

January 2012

CAPITOL POLICE

Retirement Benefits, Pay, Duties, and Attrition Compared to Other Federal Police Forces



G A O

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Why GAO Did This Study

The Washington, D.C. metropolitan (DC metro) area is home to many federal police forces, including the United States Capitol Police (USCP), which maintain the safety of federal property, employees, and the public. Officials are concerned that disparities in pay and retirement benefits have caused federal police forces to experience difficulties in recruiting and retaining officers. In 2010, the USCP Labor Committee proposed six changes to enhance the USCP benefit structure. GAO was asked to review USCP's pay and retirement benefits and compare them to other federal police forces in the DC metro area. GAO (1) compared USCP to other forces with respect to retirement benefits, minimum entry-level salary, duties, and employment requirements; (2) compared attrition at USCP to other forces, and determined how, if at all, USCP and other forces used human capital flexibilities (e.g., retention bonus); and (3) determined what level of retirement income USCP benefits provide and the costs associated with the proposed benefit enhancements. GAO chose nine other federal police forces to review based on prior work, inclusion in the Office of Personnel Management (OPM) police occupational series, and officer presence in the DC metro area. GAO analyzed laws, regulations, OPM data from fiscal years 2005 through 2010, and human capital data from the 10 police forces. GAO also surveyed the 10 forces.

USCP and the Office of Personnel Management generally agreed with our findings and provided technical comments, which GAO incorporated as appropriate.

View [GAO-12-58](#). For more information, contact Eileen R. Larence at (202) 512-8777 or larencee@gao.gov or Charles A. Jeszeck at 202-512-7215 or jeszeckc@gao.gov.

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What GAO Found

USCP generally has enhanced retirement benefits, a higher minimum starting salary, and a wider variety of protective duties than other federal police forces in the DC metro area that GAO reviewed, but has similar employment requirements. Even though USCP, Park Police, Supreme Court Police, and Secret Service Uniformed Division are federal police forces, they provide enhanced retirement benefits similar to those offered by federal law enforcement agencies that have additional investigative duties. These enhanced benefits allow their officers to retire early and accrue retirement pensions faster than other federal police forces. USCP and these three forces also offered among the highest minimum entry-level salaries—ranging from \$52,020 to \$55,653—than the other six forces GAO reviewed, which had minimum entry-level salaries ranging from \$38,609 to \$52,018. USCP reported routinely having a wider variety of duties than most other forces. These duties ranged from routinely protecting members of Congress to protecting buildings. USCP and most of the forces generally have similar employment requirements, such as being in good physical condition.

USCP's attrition rate is generally lower than the majority of the federal police forces in our review; and USCP and seven of the other nine police forces considered human capital flexibilities to be at least of some importance to recruiting and retaining qualified officers, but use of these flexibilities generally depends on recruiting needs, among other factors. From fiscal years 2005 through 2010, USCP had the fourth lowest attrition rate (6.5 percent) among the 10 police forces GAO reviewed; the attrition rates for the nine other forces ranged from 3.5 percent to just under 14 percent. Officials from USCP and four other forces GAO reviewed stated that, currently, attrition is not a problem because of the challenging economy. For example, officials from USCP and Bureau of Engraving and Printing Police stated that their officers want to retain their jobs in the challenging economy. In addition, USCP and other forces said that when their officers do leave the force, they generally do so either because of personal reasons or for better career advancement opportunities, and officers generally stay for reasons such as good working environment or appreciation for the agency's mission. The extent to which retirement benefits, pay, and use of human capital flexibilities affect attrition can vary among forces given other factors—such as family issues—that could influence an employee's decision to leave or remain with his or her employer.

If fully utilized, benefits for USCP officers who retire at the age of 57 under existing provisions generally would be within the range of retirement income targets suggested by some retirement experts. However, the level of benefits depends significantly on the level of employee retirement contributions. In 2010, the USCP Labor Committee presented six proposals that would enhance the current USCP benefit structure. GAO's analysis shows that five of the six would increase existing costs, GAO's review found the other proposal, which urges the USCP Board to exercise its current authority to allow officers to voluntarily remain employed until age 60 rather than retire at age 57, as mandated, would have only a minimal impact on USCP costs and could increase officers' retirement income.

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Abbreviations

BEP Police	Bureau of Engraving and Printing Police
CBO	Congressional Budget Office

CBRN	Chemical, Biological, Radiological, and Nuclear
CERT	Containment and Emergency Response Team
CPDF	Central Personnel Data File
CSRS	Civil Service Retirement System
FBI Police	Federal Bureau of Investigation Police
FERS	Federal Employees Retirement System
FLETC	Federal Law Enforcement Training Center
FTE	Full Time Equivalents
GED	General Equivalency Diploma
GS	General Schedule
HAZMAT	Hazardous Material
IRC	Internal Revenue Code
KSA	Knowledge, Skill, and Ability
LEO	Law Enforcement Officer
MOU	Memorandum of Understanding
MPD	Metropolitan Police Department of the District of Columbia
NIH Police	National Institutes of Health Police
Park Police	United States Park Police
Pentagon Police	Pentagon Force Protection Agency Police
Postal Security Force	U.S. Postal Service Security Force
OMB	Office of Management and Budget
OPM	Office of Personnel Management
Secret Service Uniformed Division	U.S. Secret Service Uniformed Division
SWAT	Special Weapons and Tactics
TSP	Thrift Savings Plan
USCP	United States Capitol Police
VA	Veteran's Health Administration

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United States Government Accountability Office
Washington, DC 20548

January 24, 2012

The Honorable Robert A. Brady
Ranking Member
Committee on House Administration
House of Representatives

The Honorable Michael E. Capuano
House of Representatives

As the epicenter for federal government operations, the Washington D.C., metropolitan area is home to many federal police forces—including the United States Capitol Police (USCP)—which play a key role in maintaining the safety and security of federal property, employees, and the general public. Since 2003, officials at some of these police forces have raised concerns that disparities in pay and retirement benefits have caused their police forces to experience difficulties in recruiting and retaining officers. For example, after the expansion of the Federal Air Marshal Program in 2003, concerns about disparities in pay and retirement benefits increased as the expansion created relatively high-paying job opportunities for existing federal police officers and reportedly lured many experienced officers from their police forces. In 2010, the USCP Labor Committee—the bargaining unit for USCP officers—raised concerns about whether retirement benefits offered by the USCP are adequate to attract and retain enough qualified officers, and it proposed six changes related to the USCP retirement benefit structure intended to improve retention. The USCP Labor Committee stated that a major factor in officers' decisions to leave the agency is insufficient retirement benefits. We reported in July 2009 on the importance of considering a variety of organizational, personal, and economic factors, as well as compensation and human capital flexibilities, when assessing the need to increase retirement benefits.¹ We further reported that the presence or

¹ GAO, *Federal Law Enforcement Retirement: Information on Enhanced Retirement Benefits for Law Enforcement Personnel*. [GAO-09-727](#) (Washington, D.C.: July 20, 2009). Human capital flexibilities represent the policies and procedures that an agency has the authority to implement in managing its workforce to achieve its goals. These flexibilities can include retention allowances, recruitment bonuses, tuition reimbursement, incentive awards, recognition, training and development, and work-life policies, among others.

absence of better retirement benefits may not fully indicate why personnel leave a particular agency.

You requested that we review compensation and retirement benefits of the USCP and compare them to those of other federal police forces in the Washington, D.C. metropolitan area. Specifically, this report addresses the following questions:

(1) How does the USCP compare to other federal police forces in the Washington, D.C. metropolitan area with respect to retirement benefits, minimum entry-level salary, duties, and employment requirements?²

(2) How does attrition at USCP compare to other federal police forces, and how if at all, have USCP and other federal police forces used human capital tools to recruit and retain qualified officers?

(3) What level of retirement income do current USCP benefits provide and what costs are associated with the proposed benefit enhancements?

In addition to USCP, we selected nine other federal police forces to include in our review, based on (1) prior work on federal police forces, (2) inclusion in the Office of Personnel Management's (OPM) occupational series for police officers (0083), and (3) the number of officers located in the Washington, D.C. metropolitan area or who receive Washington, D.C. locality pay.³ According to USCP officials, USCP police officers are functionally equivalent to police officers designated under OPM's 0083

² We determined how USCP compares to other federal police forces with respect to minimum entry-level salary. However, for our review, we did not determine how the police forces compared with respect to other aspects of compensation, such as maximum salary.

³ GAO, *Federal Uniformed Police: Selected Data on Pay, Recruitment, and Retention at 13 Police Forces in the Washington, D.C. Metropolitan Area*. [GAO-03-658](#) (Washington, D.C.: June 13, 2003). For the purpose of this report, we also used OPM's Central Personnel Data File—a database that contains personnel information primarily on executive branch agencies—to determine which officers in the selected federal police forces received Washington, D.C. locality pay. These officers' duty stations could be located in Washington, D.C., as well as Northern Virginia and parts of Maryland, West Virginia, and Pennsylvania.

police series.⁴ Further, USCP has approximately 1,800 police officers located in the Washington, D.C. metropolitan area. We selected nine federal police forces that have officers who are part of, or functionally equivalent to, OPM's 0083 police series and who have at least 50 officers who are located in the Washington, D.C. metropolitan area or receive Washington, D.C. locality pay. The nine federal police forces are:

- Bureau of Engraving and Printing Police (BEP Police),
- Federal Bureau of Investigation Police (FBI Police),
- Federal Emergency Management Agency Police (FEMA Police),
- National Institutes of Health Police (NIH Police),
- Pentagon Force Protection Agency Police (Pentagon Police),
- Supreme Court Police,
- United States Park Police (Park Police),
- U.S. Postal Service Security Force (Postal Security Force)⁵, and
- U.S. Secret Service Uniformed Division (Secret Service Uniformed Division).⁶

To address our first two objectives, we reviewed relevant federal statutes, regulations, OPM reports and data, and our prior reports on human capital management to identify relevant issues pertaining to federal police

⁴ OPM defines the 0083 police series as positions in which the primary duties are the performance or supervision of law enforcement work in the preservation of the peace; the prevention, detection, and investigation of crimes; the arrest or apprehension of violators; and the provision of assistance to citizens in emergency situations, including the protection of civil rights.

⁵ Postal Security Force officials stated that even though their officers have not been subject to OPM classification, they do not believe that their officers are equivalent to 0083 police officer but, instead, they believe their officers are equivalent to 0085 federal security guards. However, we believe that Postal Security Force is comparable to USCP for the purpose of our review and should be considered because (1) it reported having the same primary types of statutory law enforcement authorities as those reported by USCP, such as conducting criminal investigations, executing search warrants, making arrests, carrying firearms, and protecting people and property; (2) it was included in our prior work on federal uniformed police forces; and (3) it has more than 50 police officers located in the Washington, D.C. metropolitan area.

⁶ Sixteen federal police forces had 0083 police officers. Nine of these forces had 50 or more police officers located in the Washington, D.C. metropolitan area or who received Washington, D.C. locality pay. The remaining seven federal police forces with 0083 officers that did not meet these criteria, and therefore, were not included in our review are forces with the Federal Protective Service, National Institutes of Science and Technology, Smithsonian Institute, U.S. Mint, Government Printing Office, Veterans Health Administration, and the Internal Revenue Service.

officers' retirement benefits, salaries, duties, employment requirements, and the police forces' use of human capital flexibilities. We used fiscal year 2005 through 2010 separation data from OPM's Central Personnel Data File (CPDF) to determine the level of attrition among officers at police forces that report to CPDF; and for forces that do not report to CPDF—USCP, Supreme Court Police, and Postal Security Force—we used fiscal year 2005 through 2010 separation data obtained directly from them.⁷ We chose this time frame in order to obtain the most recent data available for a full fiscal year. We also analyzed documentation and interviewed human resources officials, senior police officers, and executive officials from the police forces in our review regarding human capital issues. Based on this information, we surveyed and received responses from each of these police forces regarding issues such as duties, retention, and human capital flexibilities. We analyzed the survey results and followed up with these officials when information was incomplete or inconsistent. We also interviewed human resources officials at OPM to obtain information on retirement benefits and pay. We assessed the reliability of the data the police forces provided in the survey by reviewing agency responses to questions regarding the integrity of the data sources. We determined that the data were sufficiently reliable for our purposes.

To address our third objective, we examined the prospects for retirement income under current provisions. Based on retirement, work history, and demographic data we obtained from USCP, we developed illustrative examples of workers hired at three different ages who progressed along a standard career path.⁸ Using a variety of assumptions, we calculated amounts for the three parts of USCP's current retirement system—the Federal Employees Retirement System (FERS): the FERS defined benefit, Social Security benefit, and expected retirement income from the

⁷ For this report, we calculated attrition by dividing the number of officers who separated from the police force during a particular fiscal year by the number of officers onboard at the end of that fiscal year. We considered calculating attrition by dividing the number of officers who separated by the average number of officers onboard at the beginning and end of the fiscal year. However, since the differences in the results of the two calculation methods were minimal, we decided to use end of fiscal year onboard numbers for computational simplicity.

⁸ These examples show officers hired as trainees who progress through the grades and steps of the pay scale based on time in grade. We focused on grade 3 officers because in 2010, over 80 percent of all officers were grade 3 or on their way to grade 3. Grade 3 officers have the title of Private First Class.

federal Thrift Savings Plan annuity (TSP). We examined outcomes for three different TSP contribution levels as well as for retirement both at ages 57 and 60. In addition, we analyzed the benefit changes proposed by the USCP Labor Committee to identify which, if any, of the proposals aligned with current trends in retirement benefits. To do this, we discussed the proposals with officials from the USCP Labor Committee and OPM, and reviewed relevant laws, regulations, and literature. To examine the costs of these proposals, we reviewed the Congressional Budget Office's (CBO) cost estimates for comparable benefit provisions to federal police forces, and interviewed OPM officials. We limited our analysis to federal police forces and did not examine the benefit structures of state or municipal police forces. To determine the costs to the federal government and officers of proposed changes to the USCP benefit structure, we obtained information from the USCP regarding officers' retirement trends and demographic data. We conferred with OPM's actuarial staff regarding information and data related to the entire law enforcement officer (LEO) population. We conferred with OPM's actuarial staff regarding similar information and data related to the entire LEO population. OPM calculated the cost impact of allowing later USCP retirement using the aggregate entry age normal method.⁹ Appendix I provides additional detail on our objectives, scope, and methodology.

We conducted this performance audit from January 2011 through January 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our analysis based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our analysis based on our audit objectives.

⁹Pension benefits are paid after retirement, but costs are accrued and should be funded in advance of retirement (during the working years). However, because there is no single way to assign post-retirement costs to particular years of pre-retirement service, an actuarial cost method is used that aggregates the costs for all individuals in the population being analyzed. For individuals in FERS, the method used to assign post-retirement costs to pre-retirement service is known as the aggregate age entry normal method.

Background

Federal Retirement Benefit Systems

As federal employees, USCP and other federal police officers are eligible to participate in one of the two federal retirement plans—the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). CSRS is available to employees entering federal service before 1984, while FERS is available to employees entering federal service on and after January 1, 1984. CSRS is a defined benefit plan—meaning that the employer promises a specified monthly benefit during retirement that is predetermined by a formula; in the case of CSRS, the benefit amount and eligibility depend on the employee's earnings history, tenure of service, and age. The defined benefit plan is funded by both employee and agency contributions as well as additional contributions from the U.S. Treasury. CSRS covered employment is generally not considered covered employment for the purposes of Social Security; hence, CSRS covered employees do not also receive Social Security benefits.¹⁰ FERS is a retirement plan that provides benefits from three different sources: a defined benefit plan, Social Security, and TSP. As with CSRS, the defined benefit portion of FERS is funded by both employee and agency contributions, as well as additional contributions from the U.S. Treasury.¹¹

Federal Law Enforcement Retirement Benefits

Both federal retirement systems provide different levels of benefits depending on certain characteristics of covered employees. For example, under statutory and regulatory retirement provisions, federal employees who meet the retirement-related definitions of an LEO receive more generous retirement benefits under CSRS and FERS than non-LEO

¹⁰CSRS covered employees may, through prior or subsequent private employment or as a survivor, obtain Social Security coverage.

¹¹ For employees covered by the FERS retirement plan, the employee contributions for the defined benefit plan and the Social Security contributions are paid each pay period in the form of payroll deductions. Agencies also set up a TSP account for each employee and deposit the equivalent of 1 percent of the basic pay earned each pay period. An employee may choose to make additional TSP contributions up to the Internal Revenue Service's elective deferral limit (\$17,000 in 2012) to take advantage of any agency matching contributions (on the first 5 percent of basic pay contributed by the employee) or to contribute further beyond the matching limit. All contributions and earnings are tax-deferred. CSRS participants may also contribute to the TSP, but without an employer match for the employee contributions.

employees. Coverage under CSRS and FERS LEO definitional criteria generally include those personnel whose duties have been determined by the employing agency through an administrative process to be primarily the investigation, apprehension, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States.¹² The FERS definition of a LEO is more restrictive than the CSRS LEO definition in that it expressly includes a rigorous duty standard, which provides that LEO positions must be sufficiently rigorous such that “employment opportunities should be limited to young and physically vigorous individuals.” In general, neither LEO definitions under CSRS or FERS have been interpreted by OPM to cover federal police officers. Implementing OPM regulations for CSRS and FERS provide that the respective LEO regulatory definitions, in general, do not include an employee whose primary duties involve maintaining order, protecting life and property, guarding against or inspecting for violations of law, or investigating persons other than those who are suspected or convicted of offenses against the criminal laws of the United States, which are akin to the responsibilities of federal police officers. Federal police officers might also be treated, for retirement purposes, as “law enforcement officers” (that is, granted LEO-like status) under two additional scenarios. First, over the years, certain other federal police forces whose duties have not been determined by their employing agency to meet the LEO definitional criteria under the administrative process have been explicitly added to the CSRS or FERS statutory definitions so that they are considered LEOs for retirement purposes. Second, certain other federal police forces whose duties have not been determined by their employing agency to be within the scope of the definitional criteria of a LEO or explicitly added by amending statutory LEO definitions, have been provided retirement benefits similar to that of LEOs directly through legislation.

Generally, federal LEOs (and officers with LEO-like status) have a higher benefit accrual rate than most other federal employees, albeit over a shorter period of time due to the mandatory retirement age for LEOs. Officers in these categories also contribute 0.5 percent more for these benefits than most other federal employees contribute—7.5 percent of pay for CSRS and 1.3 percent of pay for FERS. As shown in table 1, under both CSRS and FERS, statutory provisions provide for a faster

¹² OPM notes that it has delegated CSRS and FERS LEO decision making authority to agency heads and that while OPM retains oversight authority, it does not participate in the decision making process at the agency level.

accruing defined benefit pension for LEO and LEO-like personnel than that provided for most other federal employees.

Table 1: Defined Benefit Calculations for Federal Employees (LEO and non-LEO Employees)

Type of Retirement Benefit	Defined Benefit Formula
Enhanced Federal Retirement Benefits Available to LEOs and LEO-likes	<p>CSRS</p> <ul style="list-style-type: none"> Defined Benefit = [(2.5%) x (high 3 average basic pay) x (number of years of service ≤ 20)] + [(2.0%) x (high 3 average basic pay) x (number of years of service > 20)]^a <p>FERS</p> <ul style="list-style-type: none"> Defined Benefit = [(1.7%) x (high 3 average basic pay) x (number of years of service ≤ 20)] + [(1.0%) x (high 3 average basic pay) x (number of years of service > 20)]
	<p>CSRS</p> <ul style="list-style-type: none"> Defined Benefit = [(1.5%) x (high 3 average basic pay) x (number of years of service < 5)] + [(1.75%) x (high 3 average basic pay) x (number of years of service > 5 and ≤ 10 years)] + [(2.0%) x (high 3 average basic pay) x (number of years of service > 10)] <p>FERS</p> <ul style="list-style-type: none"> Defined Benefit = [(1.0% or 1.1%) x (high 3 average basic pay) x (number of creditable years of FERS service)]^b

Source: GAO analysis based on OPM data.

^aThe "high-3 average pay" is the largest annual rate resulting from averaging an employee's rates of basic pay in effect over any period of 3 consecutive years of creditable civilian service, with each rate weighted by the length of time it was in effect.

^bCreditable years of FERS service refer to the length of an employee's federal service eligible for FERS retirement. The 1.1 percent accrual rate applies only to a regular employee who retires under the immediate retirement provisions and who is at least 62 years old and has at least 20 years of service at retirement. It does not apply in the case of a congressional employee, military technician (dual status), law enforcement officer, member of the Supreme Court Police, customs and border protection officer, firefighter, nuclear materials courier, or air traffic controller.

Also under FERS, federal police officers receiving LEO-like defined benefits are typically eligible for the same early and enhanced pension benefits as LEOs. For example, LEOs receive FERS cost-of-living adjustments beginning at retirement, even if retirement is earlier than age 62, instead of at age 62 when most other FERS retirees become eligible for these adjustments. Under FERS, LEOs also qualify for an unreduced early retirement benefit and may retire at age 50 with a minimum of 20 years of qualifying service, or at any age with at least 25 years of

qualifying service, which are also more generous than the corresponding provisions for most other FERS participants.¹³ LEOs are also subject to mandatory retirement at age 57 with 20 years of service. They are also eligible to receive the special FERS supplement upon retirement that mimics the Social Security retirement benefits earned during federal government service.¹⁴ FERS retirees continue to receive the supplement until they reach age 62 and become eligible to collect Social Security. Police forces statutorily granted LEO-like status also typically receive these same benefits. The standard Social Security benefits apply to all federal LEOs.

Pay Plans for Federal Police Forces

In addition to varying retirement benefits, federal police forces may also operate under different compensation systems. Some federal police forces are covered by OPM's General Schedule (GS) basic pay plan (i.e., standard basic pay plan). According to OPM, standard governmentwide basic pay systems, including the GS system, are established under title 5 of the United States Code and most LEOs and other employees with arrest authority are covered by standard basic pay systems. Under a standard basic pay plan, OPM generally sets the basic pay ranges (grades) and pay increases (steps) within each grade for the positions, and federal police forces use these grades and steps to compensate their employees.¹⁵ On the other hand, some federal police forces are covered under non-standard basic pay plans authorized under separate legislation. Generally, under non-standard basic pay plans, federal police forces are authorized to, among other things, provide basic pay rates different from those specified in a standard basic pay plan and thus have

¹³ Under FERS, for example, such qualifying service under 5 U.S.C. § 8412 refers to service as a law enforcement officer, member of the Capitol Police or Supreme Court Police, firefighter, nuclear materials courier, or customs and border protection officer, or any combination of such service.

¹⁴ According to OPM, agencies typically establish the maximum entry age for LEOs based on the age and service requirements for LEO mandatory retirement, which is generally age 57 with at least 20 years of LEO service. The maximum entry age is typically age 37 because it allows an employee to achieve 20 years of LEO service when they reach the mandatory retirement age of 57.

¹⁵ Under the standard pay plan, the grade scale for the 0083 police series ranges from GS 03 to GS 10 and within each grade, the steps range from Step 1 to Step 10. According to OPM, CPDF also identifies federal police officers at grades higher than GS-10.

the ability to offer higher minimum entry-level salaries than those provided to police officers under a standard pay system.

USCP Has Enhanced Retirement Benefits, a Higher Minimum Starting Salary, and a Wider Variety of Duties Compared to Most Federal Police Forces

USCP has enhanced retirement benefits and a higher minimum entry-level salary than most other federal police forces GAO reviewed. Also, it reported having a wider variety of protective duties such as routinely protecting members of Congress and buildings, and routinely using a variety of methods to carry out these duties, such as conducting entrance and exit screening and patrolling in vehicles, than most other police forces. However, USCP reported that its officers routinely engage in similar activities, such as intelligence operations, and have similar employment requirements for entry-level officers, such as being in good physical condition, as most other federal police forces.

Retirement Benefits and Salary

USCP and three other police forces—Park Police, Secret Service Uniformed Division, and Supreme Court Police—have enhanced retirement benefits, similar to those received by federal LEOs, where officers can retire after fewer years of service and their retirement annuities accrue faster than the other six federal police forces GAO reviewed. Specifically, police officers within these four police forces are authorized under CSRS and FERS to retire at age 50 with a minimum of 20 years of qualifying service and are subject to a mandatory retirement age of 57, with some exceptions.¹⁶

In 1988, the Park Police and the Secret Service Uniformed Division, both of which had not been determined by OPM and their employing agencies to be covered by the LEO definition, were explicitly added by statute to the FERS definition of a LEO so that they are considered LEOs for retirement purposes.¹⁷ Committee report language accompanying the

¹⁶ Both CSRS and FERS personnel receiving LEO benefits may be retained for a short time beyond the mandatory retirement age under certain circumstances. First, if an agency head judges that the public interest so requires, that agency head may exempt such an employee from mandatory separation until that employee becomes 60 years of age. In addition, the President, by executive order, may exempt an employee (other than a member of the Capitol Police or Supreme Court Police, which are part of the legislative and judicial branches, respectively) from mandatory separation if the President determines the public interest so requires. 5 U.S.C. § 8335; 5 U.S.C. § 8425.

¹⁷ Pub. L. No. 100-238, 101 Stat. 1744 (1988).

1988 legislation noted that “although these individuals are commonly thought to be law enforcement officers, OPM says they do not meet the FERS definition of ‘law enforcement officer’ under section 8401(17) and thus do not qualify for FERS law enforcement officer benefits.”¹⁸ The Committee report then provided that the 1988 legislation would ensure that these individuals will receive FERS law enforcement officer benefits.

In comparison, rather than amending the statutory LEO definition, separate legislation in 1990 and 2000 provided the USCP and the Supreme Court Police, respectively, with enhanced retirement benefits similar to those received by LEOs.¹⁹ Conference committee report language accompanying the 2000 Supreme Court legislation, for example, explained that the new provision served to “bring the Supreme Court Police into parity with the retirement benefits provided to the United States Capitol Police and other federal law enforcement agencies.”²⁰ Federal police officers at the remaining six police forces in our review receive standard federal employee retirement benefits.²¹

USCP and the three police forces with enhanced retirement benefits also operate under statutorily-provided, non-standard basic pay plans and reported offering among the highest entry-level salaries compared to

¹⁸ H. R. Rep. No. 100-374, at 21 (1987).

¹⁹ Pub. L. No. 101-428, 104 Stat. 928 (1990); Pub. L. No. 106-553, 114 Stat. 2762 (2000).

²⁰ H. R. Conf. Rep. No. 106-1005, at 290 (2000).

²¹ As of October 2011, officials from four of the six remaining police forces stated that their police forces had not requested enhanced retirement benefits. According to NIH Police officials, NIH requested enhanced retirement benefits in 1996 and again in fiscal year 2005; however, neither instance resulted in the NIH Police receiving the requested enhanced LEO retirement coverage. As to the Pentagon Police, in September 2011, a bill (S. 1543) was introduced in the 112th Session of Congress to, in general, provide enhanced retirement benefits to the Pentagon Force Protection Agency officers whose permanent duty station is the Pentagon Reservation and who occupy a position in job series 0083. According to Pentagon Police officials, since fiscal year 2008, the Pentagon Police initiated legislative proposals to the Office of Management and Budget (OMB) to amend sections 8401(17) and 8331(20) of Title 5, United States Code, to grant all Pentagon Police officers law enforcement retirement benefits. According to Pentagon Police officials, OMB released the fiscal year 2011 proposed legislation to Congress in 2010, but it was not acted upon. Furthermore, Pentagon Police officials stated that the former Secretary of Defense sent an official letter to OPM indicating the criticality of offering enhanced retirement benefits to its officers.

those reported by the other federal police forces.²² With respect to USCP, for example, under its non-standard basic pay authority, the Capitol Police Board and the Chief of the Capitol Police set basic pay rates (both grades and steps) for USCP officers. Three other police forces (BEP Police, Pentagon Police, and Postal Security Force) with standard federal employee retirement benefits also operate non-standard basic pay plans, by statute, while the remaining three police forces—FBI Police, FEMA Police, and NIH Police—operate under the standard basic pay plans to compensate their officers.^{23 24}

USCP and the three police forces with enhanced retirement benefits offered among the highest minimum entry-level salaries, ranging from \$52,020 to \$55,653, as shown in table 2. At \$55,653, USCP and the Supreme Court Police offered the highest minimum entry-level salaries to their police officers. NIH Police and Postal Security Force offered the lowest minimum entry-level salaries among the 10 police forces, at \$38,678 and \$38,609, respectively.²⁵

²² For the purpose of this review, entry-level refers to a 0083 police officer (or equivalent) entering the police force at the lowest level; and entry-level salary refers to the minimum possible starting salary that police force offers to its entry-level police officer.

²³ As of October 2011, a class action lawsuit, *King v. United States of America*, No. 07-589 C, is pending in the United States Court of Federal Claims regarding FBI pay. The complaint alleges, among other things, that the FBI Reform Act of 2002 (Pub. L. No. 107-273, 116 Stat. 1758, 1830-31 (2002)) increased FBI police officer pay and benefits that the FBI has failed to provide. In its motion to dismiss, the United States asserted, in general, that the 2002 Act conveyed discretionary authority to establish a permanent FBI police force and that the FBI has not yet established such a permanent police force under that discretionary authority. The United States' motion to dismiss further provided, in part, that the FBI determined that implementation would not be feasible given the potential fiscal impact that the retirement system issues created.

²⁴ According to OPM, special rates apply to 0083 police officers located in the Washington, D.C. metropolitan area or who receive D.C. locality pay under 5 U.S.C. § 5305, and at the entry-level grades, these rates are 13.5 percent above the normally applicable GS locality rates.

²⁵ We used entry-level salary data for fiscal year 2010 because it was the most recently completed fiscal year at the time of our review.

Table 2: Federal Police Force Retirement Benefits, Pay Plans, and Minimum Entry-Level Salaries, Fiscal Year 2010

Retirement Benefit	Agency	Pay Plan	Minimum Possible Entry-Level Salary (\$) ^a
Enhanced Retirement Benefit	USCP	Non-Standard Basic Pay Plan	\$55,653
	Supreme Court Police		\$55,653 ^b
	Secret Service Uniformed Division	Police forces that have special authority to set their pay rates	\$55,477
	Park Police		\$52,020
Standard Federal Employee Retirement Benefit	Pentagon Police		\$52,018
	BEP Police		\$50,355
	Postal Security Force		\$38,609
	FEMA Police	Standard Basic Pay Plan	\$43,114
	FBI Police	Police forces for which OPM sets pay rates	\$43,114
	NIH Police		\$38,678

Source: GAO analysis of OPM and federal police force data.

^aAll federal police forces have experienced increases in their minimum entry-level salaries since 2002, ranging from approximately \$9,900 to \$16,000 based on periodic or annual pay scale adjustments. During this period, USCP's minimum entry-level salary increased by approximately \$16,000—from \$39,427 to \$55,653.

^bThe Supreme Court Police has an identical minimum entry-level salary as that of USCP and reported that it always adjusts its pay scale to match the USCP.



Protective Duties and Methods to Carry Out These Duties

USCP reported routinely having a wider variety of duties than other federal police forces.²⁶ These duties ranged from routinely protecting members of Congress to buildings. For example, USCP officials stated that their main focus is protecting life and property, and thus, in addition to routinely protecting members of Congress, they also protect members' families throughout the entire United States, as authorized, as well as congressional buildings, parks, and thoroughfares.

Conversely, the Postal Security Force reported having fewer duties, and the protective duties that it does have, including routinely protecting employees and buildings, are ones that all or most of the police forces, including the USCP, also have. Postal Security Force officials stated that their officers' primary duty is routinely protecting the United States Postal Service buildings and mail processing facilities. Figure 1 identifies the reported routine protective duties of USCP and the nine federal police forces we reviewed.

²⁶ For the purpose of this review, "routinely" is defined as daily to several times a week.

Figure 1: Routine Protective Duties of Federal Police Forces

	Enhanced benefits	Enhanced benefits	Enhanced benefits	Enhanced benefits							Forces reported protecting
Employees	USCP	Park	Sec. Srv.	Sup. Crt.	Pent.	BEP	FBI	NIH	FEMA	Postal	10
Buildings	USCP	Park	Sec. Srv.	Sup. Crt.	Pent.	BEP	FBI	NIH	FEMA	Postal	9
Tourists	USCP	Park	Sec. Srv.	Sup. Crt.	Pent.	BEP	FBI	NIH	FEMA	Postal	8
Official visitors	USCP	Park	Sec. Srv.	Sup. Crt.	Pent.	BEP	FBI	NIH	FEMA	Postal	7
Monuments	USCP	Park	Sec. Srv.	Sup. Crt.	Pent.	BEP	FBI	NIH	FEMA	Postal	5
Cabinet members	USCP	Park	Sec. Srv.	Sup. Crt.	Pent.	BEP	FBI	NIH	FEMA	Postal	3
CBRN ^a	USCP ^b	Park	Sec. Srv.	Sup. Crt.	Pent.	BEP	FBI	NIH	FEMA	Postal	3
President	USCP	Park	Sec. Srv.	Sup. Crt.	Pent.	BEP	FBI	NIH	FEMA	Postal	2
Congress	USCP	Park	Sec. Srv.	Sup. Crt.	Pent.	BEP	FBI	NIH	FEMA	Postal	1
Justices	USCP	Park	Sec. Srv.	Sup. Crt.	Pent.	BEP	FBI	NIH	FEMA	Postal	1
Other	USCP	Park ^c	Sec. Srv. ^d	Sup. Crt.	Pent. ^e	BEP ^f	FBI ^g	NIH	FEMA	Postal	5
Routine duties	8	7	6	6	6	5	5	5	4	2	
		Force reported as a routine duty									
		Force did not report as a routine duty									

Source: Analysis of GAO 2011 survey of select federal police forces.

^aCBRN refers to chemical, biological, radiological, or nuclear facilities or materials.

^bUSCP officials stated that USCP routinely protects the Capitol Power complex, which houses some chemical materials.

^cPark Police reported routinely protecting the Vice President in support of the United States Secret Service.

^dSecret Service Uniformed Division reported routinely protecting the Vice President of the United States and his immediate family.

^ePentagon Police reported routinely protecting the Pentagon Memorial.

^fBEP Police reported routinely protecting the nation's currency.

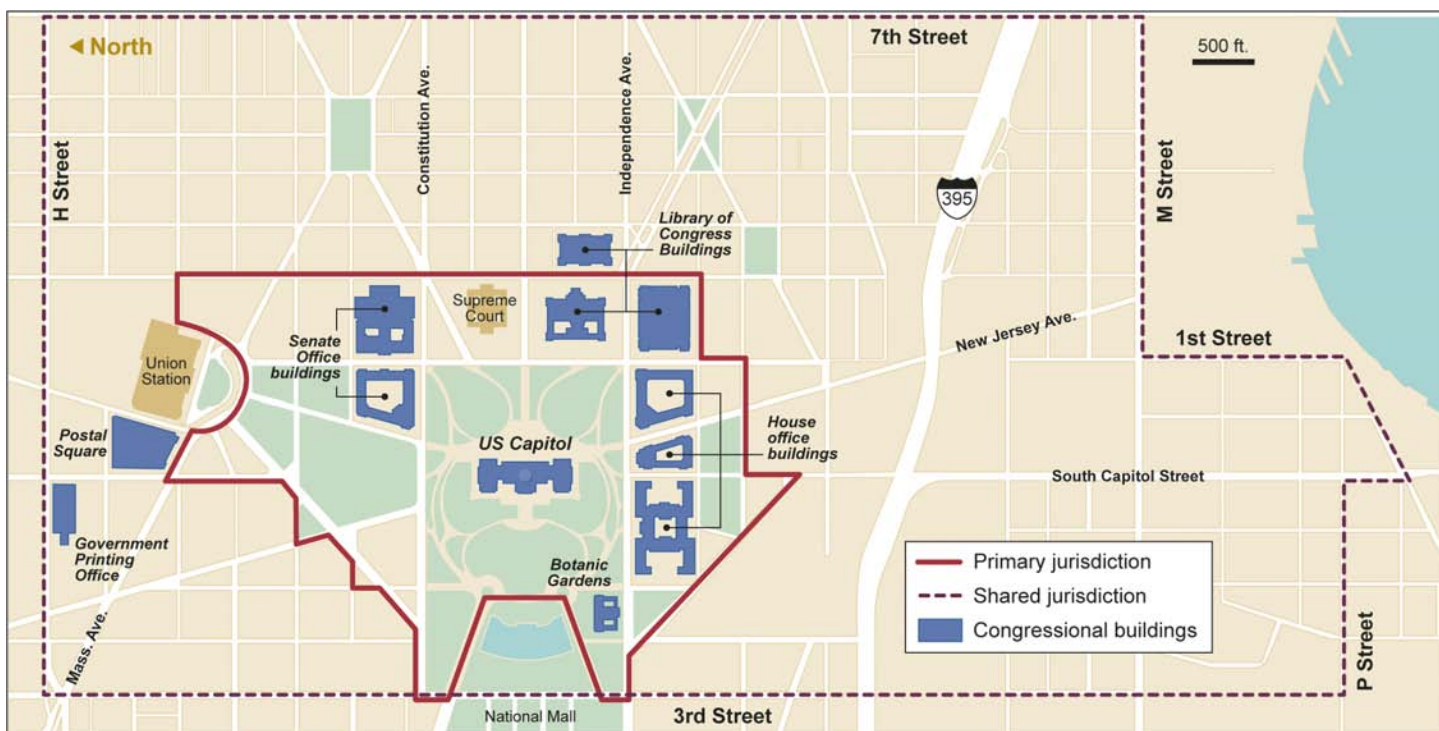
^gFBI Police reported its officers routinely assist in the protection of the FBI director.

In addition to the routine protective duties listed above, some of these federal police forces, including the USCP, have shared jurisdiction with other non-federal police forces. For example, Park Police officials said that they have a shared understanding with the states of Maryland and Virginia to investigate homicides in federal parks within these states. Officials from USCP stated that they have statutory authority for extended

jurisdiction which is shared with the Metropolitan Police Department of the District of Columbia (MPD). Additionally, BEP Police, FBI Police, and Pentagon Police officials stated that they have a memorandum of understanding (MOU) or cooperative agreement with MPD to patrol areas beyond their primary jurisdiction. For example, as shown in figure 2, as a result of the statutory authority for extended jurisdiction, USCP's jurisdiction extends several blocks beyond the grounds of the U.S. Capitol complex.²⁷

²⁷ USCP additionally notes that 2 U.S.C. § 1967 authorizes shared jurisdiction between USCP and MPD.

Figure 2: USCP Primary and Shared Jurisdiction with MPD



Source: USCP.

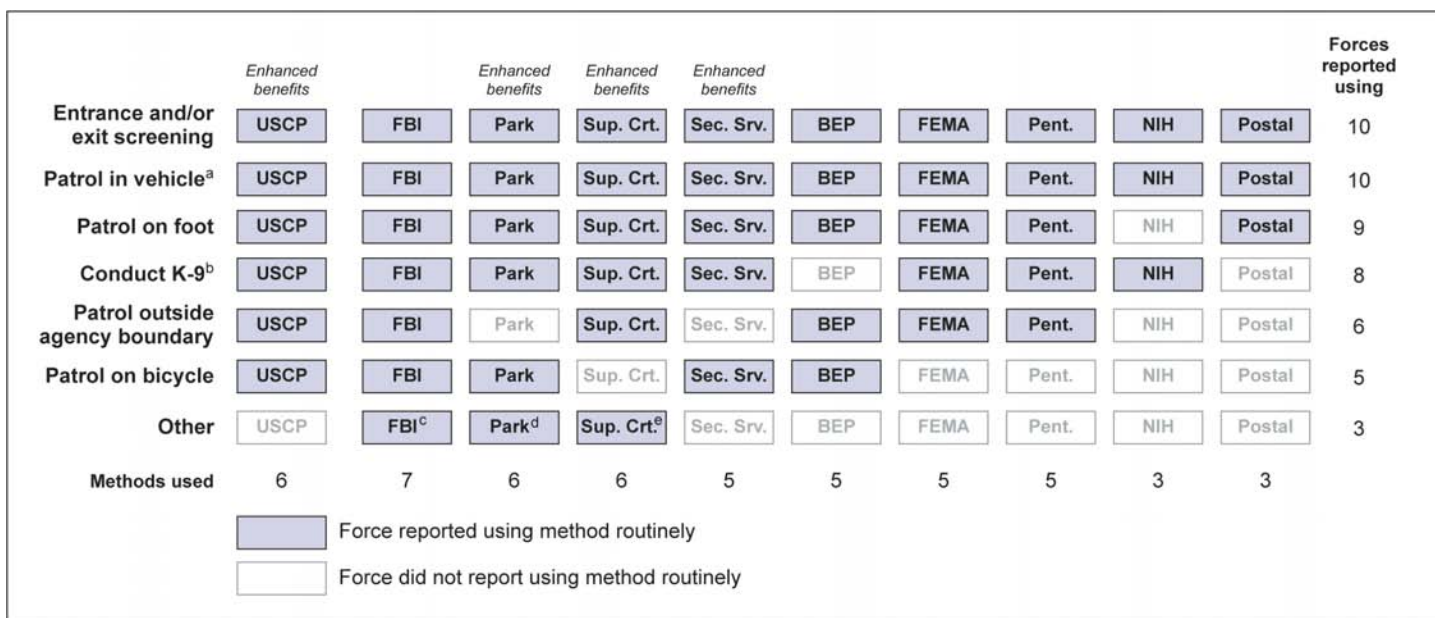
Note: A provision of the Consolidated Appropriations Act, 2012,²⁸ expanded USCP's extended jurisdiction to include the Reflecting Pool area (not reflected in this figure), which is bordered on the east by 1st Street, on the west by 3rd Street, on the north by Pennsylvania Avenue, and on the south by Maryland Avenue.

USCP and three other police forces—FBI Police, Park Police, and Supreme Court Police—reported routinely using a wider variety of methods to carry out their duties than the other federal police forces in our review. We identified six possible methods that federal police forces may use routinely in carrying out their duties, and USCP and the FBI Police reported using all six, as figure 3 indicates. In addition, the FBI

²⁸ Section 1202 of Pub. L. No. 112-74, 125 Stat. (2011) provided, in general, that to the extent to which the Director of the National Park Service has jurisdiction and control over such specified area, such jurisdiction and control is transferred to the Architect of the Capitol. In turn, under 2 U.S.C. § 1961, Capitol Police jurisdiction over United States Capitol Buildings and Grounds includes, among other things, property acquired in the District of Columbia by the Architect of the Capitol.

Police, Park Police, and Supreme Court Police also reported routinely using other methods to carry out their duties, such as counter-surveillance horse patrol, and standing post. All 10 of the police forces we reviewed reported routinely patrolling in vehicles and conducting entrance or exit screenings, and all except the NIH Police reported patrolling on foot. The NIH Police officials explained that their mission is protecting the NIH facility of about 347 acres, including biological-safety laboratories and responding to emergency calls, and thus, officers generally do not stand post but are out at the facility patrolling in vehicles.

Figure 3: Methods Used Routinely by Federal Police Forces to Protect People and Property



Source: Analysis of GAO 2011 survey of select federal police forces.

^aPatrol in vehicle refers to patrolling in a car or golf cart or on a motorcycle, Segway® Personal Transporter, etc.

^bConduct K-9 refers to law enforcement work conducted by specially-trained officers and canines.

^cFBI Police reported using counter-surveillance method routinely.

^dPark Police stated that its officers routinely patrol on horse.

^eSupreme Court Police reported that its officers routinely stand post around the perimeter of the Supreme Court building.



USCP also reported that it routinely engages in a variety of activities similar to those reported by some of the nine federal police forces in carrying out its protective duties. For example, USCP and seven of the other nine police forces reported routinely conducting specialized

activities such as Special Weapons and Tactics (SWAT), K-9, or Containment and Emergency Response Team (CERT) activities.²⁹ Also, USCP and eight of the other nine forces reported routinely conducting traffic control and responding to suspicious activities, in particular, suspicious packages and people. USCP officials indicated that suspicious packages within the Capitol complex have typically been items such as unattended backpacks that have not contained hazardous devices such as bombs. Also, the Pentagon police, in noting that the Pentagon is still a likely target since the terrorist attacks of September 11, 2001, cited incidents such as a March 2010 attack when a gunman tried to shoot his way through the entrance of the building. In addition, USCP and the Pentagon Police reported routinely responding to chemical, biological, radiological, and nuclear (CBRN) or hazardous material (HAZMAT) threats. Figure 4 summarizes the routine activities reported by each police force.

²⁹ For the purpose of this report, SWAT refers to activities requiring specially trained agents to intervene in high-risk events such as hostage and barricade situations, and CERT activities refer to providing specialized response for events requiring heightened protective measures such as counter sniper operations.

Figure 4: Activities Routinely Conducted by Federal Police Officers

	Enhanced benefits	Enhanced benefits	Enhanced benefits		Enhanced benefits						Forces reported conducting
Suspicious activity response ^a	USCP	Park	Sup. Crt.	Pent.	Sec. Srv.	FEMA	FBI	NIH	BEP	Postal	9
Traffic control	USCP	Park	Sup. Crt.	Pent.	Sec. Srv.	FEMA	FBI	NIH	BEP	Postal	9
Specialized activity ^b	USCP	Park	Sup. Crt.	Pent.	Sec. Srv.	FEMA	FBI	NIH	BEP	Postal	8
Intelligence operations	USCP	Park	Sup. Crt.	Pent.	Sec. Srv.	FEMA	FBI	NIH	BEP	Postal	7
Special events	USCP	Park	Sup. Crt.	Pent.	Sec. Srv.	FEMA	FBI	NIH	BEP	Postal	6
Crowd control	USCP	Park	Sup. Crt.	Pent.	Sec. Srv.	FEMA	FBI	NIH	BEP	Postal	6
CBRN or HAZMAT	USCP	Park	Sup. Crt.	Pent.	Sec. Srv.	FEMA	FBI	NIH	BEP	Postal	2
Other	USCP	Park ^c	Sup. Crt. ^d	Pent.	Sec. Srv.	FEMA	FBI	NIH	BEP	Postal ^e	3
Activities conducted	7	7	7	6	6	5	4	4	3	1	

 Force reported conducting activity routinely
 Force did not report conducting activity routinely

Source: Analysis of GAO 2011 survey of select federal police forces.

^aSuspicious activity response refers to response to suspicious people, packages, or vehicles.

^bSpecialized activity refers to such activity as SWAT, K-9 or CERT.

^cPark Police reported routinely conducting aviation operations, search and rescue, medical evacuation, and horse-mounted patrols.

^dThe Supreme Court police reported routinely standing post both inside and outside the buildings.

^ePostal Security Force reported that officers do not routinely engage in the identified activities but engage in burglary responses of postal service stations on an occasional to routine basis.

Employment Requirements

USCP and most of the federal police forces in our review generally have similar employment requirements for their entry-level police officers, including eligibility requirements and requirements for the hiring process. All of the police forces require applicants to be a U.S. citizen, in good physical condition, have a valid driver's license, and have no criminal history in order to be eligible for employment. Also, most federal police forces require some college experience or prior related experience, with the exception of USCP and Secret Service Uniformed Division, which require their officers to have a high school diploma or General Equivalency Diploma (GED) certificate. However, officials at USCP and Secret Service Uniformed Division stated that they also receive applicants with college or law enforcement experience. In addition, Postal Security

Force officials stated that their officers are not required to have a high school diploma or GED certificate; however, they are required to have been employed by the Postal Service for at least 1 year, and the position that they held does not have to be law enforcement related. Most of the police forces that offer enhanced retirement benefits also differ from the other police forces in that they have a maximum age for applicants and require applicants to have good character and leadership skills. Figure 5 provides the eligibility requirements for each federal police force in our review.

Figure 5: Eligibility Requirements for Entry-Level Federal Police Officers^a

	Enhanced benefits	Enhanced benefits	Enhanced benefits	Enhanced benefits							Forces reported requiring
Able to carry a firearm	USCP	Park	Sup. Crt.	Sec. Srv.	FBI	Pent.	BEP	FEMA	Postal	NIH	10
Good physical condition	USCP	Park	Sup. Crt.	Sec. Srv.	FBI	Pent.	BEP	FEMA	Postal	NIH	10
No criminal history	USCP	Park	Sup. Crt.	Sec. Srv.	FBI	Pent.	BEP	FEMA	Postal	NIH	10
U.S. citizenship	USCP	Park	Sup. Crt.	Sec. Srv.	FBI	Pent.	BEP	FEMA	Postal	NIH	10
Valid driver's license	USCP	Park	Sup. Crt.	Sec. Srv.	FBI	Pent.	BEP	FEMA	Postal	NIH	10
Minimum visual acuity	USCP	Park	Sup. Crt.	Sec. Srv.	FBI	Pent.	BEP	FEMA	Postal	NIH	9
Age min. (at least 21)	USCP	Park	Sup. Crt.	Sec. Srv.	FBI	Pent.	BEP	FEMA	Postal	NIH	8
Age max. (under 37 or 40)	USCP	Park	Sup. Crt.	Sec. Srv. ^b	FBI	Pent.	BEP	FEMA	Postal	NIH	4
Some college/ related experience	USCP	Park	Sup. Crt. ^c	Sec. Srv.	FBI ^d	Pent.	BEP	FEMA	Postal	NIH	7
High school diploma	USCP	Park	Sup. Crt.	Sec. Srv.	FBI	Pent.	BEP	FEMA	Postal	NIH	3
Good character/leadership	USCP	Park	Sup. Crt.	Sec. Srv.	FBI	Pent.	BEP	FEMA	Postal	NIH	4
Eligibility requirements	10	10	10	9	9	9	8	7	7	6	
	<div>Eligibility requirement reported by force</div> <div>Eligibility requirement not reported by force</div>										

Source: GAO analysis of job descriptions for federal police officer positions.

^aSome federal police forces also have various knowledge, skill, and ability (KSA) requirements, including the ability to effectively solve problems, the skill to function effectively in a stressful environment; skill in effective oral communication; the ability to communicate effectively in writing; the ability to function effectively in a team environment; knowledge of local, state, and federal law involved in law enforcement work; and the ability to enforce law and order, among others.

^bSecret Service Uniformed Division requires that applicants who are eligible for veterans preference must receive a conditional job offer letter prior to reaching age 40, in order to continue in the application process; applicants who are not eligible for veterans preference must receive a conditional job offer letter prior to reaching age 37, in order to continue in the application process.

^cSupreme Court Police requires a bachelor's degree to apply. As to the requirements to having valid driver's license, being able to carry a firearm, and having minimum visual acuity, these were not specified in the Supreme Court police officer's job vacancy announcement; however, the Chief of the Supreme Court Police identified these as requirements.

^dThe FBI Police requires a high school diploma and prior related experience, and FBI officials stated that some college experience is highly desirable. Also the police force requires selected applicants to sign a service agreement to remain in the police officer position for 2 years.

Federal police forces generally have similar requirements for their hiring processes. For example, as shown in figure 6, each police force requires applicants to have an interview, medical examination, background investigation, and training either pre or post hiring, primarily at the Federal Law Enforcement Training Center (FLETC).³⁰ Furthermore, most of the federal police forces, including USCP, require applicants to complete a drug test and a written examination. USCP differs from the majority of police forces, however, in that it does not require its officers to obtain a security clearance, but it does require a psychological evaluation, polygraph test, and a complete background investigation.

³⁰ FLETC is the largest single provider of law enforcement training for the federal government.

	Enhanced benefits	Enhanced benefits	Enhanced benefits	Enhanced benefits	Enhanced benefits						Forces reported requiring
Interview	USCP	Park	BEP	Sec. Srv.	FBI	Sup. Crt.	Pent.	NIH	Postal	FEMA	10
Medical examination ^a	USCP	Park	BEP	Sec. Srv.	FBI	Sup. Crt.	Pent.	NIH	Postal	FEMA	10
Background investigation ^b	USCP	Park	BEP	Sec. Srv.	FBI	Sup. Crt.	Pent.	NIH	Postal	FEMA	10
Training (pre- or post-hiring)	USCP ^c	Park	BEP	Sec. Srv.	FBI	Sup. Crt.	Pent.	NIH	Postal	FEMA	10
Drug test	USCP	Park	BEP	Sec. Srv.	FBI	Sup. Crt.	Pent.	NIH	Postal	FEMA	9
Written examination	USCP	Park	BEP	Sec. Srv.	FBI	Sup. Crt.	Pent.	NIH	Postal	FEMA	7
Security clearance ^d	USCP	Park	BEP	Sec. Srv.	FBI	Sup. Crt.	Pent.	NIH	Postal	FEMA	6
Physical fitness evaluation ^e	USCP	Park	BEP	Sec. Srv.	FBI	Sup. Crt.	Pent.	NIH	Postal	FEMA	4
Psychological evaluation	USCP	Park	BEP	Sec. Srv.	FBI	Sup. Crt.	Pent.	NIH	Postal	FEMA	4
Polygraph test	USCP	Park	BEP	Sec. Srv.	FBI	Sup. Crt.	Pent.	NIH	Postal	FEMA	3
Hiring requirements	8	9	9	8	8	7	7	6	6	5	

Hiring requirement reported by force

Hiring requirement not reported by force

^aPostal Security Force requires applicants to be able to hear the conversational voice without the use of a hearing aid.

^cUSCP training is a post hiring requirement.

^aSecret clearance is required by the Park Police and Pentagon Police, and Top Secret clearance is required by the Secret Service Police, FEMA Police, BEP Police, and FBI Police. Also, the Postal Security Force requires its officers to maintain a Postal Service “sensitive clearance” that is different from the national security clearance category such as Secret or Top Secret clearance.

GAO-12-58 Capitol Police

USCP Has Relatively Low Attrition and Reported No Difficulty with Recruiting

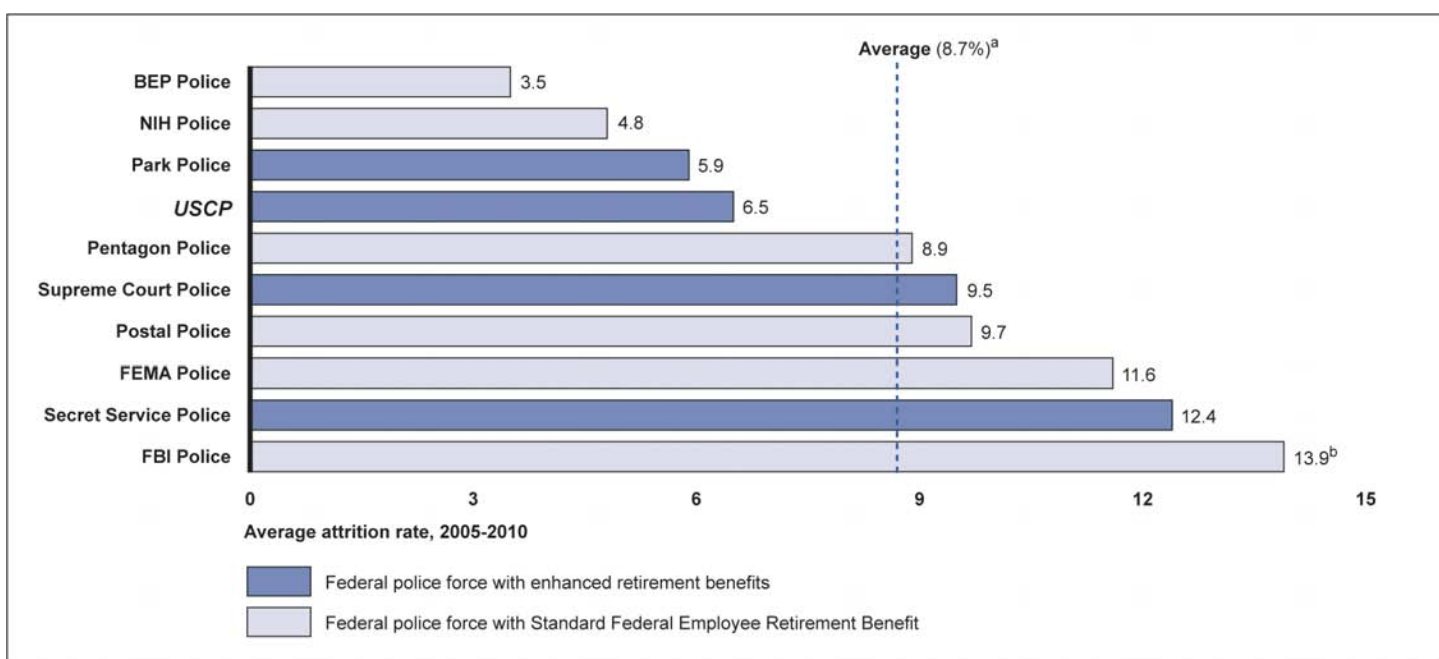
In addition to enhanced retirement benefits and a higher minimum entry-level salary, USCP has experienced lower attrition than six of the other nine federal police forces, and USCP reported that attrition was not a problem from fiscal years 2005 through 2010. Also, USCP and some of the other nine federal police forces reported that officers who voluntarily separate for reasons other than retirement do so for personal reasons or career advancement; few forces cited the desire for greater retirement benefits or better salary as a reason why officers leave. While USCP and seven of the other nine police forces said that human capital flexibilities were important tools for recruiting and retaining police officers, their use generally depends on need or budget, among other factors.

Attrition

From fiscal years 2005 through 2010, USCP's average attrition rate was 6.5 percent compared to the other nine federal police forces, which ranged from 3.5 percent to just under 14 percent.³¹ Three of the other nine police forces—BEP Police, NIH Police and Park Police—had lower attrition rates than USCP, while the remaining six forces had higher attrition rates during the same period, as shown in figure 7.

³¹ The attrition rates used in this report are aggregate attrition rates for the entire police workforce, calculated as the number of separations (which includes retirement, voluntary separations, internal transfers or reassignments, involuntary separations, and deaths) divided by the number of officers onboard from fiscal years 2005 through 2010. We collected data on age and years of service for the officers who separated from the 10 federal police forces included in our review from 2005 through 2010; however, we did not collect data on age and years of service for all officers employed by the 10 police forces during this time period. Because of this data limitation, we were not able to separate attrition rates by age or years of service, which would have allowed us to look at the affect that age or service composition of the workforce has on the aggregate attrition rate. For example, a workforce with a high concentration of older employees eligible for retirement may show a high aggregate attrition rate solely because of its high concentration of older employees. Similarly, a workforce that has recently been enhanced by a large number of new hires may temporarily have a higher aggregate attrition rate because of a tendency for new hires to leave service, voluntarily or involuntarily, at a higher rate than more seasoned employees. As a result, differences in aggregate attrition rates could be explained, in part, by differences in the age or service composition of the workforce.

Figure 7: Attrition at Federal Police Forces from Fiscal Years 2005 through 2010



Source: GAO analysis based on CPDF and GAO 2011 survey of select federal police forces.

^aThe average attrition rate among the 10 federal police forces in our study was 8.7 percent from fiscal years 2005 through 2010.

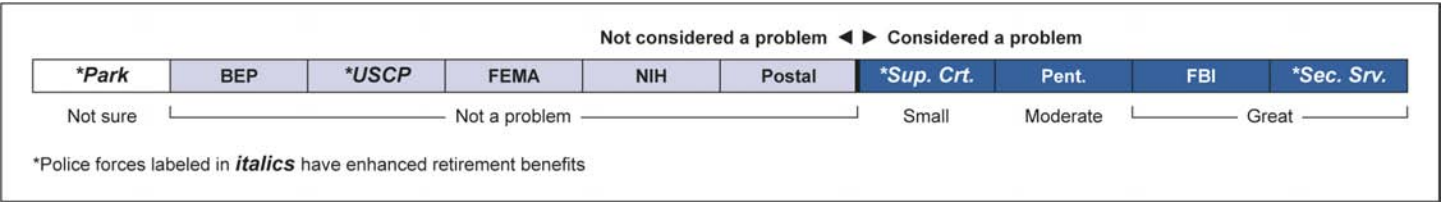
^bThe average attrition rate for the FBI Police was calculated using fiscal year 2007 through 2010 separation data because data for fiscal years 2005 and 2006 were not available in the Central Personnel Data File.

USCP as well as four other police forces reported that attrition was not a problem, and the most common explanation officials offered was the current economy. For example, USCP and BEP Police officials stated that with fewer jobs available in the economy, officers were remaining employed by their police forces. Specifically, from fiscal years 2005 through 2008, when the national unemployment rate was 4.9 percent, the average attrition rate among the police forces in our review was about 9.2 percent.³² However, during fiscal years 2009 and 2010, when the national unemployment rate was 9.1 percent—almost twice as high as the

³² The unemployment rates for fiscal years 2005 through 2008 and fiscal years 2009 through 2010 are the averages of the monthly unemployment rates listed by the Bureau of Labor Statistics for those time frames.

preceding 4 years—the combined average attrition rate for the police forces was lower, about 7.5 percent. The FBI Police was the only force with a higher attrition rate (17.9 percent) from fiscal years 2009 through 2010. Two of the 10 police forces that reported that attrition was a great problem—Secret Service Uniformed Division and the FBI Police—also had the highest attrition rates. The Secret Service Uniformed Division cited the high cost of living in the Washington, D.C. metropolitan area and challenging demands of the job as reasons why attrition was a problem. The FBI Police said better pay, positions, and benefits at other forces were reasons why attrition was a problem. Figure 8 illustrates federal police forces’ responses to our survey question on the extent to which attrition was a problem.

Figure 8: Extent to which Federal Police Forces View Attrition as a Problem



Source: Analysis of GAO 2011 survey of select federal police forces.

Furthermore, USCP had no problem filling the vacant positions left by officers leaving the force as they are able to attract qualified applicants. USCP and three of the other nine police forces—Park Police, FEMA Police and FBI Police—reported that they had no difficulty attracting qualified applicants. Our analysis of USCP data indicates that from fiscal year 2006 through 2010, USCP attracted, on average, 27 qualified applicants for each available vacancy and maintained a vacancy rate of 2.6 percent.^{33 34} During that time, the other nine federal police forces had an average vacancy rate of 7.9 percent, ranging from 1.9 percent at BEP

³³The majority of federal police forces in our study were unable to supply data on the number of applicants deemed to be qualified for most fiscal years.

³⁴Vacancy rate was calculated as follows: authorized full time equivalents (FTE) minus the average of actual FTEs onboard at the beginning and end of the fiscal year; the result divided by authorized FTEs.

Police up to 24.4 percent at FEMA Police.³⁵ Only two of the other nine forces—BEP Police and Supreme Court Police—had a lower vacancy rate with 1.9 percent and 2.2 percent, respectively. USCP officials cited the slow economy and a competitive salary as reasons why they believe that they have no problem attracting qualified applicants. On the other hand, FBI Police, which has the highest attrition rate among the 10 police forces, stated that it is able to attract a large pool of applicants due to the reputation of the agency. FBI officials said that applicants view the police officer position as an entry-level position with hopes of advancing within the agency. In the case of FEMA Police, officials reported that they had no difficulty attracting qualified applicants; however, they had the highest vacancy rate among the 10 police forces. Officials explained that from 2004 through 2010 FEMA Police was building its force and during that time management would periodically place a hold on hiring due to budget constraints.

Primary Reasons Why Federal Police Officers Leave or Stay

Federal police forces said that their police officers generally leave their forces either because of personal reasons or for better career advancement opportunities, and officers generally stay because of appreciation for the agency's mission.³⁶ For example, USCP and three other police forces indicated that most of their police officers leave for personal reasons, such as the desire to work closer to home. At the same time, five other police forces—Supreme Court Police, FBI Police, FEMA Police, Pentagon Police, and Postal Security Force—cited career advancement as the reason for officer attrition. Specifically, career advancement, as stated by the agencies, was either the acceptance of a higher level position at another agency or a transfer to an agency that has greater potential for future promotion. For example, our analysis shows that the majority of FBI's voluntarily-separated officers transferred to different positions within the agency, such as an agent or intelligence analyst position. FBI Police officials said that applicants often view the police officer position as a stepping stone to advance to these positions.

³⁵ The vacancy rate for BEP Police was calculated using fiscal years 2008 through 2010 FTE data because the BEP Police was unable to provide data from previous fiscal years.

³⁶ The majority of federal police forces in our study reported that exit surveys of separating officers were either not conducted, not mandatory, or only recently initiated, and USCP reported that the response rate for its voluntary exit surveys was low. Therefore, we used senior level police force officials' responses to our survey questions to identify reasons why officers leave or stay with their police force.

Furthermore, USCP and three other police forces reported that quality-of-life was one of the main reasons police officers stay with their forces, citing such underlying factors as the work environment and work-life balance. USCP said that pay and job security were two other main reasons that police officers remain employed by the force. Also, 6 of the 10 forces stated that agency mission was a key reason that officers stay with their agencies. Figure 9 summarizes the primary reasons that federal police force officials offered for why their officers leave or stay.

Figure 9: Federal Police Force Officials' Perspectives on Primary Reasons Why Officers Left or Stayed with the force since 2010

Reasons for leaving	Enhanced benefits										Forces reported citing
	USCP	FBI	Pent.	Postal	Park	Sup. Cr.	FEMA	Sec. Srv.	BEP	NIH	
Career advancement											5
Personal reasons											4
Retirement											4
Better retirement benefits											3
More exciting/challenging work											2
Better salary											2
Reasons for staying	Enhanced benefits										Forces reported citing
	USCP	Park	Sup. Cr.	Pent.	Sec. Srv.	FBI	FEMA	NIH	Postal	BEP	
Status of position/Agency mission											6
Quality of Life											4
Pay											4
Close to retirement											2
Family concerns											2
Job security											2
Training											2

Force reported as a reason for leaving or staying
 Force did not report as a reason for leaving or staying

Source: Analysis of GAO 2011 survey of select federal police forces.

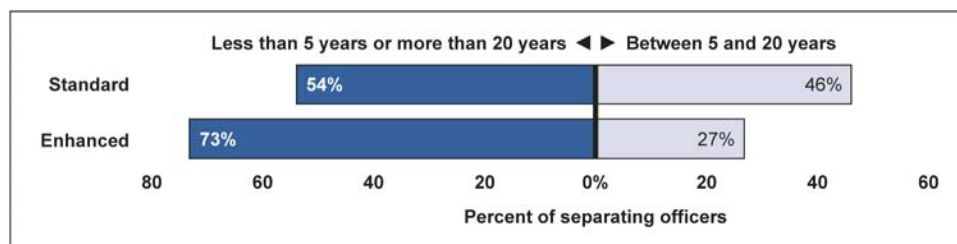
Note: Personal reasons include family reasons, medical reasons, and relocation.

While the USCP Labor Committee asserted that inadequate retirement benefits have contributed to attrition among USCP officers, USCP did not report retirement benefits as a reason why its officers left, as shown in figure 9. On the other hand, there were other police forces that identified inadequate retirement benefits as a reason for officer attrition—BEP Police, FBI Police, and Pentagon Police—which were among the police forces that offer standard, as opposed to enhanced, retirement benefits. However, our analysis suggests that the fact that a police force offers enhanced retirement benefits does not necessarily mean that it will have lower attrition compared to others police forces, and vice versa. For example, the Secret Service Uniformed Division offers enhanced retirement benefits, yet it had the second highest attrition rate among the federal police forces, whereas NIH Police offers standard retirement benefits and has one of the lowest attrition rates.³⁷ Further, none of the police forces that offered enhanced retirement benefits cited those benefits as a reason why officers stayed at their police force.

Although the difference in retirement benefits may not fully indicate why officers leave a police force, it may influence the timing of when officers leave. For all of the police forces with enhanced retirement benefits, a greater percentage of the officers who left—73 percent—did so within the first 5 years of service or after 20 years of service, compared to those forces with standard retirement benefits, where 54 percent of separating officers left either within the first 5 years of service or after 20 years of service. The Director of USCP Human Resources stated that if an officer stays with USCP beyond 5 years, that officer is likely to stay at least until the individual reaches early retirement, generally after 20 or 25 years of service. Figure 10 compares the timing of separation of police officers at police forces with enhanced retirement benefits to those with standard retirement benefits from fiscal years 2005 through 2010.

³⁷ These findings should not be interpreted to mean that the level of retirement benefits does not have any effect on attrition. A multi-factor statistical analysis would be required to draw conclusions about the effect that any single factor has on attrition. We did not conduct such analysis as part of this review. However, our findings do provide some insight on the effects of individual factors.

Figure 10: Attrition by Years of Service at Federal Police Forces, Fiscal Years 2005 through 2010



Source: GAO analysis based on CPDF and GAO 2011 survey of select federal police forces.

Note: The percentage of separating officers under standard retirement benefits with less than 5 years of service was 38 percent; between 5 and 20 years of service was 46 percent; and with 20 or more years of service was 16 percent. The percent of separating officers under enhanced retirement benefits with less than 5 years of service was 52 percent; between 5 and 20 years of service was 27 percent; and with 20 or more years of service was 21 percent.

As with greater retirement benefits, desire for a better salary was not cited by a majority of police forces as a reason why officers leave from or stay with their forces. As shown in figure 9, only 2 of the 10 forces—FBI Police and Postal Security Force—said that officers leave for better salaries, and 3 of the 10 forces—USCP, Park Police, and Pentagon Police—said that officers stay for better salaries. Also, federal police forces with higher minimum entry-level salaries did not always have lower attrition.³⁸ For example, USCP and Secret Service Uniformed Division were among the highest paid federal police forces. USCP had among the lowest attrition, and Secret Service Uniformed Division had among the highest. Further, NIH Police, which offered one of the lowest minimum entry-level salaries, maintained the second lowest attrition from fiscal years 2005 through 2010, as displayed in table 3.

³⁸ There are aspects of compensation other than minimum entry-level salary that may affect attrition such as the maximum possible salary officers could earn and promotion opportunities. However, we did not address these factors as part of our review.

Table 3: Attrition, Retirement Benefits, and Pay at Federal Police Forces

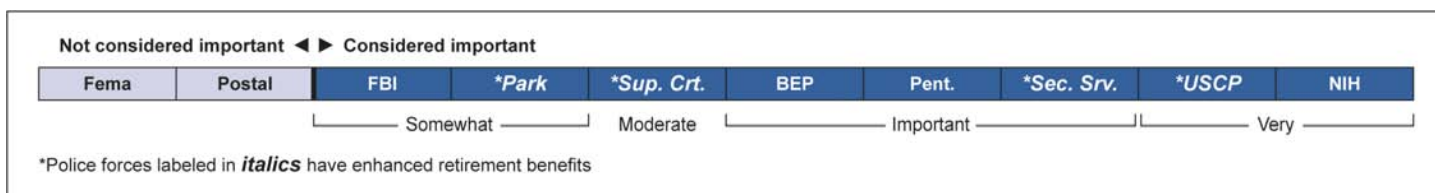
Retirement Benefit	Average Attrition, fiscal years 2005 Through 2010 (%)	Agency	Minimum Possible Entry-Level Salary (\$)
Standard	3.5%	BEP Police	\$50,355
Standard	4.8%	NIH Police	\$38,678
Enhanced	5.9%	Park Police	\$52,020
Enhanced	6.5%	USCP	\$55,653
Standard	8.9%	Pentagon Police	\$52,018
Enhanced	9.5%	Supreme Court Police	\$55,653
Standard	9.7%	Postal Security Force	\$38,609
Standard	11.6%	FEMA Police	\$43,114
Enhanced	12.4%	Secret Service Uniformed Division	\$55,477
Standard	13.9%	FBI Police	\$43,114

Source: GAO analysis based on CPDF and GAO 2011 survey of select federal police forces.

Human Capital Flexibilities

Most of the police forces in our review stated that the use of human capital flexibilities was of at least some importance for recruiting and retaining officers. Five of the 10 federal police forces in our study, including USCP, reported that human capital flexibilities were important or very important to recruiting and retaining police officers, while two police forces—Postal Security Force and FEMA Police—stated that they were not important. The other forces—FBI Police, Park Police, and Supreme Court Police—reported that human capital flexibilities are somewhat or moderately important. Further, NIH Police was the sole police force that reported a human capital flexibility as one of the primary reasons that officers remained employed by their police force. Figure 11 identifies the federal police forces' views on the importance of human capital flexibilities.

Figure 11: Federal Police Forces' Views on the Importance of Human Capital Flexibilities



Source: Analysis of GAO 2011 survey of select federal police forces.

USCP and the other police forces offered a variety of human capital flexibilities related to work-life balance, relocation and position classification, and recruitment and retention, among others. For example, all of the police forces, except the USCP, reported offering cash performance bonuses to their officers. USCP officials noted that they did not offer this particular flexibility because it was not necessary to recruit and retain officers. Conversely, in some cases, flexibilities that were available to police forces to use were not offered to police officers. For example, three police forces—USCP, Park Police and FEMA Police—reported that they did not use all of the recruitment and retention flexibilities available to them because they were not needed since they have a sufficient number of applicants. USCP and Park Police officials further stated that they did not offer these flexibilities due to budget constraints. Other human capital flexibilities were not offered because they were not available to police forces. Police forces generally reported not having some flexibilities available to their agencies because they had not requested that such flexibilities be made available, explaining that they did not need them as they were able to attract qualified applicants without offering more flexibilities. For example, the transportation subsidy was not available to Postal Security Force because, according to Postal Security Force officials, they did not need this flexibility to be made available to their force as they did not have difficulty in attracting applicants. Figure 12 provides information on federal police forces' human capital flexibilities.

Figure 12: Human Capital Flexibilities Available to and Offered by Federal Police Forces

	Enhanced benefits		Enhanced benefits		Enhanced benefits		Enhanced benefits		Enhanced benefits		Forces reported offering
Recruiting/Retention											
Superior qualifications ^a	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	4
Retention bonus	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	2
Recruiting bonus	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	1
Relocation/Classification											
Specialized unit opportunity ^b	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	9
Relocation bonus	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	1
Incentives/Awards											
Performance bonus (cash)	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	9
Performance bonus (non-cash)	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	7
Referral bonus	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	none
Training/Development											
External training payment/reimbursement	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	6
Increased pay after basic training is completed	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	2
Waiver of requirement(s) ^c	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	2
Work/Life balance											
Gym/fitness program	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	9
Transportation subsidy	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	8
Tuition assistance	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	6
Student loan repayment	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	4
Take home vehicle	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	4
Alternative work schedule ^d	USCP	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	4
Child care program	USCP ^e	NIH	Sec. Srv.	Pent.	BEP	Sup. Cr.	Park	FBI	FEMA	Postal	3
Flexibilities offered	8	13	12	10	9	8	7	7	4	3	
	Offered		Available but not offered		Neither available nor offered						

Source: Analysis of GAO 2011 survey of select federal police forces.

^aSuperior qualifications refer to increase in pay above the minimum pay because of the superior qualifications of the candidate or a special need of the agency for the candidate's services.

^bSpecialized unit opportunity refers to opportunities to work in units such as SWAT, K-9, or CERT.

^cWaiver of qualification requirement refers to waiving training requirements based on previous experience or training.

^dAlternative work schedule refers to compressed schedule or flexible hours schedule.

^eUSCP officials stated that their police officers have access to child care services through the House and Senate Child Care Centers.

Even though human capital flexibilities are intended to be a tool to recruit and retain employees, and most of the police forces considered them at least somewhat important, the police forces that offered a wider variety of human capital flexibilities did not always have lower attrition rates. For example, NIH Police and Secret Service Uniformed Division were the two forces that offered the widest variety of flexibilities. Yet, NIH Police had the second lowest attrition rate, and Secret Service Uniformed Division had the second highest attrition rate.

While retirement benefits, pay, and use of human capital flexibilities could affect attrition, the extent to which they do so can vary for a given agency, and other factors—such as family issues and promotion opportunities, as previously discussed—could influence an employee’s decision to leave or remain with his or her employer. Therefore, when an agency is determining its strategy for recruiting and retaining qualified employees, assessing the extent to which attrition is a problem, and developing strategies that address the problem, will be important.

Benefits under Existing FERS Provisions Generally Meet Recommended Targets, if Fully Utilized, with TSP Balances Being a Significant Factor

The benefits of USCP officers retiring at the age of 57 under existing FERS provisions, if fully utilized by USCP officers, would meet retirement income targets generally recommended by some retirement experts. However, the level of benefits depends significantly on the level of employee TSP contributions. In 2010, the USCP Labor Committee presented six proposals that would enhance the current USCP benefit structure. Five of the six would increase existing costs; our review found that the other proposal, which urges the USCP Board to exercise its current authority by allowing officers to voluntarily remain on the job until age 60 rather than retire at 57, as mandated, would have a minimal impact on costs to the federal government and could improve officers' retirement benefits.³⁹

Existing FERS Benefits Vary Depending on Level of TSP Contributions

In June 2011 we reported that there was little consensus among experts about how much income constitutes adequate retirement income.⁴⁰ The replacement rate is one measure some economists and financial advisors use as a guide for retirement planning; it is the percentage of pre-retirement income that is received annually in retirement. Our review showed that some economists and financial advisors considered retirement income adequate if the ratio of retirement income to preretirement income—the replacement rate—is from 65 to 85 percent.⁴¹

To illustrate the effect of current FERS provisions on retirement income, we analyzed retirement benefits for illustrative USCP workers hired at ages 22, 27, and 37, retiring at age 57, and making three different levels of TSP contributions, as described in appendix I.⁴² Overall, we found the

³⁹Apart from cost considerations, however, the proposal to encourage the Capitol Police Board to use its discretionary authority to make blanket exemptions from the mandatory retirement age provision until the age of 60, could run counter to the general legislative requirement for a mandatory retirement age. The mandatory retirement age requirements are designed to maintain a young and physically vigorous USCP force.

⁴⁰GAO, *Ensuring Income throughout Retirement Requires Difficult Choices*, [GAO-11-400](#) (Washington D.C.: June 7, 2011). Retirement income adequacy may be defined relative to a standard of minimum needs, such as the poverty level, or to the level of spending households experienced during working years.

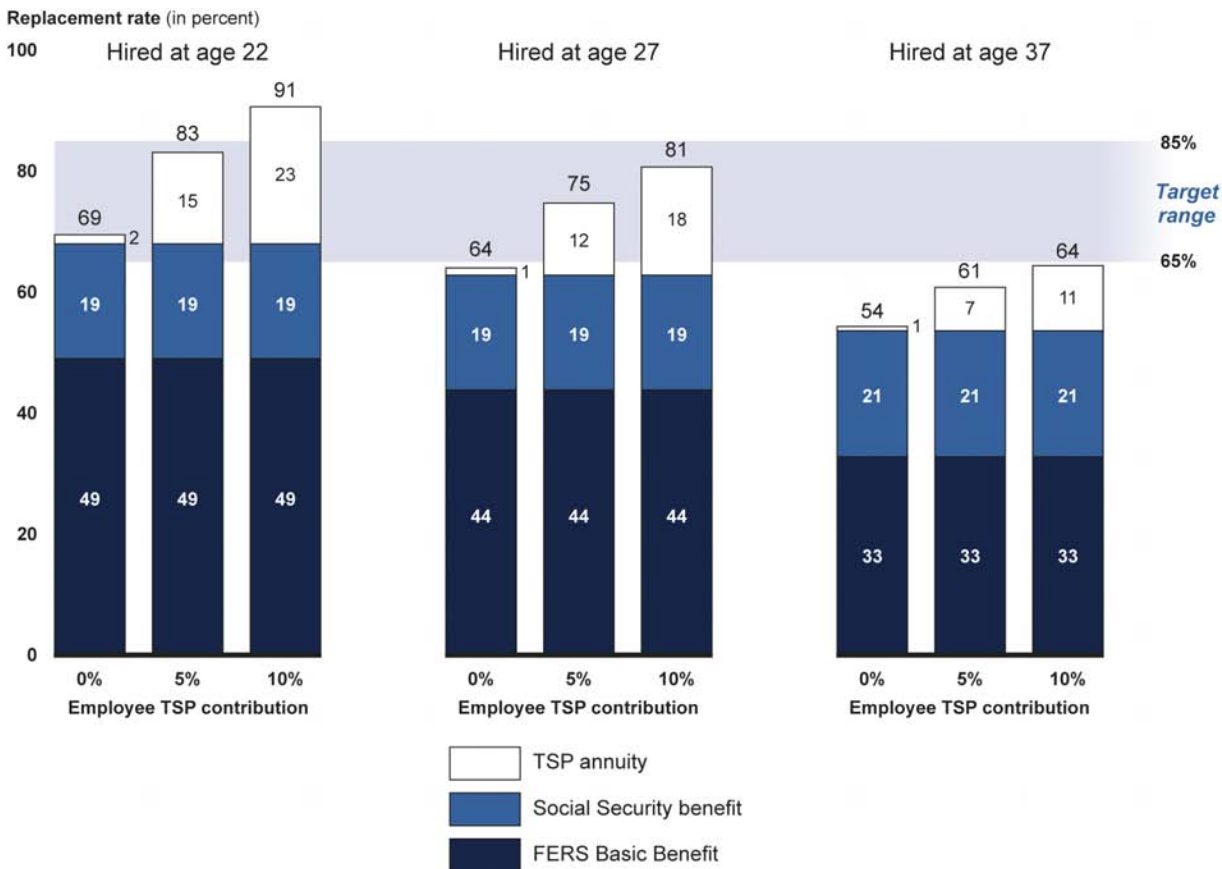
⁴¹The study examined general replacement rates and did not examine specific replacement rates of police officers.

⁴²Since over 80 percent of USCP sworn officers are either grade 3 or on a career track to grade 3, we used examples of officers who retired from grade 3 having followed the standard career track for such positions.

total replacement rates for retirement at age 57 ranged from a low of about 54 percent for a worker hired at age 37 making no TSP contributions to 91 percent for a worker hired at age 22 making 10 percent TSP contributions, as shown in figure 13. A worker hired at age 27, which is the average age at which individuals are hired by USCP, retiring at age 57, and contributing 5 percent to TSP (and thereby getting the maximum employer match) would have a replacement rate of 75 percent, which would be in the middle of recommended replacement rate targets. Among our illustrative examples, only workers hired at age 37 or those who made no contributions to their TSP accounts would have replacement rates below 75 percent. Workers hired at age 37 may also have retirement income through prior employment. These are examples of individual workers, not households, since we had no basis for simulating the income and retirement benefits of spouses. Any benefits spouses received would add to household retirement income. These examples also assume there is no leakage from the TSP accounts in the form of TSP loans that are not repaid or lump-sum distributions that are not used as retirement income.⁴³

⁴³GAO, *Policy Changes Could Reduce the Long-term Effects of Leakage on Workers' Retirement Savings*, GA0-09-715 (Washington, D.C.: Aug. 28, 2009).

Figure 13: Replacement Rates Under Existing FERS Provisions for Three Levels of TSP Contributions for Officers Retiring at Age 57

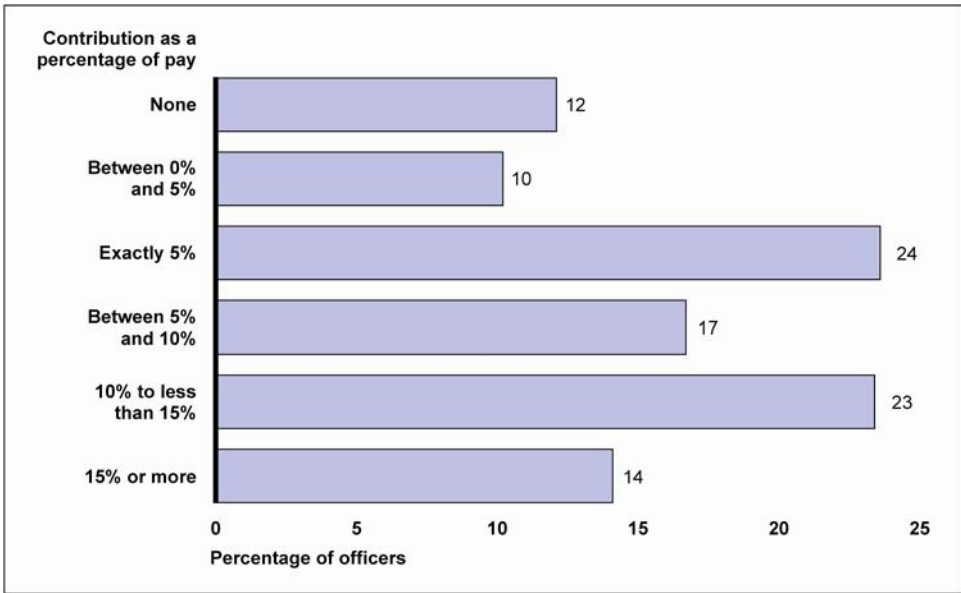


Source: GAO analysis.

Note: Numbers may not add due to rounding. Replacement rates here are the percentage of the final year's salary that retirement income replaces. TSP annuities reflect employer contributions for corresponding levels of employee contributions. Replacement rates from the TSP annuity alone when workers make no contributions (but receive the automatic agency 1 percent contribution) range from about 1 to 2 percent depending on age at hire. For these illustrations, we used an inflation-adjusted rate of return on TSP account balances of 2 percent. These examples show officers hired as trainees and progressing through the grades and steps of the pay scale based on time in grade. We focus on grade 3 officers because in 2010, over 80 percent of all officers were grade 3 or on their way to grade 3. The replacement rates for Social Security used in this chart are for the officer hired at age 22; for illustrative purposes only, doing so assumes all cases have the same Social Security earnings histories whether from USCP employment or elsewhere. Before age 62 retired officers would not be eligible for Social Security but may receive a supplement that takes its place, which would generally be somewhat smaller. For additional information regarding the graphic shown, only 2 percent of officers were hired at age 37 or older, and 40 percent of officers were hired between age 25 and 30. Hence, 27 was the approximate midpoint of this particular age range and represents the typical age officers are hired.

Our analysis also shows that employee TSP contribution levels over the course of a career can make a significant difference to total retirement income. For workers hired at age 27, for example, increasing the contribution rate from 0 to 5 percent over the entire career would increase replacement rates at age 57 by 11 percentage points, bringing them from just below the recommended target range to the middle of it. In general, the longer a worker's career, the more years they make contributions and earn investment returns, and the greater a difference the contribution rate makes. According to USCP data, in 2010, 12 percent of officers made no contributions to TSP, and another 10 percent contributed less than 5 percent of pay, thereby forgoing some portion of the full employer matching contribution, as shown in figure 14. However, the data suggest that workers typically do increase their contributions over time, and 54 percent of officers contribute more than 5 percent of pay.

Figure 14: Percentage of Officers Making Employee Contributions to TSP at Different Levels (2010)



Source: GAO analysis of USCP data.

Note: The Internal Revenue Code (I.R.C.) places limits on the dollar amount of contributions you can make to the TSP. The elective deferral limit for 2012 is \$17,000.

Most of the Proposed Benefit Enhancements Would Increase Government Costs

In 2010, the USCP Labor Committee provided selected members of Congress with six proposed changes to further enhance the current USCP benefit structure. None of the proposals included cost estimates, nor have CBO or OPM estimated the costs of any of the proposed changes.⁴⁴ Based on our review, we found that five of the six proposals, if adopted, would increase costs and increase current pay and benefit disparities between USCP and other federal LEO and non-LEO groups. One proposal, which suggests that the USCP Board further exercise its current discretionary authority to allow officers to voluntarily remain on the job until age 60, would have a minimal effect on costs.⁴⁵ Table 4 discusses each proposal and its potential effect on costs to the federal government and officers' benefits.⁴⁶

⁴⁴CBO is required to develop a cost estimate for virtually every bill reported by congressional committees to show how it would affect spending or revenues over the next 5 years or more. CBO also prepares cost estimates for use in drafting bills (especially in the early stages), formulating floor amendments, and working out the final form of legislation in conference committees. According to OPM, OPM is required to calculate unique estimates for each subgroup of beneficiaries to which a unique structure of plan provisions applies. OPM develops a single LEO calculation that applies to all federal LEOs that are receiving the same benefits. OPM cannot develop cost estimates for USCP in part because USCP officers are employees of the legislative branch and OPM's Central Personnel Data File does not contain information on these employees. However, if the law were amended to change the USCP FERS benefit formula in any way that differed from what was provided to the broader LEO population, then OPM would be required to calculate USCP benefits separately.

⁴⁵Apart from cost considerations, however, the proposal to encourage the Capitol Police Board to use its discretionary authority to make blanket exemptions from the mandatory retirement age provision until the age of 60 could run counter to the general legislative requirement for a mandatory retirement age. The mandatory retirement age requirements are designed to maintain a young and physically vigorous USCP force.

⁴⁶Some of the benefit changes included in the USCP Labor Committee proposals could also have certain nonfinancial effects on agency operations. For example, several proposals, if implemented, could exacerbate current wage disparities between the USCP and other federal LEOs and non-LEOs. In addition, the proposal to compress the USCP pay scale could give officers an incentive to retire earlier, which could give them less time to accrue retirement income.

Table 4: Five Proposals Would Increase Costs to the Federal Government

	Proposal description	Potential cost to the federal government^a	Potential benefit to USCP officers	Are similar provisions available to comparable federal police forces?
1	Increase current employee FERS annuity percentages from 1.7% for the first 20 years and 1.0% for every year after of covered service to 2% for every year of covered service.	If implemented, this proposal would increase accrual rates by 18% per year for the first 20 years of service and by 100% for each year of service beyond 20 years, increasing government costs significantly. ^b	If implemented, this proposal would increase an officer's FERS annuity amount by 6% for the first 20 years of service and an additional 1% for each year of service beyond 20 years.	No. According to OPM, the higher LEO accrual rate was established for the specific purpose of making early retirement economically feasible.
2	Keep FERS annuity percentages at 1.7% for the first 20 years of covered service and all years after 20 would be 2.0% for each year of additional service.	If implemented, this proposal would double the accrual rates for each year of service beyond 20 years, increasing government costs significantly.	If implemented, this proposal would increase an officer's current FERS annuity amount by 1% for each year of service beyond 20 years.	No
3	Keep all FERS annuity percentages the same through years of covered service but offer a "true high 3" to include overtime and differentials.	If implemented, this proposal would increase government costs by inflating the salary amounts used to calculate the "high 3" average salary, thereby increasing the annuity amount due. ^c	If implemented, this proposal would increase an officer's FERS annuity amount by increasing the amount used to calculate the "high 3" average salary.	No
4	Keep FERS annuity percentages the same but have USCP cover costs for continued health care benefits upon retirement with no contributions from the retiree or survivor.	If implemented, this proposal would increase government costs by 33%. Currently, USCP retirees and survivors receiving benefits, like other federal retirees and survivors, are required to pay at least 25% of their health insurance premiums.	If implemented, this proposal would not change the FERS annuity amount for retirees or survivors, but it could increase the net amount of retirement income since the retiree's or survivor's share of health insurance premiums would no longer be withheld.	No
5	Have USCP compress the current pay scale to allow an officer to reach maximum base pay at year 20 of covered service instead of at year 26.	If implemented, this proposal could increase the government's direct salary costs by allowing officers to earn higher salaries earlier and reach the maximum high-3 average 6 years sooner than currently possible.	If implemented, this proposal would ensure that all officers with 23 years of service would be eligible to receive the maximum available FERS annuity amount.	Yes. Pub. L. No. 111-282, 124 Stat. 3033 (2010) reduced the amount of service time required for Secret Service Uniformed Division officers to advance to the highest pay step from 30 years to 22 years ^d

Source: GAO analysis of USCP Labor Committee proposals.

^aCosts in this column include direct costs to USCP (e.g., agency contributions to FERS and health insurance premiums for active officers), as well as costs to the U.S. Treasury (additional contributions to FERS) and to OPM (government share of health insurance premiums for retirees and survivors).

^bIn 2010, CBO estimated the costs of a provision that would increase the annuity paid to certain Secret Service Uniformed Division officers by 2.5 percent. It found that it would cost the government about \$13 million from fiscal year 2010 through fiscal year 2020. The USCP Labor Committee's proposal would likely cost more as a result of a greater number of officers, higher salaries, and lower attrition rates among USCP officers.

^cAccording to OPM, only basic pay should be used to calculate an employee's high 3 average pay and overtime must be excluded from basic pay calculations.

^dCBO estimated that this change would cost the federal government \$39 million from fiscal year 2010 through fiscal year 2014. The USCP Labor Committee's proposal would likely cost more as a result of a greater number of officers, higher salaries, and lower attrition rates among USCP officers.

One Proposal Would Have Minimal Impact on Government Costs and Allow Additional Savings for Retirement

The sixth and final proposal suggests that the USCP Board exercise its authority to allow officers to remain employed until age 60. The Board currently has the discretionary authority to exempt officers with 20 years of service from the mandatory retirement age of 57 if an officer's continued service is deemed to be in the public interest.⁴⁷ According to USCP, the Board has approved 17 such exemptions since Sept. 30, 2006: 16 in 2008 and 1 in 2010. It is unclear how many current officers would be affected by this proposal. According to USCP data, the average age at which officers retired from 2005 through 2010 retired was 54—3 years before the mandatory retirement age of 57.⁴⁸

The actual costs associated with this proposal would be contingent on the number of officers who chose to work longer.⁴⁹ However, if the USCP Board deemed it to be in the public interest to allow more officers to voluntarily work past age 57, projections⁵⁰ show a slight reduction in pension costs and a slight increase in payroll costs, largely offsetting

⁴⁷An officer may work beyond age 57 without an exemption if he or she has not yet completed the required 20 years of LEO service. 5 U.S.C. § 8335(b),(c),(d); 5 U.S.C. § 8425(b),(c),(d). However, the officer must be separated on the last day of the month in which he or she completes 20 years of service.

⁴⁸USCP data show the vast majority of officers are hired before the age of 35, which means that the vast majority of officers attain the 20 years of service needed for full retirement before the age of 55.

⁴⁹Officers choosing to work longer would still have to meet the physical fitness and health standards associated with LEO service.

⁵⁰Actuarial projections were performed by OPM using assumptions, suggested by GAO and agreed to by OPM, as to the number of officers who choose to work longer.

each other and resulting in a minimal overall long-term cost impact.⁵¹ However, according to OPM, the savings actually realized by USCP directly due to reduced pension costs would be further minimized because the costs and savings would be distributed across the entire LEO population, under the cost allocation methodology used for FERS. In terms of USCP payroll costs, the later retirements would result in a less than 1 percent increase in total payroll throughout the projection period.⁵² This increase in payroll costs would largely offset the savings in pension costs, so that the overall net long-term cost effect to USCP of this proposal could be a very small or minimal increase, depending on the amount of pension costs allocated to USCP directly when distributed across the LEO population. In addition, the costs associated with paying agency matching contributions to officers' TSP accounts would also be minimal since the total increase could not exceed 5 percent of the less than 1 percent increase in payroll costs.

According to our analysis, retiring at age 60 instead of 57 could significantly increase retirement incomes—more through TSP contributions than through the FERS annuity. The effect of later retirement on the FERS basic annuity is fairly predictable; under the FERS LEO provisions, the benefit formula provides 1 percent of final average pay for each year of additional service after 20 years. The effect on Social Security benefits would be relatively small, but could vary somewhat depending on whether USCP officers continued to work in

⁵¹The pension cost reduction, which would be spread across the FERS LEO population, would be approximately \$1.1 million in the first year of the projection. In addition, the government would realize an additional \$9 million in savings over the projection period because when employees retire later than originally anticipated, there is a decrease in the costs that had already been attributed to past service. Under the terms of the funding provisions for FERS, the U.S. Treasury realizes any increases or decreases in costs attributable to past service, with the agencies responsible for costs attributable to current and future service.

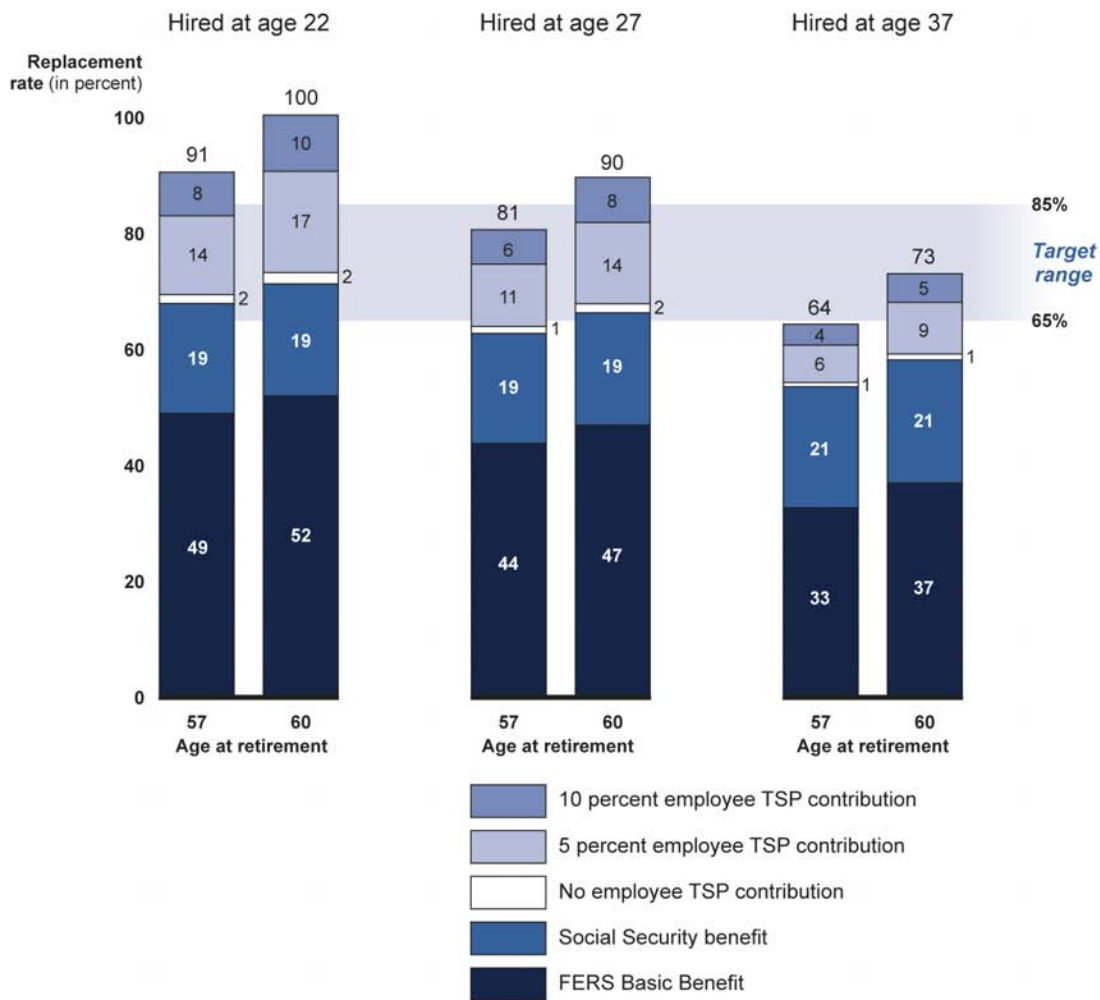
⁵²One percent of the USCP's 2011 payroll of approximately \$141 million is about \$1.4 million—although any increase in overall payroll due to later retirements does not happen immediately. This reflects the point that if USCP officers are hired at similar ages as in the past, but now work to a later age, the effect could be an increase in the overall USCP payroll. The overall workforce would have higher average years of past service. Even if the grade structure is the same, within-grade pay increases with service could cause this effect.

Social Security covered employment after retiring from USCP.⁵³ Retiring later has the greatest effect on the TSP component of retirement income for those who contribute to TSP. USCP officers would increase the number of years they make TSP contributions, receive the agency match and earn investment returns and reduce the number of years that they would draw down their TSP accounts in retirement. Still the size of that effect depends on the level of lifetime TSP contributions. As shown in figure 15, taking all three FERS components into account, retiring at age 60 instead of 57 would increase total replacement rates by as little as 4 percentage points for workers making no TSP contributions and by as much as 10 percentage points for workers contributing 10 percent of pay to TSP.⁵⁴

⁵³We examined the effect for the worker hired at age 22 because the Social Security benefit is based on 35 years of covered earnings, and only that worker among our three cases has a full 35 years of earnings with USCP. We did not have a basis for supposing what earnings before or after USCP service might be. According to our estimates, for that worker, the Social Security benefit would increase by almost \$400 annually, or about 2 percent, as a result of having these 3 additional years of earnings.

⁵⁴For our examples, we use contribution levels that are a constant percentage of pay over the entire career, including 0, 5, and 10 percent employee contribution rates. Such a contribution pattern would not include any catch-up contributions, which employees may make at ages 50 and over.

Figure 15: Effect on Replacement Rates of Retiring at Age 60 Instead of Age 57



Source: GAO analysis.

Note: Numbers may not add due to rounding. Replacement rates here are the percentage of the final year's salary that retirement income replaces. Values for TSP are the additional replacement rates from the TSP annuities for each level of contribution and reflect employer contributions. Replacement rates from the TSP annuity alone when workers make no contributions (but receive the automatic agency 1 percent contribution) range about 1 to 2 percent depending on the age at hire and age of retirement. For these illustrations, we used an inflation-adjusted rate of return on TSP account balances of 2 percent. These examples show officers hired as trainees and progressing through the grades and steps of the pay scale based on time in grade. We focus on grade 3 officers because in 2010, over 80 percent of all officers were grade 3 or on their way to grade 3. The replacement rates for Social Security used in this chart are for the officer hired at age 22; for illustrative purposes only, doing so assumes all cases have the same Social Security earnings histories whether from USCP employment or elsewhere. Before age 62, retired officers would not be eligible for Social Security, but may receive a supplement that takes its place, which would generally be somewhat smaller. For additional information regarding the graphic shown, only 2 percent of officers were hired at age 37 or older, and 40 percent of officers were hired between age 25 and 30. Hence, 27 was the approximate midpoint of this particular age range and represents the typical age officers are hired.

Moreover, taking all three FERS components into account, employee TSP contribution levels over the course of a career can make more of a difference to retirement income than 3 additional years of service. In the case of workers hired at age 22 and contributing a constant 5 percent of wages to TSP, retiring at age 60 instead of 57 increases total replacement rates by 8 percentage points from 83 percent to 91 percent. In contrast, increasing the employee contribution rate from 0 to 5 percent over the entire career would increase replacement rates by 14 percentage points if retiring at age 57.

Agency Comments and Our Evaluation

We provided a draft of this report for review and comment to USCP and the nine other federal police forces included in this review; the USCP Labor Committee; and OPM. USCP and four other federal police forces—Secret Service Uniformed Division, Pentagon Police, FBI Police, and Postal Security Force—did not provide written comments to be included in this report, but provided technical comments, which we incorporated as appropriate. In emails received January 3 and 4, 2012, HHS and DOI liaisons, respectively, stated that their departments, including NIH Police and Park Police, had no comments on the report. In an email received January 9, 2012, the DHS liaison confirmed that the FEMA Police had no comments on the report. In emails received January 10, 2012, the BEP Police and Supreme Court Police liaisons stated their agencies had no comments on the report. We received comment letters from DHS, OPM, and the USCP Labor Committee, which are reproduced in appendices II, III, and IV, respectively.

In commenting on this report, DHS stated that it was pleased with GAO's recognition of its efforts to develop, implement, and deploy human capital

flexibilities. DHS also noted that the report does not contain any recommendations for DHS.

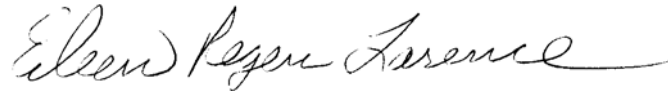
In its letter, OPM made several comments regarding one of the proposals that we analyzed in the report—the proposed increase in the mandatory retirement age. OPM stated that the cost savings actually realized by USCP from raising the mandatory retirement age for USCP personnel would be small because the estimated reductions in annual pension costs would be spread across all LEO-employing agencies under the cost allocation methodology used for FERS. We revised our report to clarify this point. OPM also states that increasing the mandatory retirement age is unnecessary since LEO retirement benefits provide a higher annuity rate in order to make early retirement at age 57 economically feasible and inconsistent with other retirement provisions that provide enhanced accrual rates for USCP in comparison to other, non-LEO federal employees. We are not taking a position on whether or not to raise the mandatory retirement age for USCP personnel in this report. Rather, the report provides information on some of the possible effects of doing so, namely that it could increase retirement security at a minimal cost. This report also shows that, generally, the effect of greater employee participation in TSP can provide a larger boost in post-retirement income than the effect of working 3 additional years on the defined benefit portion of retirement income. Finally, we recognize there are many other factors to take under consideration when making such policy decisions, including workforce planning needs; retirement trends across other agencies, industries and occupations; and broader workforce trends in employee health and longevity. OPM also provided technical comments, which we incorporated as appropriate.

In its letter, the USCP Labor Committee stated that, even though our report indicates that child care is available to USCP officers, to its knowledge, USCP does not have a child care program. It is the case that USCP, itself, does not offer a child care program; however, according to USCP officials, USCP police officers have access to child care through the House and Senate Child Care Centers. We revised our report to clarify this point. The letter also provided commentary on several of their proposals that extended beyond the scope of our review.

We are sending copies of this report to the appropriate congressional committees. We are also sending copies to USCP; the nine other federal police forces included in this review; the USCP Labor Committee; and

OPM. In addition, this report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact Eileen Larence at 202-512-8777 or by e-mail at LarenceE@gao.gov or Charles Jeszeck at 202-512-7215 or by e-mail at JeszeckC@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix V.



Eileen R. Larence
Director, Homeland Security and Justice Issues



Charles Jeszeck
Director, Education, Workforce, and Income Security

Appendix I: Objectives, Scope and Methodology

To understand how the United States Capitol Police (USCP) compares to other federal police forces with regard to retirement benefits, compensation, duties, employment requirements, attrition, human capital flexibilities, and costs associated with the proposed benefit enhancements, we addressed the following questions:

(1) How does the USCP compare to other federal police forces in the Washington, D.C. metropolitan area with respect to retirement benefits, minimum entry-level salary, duties, and employment requirements?¹

(2) How does attrition at USCP compare to other federal police forces, and how if at all, have USCP and other federal police forces used human capital tools to recruit and retain qualified officers?

(3) What level of retirement income do current USCP benefits provide and what costs are associated with the proposed benefit enhancements?

For the first and second objectives, we identified other federal police forces that were potentially comparable to USCP based on (1) prior work on federal uniformed police forces, (2) inclusion in the Office of Personnel Management's (OPM) occupational series for police officers (0083), and (3) the number of officers located in the Washington, D.C. metropolitan area or who receive Washington, D.C. locality pay.² Based on this information, we selected nine federal police forces whose officers are part of, or functionally equivalent to, the 0083 occupational series and who have at least 50 officers who are located in the Washington, D.C. metropolitan area or receive Washington, D.C. locality pay, as listed in

¹ We determined how USCP compares to other federal police forces with respect to minimum entry-level salary. However, for our review, we did not determine how the police forces compared with respect to other aspects of compensation, such as maximum salary.

² GAO, *Federal Uniformed Police: Selected Data on Pay, Recruitment, and Retention at 13 Police Forces in the Washington, D.C. Metropolitan Area*. [GAO-03-658](#) (Washington, D.C.: June 13, 2003). For the purpose of this report, we also used OPM's Central Personnel Data File (CPDF)—a database that contains personnel information primarily on executive branch agencies—to determine which officers in the selected federal police forces received Washington, D.C. locality pay. These officers' duty stations could be located in Washington, D.C., as well as Northern Virginia and parts of Maryland, West Virginia, and Pennsylvania.

table 5.³ According to USCP, its police officers are functionally equivalent to OPM's 0083 occupational series—or police series—for which an individual's primary duties involve the performance or supervision of law enforcement work in the preservation of the peace; the prevention, detection, and investigation of crimes; the arrest or apprehension of violators; and the provision of assistance to citizens in emergency situations, including the protection of civil rights. Also, the primary duty station for the approximately 1,800 USCP officers is Washington, D.C. We excluded military police forces because our review is focused on civilian federal police forces which have a civilian retirement benefit system as opposed to a military retirement benefit system. We also excluded police forces for intelligence agencies because, unlike other executive branch police forces, they do not report their human capital data to Central Personnel Data File (CPDF).

Table 5: USCP and Comparable Federal Police Forces and Police Officers Located in the Washington, D.C. Metropolitan Area or Who Received Washington, D.C., Locality Pay in Fiscal Year 2010^a

Department	Federal police force	Total number of police officers on-board in fiscal year 2010 ^b
Legislative Branch		
U.S. Capitol Police	U.S. Capitol Police (USCP)	1, 777
Judicial Branch		
Supreme Court of the United States	Supreme Court Police	142
Executive Branch		
Department of Defense	Pentagon Force Protection Agency Police (Pentagon Police)	857
Department of the Interior	United States Park Police (Park Police)	464
Department of Homeland Security	Federal Emergency Management Agency Police (FEMA Police)	76
	United States Secret Service Uniformed Division (Secret Service Uniformed Division)	1,378
Department of Justice	Federal Bureau of Investigation Police (FBI Police)	141
Department of the Treasury	Bureau of Engraving and Printing Police (BEP Police)	125

³ We excluded the Veteran's Health Administration (VA) Police because it reported that its individual police force independently and separately managed their human capital functions such as full time equivalent (FTE) determinations, hiring, and offering recruiting and retention flexibilities. As a result, each individual police force had less than 50 police officers in fiscal year 2010.

Department	Federal police force	Total number of police officers on-board in fiscal year 2010 ^b
Department of Health and Human Services	National Institutes of Health Police (NIH Police)	84
Government Corporation		
U.S. Postal Service	U.S. Postal Service Security Force (Postal Security Force) ^c	68
Total		5,112

Source: GAO analysis of data provided by USCP and the 9 other federal police forces.

^aSixteen federal police forces, excluding USCP, had 0083 police officers. Nine of these forces had 50 or more police officers located in the Washington, D.C. metropolitan area or who received Washington, D.C. locality pay. The remaining seven federal police forces with 0083 officers that did not meet these criteria and, therefore, were not included in our review are forces with the Federal Protective Service, National Institutes of Science and Technology, Smithsonian Institute, U.S. Mint, Government Printing Office, Veterans Health Administration, and the Internal Revenue Service.

^bWhenever possible, we verified police officers' on-board numbers with the CPDF data for fiscal year 2010.

^cPostal Security Force officials stated that even though their officers have not been subject to OPM classification; they do not believe that their officers are equivalent to 0083 police officer but, instead, they believe their officers are equivalent to 0085 federal security guards. However, we believe that Postal Security Force is comparable to USCP for the purpose of our review because (1) it reported having the same primary types of statutory law enforcement authorities as those reported by USCP, such as conducting criminal investigations, executing search warrants, making arrests, carrying firearms, and protecting people and property; (2) it was included in our prior work on federal uniformed police forces; and (3) it has more than 50 police officers located in the Washington, D.C. metropolitan area.

To compare the USCP to other federal police forces located in the Washington, D.C. metropolitan area or who receive Washington, D.C. locality pay with respect to (1) retirement benefits, minimum entry-level salary, duties, and employment requirements and (2) attrition and use of human capital flexibilities to recruit and retain qualified officers, we interviewed human resources officials, senior police officers, and executive officials and reviewed documents provided by the 10 police forces. For example, to identify similarities and differences among USCP and the other federal police forces, we obtained and reviewed documentation on minimum entry-level salary, grade, and step; job announcements and job descriptions; and legal authorities for police functions. We also interviewed human resources officials at OPM to obtain information on retirement benefits and pay, and we reviewed relevant personnel laws, regulations, and reports by OPM.

We also developed and administered a survey to collect consistent, detailed human capital information from fiscal year 2005 through fiscal year 2010 from each of the police forces in our review. The survey included questions about (1) retirement benefits and minimum entry-level officer salary, types of duties, and employment requirements for entry-

level applicants; (2) number of officers on-board, hired, and separated, and reasons why officers left or stayed, and difficulties in recruiting or retaining officers; and (3) the availability and use of human capital flexibilities to recruit and retain officers. To develop the survey questions, we reviewed federal statutes, regulations, OPM and CBO reports, and our related reports to identify issues pertaining to federal police pay, benefits, and human capital flexibilities. Furthermore, on the basis of interviews with police forces officials, we identified issues related to human capital issues. Finally, we examined related surveys administered to many of these agencies to identify relevant issues pertaining to federal police forces pay, benefits, and human capital flexibilities.

The survey was pretested with potential respondents from USCP, BEP Police, and FBI Police to ensure that (1) the questions were clear and unambiguous; (2) the terms we used were precise; (3) the survey did not place an undue burden on the officials completing it; and (4) the survey was independent and unbiased. In addition, the survey was reviewed by an independent, internal survey expert. The survey was conducted using self-administered questionnaires that were disseminated by email. To encourage respondents to complete the survey, we sent an e-mail reminder to each nonrespondent about 2 weeks after our initial e-mail message. The survey data were collected from June 2011 through August 2011. We received responses from all 10 agencies, for a response rate of 100 percent.

All data from the returned surveys were double key-entered into an electronic file in batches (that is, the entries were 100 percent verified), and a random sample of each batch was selected for further verification for completeness and accuracy. To eliminate data-processing errors, we independently verified the computer program that generated the survey results. We reviewed survey responses for completeness and accuracy and followed-up on any missing or unclear responses with appropriate officials. We analyzed the police forces' survey responses to compare and contrast information about the police forces' retirement benefits, salaries, duties, employment requirements, attrition, and human capital flexibilities, among other things.

We used OPM's CPDF to obtain the number of on-board police officers and separations each fiscal year from 2005 through 2010 for those police forces that report to the CPDF and used this information to determine the level of attrition among officers at police forces that report to CPDF; and for forces that do not report to CPDF—USCP, Supreme Court Police, and Postal Security Force—we used fiscal year 2005 through 2010 separation

data obtained directly from them.⁴ We chose this time frame in order to obtain the most recent data available for a full fiscal year. We also used CPDF data to corroborate some survey responses, where possible. We assessed the reliability of the data the police forces provided in the survey by reviewing agency responses to questions about the data sources and how the results were generated. We determined that the data were sufficiently reliable for our purposes. Lastly, we reviewed our prior reports that identified retirement benefits, salary, and duties for the federal police forces in our review. We do not make an independent assessment about whether retirement benefits and salaries for these officers are commensurate with their duties and employment requirements.

To address our third objective, we examined the USCP Labor Committee's proposed benefit changes, discussed them with Labor Committee representatives and OPM officials; and reviewed relevant federal laws, regulations, and literature. To examine whether other federal agencies had estimated the costs of these or similar proposals, we reviewed the Congressional Budget Office's (CBO) cost estimates developed for comparable benefit provisions to the three federal police forces most similar to USCP. In addition, we interviewed OPM officials about the viability of the proposals. We then reviewed each proposal and analyzed its potential effect on costs to USCP and increased retirement benefits for USCP officers. As a result, we identified one proposal—the proposal for the USCP Board to exercise its current authority by allowing officers to remain on the job until age 60 rather than retire at 57, as mandated—for additional analysis that both minimally affected agency costs and improved retirement benefits, and we conducted additional analysis for that proposal.

To determine the costs to the federal government and officers of this proposed change to the USCP benefit structure, we obtained information from the USCP regarding officer retirement trends and demographic data. We conferred with OPM's actuarial staff regarding similar information and data related to the entire LEO population. OPM calculated the cost impact

⁴ For this report, we calculated attrition by dividing the number of officers who separated from the police force during a particular fiscal year by the number of officers onboard at the end of that fiscal year. We considered calculating attrition by dividing the number of officers who separated by the average number of officers onboard at the beginning and end of the fiscal year. However, since the differences in the results of the two calculation methods were minimal, we decided to use end of fiscal year onboard numbers for computational simplicity.

of allowing later USCP retirement using the Aggregate Entry Age Normal actuarial cost method.⁵ Such cost estimates are based on an assumption as to the proportion of employees who retire at each age. OPM has a current set of retirement rates that based on expected retirement behavior under current USCP retirement rules. To estimate the effect of allowing retirement up to 3 years later, an assumption had to be made as to how such a change would influence retirement behavior by USCP officers. In consultation with OPM, we agreed that a reasonable assumption for the effect of the change on retirement behavior would be the following adjustments to the retirement rates currently assumed in the valuation of the plan: 1) The current assumed retirement rate for age 55 was assumed to extend to ages 56, 57, and 58 as well; 2) the current assumed retirement rates at ages 56 and 57 would be shifted 3 years to apply at ages 59 and 60. We also assumed no shift in hiring ages, with the result that, with later retirement, employees would have an increase in total years of service. Other assumptions were the same as OPM used in the most recent valuation of the plan.

With these changes in assumptions, OPM could estimate the effect on cost.

In terms of changes in payroll cost because of later retirements, OPM currently assumes

(1) an annual 3.75 percent across-the-board salary increase and

(2) an annual merit assumption specific to LEOs of 0.49 percent (for LEOs age 55 and older with 20 years of service).

OPM could keep these assumptions constant unless there is evidence that they are not operative in the unique context of USCP. In the absence of such evidence, we held everything else constant; for example, we did not anticipate any pay increases in the final 3 years of service that would bump up high-3 average pay (on which the FERS benefit is calculated),

⁵Because pension benefits are paid after retirement but their costs are accrued and should be funded in advance of that (during the working years) and there is no single way to assign post-retirement costs to particular years of pre-retirement service, an actuarial cost method is selected for this purpose. For FERS and CSRS, the method used to assign post-retirement costs to pre-retirement service is known as the aggregate age entry normal method, which assigns costs as a level percentage of pay over all service.

nor any promotional opportunities within USCP that would become available as a result of additional years of service.

OPM calculated the estimated effects of the later assumed retirement on both normal cost and accrued liability. Normal cost is the cost of benefits attributable to current service, and is the responsibility of USCP. Accrued liability is the cost of benefits attributable to past service; increases or decreases to it are borne by the federal government. Later assumed retirement has an impact on both normal cost and accrued liability.

Finally, we examined the prospects for retirement income under current provisions and the effects on retirement income of retiring at age 60 instead of the current mandatory retirement age of 57. Based on retirement, work history, and demographic data we obtained from USCP, we developed illustrative examples of workers hired at three different ages who progressed along a standard career path. Using a variety of assumptions, we calculated amounts for retiring at both age 57 and age 60 for the FERS defined benefit annuity, Social Security benefit, and expected retirement income from the federal Thrift Savings Plan (TSP). We examined outcomes for three different TSP contribution levels. We have focused our reporting of results on replacement rates rather than dollar estimates.⁶

Definition of Illustrative Worker Profiles

Salary history and grade level: We assume for all of our cases that the employee enters as a trainee and goes through the standard career progression through a grade 3, but not beyond. Over two-thirds of the

⁶Under FERS, workers who make no contributions to TSP nonetheless get an employer contribution equal to 1 percent of pay. Workers who contribute 5 percent or more get a 5 percent employer contribution, which is the maximum employer contribution. For these examples, we assumed workers invested all their TSP balances in the G Fund earning a constant inflation-adjusted 2 percent return. To show the effect of TSP as a stream of lifetime annual payments, we further assumed that workers used their entire TSP balance at retirement to purchase a single-life annuity from TSP (with no cash refund or 10-year certain option). The size of such annuities is very sensitive to the prevailing interest rate used in the annuity calculation, with higher interest rates yielding higher annuity payments. To provide conservative estimates, we used nominal interest rates of 3 percent. To compute our replacement rates, we took the sum of the FERS basic benefit, Social Security retired worker benefit, and the TSP annuity and divided by the salary in the last year before retirement. Before age 62, retired officers would not be eligible for a Social Security retired worker benefit but may receive a supplement that takes its place, which would generally be somewhat smaller.

USCP sworn workforce in 2010 was grade 3, and another 13 percent were grade 2, which is on a career ladder to grade 3. Less than 20 percent were higher than grade 3. Moreover, by focusing on grade 3, we focus on those workers at the lowest pay level at retirement. Those attaining higher grades would generally have higher retirement incomes, all else equal. USCP has provided information on the standard career progression and salary table. According to USCP, progression through grades and steps is usually just a function of time in grade. So our salary progression is based on that pattern. Also, our earnings histories and therefore also our replacement rates do not reflect any overtime or other special pay.

Age at hire: We look at three ages at which officers are hired, 22, 27, and 37. Age 22 allows for a 35 year career with retirement at age 57, which facilitates getting an estimate for Social Security benefits based solely on USCP earnings years. Age 27 is the average age at which the officers on the force in 2010 were hired. Age 37 illustrates a case where an officer has 20 years of service when reaching the current mandatory retirement age.⁷

TSP contribution rate: To provide bracketing cases, we show cases with constant 0 and 10 percent employee contribution rates, along with the relevant employer match. We also show a case with a constant 5 percent employee contribution to illustrate taking advantage of the maximum employer match. We assume there is no leakage from TSP accounts, such as loans that are not repaid. We assume no “catch-up” contributions.⁸

Retirement benefits: Because any policy change would only affect the three parts of FERS, we only illustrated effects on benefits under FERS. In developing our replacement rate estimates, we estimated the annual dollar value of the FERS basic annuity and Social Security benefits. Workers have a variety of options for how to draw on their TSP accounts for retirement, but for this illustration, we translated that into an annual

⁷An officer may work beyond age 57 without an exemption if he or she has not yet completed the required 20 years of LEO service. However, the officer must be separated on the last day of the month in which he or she completes 20 years of service.

⁸Catch-up contributions are payroll deductions that participants who are age 50 or older may be eligible to make in addition to regular employee contributions.

benefit. One way to do this was to assume they purchase a TSP annuity at retirement. We looked only at self-only FERS and TSP annuities because we had no basis for any assumption about spouses or their ages. We calculated a Social Security benefit only for the case hired at age 22 since we had no basis for speculating what the earnings history outside of USCP would look like and Social Security benefits are based on 35 years of earnings. We used the Social Security benefit only to illustrate what that total retirement package looked like for such a case. When we showed Social Security benefit estimates for those hired at other ages for illustrative purposes, we assumed their Social Security earnings records would be identical to those of a worker hired by USCP at age 22.

Parametric assumptions

Inflation rate: We calculated all our dollar estimates in 2010 dollars. For all worker salary histories, we used the 2010 pay scale. That is, for simplicity, we assumed that all past and future comparability increases equal the rate of inflation. To the extent that comparability increases reflect wage growth and not just price growth, our illustration did not capture the effect of that difference.

TSP rate of return: Assumptions for the TSP rate of return needed to be consistent with our approach for the earning histories and inflation. Assuming all funds are invested in the G-Fund both provides a minimum expected benefit level and implicitly adjusts for the risk of other investment allocations. As a proxy, we used the Social Security Trustees' long-term intermediate assumption for the real return on special-issue Treasury securities, which is 2.9 percent. Social Security's special-issue Treasury securities are essentially the same as the G-Fund securities. However, that long-term assumption also reflects the long-term assumption for the real-wage differential, which is the difference between the growth of wages and that of prices. Since we use the 2010 pay scale for all years and implicitly assume there is no real-wage differential, we reduced our rate of return assumption by the long-term Trustees' intermediate assumption for the real-wage differential, which is roughly 1.2 percent. That results in a TSP return assumption of 1.7 percent, but we round to 2 percent since the results from our approach would not reflect such a level of precision.

TSP annuitization rate: Given our other assumptions, the TSP balances we projected are expressed in 2010 dollars, and we wanted to calculate an annuity payment purchased from those balances that is constant going forward in inflation-adjusted terms. We used an annuity factor for a single-

life (self-only) annuity (no 10-year certain option). To provide for an inflation-adjusted retirement benefit estimate, we used an annuity factor for the increasing TSP annuity option, and thus assumed that future inflation would match that implied by the increasing annuity. We adapted TSP's annuity calculation worksheets to arrive at an annuity factor that is expressed as the percent of the TSP balance that is paid annually. The interest rate used to calculate the annuity factor is a critical assumption. First, we used a nominal interest rate to convert the TSP balance in 2010 dollars to an annuity expressed in 2010 dollars. However, nominal rates have fluctuated dramatically, and the nominal rate at which an annuity is purchased can have a large effect on the annuity payment. The Social Security Trustees' intermediate assumption for the long-term nominal interest rate on special public debt obligations is 5.7 percent. However, the rates TSP used for annuity calculations in August and September 2011 average 3 percent, which are at historically low levels. In order to make our illustrative examples conservative, that is, toward the lower end of what they might be, we used 3 percent for our nominal annuity interest rate assumption. This results in annual annuity factors of 3.71 and 4.19 percent respectively for age 57 and age 60.⁹

We conducted this performance audit from January 2011 through January 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our analysis based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our analysis based on our audit objectives.

⁹These annuity factors are multiplied by the account balance to determine the annual annuity benefit.

Appendix II: Comments from the Department of Homeland Security

U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

January 5, 2012

Eileen R. Larence
Director, Homeland Security and Justice Issues
441 G Street, NW
U.S. Government Accountability Office
Washington, DC 20548

Charles Jeszeck
Director, Education, Workforce, and Income Security
441 G Street, NW
U.S. Government Accountability Office
Washington, DC 20548

Re: Draft Report GAO-12-58, "CAPITOL POLICE: Retirement Benefits, Pay, Duties, and Attrition Compared to Other Federal Police Forces"

Dear Ms. Larence and Mr. Jeszeck:

Thank you for the opportunity to review and comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the U.S. Government Accountability Office's (GAO's) work in planning and conducting its review and issuing this report.

The Department is pleased to note GAO's recognition of DHS efforts to develop, implement, and deploy human capital flexibilities, such as specialized unit opportunities, for the Federal Emergency Management Agency Police and the U.S. Secret Service Uniformed Division. We also noted the report does not contain any recommendations for DHS.

Again, thank you for the opportunity to review and comment on this draft report. Technical comments were provided under separate cover. We look forward to working with you in the future on other Homeland Security issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim H. Crumpacker".

Jim H. Crumpacker
Director
Departmental GAO-OIG Liaison Office

Appendix III: Comments from the Office of Personnel Management

Note: Page numbers in the draft report may differ from those in this report.



Internal Oversight
and Compliance

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

JAN 10 2012

Ms. Kristy N. Brown
Assistant Director, Homeland Security and Justice
U.S. Government Accountability Office
441 G Street NW, Room 6S17
Washington DC 20548

Dear Ms. Brown:

Thank you for providing the U.S. Office of Personnel Management (OPM) the opportunity to comment on the Government Accountability Office draft report, "Capitol Police: Retirement Benefits, Pay, Duties, and Attrition Compared to Other Federal Police Forces". The comments that follow are from OPM's Actuary, Pay and Leave and Retirement Policy areas.

On page 33 the final paragraph (continuing to page 34) states that increasing the mandatory retirement age from 57 to 60 could decrease current pension costs to the USCP by approximately 0.75% of payroll. However in practice there is not a unique normal cost percentage that is established for USCP. Instead, the applicable normal cost percentage is determined for all FERS employees covered under enhanced Law Enforcement Officer ("LEO") benefit provisions. A change to the practices of just the USCP subset of that group would only marginally lower the normal cost percentage applicable to the group as a whole. Therefore there would be little or no pension cost savings expected to be realized directly by USCP.

The draft report discusses at several points the suggestion that the mandatory retirement age be raised to 60, asserting that this would increase retirement income without cost. However, the report's discussion fails to take into account that the purpose of the higher annuity accrual rate is to make early retirement economically feasible. As noted in the report's discussion beginning at page 27 "Benefits under Existing FERS Provisions Generally Meet Recommended Targets, if Fully Utilized, with TSP Balances Being a Significant Factor." Thus, to raise the mandatory retirement age is both unnecessary and inconsistent with the purpose of the more generous retirement provisions to ensure that "employment opportunities should be limited to young and physically vigorous individuals." (See, 5 U.S.C. 8401(17), specifically applicable to law enforcement officers, but clearly delineating the program purpose).

Page 8, first full sentence currently reads: "LEOs are also subject to mandatory retirement at age 57 with 20 years of service, which makes them eligible to receive the special FERS

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supplement upon retirement that mimics the Social Security retirement benefits earned during federal government service.”

This sentence implies that an LEO’s entitlement to the FERS annuity supplement is tied to mandatory retirement at age 57 with 20 years of service. This is not the case. Entitlement to the FERS annuity supplement is linked to entitlement to an annuity under various subsections of 5 U.S.C. § 8412 and § 8414 (see 5 U.S.C. § 8421(a). Section 8421(a) permits a law enforcement officer, member of the Capitol Police or Supreme Court Police, firefighter, nuclear materials courier, or customs and border protection officer who retires under 5 U.S.C. § 8412(d) to receive an FERS annuity supplement. Because § 8412(d) includes entitlement when an employee is at least age 50 and has at least 20 years of the enumerated types of service, an employee retiring under § 8412(d)(2) (age 50 with 20 years of special service) can receive a FERS annuity supplement. See also CSRS and FERS Handbook for Personnel and Payroll Offices, chapter 51, section 51A1.1-3 *Eligibility for the Retiree Annuity Supplement* (<http://www.opm.gov/retire/pubs/handbook/C051.pdf>).

In addition, the annuity supplement of an individual who earns income after retirement is subject to a reduction derived from the individual’s “excess earnings.” See 5 U.S.C. § 8421a. However, in determining the excess earnings of any individual “any earnings attributable to a period before attaining the applicable minimum retirement age under section 8412(h) shall not be considered in determining the excess earnings of an individual who retires under section 8412(d), or (e), or section 8414(c).” Therefore, the pre-MRA earnings of an individual who retires under section 8412(d), the special provisions for law enforcement officers, member of the Capitol Police or Supreme Court Police, firefighters, nuclear materials couriers, or customs and border protection officers, are not considered when determining if the individual has excess earnings requiring a reduction of the individual’s annuity supplement. See 5 U.S.C. § 8421a(b)(4)(B)(ii). For example, a law enforcement officer who retires under section 8412(d) at age 45 with 25 years of law enforcement officer service would receive an annuity supplement under 5 U.S.C. § 8421(a), and any of his earnings before MRA (age 57 for an individual for born after 1969) would not be considered for the purposes of reducing his annuity supplement.

Technical comments to the draft report are enclosed. Unless otherwise noted, the suggested revisions are meant to provide technical accuracy and conform to terminology applicable to the Federal service.

Please contact Ms. Janet Barnes, Deputy Director, Internal Oversight & Compliance on (202) 606-3270 should your office require additional information.

Again, my thanks to your office for providing this opportunity to update and clarify information in the draft report.

Sincerely,



Janet Barnes
Deputy Director
Internal Oversight & Compliance

Enclosure

Appendix IV: Comments from the United States Capitol Police Labor Committee



United States Capitol Police Labor Committee

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Response to United States Government Accountability Office (GAO) regarding CAPITOL POLICE, Retirement Benefits, Pay, Duties, and Attrition Compared to Other Federal Police Forces

On behalf of the United States Capitol Police Labor Committee I want to thank the Honorable Robert A. Brady, Ranking Member, Committee on House Administration, House of Representatives as well as the Honorable Michael E. Capuano, House of Representatives for making the request for this report on our behalf. Also, thanks to the staff of the GAO for their in-depth analysis on our submitted proposals.

Our Labor Committee provided five (5) proposals in an attempt to increase the retirement benefits for the men and woman of the Capitol Police.

Your focus was designed on the basis that 80% of Capitol Police officers being are designated as a Grade 3 (Private First Class) while the other 20% would therefore be Privates with training, Privates, Technicians, Detectives, Sergeants, Lieutenants, Captains, Inspectors, Deputy Chiefs, Assistant Chief and Chief of Police. The majority of sworn employees with the Capitol Police are currently covered under the Federal Employees Retirement System (FERS) with very few left under the Civil Service Retirement System (CSRS). The maximum entry age for the Capitol Police is currently 37 to allow an officer to achieve 20 years of credible service to reach the mandatory retirement age of 57 under FERS. Out of our five (5) proposals, one (1) proposal we recommended would result in substantial savings for the Capitol Police department and the government. This proposal was to increase the mandatory retirement age from 57 to 60 (with officers still having the option of leaving after 25 years of service or 20 years of service if they are at least 50 years old). While retirement extensions are currently granted at the discretion of the Police Board, we believe there have been inconsistencies as to how these extensions were given, although the agency has provided you with data stating that since 2006 there have been 34 exemptions to the mandatory retirement age, we know of others who have made the request and been denied. The Police Board makes these decisions based on "the public's best interest" which is too vague and causes these inconsistencies. Due to the savings your report has recognized by allowing officers the option of staying, we believe legislation should be enacted to supersede the Board and make it law, this would ensure that these savings are achieved and that all officers have the same opportunities to stay at their discretion. This legislation would have multiple benefits, in addition to the overall savings; it would allow officers the opportunity to work longer



United States Capitol Police - Labor Committee

and add to their existing retirement benefits while continuing to pay into the system instead of collecting from it. The Capitol Police would therefore create an actual Veterans preference in which military retirees can join the agency at age 40 and complete 20 years of service to age 60. This would provide more professional career opportunities for military veterans and create a more qualified, wider range of applicants for the Capitol Police. Although, the mandatory retirement age of a Law Enforcement Officer (LEO) under FERS is 57 years old, to maintain a young and vigorous work force, when this retirement plan was instituted almost three (3) decades ago in 1984, people are generally more healthier due to better knowledge of nutrition and exercise as well as advancements in medicine. In short, age 57 is viewed differently now than it was then and this will continue to change in the future.

At one time the Capitol Police offered human capital incentives to include: student loan repayment, monetary bonuses for firearms and physical fitness proficiency, for the most part they have been discontinued. Your report shows that Capitol Police offer a childcare program for its officers, which is something that we are unaware of. In our Collective Bargaining Agreement (CBA) under Article 37 Section 37.01 it states "In the event the Department decides to institute a childcare facility for employees, the Department will notify the Union and negotiate any related requirements and procedures to the extent required by law, directives and this Agreement". The Agreement was signed on June 8th 2010. To the best of my knowledge a childcare program for the officer does not exist.

The Labor Committee's fifth proposal was to compress our current pay scale so officers would achieve their maximum base pay in a shorter duration. We had suggested year 20 to maximize base pay, your office reported that the Secret Service achieved a pay compression in 2010 under Pub. L. No. 111-282, 124 Stat. 3033 going from 30 years to 22 years. The cost of this to the government for the Secret Service over a ten (10) year period would amount to about \$13 million dollars, approximately \$1.3 million per year. Your report states that due to greater number of officers, higher salaries and lower attrition of the Capitol Police that this proposal would cost more than the projected \$13 million it will cost the Secret Service. The report highlights the following factors; Attrition Rate: The Secret Service rate is almost twice that of the Capitol Police 12.4% to 6.5%. Agency Size: They are close with Capitol Police having 1,777 to the Secret Service 1,378. Higher Salaries: The starting salaries are almost identical with the Capitol Police starting at \$55,653 and the Secret Service at \$55,477, towards the end of an officer's career with Capitol Police at approximately \$100,000 and Secret Service at approximately \$95,426. While there is a gap in the final base pay the Secret Service receives Human Capital Flexibilities that the Capitol Police have available but do not offer such as: retention bonus, recruiting bonus, performance bonus (cash), performance bonus (non-cash) and tuition assistance, the point being for overall compensation both agencies are very close. An effort was

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made in 1997 during the 105th Congress, 1st Session (H.R. 2862) to establish a pay scale and benefit package for members and civilian employees of the Capitol Police that was applicable to the United States Secret Service Uniform Division, at that time this was to keep the agencies comparable, unfortunately I do not believe this Bill made it out of the Committee on House Oversight. The pay compression became a focal point for our Labor Committee because the Deputy Chiefs on the Capitol Police reach their maximum base pay at year 15 while being under the same FERS retirement as the officers. This is something the Labor Committee cannot address without Congressional involvement because 2 USC Chapter 29 Part B Section 1921a gives "sole and exclusive authority of the Board and Chief to determine rate of pay." Our belief is that since we are under the same retirement there should not be almost a ten (10) year gap between the Deputy Chiefs and everyone else in terms of years for final base pay. Your study has shown the long term financial benefits of allowing officers the option to work until age 60; the agency would see a savings of approximately 1.1 million with the government saving almost \$9 million over the projected period which is substantial in the current economy. We do believe that the 1.1 million saved by the Capitol Police be reinvested into an effort to compress the current pay scale to 22 years instead of the Labor Committees proposed 20. If our two (2) proposals are adopted this will;

- allow officers to work longer and increase their retirement benefits while paying into the system instead of receiving benefits out of the system
- allow the Capitol Police and the Government to see substantial savings
- allow a true Veterans preference for retired military
- be a retention tool for when the job market stabilizes
- close the disparity between the ranks of Deputy Chief and all other officers for retirement purposes

Thank you for providing me the opportunity to respond back to your findings.

Respectfully

James T. Konczos
Chairman
United States Capitol Police Labor Committee

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Appendix V: GAO Contact and Acknowledgments

GAO Contact

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In addition to the contacts named above, Kristy Brown, Assistant Director, Kim Granger, Assistant Director, Jonathan McMurray, Analyst-in-Charge, and Su Jin Yon, Analyst-in-Charge, managed this assignment. James Bennett, R.E. Canjar, Geoffrey Hamilton, Lara Miklozek, Christopher Ross, Rebecca Shea, Ken Stockbridge, Roger Thomas, and Frank Todisco made significant contributions to this report. Nicole Harkin, Jeff Jensen, Susanna Kuebler, Sara Margraf, Amanda Miller, and Gregory Wilmoth also provided valuable assistance.

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