

OFFICE OF PERSONNEL MANAGEMENT

Federal Funds

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management (OPM) 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 OPM 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, \$148,341,000, of which \$584,000 may be used for strengthening the capacity and capabilities of the acquisition workforce (as defined by the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 4001 et seq.)), including the recruitment, hiring, training, and retention of such workforce and information technology in support of acquisition workforce effectiveness or for management solutions to improve acquisition management, and of which \$37,000,000 shall remain available until expended for information technology infrastructure modernization and Trust Fund Federal Financial System migration or modernization, and shall be in addition to funds otherwise made available for such purposes; and in addition \$131,414,000 for administrative expenses, to be transferred from the appropriate trust funds of OPM without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs: 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), 8958(f)(2)(A), 8988(f)(2)(A), 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 OPM 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 2018, 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.

Note.—A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114–254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 024–0100–0–1–805	2016 actual	2017 est.	2018 est.
Obligations by program activity:			
0001 Employee Services	29	31	31
0002 Merit System Audit & Compliance	15	13	13
0003 Office of the Chief Financial Officer	1	1	10
0004 Office of the Chief Information Officer	34	34	45
0005 Executive Services	4	3	3
0006 Planning & Policy Analysis	7	9	10
0007 Health and Insurance	12	11	13
0008 National Background Investigations Bureau .....	.....	2	.....
0009 Administrative Services and Centrally Financed	19	16	23
0100 Total direct program	121	120	148
0799 Total direct obligations	121	120	148
0801 Trust Fund activity	306	124	131
0900 Total new obligations, unexpired accounts	427	244	279
Budgetary resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	14	20	16
1020 Adjustment of unobligated bal brought forward, Oct 1	1	.....	.....
1021 Recoveries of prior year unpaid obligations	1	.....	.....
1050 Unobligated balance (total)	16	20	16
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation	121	120	148

1700	Spending authority from offsetting collections, discretionary:			
1701	Collected	273	120	148
	Change in uncollected payments, Federal sources	54	.....	.....
1750	Spending auth from offsetting collections, disc (total)	327	120	148
1900	Budget authority (total)	448	240	296
1930	Total budgetary resources available	464	260	312
	Memorandum (non-add) entries:			
1940	Unobligated balance expiring	–17	.....	.....
1941	Unexpired unobligated balance, end of year	20	16	33
	Change in obligated balance:			
	Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1	91	87	54
3001	Adjustments to unpaid obligations, brought forward, Oct 1	4	.....	.....
3010	New obligations, unexpired accounts	427	244	279
3011	Obligations ("upward adjustments"), expired accounts	1	.....	.....
3020	Outlays (gross)	–423	–277	–318
3040	Recoveries of prior year unpaid obligations, unexpired	–1	.....	.....
3041	Recoveries of prior year unpaid obligations, expired	–12	.....	.....
3050	Unpaid obligations, end of year	87	54	15
	Uncollected payments:			
3060	Uncollected pymts, Fed sources, brought forward, Oct 1	–119	–119	–119
3061	Adjustments to uncollected pymts, Fed sources, brought forward, Oct 1	–5	.....	.....
3070	Change in uncollected pymts, Fed sources, unexpired	–54	.....	.....
3071	Change in uncollected pymts, Fed sources, expired	59	.....	.....
3090	Uncollected pymts, Fed sources, end of year	–119	–119	–119
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year	–29	–32	–65
3200	Obligated balance, end of year	–32	–65	–104
	Budget authority and outlays, net:			
	Discretionary:			
4000	Budget authority, gross	448	240	296
	Outlays, gross:			
4010	Outlays from new discretionary authority	358	224	277
4011	Outlays from discretionary balances	65	53	41
4020	Outlays, gross (total)	423	277	318
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
4030	Federal sources	–312	–120	–148
	Additional offsets against gross budget authority only:			
4050	Change in uncollected pymts, Fed sources, unexpired	–54	.....	.....
4052	Offsetting collections credited to expired accounts	39	.....	.....
4060	Additional offsets against budget authority only (total)	–15	.....	.....
4070	Budget authority, net (discretionary)	121	120	148
4080	Outlays, net (discretionary)	111	157	170
4180	Budget authority, net (total)	121	120	148
4190	Outlays, net (total)	111	157	170

The Office of Personnel Management's (OPM) mission is to recruit, retain and honor a world-class workforce for the American people. OPM will lead the way in making the Federal Government the model employer by being the model agency in implementing best practices, leading by example, and becoming the change we want to see. The 2018 Budget will enable OPM to continue to address critical information technology (IT) infrastructure and investments necessary to maintain its security posture and respond to changing business needs and Federal mandates.

The functions and objectives of OPM's major organizations are:

Employee Services.—Develops human resource (HR) policies for Executive Branch agencies and provides policy direction and leadership in designing, developing, and promulgating Government-wide HR systems and programs for recruitment, staffing, classification, pay, leave, training, performance management and recognition, employee development, management of executive resources, work/life/wellness programs, and labor and employee relations.

Merit System Accountability and Compliance.—Ensures Federal agency HR programs are effective, efficient, and meet merit system principles and related civil service requirements by working directly with other Federal agency Chief Human Capital Officers, Accountability Program Managers, HR managers and specialists. Improves agency programs that are not in

SALARIES AND EXPENSES—Continued

compliance with Federal HR policies and regulation; and improves the effectiveness and efficiency of the agency programs to meet agency mission and objectives.

Retirement Services Program.—Administers the Civil Service Retirement System and the Federal Employees Retirement System, serving Federal retirees and survivors who receive monthly annuity payments. Retirement Services Program will continue to focus on making initial eligibility determinations, adjudicating new retirements, initiating survivor benefit payments, and calculating post retirement changes due to disability and death.

Planning and Policy Analysis (PPA).—Provides strategic analysis and workforce information for the OPM Director and supports the performance goals of the agency. The scope of PPA analysis spans the full range of HR management issues facing Federal agencies (such as workforce supply, pay, benefits, diversity) and involves a variety of analytical tools (including actuarial analysis, surveys, economic analysis, and policy analysis).

Healthcare & Insurance.—Administers the Federal Employees Health Benefits Program, the Federal Employees' Group Life Insurance Program, the Federal Flexible Spending Account Program, the Federal Long Term Care Insurance Program, and the Federal Employee Dental and Vision Insurance Program. These programs provide a complete suite of insurance benefits for more than eight million Federal employees, retirees, and their families. Healthcare and Insurance is also responsible for implementing and overseeing the Patient Protection and Affordable Care Act's Multi-State Plan Options.

Object Classification (in millions of dollars)

Identification code 024-0100-0-1-805	2016 actual	2017 est.	2018 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	45	47	53
11.3 Other than full-time permanent	1		
11.5 Other personnel compensation	1		
11.9 Total personnel compensation	47	47	53
12.1 Civilian personnel benefits	14	15	15
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	19	8	17
25.2 Other services from non-Federal sources	32	38	59
31.0 Equipment	8	11	3
99.0 Direct obligations	121	120	148
99.0 Reimbursable obligations	306	124	131
99.9 Total new obligations, unexpired accounts	427	244	279

Employment Summary

Identification code 024-0100-0-1-805	2016 actual	2017 est.	2018 est.
1001 Direct civilian full-time equivalent employment	833	970	967
2001 Reimbursable civilian full-time equivalent employment	1,061	871	851

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 of 1978, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, \$5,000,000, and in addition, not to exceed \$25,000,000 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.

Note.—A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continu-

ing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 024-0400-0-1-805	2016 actual	2017 est.	2018 est.
Obligations by program activity:			
0001 Program oversight (audits, investigations, etc.)	4	4	5
0801 Office of Inspector General (Reimbursable)	22	23	25
0900 Total new obligations, unexpired accounts	26	27	30
Budgetary resources:			
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation	4	4	5
Spending authority from offsetting collections, discretionary:			
1700 Collected	19	23	25
1701 Change in uncollected payments, Federal sources	4		
1750 Spending auth from offsetting collections, disc (total)	23	23	25
1900 Budget authority (total)	27	27	30
1930 Total budgetary resources available	27	27	30
Memorandum (non-add) entries:			
1940 Unobligated balance expiring	-1		
Change in obligated balance:			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	6	5	1
3010 New obligations, unexpired accounts	26	27	30
3020 Outlays (gross)	-27	-31	-31
3050 Unpaid obligations, end of year	5	1	
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1	-7	-7	-7
3070 Change in uncollected pymts, Fed sources, unexpired	-4		
3071 Change in uncollected pymts, Fed sources, expired	4		
3090 Uncollected pymts, Fed sources, end of year	-7	-7	-7
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	-1	-2	-6
3200 Obligated balance, end of year	-2	-6	-7
Budget authority and outlays, net:			
Discretionary:			
4000 Budget authority, gross	27	27	30
Outlays, gross:			
4010 Outlays from new discretionary authority	24	26	29
4011 Outlays from discretionary balances	3	5	2
4020 Outlays, gross (total)	27	31	31
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources	-21	-23	-25
Additional offsets against gross budget authority only:			
4050 Change in uncollected pymts, Fed sources, unexpired	-4		
4052 Offsetting collections credited to expired accounts	2		
4060 Additional offsets against budget authority only (total)	-2		
4070 Budget authority, net (discretionary)	4	4	5
4080 Outlays, net (discretionary)	6	8	6
4180 Budget authority, net (total)	4	4	5
4190 Outlays, net (total)	6	8	6

This appropriation funds agency-wide audits, investigations, evaluations and inspections, and administrative sanctions, to prevent and detect fraud, waste, abuse, and mismanagement. During 2016, the Office of the Inspector General (OIG) activities resulted in positive financial impacts of over \$97 million to the programs managed by the U.S. Office of Personnel Management (OPM) and led to 31 arrests, 52 indictments/information, 34 criminal convictions, and 953 suspensions or debarments within the Federal Employees Health Benefits Program (FEHBP). The OIG's joint efforts with the U.S. Department of Justice (DOJ) and other Federal, state, and local law enforcement agencies have resulted in collected fines/penalties/forfeitures to the Federal Government totaling over \$20 million.

The OIG's Office of Audits conducts audits of agency programs and operations, including the FEHBP, the Federal Employees' Group Life Insurance Program, the Federal Employee Dental and Vision Insurance Program, the Federal Long Term Care Insurance Program, the Federal Flexible Spending Accounts for Federal employees, the Combined Federal Campaign

Audits, and the Federal retirement programs. The Office of Audits also conducts audits of the National Background Investigations Bureau (NBIB) program and other revolving fund programs and operations. In addition, internal agency audits cover all facets of agency operations, including the oversight of the agency financial statement audit. Insurance audits cover the operations of health and life insurance carriers, health care providers, pharmacy benefit managers, and insurance subscribers. Our information systems audits include reviews of general controls, application controls, and security within the agency's information systems and programs.

Our Office of Investigations detects and investigates improper and illegal activities involving agency programs, personnel, and operations. The Office of Investigations is a statutory law enforcement organization, with the authority to carry firearms, issue subpoenas, and to seek and execute both search and arrest warrants. Based on the evidence gathered during our investigations, the Office of Investigations pursues appropriate remedies including referrals to the DOJ for criminal prosecutions or civil action, and/or referral to OPM or to the FEHBP Administrative Sanctions program for administrative sanctions. The Office of Investigations commonly conducts investigations involving allegations of fraud against OPM programs, such as the FEHBP, Civil Service and Federal Employees Retirement Systems, and the NBIB. When appropriate, the Office of Investigations also conducts investigations of OPM internal operations and employee and contractor misconduct.

The OIG's Office of Evaluations and Inspections conducts nationwide studies of OPM programs from a broad, issue-based perspective. The work includes special reviews, such as Congressional requests for studies or information that may require immediate attention, agency management requests for independent assessments, or evaluations of specific areas of operation and matters of urgent concern. Evaluators in this office use a variety of methods and techniques to study, evaluate, assess, and inspect an operation in order to develop recommendations for their reports to agency management, the Congress, the Council of the Inspectors General on Integrity and Efficiency (CIGIE), and the public.

Our FEHBP Administrative Sanctions program debars and suspends health care providers whose loss of licensure or conduct may pose a health and safety risk to FEHBP enrollees and their families or a financial threat to the FEHBP.

In 2018, the OIG will continue its oversight of agency programs and operations by conducting audits, investigations, and evaluations and inspections of OPM programs, including the FEHBP and retirement trust fund programs, OPM revolving fund programs, oversight of the OPM financial statement, and other program areas. The OIG will continue to advance its prescription drug audit program, which includes audits of pharmacy benefit managers. Through these audits, the OIG helps the FEHBP recover inappropriate charges, negotiate more favorable contracts, control future cost growth, and improve benefits provided to program enrollees. The OIG will also continue its FEHBP claims data warehouse initiative in 2018. The system's software tools support a variety of analytical procedures, including data mining, using the data in the warehouse. The project has facilitated more efficient and effective oversight of the FEHBP by enhancing the ability of auditors and investigators to identify improper payments.

OPM has continued a major, agency-wide information technology (IT) Infrastructure Project, including a data center consolidation and potential mainframe migrations. Our office will continue to provide oversight through all phases of this project over the course of multiple years. Congress has expressed interest in our oversight of the work performed in this area and it is therefore essential to the IT security posture of the agency, its systems, and the highly sensitive data contained in these systems.

In addition, the OIG performs oversight of the vast OPM revolving fund programs, most notably the NBIB, which is responsible for the Federal background investigations and has significant national security implications. The revolving fund programs are projected to spend over \$1.7 billion in 2018.

The 2018 President's Budget includes funds associated with OPM's implementation of the Patient Protection and Affordable Care Act (ACA), including the Indian Health Care Improvement Reauthorization and Extension Act of 2009, which was enacted as part of the ACA. The OIG audits and examines the Multi-State Plan Program (MSP) records and accounts. The OIG will work with MSP issuers to carry out our oversight responsibilities by ensuring compliance with Federal regulations, the MSP contract and OPM program guidance. This includes plans to review the business practices exhibited by the MSPs, including their fraud detection systems, and report findings and recommendations to OPM for further action.

In January 2014, the Congress passed the OPM IG Act (H.R. 2860). This legislation has provided the required resources to fund the OIG for administrative expenses to audit, investigate, and provide other oversight of the activities of the OPM revolving fund programs and operations. For example, our Office of Investigations has established a Special Investigations unit which is dedicated to conducting revolving fund investigations.

Object Classification (in millions of dollars)

Identification code 024-0400-0-1-805	2016 actual	2017 est.	2018 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	3	3	4
12.1 Civilian personnel benefits	1	1	1
99.0 Direct obligations	4	4	5
99.0 Reimbursable obligations	22	23	25
99.9 Total new obligations, unexpired accounts	26	27	30

Employment Summary

Identification code 024-0400-0-1-805	2016 actual	2017 est.	2018 est.
1001 Direct civilian full-time equivalent employment	18	19	20
2001 Reimbursable civilian full-time equivalent employment	114	126	132

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

Program and Financing (in millions of dollars)

Identification code 024-0206-0-1-551	2016 actual	2017 est.	2018 est.
Obligations by program activity:			
0001 Government contribution for annuitants benefits (1959 Act)	12,195	12,700	13,430
0002 Government contribution for annuitants benefits (1960 Act)		1	1
0900 Total new obligations, unexpired accounts (object class 13.0)	12,195	12,701	13,431
Budgetary resources:			
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation	12,195	12,701	13,431
1930 Total budgetary resources available	12,195	12,701	13,431
Change in obligated balance:			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	1,273	1,351	1,177
3010 New obligations, unexpired accounts	12,195	12,701	13,431
3020 Outlays (gross)	-12,117	-12,875	-13,431
3050 Unpaid obligations, end of year	1,351	1,177	1,177
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	1,273	1,351	1,177
3200 Obligated balance, end of year	1,351	1,177	1,177
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross	12,195	12,701	13,431
Outlays, gross:			
4100 Outlays from new mandatory authority	10,844	11,592	12,251
4101 Outlays from mandatory balances	1,273	1,283	1,180
4110 Outlays, gross (total)	12,117	12,875	13,431
4180 Budget authority, net (total)	12,195	12,701	13,431
4190 Outlays, net (total)	12,117	12,875	13,431

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS—Continued

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 OPM in administration of the Act.

The budget authority for this account recognizes the amounts being remitted by the Postal Service Retiree Health Benefits Fund to finance a portion of United States Postal Service annuitants' health benefit costs.

	2016 actual	2017 est.	2018 est.
Annuitants:			
FEHB	1,925,400	2,133,000	2,154,000
USPS annuitants (non-add)	432,214	432,000	432,000
REHB	204	168	138
Total, annuitants	1,925,604	2,133,168	2,154,138

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

(Legislative proposal, subject to PAYGO)

The President's 2018 Budget includes a package of proposals that reduce the costs of medical liability.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

Program and Financing (in millions of dollars)

Identification code 024-0500-0-1-602	2016 actual	2017 est.	2018 est.
Obligations by program activity:			
0001 Government Payment for Annuitants, Employee Life Insurance (Direct)	44	45	46
0900 Total new obligations (object class 25.2)	44	45	46
Budgetary resources:			
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation	44	45	46
1930 Total budgetary resources available	44	45	46
Change in obligated balance:			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	6	6	6
3010 New obligations, unexpired accounts	44	45	46
3020 Outlays (gross)	-44	-45	-46
3050 Unpaid obligations, end of year	6	6	6
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	6	6	6
3200 Obligated balance, end of year	6	6	6
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross	44	45	46
Outlays, gross:			
4100 Outlays from new mandatory authority	38	39	40
4101 Outlays from mandatory balances	6	6	6
4110 Outlays, gross (total)	44	45	46
4180 Budget authority, net (total)	44	45	46
4190 Outlays, net (total)	44	45	46

Per P.L. 96-427, Federal Employees Group Life Insurance Act of 1980, enacted October 10, 1980, 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

Program and Financing (in millions of dollars)

Identification code 024-0200-0-1-805	2016 actual	2017 est.	2018 est.
Obligations by program activity:			
0002 Payment of Government share of retirement costs	11,727	11,600	11,500
0003 Transfers for interest on unfunded liability and payment of military service annuities	24,879	24,900	25,900
0005 Spouse equity payment	58	58	58
0900 Total new obligations, unexpired accounts	36,664	36,558	37,458
Budgetary resources:			
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation	24,879	24,900	25,900
1200 Appropriation	11,785	11,658	11,558
1260 Appropriations, mandatory (total)	36,664	36,558	37,458
1930 Total budgetary resources available	36,664	36,558	37,458
Change in obligated balance:			
Unpaid obligations:			
3010 New obligations, unexpired accounts	36,664	36,558	37,458
3020 Outlays (gross)	-36,664	-36,558	-37,458
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross	36,664	36,558	37,458
Outlays, gross:			
4100 Outlays from new mandatory authority	36,664	36,558	37,458
4180 Budget authority, net (total)	36,664	36,558	37,458
4190 Outlays, net (total)	36,664	36,558	37,458

The Payment to the Civil Service Retirement and Disability Fund consists of an appropriation and a permanent indefinite authorization to pay the Government's share of retirement costs. The payment is made directly from the General Fund of the U.S. Treasury into the Civil Service Retirement and Disability Fund and is in addition to appropriated funds that will be contributed from agency budgets.

Current Appropriation Payment of Government share of retirement costs.—The Civil Service Retirement Amendments of 1969 provides for an annual appropriation to amortize, over a 30-year period, all increases in Civil Service Retirement System costs resulting from acts of the Congress granting new or liberalized benefits, extensions of coverage, or pay raises, exclusive of the effects of cost-of-living adjustments. OPM notifies the Secretary of the Treasury each year of such sums as may be necessary to carry out these provisions.

Permanent Indefinite Authorization.—Transfers for interest on static unfunded liability and payment of military service annuities. The Civil Service Retirement Amendments of 1969 also provides permanent, indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to five percent interest on the Civil Service Retirement and Disability Funds current statutory unfunded liability, calculated based on static economic assumptions, and annuity disbursements attributable to credit for military service.

Payments for Spouse Equity.—The permanent, indefinite authorization also includes a payment which provides for the Secretary of the Treasury to transfer an amount equal to the annuities granted to eligible former spouses of annuitants who died between September 1978 and May 1985 who did not elect survivor coverage.

Financing.—The unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, may be paid out of the Civil Service Retirement and Disability Fund.

Object Classification (in millions of dollars)

Identification code 024-0200-0-1-805	2016 actual	2017 est.	2018 est.
Direct obligations:			
12.1 Civilian personnel benefits	11,785	11,658	11,558
13.0 Benefits for former personnel	24,879	24,900	25,900

99.9	Total new obligations, unexpired accounts	36,664	36,558	37,458
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FLEXIBLE BENEFITS PLAN RESERVE

Program and Financing (in millions of dollars)

Identification code 024-0800-0-1-805	2016 actual	2017 est.	2018 est.
Obligations by program activity:			
0801 FSA FEDS Risk Reserve	18	14	12
0900 Total new obligations (object class 25.6)	18	14	12
Budgetary resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	69	59	55
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected	10	11	13
1823 New and/or unobligated balance of spending authority from offsetting collections temporarily reduced	-2	-1	.....
1850 Spending auth from offsetting collections, mand (total)	8	10	13
1930 Total budgetary resources available	77	69	68
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year	59	55	56
Change in obligated balance:			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	3	4	5
3010 New obligations, unexpired accounts	18	14	12
3020 Outlays (gross)	-17	-13	-12
3050 Unpaid obligations, end of year	4	5	5
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	3	4	5
3200 Obligated balance, end of year	4	5	5
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross	8	10	13
Outlays, gross:			
4100 Outlays from new mandatory authority .....	.....	10	12
4101 Outlays from mandatory balances	17	3	.....
4110 Outlays, gross (total)	17	13	12
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Federal sources	-1	-1	-1
4123 Non-Federal sources	-9	-10	-12
4130 Offsets against gross budget authority and outlays (total)	-10	-11	-13
4160 Budget authority, net (mandatory)	-2	-1	.....
4170 Outlays, net (mandatory)	7	2	-1
4180 Budget authority, net (total)	-2	-1	.....
4190 Outlays, net (total)	7	2	-1
Memorandum (non-add) entries:			
5090 Unexpired unavailable balance, SOY: Offsetting collections	4	6	7
5092 Unexpired unavailable balance, EOY: Offsetting collections	6	7	7

This account contains reserve resources required under the Office of Personnel Management's (OPM) contract with the administrator of the Flexible Benefits program. This account is funded by payments from Federal agencies based on the participation of their employees in the program and from net forfeitures, as authorized by the National Defense Authorization Act for Fiscal Year 2004 (P.L. 108-136). Account assets are available to indemnify the administrator when benefit payments exceed contributions, for program enhancements, and for OPM's administration of the program. The reserve account balance currently exceeds that deemed necessary to defray reasonable risk, so account balances are also being used to mitigate Federal agencies' contractual costs for the program. We project cost mitigation to continue at least through 2018.

POSTAL SERVICE RETIREE HEALTH BENEFITS FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 024-5391-0-2-551	2016 actual	2017 est.	2018 est.
0100 Balance, start of year	49,994	51,495	54,629
Receipts:			
Current law:			
1140 Postal Service Contributions for Current Workers, Postal Service Retiree Health Benefits Fund .....	.....	2,817	2,972
1140 Postal Service Contributions for Current Workers, Postal Service Retiree Health Benefits Fund .....	.....	.....	-289
1140 Earnings on Investments, Postal Service Retiree Health Benefits Fund	1,501	1,350	1,269
1140 Postal Service Contributions for Benefits Paid to Retirees, Postal Service Retiree Health Benefits Fund .....	.....	.....	-2,472
1140 Postal Service Contributions for Benefits Paid to Retirees, Postal Service Retiree Health Benefits Fund .....	.....	2,472	2,472
1199 Total current law receipts	1,501	6,639	3,952
Proposed:			
1240 Postal Service Contributions for Current Workers, Postal Service Retiree Health Benefits Fund .....	.....	.....	257
1240 Postal Service Contributions for Benefits Paid to Retirees, Postal Service Retiree Health Benefits Fund .....	.....	.....	2,040
1299 Total proposed receipts .....	.....	.....	2,297
1999 Total receipts	1,501	6,639	6,249
2000 Total: Balances and receipts	51,495	58,134	60,878
Appropriations:			
Current law:			
2101 Postal Service Retiree Health Benefits Fund	-1,501	-6,639	-6,772
2134 Postal Service Retiree Health Benefits Fund	1,501	3,134	3,009
2199 Total current law appropriations .....	.....	-3,505	-3,763
2999 Total appropriations .....	.....	-3,505	-3,763
5099 Balance, end of year	51,495	54,629	57,115

Program and Financing (in millions of dollars)

Identification code 024-5391-0-2-551	2016 actual	2017 est.	2018 est.
Obligations by program activity:			
0001 Obligations to FEHB Fund .....	.....	3,505	3,763
0900 Total new obligations (object class 13.0) .....	.....	3,505	3,763
Budgetary resources:			
Budget authority:			
Appropriations, mandatory:			
1201 Appropriation (special or trust fund)	1,501	6,639	6,772
1234 Appropriations precluded from obligation	-1,501	-3,134	-3,009
1260 Appropriations, mandatory (total) .....	.....	3,505	3,763
1930 Total budgetary resources available .....	.....	3,505	3,763
Change in obligated balance:			
Unpaid obligations:			
3010 New obligations, unexpired accounts .....	.....	3,505	3,763
3020 Outlays (gross) .....	.....	-3,505	-3,763
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross .....	.....	3,505	3,763
Outlays, gross:			
4100 Outlays from new mandatory authority .....	.....	3,505	3,763
4180 Budget authority, net (total) .....	.....	3,505	3,763
4190 Outlays, net (total) .....	.....	3,505	3,763
Memorandum (non-add) entries:			
5000 Total investments, SOY: Federal securities: Par value	45,237	51,495	54,629
5001 Total investments, EOY: Federal securities: Par value	51,495	54,629	54,818

The Postal Accountability and Enhancement Act (P.L. 109-435) created the Postal Service Retiree Health Benefits Fund to help fully fund the the United States Postal Service's (USPS) retiree (annuitant) health benefits liabilities.

This account receives from USPS: 1) the pension savings provided to USPS by the Postal Civil Service Retirement System Funding Reform Act of 2003 (P.L. 108-18) that were held in escrow during 2006; 2) payments

POSTAL SERVICE RETIREE HEALTH BENEFITS FUND—Continued

defined within P.L. 109–435, and modified by P.L. 111–68, to begin the liquidation of USPS's unfunded liability for post-retirement health benefits; and 3) beginning in 2017, payments for the actuarial cost of USPS contributions for the post-retirement health benefits for its current employees. This account also receives any surplus resources of the Civil Service Retirement and Disability Fund that are not needed to finance future retirement benefits under the Civil Service Retirement System to current or former employees of USPS that are attributable to civilian employment with USPS.

As a result of this health benefits financing system, beginning in 2017, USPS ceased 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 are paid from amounts that USPS remits to this fund. Payments for a proportion of the premium costs of USPS annuitants' pre-1971 service continues to be paid by the General Fund of the Treasury through the Government Payment for Annuitants, Employees Health Benefits account.

Under the Postal Accountability and Enhancement Act of 2006 (P.L. 109–435), USPS was required to make a stream of payments set in statute through 2016 toward paying down retiree health benefit unfunded liabilities, as well as pay annual Federal Employees Health Benefits Program premiums for current retirees. Also under current law, starting in 2017, USPS must pay the per capita accruing costs (or normal cost) to fund future retiree health benefits of current employees and a 40-year amortization of the remaining unfunded liability for current retirees. The Budget reflects that USPS defaulted on the statutorily required payments since 2012. These defaults are factored into the 40-year amortization schedule starting in 2017, but remain on USPS's financial statements in each year as outstanding liabilities.

REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 024–4571–0–4–805	2016 actual	2017 est.	2018 est.
Obligations by program activity:			
0801 Human Resource Solutions	267	220	196
0802 National Background Investigations Bureau (NBIB)	1,128	1,451	1,446
0803 Human Resources Tools & Technology (HRTT)	40	50	52
0804 Enterprise Human Resources Integration	42	46	34
0805 USAJOBS	13	15	15
0807 Human Resource Line of Business (HRLob)	5	3	3
0808 Inspector General Activities	2	.....	.....
0900 Total new obligations, unexpired accounts	1,497	1,785	1,746
Budgetary resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	337	863	849
1021 Recoveries of prior year unpaid obligations	99	.....	.....
1050 Unobligated balance (total)	436	863	849
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected	1,960	1,771	1,738
1801 Change in uncollected payments, Federal sources	–36	.....	.....
1850 Spending auth from offsetting collections, mand (total)	1,924	1,771	1,738
1930 Total budgetary resources available	2,360	2,634	2,587
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year	863	849	841
Change in obligated balance:			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	940	972	986
3010 New obligations, unexpired accounts	1,497	1,785	1,746
3020 Outlays (gross)	–1,366	–1,771	–1,738
3040 Recoveries of prior year unpaid obligations, unexpired	–99	.....	.....
3050 Unpaid obligations, end of year	972	986	994
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1	–652	–616	–616
3070 Change in uncollected pymts, Fed sources, unexpired	36	.....	.....
3090 Uncollected pymts, Fed sources, end of year	–616	–616	–616

Memorandum (non-add) entries:			
3100 Obligated balance, start of year	288	356	370
3200 Obligated balance, end of year	356	370	378
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross	1,924	1,771	1,738
Outlays, gross:			
4100 Outlays from new mandatory authority	970	848	1,738
4101 Outlays from mandatory balances	396	923	.....
4110 Outlays, gross (total)	1,366	1,771	1,738
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Federal sources	–1,960	–1,771	–1,738
Additional offsets against gross budget authority only:			
4140 Change in uncollected pymts, Fed sources, unexpired	36	.....	.....
4170 Outlays, net (mandatory)	–594	.....	.....
4180 Budget authority, net (total) .....	.....	.....	.....
4190 Outlays, net (total)	–594	.....	.....

Budget Program.—The Office of Personnel Management (OPM) is authorized to use Revolving Funds without fiscal year limitations to conduct investigations, training, and other functions that OPM is authorized or required to perform on a reimbursable basis. OPM operates several programs, which are funded by fees collected from other agencies and other payments. These include Human Resources Solutions (HRS), Enterprise Human Resources Data Warehouse (EHRD), Human Resources Line of Business (HRLob), Human Resources Tools and Technology, and USAJOBS. OPM is in the process of transitioning its background investigation activities from the Federal Investigative Services (FIS) to a new bureau within the agency, the National Background Investigations Bureau (NBIB). NBIB became operational as of October 1st, 2016. Great strides have been made in the transition from FIS to NBIB and the progress is still continuing. NBIB will have a strong national security focus, concentrating on its mission to provide effective, efficient, and secure background investigations for the Federal Government.

HRS is a reimbursable services organization offering a complete range of tailored and standardized human resources products and services designed to meet the unique and dynamic needs of the Federal Government. HRS provides customer agencies with innovative, high quality Government-to-Government solutions to help them develop leaders, attract and build a high quality public sector workforce, and achieve long-lasting results. HRS is comprised of five program areas operating under two major reimbursable offerings (Government provided and third-party contractor). These program areas are as follows: the Center for Leadership Development, the Federal Staffing Center, HR Strategy and Evaluation Services, the Training and Management Assistance Program, and the Administrative Law Judges Program. A variety of support services are provided to each Practice Area through the Center for Management Services and the Resource Management Office.

USAJOBS is a centralized secure platform that acts as a portal for Federal recruitment for all Government positions, whether competitively or non-competitively sourced. USAJOBS delivers the service by which Federal agencies meet their legal obligation to provide notice of Federal employment opportunities in the competitive service to Federal employees and the public. The technology and program operations offer Federal agencies and job seekers a modern platform to support online recruitment, marketing, and a job application solution.

The NBIB transition from FIS will involve maintaining the program functions that existed under FIS. Those functions include providing investigative products and services for more than 100 Federal agencies to use as the basis for suitability or fitness for Federal civilian or contract employment, eligibility for employment in a sensitive position or for an identity credential, or eligibility for access to classified national security information as a civilian or contract employee or as a member of the Armed Forces as required by statute, Executive Orders and other rules and regulations. NBIB will continue to provide more than 90 percent of the Government's background investigations, and conduct more than two million investigations a year. NBIB will continue to ensure that the Federal Government has a

suitable workforce that protects national security and is worthy of public trust. Currently, NBIB is still organizationally structured as FIS and is comprised of six subcomponents. They are as follows: Operations, Management Services, Technical Services, External Affairs, Quality Program, and the Office of the Associate Director. Upon full transition, which will take some time to implement, FIS's existing mission, functions, personnel, and organizational support structure will migrate to NBIB.

The Human Resources Tools and Technology Program provides technology support in the form of information technology (IT) systems development and hosting, supplying both internal and external customers a wide variety of IT services in the human resources (HR) arena.

The HRLOB is essential to OPM's role to implement effective HR policies, products, and services as the initiative drives improved HR solutions and services through the establishment of Shared Service Centers (SSC), service delivery models, and strategies for agencies. The HRLOB supports agencies in implementing strategic and consultative HR practices through migration of selected HR functions to SSCs consistent with the business model determined by the Agency.

The EHRD is comprised of two programs, the electronic Official Personnel Folder (eOPF) and EHRD. These two programs supports the E-Government initiative that was designed to leverage the benefits of information technology. The goal of these two programs is to streamline and automate the collection, aggregation, and sharing of Federal employee HR, payroll, and training information Government-wide. The investment broadly supports the OPM mission by enabling the agency to provide the Federal HR community with access to employee data to improve workforce planning for hiring, skills development, retention strategies and Government-wide policy.

The OPM IG Act of 2014 extends permitted uses of the Revolving Fund to include financing the cost of audits, investigations, and oversight activities of OPM's Office of the Inspector General. The Act limits the amount of revolving fund resources available to the Office of the Inspector General each year to 0.33 percent of the total budgetary authority estimated for the fund in the year.

Financing.—OPM's Revolving Fund account gains spending authority from agreements with other Federal agencies who are seeking the following services: HRS provides a multitude of HR services to other Federal agencies, which include consulting services, training, staffing programs, vendor management, and administrative law judge services. Individual pricing and fee structures for HRS offerings differ because the business models for each of its products and services vary. USAJOBS is financed by an annual fee assessed to Federal agencies. The fee is based on the Federal agency's pro rata share of total Federal Government FTE population supported, as provided in the Central Personnel Data File. During the transition of FIS into NBIB, the program will continue to provide personnel background investigative services on a fixed price basis to determine individual's fitness or suitability for Federal civilian, military, and contract employment and/or eligibility for a security clearance. EHRD provides two primary service offerings on a fee-for-service basis: the eOPF, including deployment and hosting services, and a suite of analytical tools enabling agencies to perform workforce analysis and forecasting. EHRD provides customized eOPF systems to other agencies at additional cost, in which the customer pays for ongoing eOPF maintenance. The pricing structure for eOPF maintenance is a fixed price per license (i.e., electronic folder) and is based on the number of active users at the customer agency. The HRLOB has established public and private SSCs to provide technology solutions to support multiple agencies with HR IT and HR services and is financed in part by agency contributions from partner agencies.

Operating Results.—In fiscal year 2016, OPM's Revolving Fund businesses revenue total was \$1.371 billion and the expenses total was \$1.280 billion which provided a net gain on operations of \$91 million. The cumulative net position of the fund is a positive \$30 million.

Object Classification (in millions of dollars)

Identification code 024-4571-0-4-805	2016 actual	2017 est.	2018 est.
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent	247	306	344
11.5 Other personnel compensation	21	17	19
11.9 Total personnel compensation	268	323	363
12.1 Civilian personnel benefits	88	101	104
21.0 Travel and transportation of persons	25	22	27
23.1 Rental payments to GSA	19	26	28
23.3 Communications, utilities, and miscellaneous charges	20	26	28
24.0 Printing and reproduction	1	2	2
25.2 Other services from non-Federal sources	1,052	1,269	1,163
26.0 Supplies and materials	5	5	6
31.0 Equipment	19	11	25
99.9 Total new obligations, unexpired accounts	1,497	1,785	1,746

Employment Summary

Identification code 024-4571-0-4-805	2016 actual	2017 est.	2018 est.
2001 Reimbursable civilian full-time equivalent employment	3,054	3,708	3,958

Trust Funds

EMPLOYEE CONTRIBUTIONS, CIVIL SERVICE RETIREMENT AND DISABILITY FUND

The President's 2018 Budget proposes to equalize the employee and employer share of the FERS normal cost rate to a 50/50 split of a regular FERS employee on a phased-in approach spanning over six years. If enacted, this change would increase receipt contributions to the Civil Service Retirement and Disability Fund from the public (Federal Employees).

AGENCY CONTRIBUTIONS, CIVIL SERVICE RETIREMENT AND DISABILITY FUND

(Legislative proposal, not subject to PAYGO)

The President's 2018 Budget proposes to equalize the employee and employer share of the FERS normal cost rate to a 50/50 split of a regular FERS employee on a phased-in approach spanning over six years. If enacted, this change would decrease the receipt contributions to the Civil Service Retirement and Disability Fund from the Federal Government.

POSTAL SERVICE AGENCY CONTRIBUTIONS, CIVIL SERVICE RETIREMENT AND DISABILITY FUND

(Legislative proposal, not subject to PAYGO)

The President's 2018 Budget proposes to equalize the employee and employer share of the FERS normal cost rate to a 50/50 split of a regular FERS employee on a phased-in approach spanning over six years. If enacted, this change would decrease the receipt contributions to the Civil Service Retirement and Disability Fund from the United States Postal Service.

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 024-8135-0-7-602	2016 actual	2017 est.	2018 est.
0100 Balance, start of year	864,516	879,824	894,880
Receipts:			
Current law:			
1110 Employee Contributions, Civil Service Retirement and Disability Fund	3,191	3,468	3,742
1110 District of Columbia Contributions, Civil Service Retirement and Disability Fund	29	21	20
1110 Employee Deposits, Redeposits and Other Contributions, Civil Service Retirement and Disability Fund	631	635	630
1140 Agency Contributions, Civil Service Retirement and Disability Fund			276

CIVIL SERVICE RETIREMENT AND DISABILITY FUND—Continued
Special and Trust Fund Receipts—Continued

Identification code 024–8135–0–7–602	2016 actual	2017 est.	2018 est.
1140 Agency Contributions, Civil Service Retirement and Disability Fund	26,083	26,528	26,740
1140 Postal Service Agency Contributions, Civil Service Retirement and Disability Fund			57
1140 Postal Service Agency Contributions, Civil Service Retirement and Disability Fund	3,413	3,610	3,715
1140 Postal Service Supplemental Contributions, Civil Service Retirement and Disability Fund		7	7
1140 Postal Service Supplemental Contributions, Civil Service Retirement and Disability Fund			–7
1140 Postal Service Amortization Payments, Civil Service Retirement and Disability Fund		1,478	1,478
1140 Postal Service Amortization Payments, Civil Service Retirement and Disability Fund			–1,478
1140 FFB, TVA, and USPS Interest, Civil Service Retirement and Disability Fund	466	401	340
1140 Treasury Interest, Civil Service Retirement and Disability Fund	27,722	25,458	25,024
1140 General Fund Payment to the Civil Service Retirement and Disability Fund	36,664	36,558	37,458
1140 Re-employed Annuitants Salary Offset, Civil Service Retirement and Disability Fund	43	40	37
1199 Total current law receipts	98,242	98,204	98,039
Proposed:			
1210 Employee Contributions, Civil Service Retirement and Disability Fund			1,719
1999 Total receipts	98,242	98,204	99,758
2000 Total: Balances and receipts	962,758	978,028	994,638
Appropriations:			
Current law:			
2101 Civil Service Retirement and Disability Fund	–95	–96	–103
2101 Civil Service Retirement and Disability Fund	–98,148	–96,640	–97,943
2103 Civil Service Retirement and Disability Fund	–4	–4	–4
2132 Civil Service Retirement and Disability Fund	4	4	
2134 Civil Service Retirement and Disability Fund	15,309	13,588	11,690
2199 Total current law appropriations	–82,934	–83,148	–86,360
Proposed:			
2201 Civil Service Retirement and Disability Fund			8,889
2234 Civil Service Retirement and Disability Fund			–7,965
2299 Total proposed appropriations			924
2999 Total appropriations	–82,934	–83,148	–85,436
5099 Balance, end of year	879,824	894,880	909,202

Program and Financing (in millions of dollars)

Identification code 024–8135–0–7–602	2016 actual	2017 est.	2018 est.
Obligations by program activity:			
0001 Annuities	82,460	82,724	85,959
0002 Refunds and death claims	330	328	294
0003 Administration - operations	138	90	96
0004 Transfer to MSPB	2	2	2
0005 Administration - OIG	4	4	5
0900 Total new obligations, unexpired accounts	82,934	83,148	86,356
Budgetary resources:			
Budget authority:			
Appropriations, discretionary:			
1101 Appropriation (special or trust fund)	95	96	103
Appropriations, mandatory:			
1201 Appropriation (special or trust fund)	98,148	96,640	97,943
1203 Appropriation (previously unavailable)	4	4	4
1232 Appropriations and/or unobligated balance of appropriations temporarily reduced	–4	–4	
1234 Appropriations precluded from obligation	–15,309	–13,588	–11,690
1260 Appropriations, mandatory (total)	82,839	83,052	86,257
1900 Budget authority (total)	82,934	83,148	86,360
1930 Total budgetary resources available	82,934	83,148	86,360
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year			4
Change in obligated balance:			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	7,370	7,348	7,493

3010 New obligations, unexpired accounts	82,934	83,148	86,356
3020 Outlays (gross)	–82,956	–83,003	–86,062
3050 Unpaid obligations, end of year	7,348	7,493	7,787
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	7,370	7,348	7,493
3200 Obligated balance, end of year	7,348	7,493	7,787

Budget authority and outlays, net:

Discretionary:			
4000 Budget authority, gross	95	96	103
Outlays, gross:			
4010 Outlays from new discretionary authority	68	96	103
4011 Outlays from discretionary balances	30		
4020 Outlays, gross (total)	98	96	103
Mandatory:			
4090 Budget authority, gross	82,839	83,052	86,257
Outlays, gross:			
4100 Outlays from new mandatory authority	75,518	75,615	77,892
4101 Outlays from mandatory balances	7,340	7,292	8,067
4110 Outlays, gross (total)	82,858	82,907	85,959
4180 Budget authority, net (total)	82,934	83,148	86,360
4190 Outlays, net (total)	82,956	83,003	86,062

Memorandum (non-add) entries:

5000 Total investments, SOY: Federal securities: Par value	731,267	887,161	902,349
5001 Total investments, EOY: Federal securities: Par value	887,161	902,349	914,330

Summary of Budget Authority and Outlays (in millions of dollars)

	2016 actual	2017 est.	2018 est.
Enacted/requested:			
Budget Authority	82,934	83,148	86,360
Outlays	82,956	83,003	86,062
Legislative proposal, subject to PAYGO:			
Budget Authority			–924
Outlays			–867
Total:			
Budget Authority	82,934	83,148	85,436
Outlays	82,956	83,003	85,195

The Civil Service Retirement and Disability Fund (CSRDF) is the oldest and largest of the four trust funds administered by the Office of Personnel Management. The fund is financed and structured very differently from the other three trust funds. It is characterized by permanent indefinite budget authority. Budget authority is the authority to incur obligations and pay expenses which become available to an agency during any fiscal year. Once approved, permanent budget authority is permanently available for all future years. Indefinite budget authority is used when the precise amount of budget authority required cannot be forecast in advance and must thus be determined at some future point in time (e.g., when actual receipts and expenses become known).

The CSRDF covers two Federal civilian retirement systems: the Civil Service Retirement System (CSRS) established on May 22, 1920, and the Federal Employees Retirement System (FERS) established on June 6, 1986. The Retirement Fund is a single plan even though there are two different benefit tiers and funding methods. 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 proposes that the United States Patent and Trademark Office (PTO) continue to fund the full cost for retirement benefits for PTO's employees covered under CSRS.

Financing.— CSRS has been financed under a statutory funding method passed by the Congress in 1969. This funding method is based on the static economic assumptions of no future inflation, no future general schedule salary increases, and a 5.0 percent interest rate. Under CSRS, regular employees contribute 7.0 percent of pay. Law Enforcement Officers, Firefighters, and Congressional employees contribute an extra 0.5 percent of pay, and Members of the Congress an extra 1.0 percent of pay. Non-United

States Postal Service (USPS) Agencies match the employee contributions. Also under the static funding method for CSRS, the Treasury pays interest on any static unfunded liabilities that are not being financed by USPS. The Treasury also makes payments to amortize, over a 30-year period, any increases in the static unfunded liability due to salary increases for Non-USPS employees that occurred during the year, and pays for the cost of any benefits attributable to military service for both USPS and Non-USPS employees that were paid out during the year.

FERS is funded under a dynamic entry age normal funding method. Employees and agencies together contribute the full amount of the dynamic normal cost rate. The normal cost rate is for the defined benefit plan only, and does not include the cost of Social Security or the Thrift Plan. FERS regular employees contribute a percentage of salary that is equal to the contribution rate for CSRS employees—7.0 percent, as set forth above, less the 6.2 percent tax rate under the Old Age, Survivors and Disability Insurance portion of Social Security. Under FERS, the dynamic normal cost rates are as follows: for regular employees hired before 2013, the rate is 14.5 percent of pay (employee's share, 0.8 percent and employer's share, 13.7 percent); for regular employees hired during 2013 (known as FERS RAE/Revised Annuity Employee), the rate is 15.0 percent of pay (employee's share, 3.1 percent and employer's share, 11.9 percent); the Bipartisan Budget Act of 2013 included a provision to increase the normal cost rate of employee's contribution to FERS for individuals hired after 2013 and to maintain the employer's contribution rate at its current normal cost rate. Any contributions in excess of the amount necessary to satisfy FERS normal cost percentage will be credited to the assets of the fund, thereby reducing the unfunded liability. For regular employees hired after 2013 (known as FERS FRAE/Further Revised Annuity Employee), the rate is 15.1 percent of pay (employee's share 4.4 percent and employer's share, 11.9 percent).

Under the Postal Accountability and Enhancement Act of 2006 (P.L. 109-435), USPS must make annual amortization payments beginning in 2017 to reduce any unfunded liability (UFL) for its obligations under CSRS. These payments, along with similar amortization payments for UFL in FERS are paid to CSRDF.

	2016 actual	2017 est.	2018 est.
Active employees	2,550,059	2,522,000	2,495,000
Annuityants:			
Employees	2,106,411	2,127,000	2,149,000
Survivors	545,404	538,000	531,000
Total, annuityants	2,651,815	2,665,000	2,680,000

Status of Funds (in millions of dollars)

Identification code 024-8135-0-7-602	2016 actual	2017 est.	2018 est.
Unexpended balance, start of year:			
0100 Balance, start of year	871,886	887,172	902,373
0999 Total balance, start of year	871,886	887,172	902,373
Cash income during the year:			
Current law:			
Receipts:			
1110 Employee Contributions, Civil Service Retirement and Disability Fund	3,191	3,468	3,742
1110 District of Columbia Contributions, Civil Service Retirement and Disability Fund	29	21	20
1110 Employee Deposits, Redeposits and Other Contributions, Civil Service Retirement and Disability Fund	631	635	630
1150 FFB, TVA, and USPS Interest, Civil Service Retirement and Disability Fund	466	401	340
1150 Treasury Interest, Civil Service Retirement and Disability Fund	27,722	25,458	25,024
1160 Agency Contributions, Civil Service Retirement and Disability Fund			276
1160 Agency Contributions, Civil Service Retirement and Disability Fund	26,083	26,528	26,740
1160 Postal Service Agency Contributions, Civil Service Retirement and Disability Fund			57
1160 Postal Service Agency Contributions, Civil Service Retirement and Disability Fund	3,413	3,610	3,715
1160 Postal Service Supplemental Contributions, Civil Service Retirement and Disability Fund		7	
1160 Postal Service Amortization Payments, Civil Service Retirement and Disability Fund		1,478	

1160 General Fund Payment to the Civil Service Retirement and Disability Fund	36,664	36,558	37,458
1160 Re-employed Annuityants Salary Offset, Civil Service Retirement and Disability Fund	43	40	37
1199 Income under present law	98,242	98,204	98,039
Proposed:			
1210 Employee Contributions, Civil Service Retirement and Disability Fund			1,719
Offsetting governmental receipts:			
1260 Agency Contributions, Civil Service Retirement and Disability Fund			
1260 Postal Service Agency Contributions, Civil Service Retirement and Disability Fund			
1299 Income proposed			1,719
1999 Total cash income	98,242	98,204	99,758
Cash outgo during year:			
Current law:			
2100 Civil Service Retirement and Disability Fund [027-00-8135-0]	-82,956	-83,003	-86,062
2199 Outgo under current law	-82,956	-83,003	-86,062
Proposed:			
2200 Civil Service Retirement and Disability Fund			867
2299 Outgo under proposed legislation			867
2999 Total cash outgo (-)	-82,956	-83,003	-85,195
Surplus or deficit:			
3110 Excluding interest	-12,902	-10,658	-10,801
3120 Interest	28,188	25,859	25,364
3199 Subtotal, surplus or deficit	15,286	15,201	14,563
3999 Total change in fund balance	15,286	15,201	14,563
Unexpended balance, end of year:			
4100 Uninvested balance (net), end of year	11	24	2,606
4200 Civil Service Retirement and Disability Fund	887,161	902,349	914,330
4999 Total balance, end of year	887,172	902,373	916,936

Object Classification (in millions of dollars)

Identification code 024-8135-0-7-602	2016 actual	2017 est.	2018 est.
Direct obligations:			
25.2 Other services from non-Federal sources	144	96	103
42.0 Insurance claims and indemnities	82,460	82,724	85,959
44.0 Refunds and death claims	330	328	294
99.9 Total new obligations, unexpired accounts	82,934	83,148	86,356

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 024-8135-4-7-602	2016 actual	2017 est.	2018 est.
Obligations by program activity:			
0001 Annuities			-924
0900 Total new obligations, unexpired accounts (object class 42.0)			-924
Budgetary resources:			
Budget authority:			
Appropriations, mandatory:			
1201 Appropriation (special or trust fund)			-8,889
1234 Appropriations precluded from obligation			7,965
1260 Appropriations, mandatory (total)			-924
1930 Total budgetary resources available			-924
Change in obligated balance:			
Unpaid obligations:			
3010 New obligations, unexpired accounts			-924
3020 Outlays (gross)			867
3050 Unpaid obligations, end of year			-57
Memorandum (non-add) entries:			
3200 Obligated balance, end of year			-57
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross			-924

CIVIL SERVICE RETIREMENT AND DISABILITY FUND—Continued
Program and Financing—Continued

Identification code 024–8135–4–7–602	2016 actual	2017 est.	2018 est.
Outlays, gross:			
4100 Outlays from new mandatory authority			–867
4180 Budget authority, net (total)			–924
4190 Outlays, net (total)			–867

The President's 2018 Budget proposes four potential legislative changes to the Civil Service Retirement and Disability Fund (CSRDF) in order to generate Government-wide savings: 1) Utilize a high-5 average salary instead of a high-3 in the computation of new Federal Employee Retirement System (FERS) annuities; 2) Eliminate the annuity supplement for all new FERS retirees; 3) Eliminate the Cost of Living Adjustment (COLA) for FERS retirees and reduce the COLA for Civil Service Retirement System retirees by 0.5 percent; and 4) equalize the employee and employer share of the FERS normal cost rate to a 50/50 split of a regular FERS employee on a phased-in approach spanning over six years. If enacted, these changes would reduce the amount of outlays from the CSRDF for annuity payments, and transfer more of the cost of financing these benefits to employees.

EMPLOYEES LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 024–8424–0–8–602	2016 actual	2017 est.	2018 est.
Obligations by program activity:			
0801 Insurance Payments	2,995	3,066	3,115
0802 Insurance Payments Pay Raise Impact			13
0804 Administration—OPM & OIG	4	4	5
0805 Administration—long term care	1	1	1
0900 Total new obligations (object class 25.2)	3,000	3,071	3,134
Budgetary resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	43,254	44,167	45,626
Budget authority:			
1700 Spending authority from offsetting collections, discretionary:			
Collected	4	4	5
1800 Spending authority from offsetting collections, mandatory:			
Collected	4,090	4,210	4,454
1800 Collected with Pay Raise Impact			32
1801 Change in uncollected payments, Federal sources	–181	316	5
1801 Change in uncollected payments, Federal sources - Pay Raise Impact			4
1850 Spending auth from offsetting collections, mand (total)	3,909	4,526	4,495
1900 Budget authority (total)	3,913	4,530	4,500
1930 Total budgetary resources available	47,167	48,697	50,126
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year	44,167	45,626	46,992
Change in obligated balance:			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	939	959	1,042
3010 New obligations, unexpired accounts	3,000	3,071	3,134
3020 Outlays (gross)	–2,980	–2,988	–3,063
3050 Unpaid obligations, end of year	959	1,042	1,113
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1	–252	–71	–387
3070 Change in uncollected pymts, Fed sources, unexpired	181	–316	–9
3090 Uncollected pymts, Fed sources, end of year	–71	–387	–396
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	687	888	655
3200 Obligated balance, end of year	888	655	717

Budget authority and outlays, net:			
Discretionary:			
4000 Budget authority, gross	4	4	5
Outlays, gross:			
4010 Outlays from new discretionary authority	3	4	5
4011 Outlays from discretionary balances	1		
4020 Outlays, gross (total)	4	4	5

Mandatory:			
4090 Budget authority, gross	3,909	4,526	4,495
Outlays, gross:			
4100 Outlays from new mandatory authority	2,045	2,254	2,308
4101 Outlays from mandatory balances	931	730	750
4110 Outlays, gross (total)	2,976	2,984	3,058
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Federal sources	–556	–550	–558
4120 Federal sources with Pay Raise Impact			–7
4121 Interest on Federal securities	–806	–659	–848
4123 Non-Federal sources	–2,732	–3,005	–3,057
4123 Non-Federal sources with Pay Raise Impact			–21
4130 Offsets against gross budget authority and outlays (total)	–4,094	–4,214	–4,491
Additional offsets against gross budget authority only:			
4140 Change in uncollected pymts, Fed sources, unexpired	181	–316	–9
4160 Budget authority, net (mandatory)	–4	–4	–5
4170 Outlays, net (mandatory)	–1,118	–1,230	–1,433
4180 Budget authority, net (total)			
4190 Outlays, net (total)	–1,114	–1,226	–1,428

Memorandum (non-add) entries:			
5000 Total investments, SOY: Federal securities: Par value	43,958	45,167	46,375
5000 Total investments, SOY: Federal securities: Par value			18
5001 Total investments, EOY: Federal securities: Par value	45,167	46,375	47,766
5001 Total investments, EOY: Federal securities: Par value with Pay Raise Impact		18	58

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 Administration 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:

	2016 act.	2017 est.	2018 est.
Life insurance in force (in billions of dollars):			
On active employees	734.8	731.2	727.7
On retired employees	97.9	97.3	96.7
Total	832.7	828.5	824.4
Number of participants (in thousands):			
Active employees	2,404	2,414	2,425
Annuitants	1,574	1,548	1,522
Total	3,978	3,962	3,947

Financing.—Non-United States 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:

	2016 act.	2017 est.	2018 est.
Status of Reserves			
Held in reserve (in millions of dollars):			
Contingency reserve	690	690	690
Beneficial association program reserve	0	0	0
U.S. Treasury reserve	44,168	45,916	47,281
Total reserves	44,858	46,606	47,971

EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS

Program and Financing (in millions of dollars)

Identification code 024–9981–0–8–551	2016 actual	2017 est.	2018 est.
Obligations by program activity:			
0801 Benefit payments	50,033	52,271	55,619
0802 Payments from OPM contingency reserve	220	300	300
0803 Government payment for annuitants (1960 Act)		1	1
0804 Administration (OPM and OIG)	48	49	51
0806 Administration - dental and vision program	14	7	6
0900 Total new obligations (object class 25.6)	50,315	52,628	55,977

Budgetary resources:			
Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1	20,775	21,280 22,279
Budget authority:			
Spending authority from offsetting collections, discretionary:			
1700	Collected	50	49 51
Spending authority from offsetting collections, mandatory:			
1800	Collected	50,697	53,451 56,521
1801	Change in uncollected payments, Federal sources	73	126 134
1802	Offsetting collections (previously unavailable)	1	1
1823	New and/or unobligated balance of spending authority from offsetting collections temporarily reduced	-1	.....
1850	Spending auth from offsetting collections, mand (total)	50,770	53,578 56,655
1900	Budget authority (total)	50,820	53,627 56,706
1930	Total budgetary resources available	71,595	74,907 78,985
Memorandum (non-add) entries:			
1941	Unexpired unobligated balance, end of year	21,280	22,279 23,008
Change in obligated balance:			
Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1	4,392	4,624 4,642
3010	New obligations, unexpired accounts	50,315	52,628 55,977
3020	Outlays (gross)	-50,083	-52,610 -55,920
3050	Unpaid obligations, end of year	4,624	4,642 4,699
Uncollected payments:			
3060	Uncollected pymts, Fed sources, brought forward, Oct 1	-2,142	-2,215 -2,341
3070	Change in uncollected pymts, Fed sources, unexpired	-73	-126 -134
3090	Uncollected pymts, Fed sources, end of year	-2,215	-2,341 -2,475
Memorandum (non-add) entries:			
3100	Obligated balance, start of year	2,250	2,409 2,301
3200	Obligated balance, end of year	2,409	2,301 2,224
Budget authority and outlays, net:			
Discretionary:			
4000	Budget authority, gross	50	49 51
Outlays, gross:			
4010	Outlays from new discretionary authority	32	49 51
4011	Outlays from discretionary balances	14	.....
4020	Outlays, gross (total)	46	49 51
Mandatory:			
4090	Budget authority, gross	50,770	53,578 56,655
Outlays, gross:			
4100	Outlays from new mandatory authority	45,682	47,777 51,075
4101	Outlays from mandatory balances	4,355	4,784 4,794
4110	Outlays, gross (total)	50,037	52,561 55,869
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120	Federal Sources	-35,483	-37,398 -39,418
4121	Interest on Federal securities	-446	-157 -204
4123	Non-Federal sources	-14,818	-15,945 -16,950
4130	Offsets against gross budget authority and outlays (total)	-50,747	-53,500 -56,572
Additional offsets against gross budget authority only:			
4140	Change in uncollected pymts, Fed sources, unexpired	-73	-126 -134
4160	Budget authority, net (mandatory)	-50	-48 -51
4170	Outlays, net (mandatory)	-710	-939 -703
4180	Budget authority, net (total) .....	.....	1
4190	Outlays, net (total)	-664	-890 -652
Memorandum (non-add) entries:			
5000	Total investments, SOY: Federal securities: Par value	23,021	23,729 24,580
5001	Total investments, EOY: Federal securities: Par value	23,729	24,580 25,232
5090	Unexpired unavailable balance, SOY: Offsetting collections	1	1
5092	Unexpired unavailable balance, EOY: Offsetting collections	1	.....

This display combines the Federal Employees Health Benefit (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) annuitants transferred from the REHB fund as authorized by Public Law 93-246; and 4) tribal organizations. In 2016, the Office of Personnel Management (OPM) began offering a Self Plus One enrollment tier within the FEHB as enacted by the Bipartisan Budget Act of 2013.

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 were enrolled 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:

	2016 actual	2017 est.	2018 est.
Active employees	2,111,000	2,111,000	2,111,000
USPS active employees (non-add)	432,214	432,000	432,000
Annuityants	1,925,400	2,133,000	2,154,000
Tribal Organizations	19,413	19,413	19,413
Total	4,055,813	4,263,413	4,284,413

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:

	2016 actual	2017 est.	2018 est.
Uniform plan	65	54	44
Private plans	139	114	94
Total	204	168	138

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.

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, which 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 proposes that the United States Patent and Trademark Office continue to fund the accruing costs associated with post-retirement health benefits for its employees.

Status of Funds (in millions of dollars)

Identification code	2016 actual	2017 est.	2018 est.
Unexpended balance, start of year:			
0100	Balance, start of year	23,026	23,690	24,580
0999	Total balance, start of year	23,026	23,690	24,580
Cash income during the year:			
Current law:			
Receipts:			
1130	Employees and Retired Employees Health Benefits Funds	14,818	15,945	16,950
1150	Employees and Retired Employees Health Benefits Funds	446	157	204
1160	Employees and Retired Employees Health Benefits Funds	35,483	37,398	39,418
1199	Income under present law	50,747	53,500	56,572
1999	Total cash income	50,747	53,500	56,572
Cash outgo during year:			
Current law:			
2100	Employees and Retired Employees Health Benefits Funds [027-00-9981-0]	-50,083	-52,610	-55,920
2199	Outgo under current law	-50,083	-52,610	-55,920
2999	Total cash outgo (-)	-50,083	-52,610	-55,920

EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS—Continued

Status of Funds—Continued

Identification code 024–9981–0–8–551		2016 actual	2017 est.	2018 est.
Surplus or deficit::				
3110	Excluding interest	218	733	448
3120	Interest	446	157	204
3199	Subtotal, surplus or deficit	664	890	652
3999	Total change in fund balance	664	890	652
Unexpended balance, end of year::				
4100	Uninvested balance (net), end of year	–39	.....	.....
4200	Employees and Retired Employees Health Benefits Funds	23,729	24,580	25,232

4999	Total balance, end of year	23,690	24,580	25,232
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EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS

(Legislative proposal, subject to PAYGO)

The President's 2018 Budget includes a package of proposals that reduce the costs of medical liability.

GENERAL FUND RECEIPT ACCOUNT

(in millions of dollars)

	2016 actual	2017 est.	2018 est.
Offsetting receipts from the public:			
024–322000 All Other General Fund Proprietary Receipts Including			
Budget Clearing Accounts: Enacted/requested	7	2	2
General Fund Offsetting receipts from the public	7	2	2