still expects to benefit from the expanded FTLSP coverage. Even those who have graduated from their time as an FIS are still required to travel annually for training, making the stipends “a great benefit for all FDIC employees.” Besides, she added, regardless of whether the purpose is for training or examination work, “any night out is still a night away from your family.”

The compensation agreement also covers key workplace issues such as health care premiums, retirement benefits, telework and more. With

an eye on continually rising health care costs, NTEU fought successfully to ensure FDIC employees continue to pay some of the lowest premiums in the federal government for coverage under the Federal Employees Health Benefits Program. Other highlights include boosts in professional license reimbursements and the continuation of matching up to 5 percent of an employee’s pay in contributions to both the Thrift Savings Plan and FDIC Savings Plan.



Empowering Employees Key NTEU Goal in Change Efforts

The Culture Change Council continues its ambitious run at improving the FDIC workplace.

In its inaugural year, the Culture Change Council targeted the areas of leadership, communications and employee empowerment, finding where improvements were needed and making sure they were made. An early success, several key recommendations outlined in the Council’s report have made it into the workplace, resulting in greater employee input on draft directives and a new employee award, among other gains.

Now in its second year, the Council has been streamlined into a 12-member team, six of whom are NTEU bargaining unit employees. They are tasked with following up on the initial plan and identifying and implementing the next round of changes that will make the FDIC an even better place to work. In tackling this challenge, NTEU views employee empowerment as a priority—giving employees a meaningful voice in how they do their jobs and how the work can be done more efficiently and effectively while reducing administrative tasks and unnecessary activities.



The Council will be conducting focus groups in the coming months to collect more detailed information from employees about the issues and concerns raised in the annual all-employee survey, through the online Culture Change mailbox and during Chairman Sheila Bair’s quarterly calls. This employee feedback will help guide the Council in developing solutions for making open communications, effective leadership and employee input hallmarks of the FDIC workplace.

“NTEU plans to make the most of this opportunity to press for improvements through the Culture Change Council,” said NTEU President Colleen M. Kelley. “At the same time, NTEU is moving forward at the FDIC with implementation of President Obama’s Executive Order on Labor-Management Forums. We will do our all to press for meaningful change for employees at the FDIC.”

Contact your local NTEU representative to learn more about the Culture Change initiative and NTEU’s role in the process.

NTEU On Capitol Hill

Whether it is proposing a bill or securing its passage, NTEU is there.

On a daily basis, the union reviews legislative language, monitors bills that are introduced, offers the employee perspective on existing provisions, and generates either support or opposition to a proposal. The reason NTEU works so hard is because what happens in the halls of Congress directly—and significantly—affects the daily worklives of federal employees.

NTEU's work on the financial regulatory reform legislation is an example of the union's persistence and power on Capitol Hill. From the beginning, NTEU was involved in making sure that the employee viewpoint was constantly at the forefront of deliberations. When the Treasury Department released the original draft legislation, NTEU worked with Assistant Secretary of the Treasury Michael Barr and other members of the



administration to secure improvements to provisions impacting employees.

And when the House and Senate were considering their own versions of the bill, NTEU held discussions with the key players, including the chairmen of the Senate Banking Committee and House Financial Services Committee.

“When major reform legislation is moving through Congress, it takes constant vigilance to ensure that employees' viewpoints are considered,” said NTEU President Colleen M. Kelley. “NTEU has the expertise and the relationships with members of Congress to advocate effectively for employees in financial regulatory agencies.”

NTEU also makes sure to get individual members involved. During the union's annual Legislative Conference in March, NTEU FDIC chapter leaders met with their members of Congress on Capitol Hill to drum up support for NTEU's provisions.

Through it all, NTEU's goal has been to make sure the final legislation incorporates strong employee protections—from collective bargaining rights to protections in the event of employee transfers or reductions-in-force (RIF).

But NTEU knows that being a legislative force also requires strong defensive action. In 2004, NTEU successfully beat back a legislative package proposed by the FDIC that would have allowed the agency to remove significant parts of its personnel system from under long-standing civil service provisions. The anti-employee bill would have adversely affected everything from the appeals process for disciplinary actions to employee rights during RIFs to veteran's preference. NTEU stopped the proposal dead in its tracks. Today, FDIC employees continue to enjoy the protections NTEU has worked to secure, protect and enhance—a job that does not end.

NTEU's behind-the-scenes work on the financial regulatory reform legislation is an example of the union's persistence and power on Capitol Hill.

NTEU @ FDIC

- 1978** NTEU is certified as the representative of employees at FDIC headquarters and negotiates the first contract.
- 1984** NTEU is certified as the representative of FDIC employees in the New York, Boston and Chicago regions and negotiates a contract covering them.
- 1991** NTEU is certified as the representative of FDIC employees performing resolution and receivership functions in FDIC offices nationwide. NTEU goes to federal court and wins the right to bargain over wages and benefits for FDIC employees.
- 1993** NTEU negotiates the first compensation agreement, which provides annual across-the-board pay raises, higher locality pay and higher contributions to employee health, dental and vision insurance.
- 1995** NTEU negotiates a second agreement on pay that includes changes to the FDIC pay structure.
- 1997** NTEU is certified as the representative of FDIC employees in the remaining regional offices (Atlanta, Memphis, Dallas, Kansas City and San Francisco), and a contract is negotiated to cover all these employees. This interim agreement includes the first iteration of the Frequent Travel Lodging Stipend Program.
- 1997-1999** NTEU negotiates a compensation agreement providing first-year, performance-based pay increases. Agreements are implemented introducing new telework options and flexible work schedules.
- 2001** NTEU secures an agreement on a telework pilot program for field employees.
- 2003** The first nationwide agreement covering all bargaining unit employees is implemented.
- 2003-2009** NTEU secures two compensation agreements preserving pay and benefits negotiated in prior agreements.
- 2009** NTEU negotiates improvements to the FDIC's pay-for-performance system in the Performance Management Recognition program.
- 2010** NTEU and the FDIC finalize the terms of a new compensation agreement. Contract includes enhanced provisions on annual pay increases, examiner pay and promotions, retirement and health benefits.



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Around the FDIC

NTEU Agreement Ensures Fair Treatment of Examiners

When the FDIC first began hiring reemployed annuitants to help with the examination workload in 2007, employees expressed concern about fairness in how work would be assigned. Would reemployed annuitants get first picks on assignments? Would they be required to travel less than their permanent counterparts?

NTEU addressed these concerns in a 2007 agreement that has recently been extended based on the ongoing heavy workload of examiners. Under a memorandum of understanding, the FDIC will continue to solicit volunteers for assignments outside of an examiner's office and if there are insufficient volunteers, then selection would be made first from among reemployed annuitants. NTEU sought this provision to avoid situations where permanent examiners, but not reemployed annuitants, would be required to travel.

NTEU continues to press for improvements to procedures for making out-of-office assignments during the current term contract negotiations.

Dependent Care Coverage Coming

In an important victory for NTEU and working families, insurance coverage will soon be available to more adult children of federal employees.



As part of the health care reform legislation President Obama signed in March, federal employees will be permitted to include dependents up to age 26 in their health insurance policies. Currently, adult children are dropped from their parents' Federal Employees Health Benefits Program (FEHBP) policy when they turn 22.

While NTEU has long fought for this change, it could not have come at a more critical time. Dependent children are increasingly finding themselves struggling to secure their first job, or have employment that does not provide benefits.

"Many young adults are graduating from college and entering an unfavorable job market where finding employment with health benefits is very difficult and takes a long time," said NTEU President Colleen M. Kelley. "This legislation gives federal employees and their adult children peace of mind while they focus on searching for a job."

While this extension fulfills a longtime legislative goal for the union, NTEU did not stop with its passage. NTEU worked closely with lawmakers in an effort to move up the change's effective date. Despite these efforts, the Senate failed to approve an amendment that would have granted the Office of Personnel Management authority to work with carriers to extend the coverage prior to the planned effective date of Jan. 1, 2011. With similar legislation pending in the House, NTEU will continue its efforts to turn this importance legislative initiative into law.

Whether the legislation is effective in January or sooner, the coverage fills a critical gap for federal families, another important way NTEU is working for you.

Bargaining Update

It's happening now and it's going to affect your daily work life. NTEU is currently engaged in negotiations over your term agreement covering scheduling, leave, personnel records, discipline, telework, details and a range of other workplace rights. Look for updates from the bargaining table in your e-mail or visit the FDIC page in the Members section of NTEU.org.

Attention Probationary Employees

NTEU can protect you and your interests.

Despite what you may have heard, NTEU is your union and can represent you.

We have been effectively representing FDIC employees—and probationary employees like you—since 1978.

To learn more, talk to any NTEU representative.