Part IV ◆ Financial Management

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Senators' Expenses

Official expenses of a Senator's office may be paid only with appropriated funds or personal funds of the Senator. No political contribution may be converted to the personal use of any Senator or former Senator.

Official expenses are those which are intimately and directly connected with the routine legislative or representational business of the Senate. These include Senate staff salaries; office space, furniture and equipment; letterhead, blank paper and envelopes for official correspondence; and postage and other expenses associated with franked mail. Standing Rule 38 (Rule 38) specifies that these expenses may be paid with appropriated funds or personal funds of the Member. Official expenses may be paid only for:

- The Senator

- Persons on the Senator's personal office payroll

- Persons serving on nominating boards for the service academies, Federal judgeships, U.S. attorneys, or U.S. Marshals

- Persons detailed to the Senator's office under authority of PL96-465, § 503(b)(3)

See **"Appendix IV-G: Interpretive Ruling 444"** for a discussion of Interpretative Ruling 444 issued by the Senate Select Committee on Ethics regarding Rule 38.

Questions concerning use of campaign funds should be directed to the Senate Select Committee on Ethics, Ext. 4-2981.

Senators' Account

The Senators' Official Personnel and Office Expense Account (Senators' Account) provides funds for office operation, including funds for staff salaries and for office expenses. Allowances vary from state to state depending, in part, on population and distance from Washington, D.C.. The Senators' Account is calculated based on four formulae:

- **Administrative and Clerical Assistance (Clerk Hire)** - a salary account, is based on state population.

- **Legislative Assistance** - a salary account, is the same for every office; pursuant to PL 102-392 §

- **Official Office Expense Allowance** - an office expense account, is variable, based primarily on population and the distance between Washington, D.C. and the state.

- **Official Mail** - an office expense account, is determined by the Committee on Rules and Administration based on available appropriated funds.

Although the formulae indicate whether an account is salary or office expense, the funds are completely fungible, i.e., amounts provided for salaries may be used for office expenses and vice versa.

Note that this allowance represents a full fiscal year (October 1 through September 30). In cases where a Senator's term does not span the full year (such as Senators entering or leaving office in January), the account is prorated accordingly. Partial months are treated as full months for purposes of funding. New figures are provided to each office by the Disbursing Office at the beginning of the new fiscal year, or whenever any change may occur.

Payments from the Senators' Account

Section 101 of PL 96-304 authorizes the Secretary of the Senate to make payments from the Senators' Account once an expense is incurred and a voucher is submitted with necessary documentation. Payment may be made directly to a vendor, as a reimbursement to the Senator or an employee who has incurred the expense, or deducted automatically (certified) from the account balance.

Payment to a Vendor

Direct payment to a vendor is accomplished by the Senator's office submitting a voucher accompanied by supporting documentation (i.e., a bill or invoice) to the Disbursing Office.

Reimbursement to the Senator or Employee

Reimbursement to the Senator or an employee is accomplished by the Senator's office submitting a voucher to the Disbursing Office. Vouchers for travel must be accompanied by a Travel Expense Summary Report signed by the traveler, and receipts documenting actual expenses. Vouchers for non-travel expenses must be accompanied by a Non-travel Expense Summary Report signed by the person receiving reimbursement, and receipts documenting actual expenses.

Certified Expenses

Payments to internal Senate entities such as the Sergeant at Arms, the Keeper of Stationery, the Senate Recording Studio and the Senate Photographic Studio, are accomplished through certification. This process does not require submission of a voucher by a Senator's office. In general, the certification process is as follows:

1. The Senate entity sends a bill to the Senator's office for review;

2. The Senate entity prepares and submits a voucher to the Disbursing Office for the charges of all Senators;

3. The Disbursing Office pays the Senate entity and charges individual Senator's accounts; and

4. The charges for an office appear on that office's Monthly Report from the Disbursing Office.

Authorized Expenditure Categories

2 USC 58 authorizes expenditures to cover certain categories of expenses incurred in conducting the official business of the Senate. Authorized expense categories include:

- Telecommunications equipment and services

- Stationery and office supplies

- Official reports, mailing lists and official mailing costs

- Home state office expenses

- Publications and subscriptions

- Senator's travel

- Staff travel

- Additional office equipment and related services

- Recording and photographic services and products

- Other official expenses

- Nomination Board

- Detailee (as authorized by PL96-465, § 503(b)(3))

- Public transportation subsidy (authorized by S. Res. 318, 102-2, approved on June 23, 1992)

See **"Appendix IV-A: Authorized Expenses for Senators' Offices"** for additional information regarding these expense categories, including examples.

As a practical accounting matter, the Senate uses expense categories based on the Office of Management and Budget's Object Classification Codes. These expense categories are more detailed than those specified in 2 USC 58.

Prohibited Expenses

Certain expenses are prohibited by law, Senate resolution or regulations promulgated by the Committee on Rules and Administration. These can not be paid or reimbursed from Senate funds. The following table shows prohibited expenses and the authority for the prohibition.

Table IV-1: Prohibition Expenses and the Source for Prohibition

Expense Type	Prohibited Expense	Source for Prohibition
Advertising	Expenses incurred for the purchase of radio or television time, or for space in newspaper or other print media (except classified advertising for personnel to be employed in a Senator's office)	S. Res. 294, 96th Congress, as amended by S. Res. 176, 104th Congress
Dues	Dues or assessments	S. Res. 294, 96th Congress, as amended by S. Res. 176, 104th Congress
Entertainment	Expenses incurred for entertainment, such as alcohol and movies	2 USC 58(a)
Gifts	Expenses incurred for the purchase of holiday greeting cards, flowers, trophies, awards, and certificates	S. Res. 294, 96th Congress, as amended by S. Res. 176, 104th Congress
	Donations or gifts of any type, except (1) gifts of flags which have been flown over the United States Capitol (for public organizations such as schools, churches and patriotic service groups), (2) copies of the book, We, the People, and (3) copies of the calendar "We, the People" published by the U.S. Capitol Historical Society	S. Res. 294, 96th Congress, as amended by S. Res. 176, 104th Congress
Meals	Expenses incurred for meals while in a non-travel status	2 USC 58(a)
Moving	Relocation expenses incurred by an employee in connection with the commencement or termination of employment or a change of duty station	S. Res. 294, 96th Congress, as amended by S. Res. 176, 104th Congress
Non-employees	Expenses incurred by an individual who is not an employee, except those individuals selected by a Senator to serve on panels or other bodies making recommendations	S. Res. 294, 96th Congress, as amended by S. Res. 176, 104th Congress

Expense Type	Prohibited Expense	Source for Prohibition
	for nominees to service academies, Federal judgeships, U.S. Attorneys, or U.S. Marshals	
Salary	Payment of additional salary or compensation to an employee	2 USC 68
	Compensation paid to an individual for personal services performed in a normal employer-employee relationship	S. Res. 294, 96th Congress, as amended by S. Res. 176, 104th Congress
Services	Payment of personal services except upon the express and specific authorization of the Senate in whose behalf such services are rendered.	2 USC 68-2
Travel	Other than POV and damaged autos, expenses incurred for maintenance or care of private vehicles	Legislative Branch Appropriation Acts
	Commuting expenses, including parking fees incurred in commuting, except as authorized by statute under the public transportation subsidy program	S. Res. 294, 96th Congress, as amended by S. Res. 176, 104th Congress
	Per diem and other non-transportation travel expenses which are prohibited during the 60 days preceding a contested election (primary or general)	2 USC 58(e)
	No Senator, or relative or employee of a Senator, may derive a direct monetary benefit from reimbursements of official Senate travel expenses. Therefore, reimbursements are not permitted for mortgage payments or rental fees associated with any type of leasehold interest.	Senate travel regulations, Section V(B)
	Rental of vehicles for those whose duty station is Washington, D.C., for use in and around the Washington, D.C. area;.	Senate travel regulations, Section V(C)
	Fees for rental car insurance (when booking government rate full coverage is provided - see DTMO)	Senate travel regulations, Section II (C) 2

Expense Type	Prohibited Expense	Source for Prohibition
Travel (continued)	Fees for personal accident insurance	Senate travel regulations, Section II (C) 2
Training	Tuition or fees associated with classes attended to earn credits towards a degree or certification.	Senate travel regulations, Section V(D)

Questions regarding whether an expense may be charged against the Senators' Account should be directed to the Committee on Rules and Administration on 4-6352, or to the Disbursing Office Accounts Payable staff on 4-1094 or 4-2027.

Office Financial Management Activities

Each Senator has the fiduciary responsibility for ensuring that funds spent from his allocation of the Senators' Account are used for official purposes. A bookkeeping system should be used to keep information up to date concerning:

- Current balance available for general expenditures;

- Totals spent in each expenditure category; and

- Monthly and yearly totals to date.

These records should be reconciled periodically with the balances provided by the Disbursing Office reports to ensure that they are in agreement.

Automated System for Voucher Preparation and Financial Management

The Senate provides access to an automated system for voucher preparation and financial management, Web FMIS, which is used by offices, committees, leadership and support offices. The system enables an office to:

- Produce printed vouchers

- Streamline production of vouchers from Expense Summary Reports created in the system.

- Submit vouchers for on-line review by the Disbursing Office staff and for sanctioning by the staff of the Committee on Rules and Administration

- Produce printed travel advance requests

- Track the status of vouchers as they progress through the payment process

- Obtain payment information on any voucher

- Communicate with the Disbursing Office staff regarding changes to vouchers

- Budget the allowance

- Set aside funds for future use

- Create a deposit document to accompany a refund check

- Print a variety of reports showing summary budget-to-actual expenditures and detailed voucher level information

- Reconcile Web FMIS records with the monthly report, "Official Personnel and Office Expense Account Summary Report" sent by the Disbursing Office

To use Web FMIS the Administrative Director (or other designated staff) needs a Senate-owned PC with Internet Explorer and Adobe Acrobat Reader (both of which are on the standard Senate template), access to a laser printer, and authority to see voucher information for his or her office.

If the office has this hardware and software, there is no additional cost involved in using Web FMIS. Additional software and training are provided by the Disbursing Office.

Vouchers and Documentation

In order for the Disbursing Office to pay a bill, one copy of each voucher, signed by the Senator and certified by designated staff, must be submitted with appropriate documentation. Documentation includes invoices, bills, statements, receipts, or other evidence of expenses incurred as approved by the Committee on Rules and Administration. Receipts should indicate what is covered. In addition, if the voucher is payable to the Senator or an employee, it must be accompanied by an Expense Summary Report (travel or non-travel).

See **"Appendix IV-B: Senators' Official Personnel and Office Expense Account Regulations"** for regulations pertaining to documentation of vouchers.

Documentation and the $50 Threshold

- **Vouchers $50 and under**—Official expenses of $50 or less must be accompanied by either documentation as described above or itemized in sufficient detail to leave no doubt of the identity and amount spent for each item.

- **Vouchers over $50**—Official expenses over $50 must be accompanied by documentation as described above.

- **Exceptions**——The Committee on Rules and Administration may require documentation for expenses of $50 or less, or, in special circumstances, authorize payment for expenses over $50 without documentation (pursuant to S. Res. 258, 100th Congress).

- **Supporting Documentation**—Original or copy?

  Original receipts need not accompany the voucher. Consideration should be given to sending legible reproduced copies of documentation to prevent loss since it is possible for a single receipt to become detached from the voucher. Each office is responsible for maintaining documentation to support vouchers submitted. Since receipts are not returned to the payee or office, care should be taken that the office files contain copies.

- **Which Funding Year?**

  Funds from the Senators' Account are available for obligation for a 12 month period beginning October 1 and running through September 30. Obligation should not be confused with spending. You obligate funds when you take an action that requires that the Senate pay for something when billed in the future. Examples of obligating actions include ordering a PC, making a long distance phone call that will be billed on your monthly phone statement, or embarking on an airplane for a trip. Delivery of the goods, receipt of the bill and payment of the bill may occur many months after the date on which the obligation was incurred. The important date is the starting obligation date (i.e., the start date) because this determines to which funding year the expense can be charged. In addition, the Senate tracks ending obligation date (i.e., the end date). Note that for travel, the starting obligation date is the date on which travel commenced, NOT the date on which a ticket was ordered or purchased.

- **What are starting and ending obligation dates?**

  For the most part, the starting and ending obligation dates are the dates of service. When there is a billing period, for example, on a state local service phone bill, the starting obligation date will be the first date of the service period and the ending obligation date will be the last date of the service period. Where actions are discrete, for example, sending an overnight package, the starting obligation date is the date on which the first package was sent and the ending obligation

date is the date on which the last package was sent. It does not matter when either package was received.

- **Start date in one year and end date in another**

  For discrete actions, such as travel, express delivery, and bottled water service, when the obligation dates cross the fiscal year, e.g., begin in September and end in October, two vouchers must be submitted, one for the expenses incurred in each fiscal year.

Paying in Advance

Most payments are either reimbursements for expenses already incurred, for example by staff traveling by personally owned vehicle, or payments made directly to a vendor for goods already received. Senators' offices have authority to pay for specific expenses in advance. These include subscriptions to publications, cable TV, and pre-paid cellular phone service. Advance payments are not allowed where cancellation fees may be incurred and are limited to a Senator's term of office. See **"Appendix IV-C: Committee Regulations Governing Advance Payments"** for the Advance Payment Regulations.

Expense Summary Reports

The Travel Expense Summary Report and Non-Travel Expense Summary Report forms, which Senate employees must complete to be reimbursed for their expenses, are available online via the Senate Automated Vendor Inquiry system (SAVI), a Web site with the address https://svi.senate.gov. In addition, on this Web site Senate employees can review details of their reimbursements (from 1999 to the present). To use SAVI, employees must have an ID and password, which are provided by the Disbursing Office.

Refunds of Vouchered Expenses

To process a refund to the Senate of a previously vouchered expense (e.g., the unused portion of a subscription that has been terminated), a letter or deposit document must be delivered to the Disbursing Office from the Senator indicating the reason for the refund. The refund check, not drawn from a campaign fund, should be made payable to Financial Clerk, U.S. Senate and should accompany the deposit document. The Senator's office account will then be credited with the appropriate amount.

Questions

- For assistance in preparing vouchers, call the Disbursing Office Accounts Payable staff on 4-1094 or 4-2027.
- For assistance with the Web FMIS system or SAVI system, call the Disbursing Office IT staff on 8-4444.
- For assistance with refunds, call the Disbursing Office Accounting staff on 4-7612 or 4-9355.

Senator-Elect Expenses

Senator-elect expenses are paid from the Contingent Fund of the Senate upon submission to the Disbursing Office of itemized vouchers signed by the Senator-elect. The Disbursing Office audits these vouchers and obtains the signature of the Secretary of the Senate before they are sanctioned by the Committee on Rules and Administration.

Payroll

Each Senator-elect is allowed up to two appointed employees during the Senator-elect period. The payroll expenses of these employees are charged to the Senator's allowance from the Senator's Account after the Senator's term begins. See the discussion in **Special Appointment**.

Questions regarding official expenses during the Senator-elect period should be directed to the Committee on Rules and Administration (4-6352), or to the Accounts Payable Section of the Disbursing Office (4-1094 or 4-2027).

Travel

Each Senator-elect and up to two appointed employees are authorized one round trip from the home State of the Senator-elect to Washington, D.C. and return, for the purpose of attending conferences, caucuses, or organizational meetings, or for any other official business connected with the impending Congress. In addition, each Senator-elect and each employee is authorized per diem for not more than seven days while en route to and from Washington, D.C. and while in Washington, D.C. Such transportation and per diem expenses shall be in the same amounts as are payable to Senators and employees in the office of a Senator. These expenses are paid from Senate funds, but are not charged to the Senator's allowance from the Senator's Account. Travel advances are not authorized for travel during the Senator-elect period.

Telecommunications

Each Senator-elect is authorized reimbursement for expenses incurred for telecommunications related to the position of Senator-elect. These expenses are charged to the Senator's allowance from the Senator's Account after the Senator's term begins. They cannot exceed one-twelfth of the Official Office Expense Account portion of the Senator's Account for the State represented.

Stationery

Each Senator-elect is authorized reimbursement for expenses incurred for stationery related to the position of Senator-elect. These expenses are charged to the Senator's allowance from the Senators' Account after the Senator's term begins. They cannot exceed one-twelfth of the Official Office Expense Account portion of the Senator's Account for the State represented.

Franked Mail

The cost of mailing franked letters during the Senator-elect period is tracked by the Sergeant at Arms and is certified by the Sergeant at Arms against the Senator's allowance from the Senator's Account after the Senator's term begins.

Compensation

The annual salary for a Senator effective January 2009 is $174,200. The maximum and minimum per annum salary rates for Senate staffs are defined by Order of the President Pro Tempore, usually at the beginning of each session. For 2010 the maximum rate for an employee in a Senator's office is $169,459, and for an employee on a standing committee is $171,315. The minimum rate is $2,742. All salary information is published every 6 months in the *Report of the Secretary of the Senate.*

Salary increases or decreases and title changes may be effective only on the 1st or 16th day of a month. To be effective on the 1st of the month, a Payroll Action Authorization form authorizing a salary adjustment may be received in the Disbursing Office (SH-127) as late as the 10th day of that month. To be effective on the 16th of the month, a Payroll Action Authorization form authorizing a salary adjustment may be received in the Disbursing Office as late as the 25th day of that month. The Disbursing Office can provide Payroll Action Authorization forms.

Senate Payroll System

All office information is considered personal and confidential, and will be provided only to individuals designated by the Senator on the Office Information Authorization form. Each Senator must submit the form to the Financial Clerk authorizing specific individuals to receive financial reports from the Disbursing Office, to request information relating to the office's payroll, voucher and account balances, or for matters of a personal nature for the Senator. These persons also act as the Disbursing Office contacts to resolve questions pertaining to those areas of the office's financial matters.

Senators and staff are paid at annual rates based on a 30-day month (360-day year). Paydays occur twice a month, on the 20th (for the 1st through the 15th of that month) and on the 5th (for the last half of the preceding month). If the pay date falls on a Saturday, Sunday or holiday, payday is the preceding workday.

A Senator's check may be transmitted electronically to a designated financial institution, delivered to the Senator's office, or mailed to a home address. Salary disbursements to staff may be transmitted electronically to a designated financial institution or mailed to their home address or other address listed on the Employee Address Card and Tax Withholding Allowance Certificate. Payroll checks that are mailed originate in Kansas City, MO, and are subject to postal service delays. Direct deposit is highly recommended, and is established using the Direct Deposit Sign-up Form (SF-1199A) available on Webster and at the Disbursing Office.

The Senate has no official provisions for vacation or sick leave. These policies are established within each Senate office and are not accounted for in the payroll system. See the discussion of **Office Policies in Chapter I-Administration.** Also note the discussion of compensation for accrued leave later in this chapter in the section on Employment Terminations. Furthermore, the Senate cannot transfer leave to or from another federal entity.

Verifications of employment for mortgages, applications to the Bar or unemployment compensation, as well as other inquiries regarding income or benefits coverage, should be referred to the Employee Benefits Section of the Disbursing Office (4-1093).

Student Loan Repayment Program

A recruitment and retention incentive, the Student Loan Repayment Program (SLP), was included in the Legislative Branch Appropriations Bill for FY 2002. This bill established the program for the United States Senate. Offices may participate on a voluntary basis.

Using a Standard Service Agreement, an eligible employee in a Senate office guarantees that he or she will work for the next full year for that office in return for payments made against their student loan liability. Ford, Stafford, Perkins, Federal Consolidation and PLUS loans are covered, provided they are not in default or arrears.

All agreements are for one year. The amount paid against the student loan indebtedness is limited to a maximum of $500 per month and amounts paid out are not charged against an office's staff budget. If an employee voluntarily leaves their office or is fired for cause, they must repay any payments previously made under this program.

Overtime

Overtime hours are tracked and approved by the employing office. Overtime wages to be paid must be certified by the employing office and submitted to the Disbursing Office for payment on a regularly scheduled payday. See the discussion of the Congressional Accountability Act in Chapter I for information about requirements of the Fair Labor Standards Act.

Payment of overtime is authorized by submitting to the Disbursing Office (SH-127) an Overtime Report signed by the Senator, Committee Chairperson, or Officer of the Senate on whose payroll the individual worked during the time the overtime was incurred.

The Disbursing Office pays overtime twice a month in the following manner:

- Payment of overtime compensation made on the 5th of a month will include compensation for all workweeks completed on or before the 15th of the preceding month. Signed Overtime Reports for this period are due to the Disbursing Office by the close of business on the 25th of the prior month; and

- Payment of overtime compensation made on the 20th of the month will include compensation for all workweeks completed on or before the last day of the preceding month. Signed Overtime Reports for this period are due to the Disbursing Office by the close of business on the 10th of the same month.

The Disbursing Office publishes a yearly Schedule for Overtime Payments that indicates the overtime periods that will be paid in each pay period.

Overtime payments are itemized on the Earnings and Deductions Statement. Overtime wages are subject to withholding for FICA, Medicare tax, federal and state income taxes. They are not subject to withholding for TSP, retirement (CSRS or FERS), FEGLI, garnishments and some tax levies.

Payroll Allotments and Deductions

- **Savings Bonds & Other Treasury Securities** –The Department of the Treasury offers the purchase of electronic bonds and other securities via their web-based system, TreasuryDirect at www.treasurydirect.gov. Any individual wishing to purchase electronic U.S. Savings Bonds or other Treasury securities should open a TreasuryDirect account. Once a TreasuryDirect account

has been established, employees may elect to purchase electronic bonds or other Treasury securities by payroll deduction or by deduction from a bank account.

- **Savings Allotments and Charitable Contributions** - Allotments to savings accounts, financial institutions and to Combined Federal Campaign charities can be made by payroll deduction. For further information call the Payroll Section of the Disbursing Office (4-1095).

- **Income Tax Information** - Members and employees may request that federal and state income tax be withheld from their pay by completing an Employee Address Card and Tax Withholding Allowance Certificate, which is available in the Disbursing Office (SH-127) and on Webster.

  For income tax purposes, a Senator is considered a resident of the state for which elected (4 U.S.C. 113, 26 U.S.C. 162). The Congressional Research Service has prepared a report, Special Tax Rules for Members of Congress (95-501A), which may be of assistance to Senators.

  - **District of Columbia** - Exemption from the District of Columbia income tax for those domiciled in D.C., is available on a limited basis to certain employees of a Member. Eligible employees must (1) be a legal resident of the state their employing Member represents; (2) reside in the District of Columbia; and (3) be on the personal staff of the Member. Any other Congressional employee, including committee staff and administrative officials or employees, who is domiciled in or maintains a place of abode in D.C. for an aggregate of 183 days or more per year, is liable for D.C. income taxes and must report all gross income earned or received while a resident of D.C.. Pro-rata credit is given for taxes paid to another state on income earned from that jurisdiction while a resident of D.C.

    An employee may lose or gain tax exempt status by a change of employment or, in some cases, a change in marital status.

    A Congressional employee may request a ruling concerning his or her D.C. income tax liability by submitting a Non-Resident Request for Refund or Ruling (Form D-40B), which can be obtained from the D.C. Office of Finance.

    Additional information on D.C. taxes may be obtained at www.dc.gov or (202) 727-4829.

  - **Maryland** - A Maryland resident is defined as any individual domiciled in the state on the last day of the taxable year or an individual who, for more than six months of the taxable year, maintained a place of abode in Maryland, whether domiciled or not. There are no special state tax exemptions for Senate employees who reside in Maryland or any other state.

    Additional information on Maryland taxes may be obtained at www.marylandtaxes.com or (410) 767-1300 or (800) 492-1751.

  - **Virginia** - If an employee maintains a place of abode in Virginia for more than 183 days during the taxable year, or has income from Virginia sources, regardless of the individual's state or legal domicile, the individual is subject to the income tax laws of Virginia. There are no special state tax exemptions for Senate employees who reside in Virginia or any other state.

    Additional information on Virginia taxes may be obtained at www.tax.virginia.gov or (804) 367-8031.

Benefits

Life Insurance

Members and most employees are eligible for term life insurance coverage through the Federal Employees Group Life Insurance (FEGLI) program. Upon initial federal employment, Members and employees are automatically covered by Basic FEGLI coverage, effective from the date of taking office or being appointed, unless coverage is declined, or if specifically excluded by law or regulation. Those covered by Basic FEGLI may also choose to be covered by Optional life insurance (Option A-Standard, Option B-Additional, and/or Option C-Family) within 60 days of the date of taking office or being appointed. Coverage is elected by completing a Life Insurance Election form (SF-2817).

Members and employees who have previously been employed in the federal government will have their previous FEGLI status reinstated; however, if separated for more than 180 days and if FEGLI coverage had not been waived, a new 60-day period to elect additional coverage applies. If separated more than 180 days and FEGLI coverage had been waived altogether, FEGLI coverage will be as stated in the preceding paragraph.

Members or employees who decline any or all FEGLI coverage, may not obtain the coverage that was declined for at least one year, and then may, only if approved by the Office of FEGLI upon certification of insurability by a doctor. A declination of Option C-Family coverage may be revoked only in the event of a change in family status.

Basic Life Insurance - Coverage is equal to the greater of (a) $10,000 or (b) one's gross annual salary rounded to the next higher thousand plus $2,000.

> For example: Gross annual salary = $38,900
>
> Rounded to the next higher thousand = $39,000
>
> Plus additional $2,000 = $41,000 = Basic FEGLI Amount

Option A - Standard - Coverage is $10,000.

Option B - Additional - Coverage may be elected in multiples of one to five times annual salary (rounded to the next higher thousand).

Option C - Family - Coverage applies to the insured's eligible family members. Coverage is available in one to five multiples of: $5,000 for spouse and $2,500 for each unmarried dependent child under age 22.

Basic FEGLI pays an extra benefit if the insured dies prior to age 45. Both Basic and Option A insurance have provisions to pay additional benefits for accidental death or dismemberment.

The cost for Basic insurance is based on the value of the coverage. The cost for Optional coverage is based on the value of the coverage and the age of the insured employee.

Upon the death of the insured, Basic insurance and Options A and B are payable according to the following legal order of precedence (assuming insurance has not been assigned and there is no court-order on file with OPM):

(A) to the beneficiary(ies) the Insured validly designated;

(B) if none, to the Insured's widow(er);

(C) if none, to the Insured's child or children and the descendants of any deceased children;

(D) if none, to the Insured's parent(s);

(E) if none, to the court-appointed executor or administrator of the Insured's estate;

(F) if none, to the Insured's other next of kin entitled under the laws of the State where the Insured lived.

If the insured wishes to name a beneficiary(ies), he/she should complete a FEGLI Designation of Beneficiary (SF-2823), which is available in the Disbursing Office (SH-127) and on Webster. The Designation, with all original signatures and no erasures or alterations, should be submitted directly to the Disbursing Office (SH-127). Fax copies are not acceptable.

Option C-Family coverage is payable to the Insured employee upon the death of an eligible family member.

The FEGLI program also contains provisions for the irrevocable assignment of benefits, and for payment of benefits to terminally ill participants.

A participant who leaves Government service can convert life insurance coverage to an individual policy without proof of insurability if an application for conversion is made in a timely manner. FEGLI coverage may be continued into retirement if the participant has entitlement to an immediate annuity and had FEGLI coverage for the five years of federal service immediately preceding retirement.

Life insurance forms and additional information are available from the Disbursing Office (SH-127) and on Webster.

Health Insurance

Members and eligible employees may choose from among the health insurance plans offered through the Federal Employees Health Benefits (FEHB) Program. Premiums are withheld from pay on a pre-tax basis (unless elected otherwise). Plan brochures are available from the Disbursing Office (SH-127), on Webster, and at www.opm.gov/insure. Health Benefits Election Forms (SF-2809) for Senate employees are available in the Disbursing Office and on Webster.

Under the FEHB program:

- A Member or employee has 60 days from the date of taking office or being appointed to enroll in the FEHB program. Coverage takes effect on the first of the month after the election is received in the Disbursing Office.

- FEHB elections can only be changed (e.g. new enrollment, cancellation, change in plan) during the annual open season or upon the occurrence of a qualifying life event (e.g. change in marital status, birth of a child, loss of coverage under another health plan). Open seasons occur over a five-week period in November and December with changes taking effect January 1st of the following year.

- Two types of FEHB enrollment are available. Self-only, which covers only the employee and Self-and-Family, which covers the employee and his/her eligible family members.

- Eligible family members include the spouse and dependent children under the age of 26. Please check with the Employee Benefits Section of the Disbursing Office (4-1093) regarding the eligibility of step-children, foster children, and disabled children over age 26.

- Neither employees nor their family members are permitted to maintain coverage on more than one FEHB enrollment simultaneously.

- Upon termination of employment, FEHB coverage is extended for 31 days beyond the end of the month in which employment terminated.

- In most circumstances, the Temporary Continuation of Coverage (TCC) provisions allow for continued FEHB coverage when it would otherwise end. There is no government contribution towards TCC enrollments. Enrolled employees whose employment terminates may elect TCC coverage for up to 18 months. Covered family members who lose their eligibility under FEHB (e.g. a child who turns age 26, a spouse upon divorce), may elect TCC coverage for up to 36 months. Contact the Employee Benefits Section of the Disbursing Office (4-1093) for more information or to enroll.

- Health benefits may be continued into retirement if the participant has entitlement to an immediate annuity and had FEHB coverage for the five years of federal service immediately preceding retirement.

Dental and Vision Insurance

Members and eligible employees may choose from among the dental and vision insurance plans offered through the Federal Employees Dental and Vision Insurance Program (FEDVIP). Premiums are withheld from pay on a pre-tax basis. FEDVIP may be elected within 60 days of taking office or being appointed, or during the annual Open Season.

FEDVIP is administered by a third party administrator. Enrollment in and information about FEDVIP should be requested directly from the administrator a www.benefeds.com or 1-877-888-3337.

Flexible Spending Accounts

Flexible Spending Accounts (FSAs) are available for Members and employees to set aside pay on a pre-tax basis for the reimbursement of certain healthcare and/or dependent care expenses. FSAs may be elected within 60 days of taking office or being appointed. (Elections for the calendar year may not be made after October 1st, however, FSA elections for the following year will be made during the annual Open Season in November and December.) Annual FSA elections are irrevocable and elections must be renewed each year during open season. Any money remaining in an FSA at the end of the plan year, for which eligible expenses were not incurred, will be forfeited by the participant.

The Federal FSA program is administered by a third party administrator. Enrollment in and information about FSAs should be requested directly from the administrator at www.fsafeds.com or 1-877-fsa-feds.

Long Term Care Insurance

The Federal Long Term Care (LTC) Insurance program offers Members, employees and their eligible family members the opportunity to apply for LTC. Eligible employees and their family members may apply for LTC at any time during employment, however less documentation is required if the employee or spouse applies within 60 days of taking office or being appointed.

A variety of LTC levels and options are available. Acceptance is based on insurability and premiums are based on age at the time of application and level of coverage elected. The Federal LTC program

is administered by a third party administrator. Application for and information about LTC should be requested directly from the administrator at www.ltcfeds.com or 1-800-ltc-feds.

Retirement

The provisions of the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) are very complex. Questions about coverage, entitlements and retirement eligibility are best referred to the Employee Benefits Section of the Disbursing Office (4-1093) on a case by case basis.

In general, however, Members and employees first hired after 1983 are automatically placed in FERS. Most Members and employees hired prior to 1984 participate in full CSRS or CSRS Offset unless they subsequently elected FERS or were placed in FERS by law due to specific employment or breaks in service. (Employees who are eligible to participate in CSRS should complete an Application for Participation in CSRS, as participation is not automatic.)

An employee may be entitled to an immediate annuity payable upon separation from federal service, if one of the following are met:

> For CSRS participants, an employee must have completed:

- 5 years of service and attained age 62; or

- 20 years of service and attained age 60; or

- 30 years of service and attained age 55; or

- 25 years of service regardless of age, or 20 years of service and attained age 50; provided that the separation is involuntary and not related to misconduct. Annuities of persons retiring under this provision are reduced 2% for each year they are under age 55 at the time of retirement.

> For FERS participants, an employee must have completed:

- 5 years of service and attained age 62; or

- 20 years of service and attained age 60; or

- 30 years of service, and attained their Minimum Retirement Age (MRA falls between age 55 and 57, depending on the employee's year of birth.)

- 25 years of service regardless of age, or 20 years of service and attained age 50; provided that the separation is involuntary and not related to misconduct.

- 10 years of service, and attained their MRA. Annuities of persons retiring under this provision are reduced 5% for each year they are under age 62 at the time of retirement. However this type of annuity may be postponed to avoid age reduction.

Death and long-term disability benefits are available under both CSRS and FERS. The benefits are generally based on age and time in service. Although complex and unique to each individual, a general description may be reviewed in the CSRS and FERS booklets available in the Disbursing Office.

Upon separation from federal service without entitlement to an immediate annuity, a FERS or CSRS employee may leave their retirement contributions in place and receive a deferred annuity payable at a later date, or apply for a refund of retirement contributions. A refund of CSRS or FERS

contributions negates any right to a future annuity. A CSRS or FERS refund may only be repaid upon reemployment.

Because of the complexity of these provisions, the above descriptions are only a general guide and must not be relied upon in any individual case. Any employee contemplating retirement should contact the Employee Benefits Section of the Disbursing Office (4-1093), for an individual consultation concerning the status of the employee's CSRS, FERS and Social Security coverage.

Thrift Savings Plan

The Thrift Savings Plan (TSP) is a tax-deferred retirement savings plan. Employees may contribute a portion of pay to the TSP, subject to IRS limitations ($16,500 per annum in 2010). Newly hired employees, or employees rehired after a break in service, are automatically enrolled to contribute 3% of pay to TSP, however, they may elect a different amount if they wish or may opt-out altogether. FERS employees receive agency matching contributions on their TSP contributions up to 5% of pay. The TSP is an essential part of the FERS total retirement package. Contributions to TSP may be invested by the participant among the five investment funds, or by using the "lifecycle funds".

Upon separation, a participant may maintain their TSP account, transfer their account to an IRA or 401(k), purchase an annuity, take one partial withdrawal or withdraw the entire balance. Early withdrawal of funds from the TSP may be subject to tax penalties. Additional information is available on Webster and at www.tsp.gov.

Social Security and Medicare Taxes

All Members of Congress are subject to Social Security. All Senate employees are subject to Social Security, unless they participate in CSRS and have not taken a CSRS refund or had a break in service of 365 days since 1983. The withholding for Social Security is 6.2% of pay (up to the Maximum Taxable Wage Base). In addition, all Members and Senate employees are subject to the Medicare tax (1.45% of pay).

Federal Workers' Compensation Act

Employee workers' compensation benefits are available to Senators and employees who are injured, acquire disease, or become ill as a result of performance of their jobs. Benefits can be paid to the employee for medical treatment, personal expenses, lost wages or disability due to a work-related injury, and to the employee's family when the illness or injury is fatal. Claim forms and assistance with filing claims are provided by the Office of the Sergeant at Arms, Human Resources, SH-142, 4-3796. Administration of the Act is by the Office of Workers' Compensation, U.S. Department of Labor.

If injured, call the Sergeant at Arms Office, 4-3796 or report immediately to the closest health unit. The location and telephone numbers of health units are:

Table IV-2: Health Units and Locations

Health Unit Location	Telephone Number
SH-124	4-6580
S-154	4-8233

Health Unit Location	Telephone Number
H-166	5-5421

Unemployment Compensation

Compensation is paid by the state, including the District of Columbia, in which the person was employed and benefit claims can be filed at the nearest unemployment office. The amount of payment and length of time claims are payable vary from state to state. The employee is advised to contact their local state unemployment office. It should be noted that many states require a personal appearance prior to disposition of the case and some allow for online filing. When applying, employees should take with them two recent pay notices and the "Notice to Federal Employee About Unemployment Insurance" (SF-8), which is mailed to each employee upon separation, or can be requested from the Disbursing Office (4-1093). Additional information and claim forms can be obtained from the state unemployment office.

Inquiries from state unemployment offices regarding earnings and reasons for separation should be referred to the Disbursing Office 4-1093 and requests may be faxed 4-8641.

Appointments and Terminations

Employment Conditions and Restrictions

An unlimited number of staff may be employed under the staff allowances and there are no restrictions as to the position title that the Senator may designate. Employees may be hired on a regular or temporary basis. Employees are appointed on a "temporary excluded" basis by adding a fixed termination date to their appointment (not to exceed one year) and are excluded from participation in retirement and benefits.

An employee may be on the payroll of more than one Senator's office or on the payroll of a Senator's office and a leadership or administrative office, providing the aggregate pay received does not exceed the maximum annual salary for a Senator's office (2 U.S.C. 61-1a). An employee can only be shared between offices which are funded through the appropriations, "Senators' Official Personnel and Office Expense Account" (Senators' personal staff), and "Salaries, Officers, and Employees".

Subletting, subcontracting, or hiring another individual to perform duties or part of the work for which hired is not permitted (2 U.S.C. 101).

The nepotism law prohibits the appointment, employment, promotion, or advancement of a relative of a public official or a relative of an individual who has the authority to recommend individuals for appointment, employment, promotion or advancement. The following cannot be hired: parent, parent-in-law, step-parent, child, child-in-law, stepchild, spouse, sibling, sibling-in-law, step-sibling, half-sibling, uncle, aunt, first cousin, nephew, or niece. (5 U.S.C. 3110).

Senators should be aware of the provisions of the Congressional Accountability Act, and Senate Rule 42, which govern employment practices. See the section on the **Congressional Accountability Act** in Chapter I for an explanation of those provisions.

Certain restrictions exists that may prevent foreign citizens from employment in the Senate. To avoid possible embarrassment to an office or prospective employee, staff should check with the Disbursing Office (4-3205).

Employment Eligibility Confirmation

Every Senate office is required to comply with the Immigration Reform and Control Act (IRCA) by completing Form I-9 for each new hire and by reviewing certain documents to verify that each new hire is authorized to work in the United States. Form I-9 contains a list of the documents an employing office must review for each employee. In addition, **every** Senate office **must** register for and participate in the E-Verify program established by the Department of Homeland Security and the Social Security Administration. This is required by the Illegal Immigration Reform and Immigrant Responsibility Act. Pursuant to that law, each office **must** electronically verify the work authorization of every employee that office hires. See the sections regarding IRCA and E-Verify in Chapter I for an explanation of these requirements.

You should contact the Office of Senate Chief Counsel for Employment (224-5424) if you have any questions regarding these laws.

Official Appointment

The official appointment of an employee is made on the Appointment and Oath of Office/Personnel Affidavit form, which must be signed by the appointing Senator, Committee Chairperson or Appointing Official. The employee must sign on both sides in the presence of a Notary Public and the Appointment must be received in the Disbursing Office (SH-127) on or before the effective date of the appointment. Appointments cannot be retroactive nor can they be effective on a date prior to the date received in the Disbursing Office. Because the Senate's payroll system is based on a 30-day month, no appointments are effected on the 31st of a month. The Employee Address Card and Tax Withholding Allowance Certificate must also be submitted to the Disbursing Office by the day on which employment begins. The Direct Deposit Sign-Up Form (SF-1199A) should also be submitted as soon as possible.

Election forms for health insurance, life insurance, the Thrift Savings Plan and retirement participation are available in the Disbursing Office and on Webster. These elections should be delivered to the Disbursing Office by hand or by fax (4-8641) within 60 days of hire. Please see your benefits packet regarding applicable time limits for each of the federal benefits programs. Information about these benefits programs (4-1093) and all employment forms (4-3205) can be obtained in the Disbursing Office (SH-127) and on Webster. See the discussion of **Benefits** in this Chapter (**Chapter IV-Financial Management**).

Federal employees also have the opportunity to participate in the pre-tax Federal Flexible Spending Account (FSA) program, the Federal Employees Dental and Vision Insurance Program (FEDVIP), and the Federal Long Term Care (LTC) Insurance Program. Enrollment in and information on these programs must be accessed directly from their respective plan administrators. Please see your benefits packet regarding applicable time limits for each of the federal benefits programs. See the discussion of **Benefits** in this Chapter (**Chapter IV-Financial Management**).

In Washington, D.C., all new employees may be sworn in at the Disbursing Office (SH-127). Employee appointment forms for state office staff must be properly completed and notarized before they are returned to Washington, D.C. for the Senator's signature. Again, the forms must be submitted to the Disbursing Office on or before the first day of employment.

A staff member who is an employee of an office within the Senate and secures a position with a new Senate office may be transferred by a Payroll Action Authorization form in lieu of an Appointment form. The form must contain the effective date of the transfer, the employee's full name, the annual salary, the position title, and the signature of the appointing Senator. The Payroll Action Authorization form must be received in the Disbursing Office (SH-127) on or before the effective date of the transfer. This form may be used only when there is no break in service from one Senate office to another. If an employee is coming to the Senate from another part of the government, an Appointment form must be prepared.

Once a Senator appoints an individual to the payroll, salary expenses are deducted automatically from the Senators' Account.

Gratuitous (Voluntary) Service

Whenever an individual provides gratuitous service to a Senate office, the individual must file an Agreement for the Provision of Gratuitous Services form with the Financial Clerk of the Senate, in advance of providing any gratuitous service. That form certifies that such service is designed primarily for the individual's educational benefit and is without compensation from any source. (This is required by Interpretative Ruling 442, issued by the Select Committee on Ethics on April 15, 1992. See **"Appendix IV-G Interpretive Ruling 444."**

Special Appointments

Senators-Elect

A Senator-elect (other than an incumbent Senator or a Senator elected to fill a vacancy - per 2 U.S.C. 43d) may recommend for appointment by the Secretary of the Senate two employees to assist the Senator-elect in dealing with constituents and attending caucuses, conferences and organizational meetings in preparation for the Senator-elect's forthcoming duties. A Certificate of Election must be filed with the Secretary of the Senate prior to any payment under this provision. The salary rates of employees appointed under this provision cannot exceed those authorized for an incumbent Senator's office staff and, in accordance with current law, such appointment cannot become effective until properly signed, notarized and received in the Disbursing Office (SH-127).

This total amount of gross salary expenditure for the Senator-elect's employees will be accumulated and charged against the Senator's staff allowance during the first nine months of the Senator's term.

The Senator-elect must notify the Disbursing Office if these appointees are to continue as permanent employees. This may be accomplished by completing the Transfer portion of the Payroll Action Authorization form. The form must be received in the Disbursing Office on or before January 3rd.

Employment Terminations

To remove an employee from the payroll, the Disbursing Office must be notified in writing. The letter or Payroll Action Authorization form must contain the employee's name, date of termination (effective close of business), and the signature of the employing Member, Committee Chairperson or Senate Official.

Compensation for Accrued Leave

Pursuant to FY 2001 Legislative Branch Appropriations Act, Public Law 106-554 section 6, an office may reimburse an employee for their unused annual leave provided that the office has approved a written leave policy authorizing employees to accrue leave and establishing the conditions upon which accrued leave may be paid. The office must submit a written certification to the Financial Clerk of the Senate specifying the number of days of annual leave accrued by the employee (maximum of 60 days) for which payment is to be made under the written leave policy of the employing office and that there are sufficient funds to cover the lump sum payment.

Another common practice to effect such compensation is to retain the individual on the Senate payroll for the length of time necessary to equal the accrued leave time. Offices should be aware; however, that 5 U.S.C. 5533 prohibits an employee being on the Senate payroll and either of the other two branches of government or elsewhere in the Legislative branch simultaneously. Thus if an employee leaves the Senate for other government employment, care must be taken that the Senate termination date does not overlap the beginning date of the new position.

There is no statutory authority to transfer accrued annual or sick leave from the Senate to another entity within the Legislative Branch or to another agency of the government.

Death of an Employee

In the event of the death of an employee, the employing Senator, Chairperson or Senate Official must notify the Disbursing Office in writing of the date of death. If available, the name and address of the next of kin should be provided. Absence of the latter information should not delay submission of the notice of death.

The Disbursing Office is charged with the responsibility of advising survivors of deceased employees concerning their federal benefits. The surviving spouse or relevant survivor should contact the Employee Benefits Section of the Disbursing Office (4-1093) to proceed with application for benefits.

The surviving spouse or relevant survivor will be advised by the Disbursing Office of the benefits payable and the documentation required to apply for those benefits.

Any unpaid balance of salary or other sums due at the time of death will be paid to the designated beneficiary or next of kin (2 U.S.C. 36a).

In addition, the Senate customarily presents a gratuity to the next of kin or estate of a deceased employee who has served at least twelve consecutive months on the Senate payroll, and is on the payroll at the time of death. The amount of the gratuity varies from one month's salary to one year's salary, depending on the length of service. Death gratuities are in the nature of gifts, and are not reportable as income under federal income tax laws, pursuant to 2 U.S.C. 38b. The Financial Clerk will provide the Committee on Rules and Administration with the appropriate documentation for issuance of the gratuity.

In the event of the death of a Senator, procedures are described in the "**Appendix I-C: Closing a Senator's Office**".