Retirement, Retention, Recruitment: Evidence from a Federal Pension Policy*

Brock M. Wilson†

November 03, 2023

Abstract

I exploit a policy change for U.S. federal workers' pension benefits to estimate the effect of pension generosity on worker retirement, retention and recruitment. The policy increased pensions by 16%-25% or approximately $111,000. I find there is a 30% decrease in job quits for permanent workers. However, there is little evidence that pension generosity has an effect on new hires. This suggests salience may play a role in how workers value pensions. Additionally, I find a large heterogeneous labor supply response to pension generosity. Altogether, this shows that pension generosity is effective in retaining workers and may have important implications for workforce planning.

JEL Codes: H55, H75, H32

Keywords: pension, public, labor

*I am grateful to Glen Waddell for his invaluable feedback. I also thank Michael Kuhn and Keaton Miller for their time and input. Last, I appreciate Alfredo Burlando, Philip Economides, Benjamin Hansen, and Kathleen Mullen for helpful comments and guidance.

†Contact: bwilson@uoregon.edu

1 Introduction

In October of 2009, the "Non-Foreign Area Retirement Equity Assurance Act" (NFAREAA) was enacted. Under this policy, pension benefits increased by approximately 14% to 25% for federal workers in non-foreign areas (such as Alaska or Hawaii).[1] The goal of this policy was threefold: to increase worker retention, attract higher quality workers, and provide equity for retiring workers in higher cost locations. This policy provides valuable perspective given current concerns about public pension funding. In 2009, state pensions were estimated to be underfunded by three trillion dollars collectively (Novy-Marx and Rauh 2009). This has worsened as the bottom third of public pension plans will be insolvent without major change (Aubry, Crawford, and Wandrei 2018). Some states have already legislated to reduce pension annuities due to budgetary concerns (Munnell, Aubry, and Cafarelli 2016). Policymakers will need to balance the maintenance of a public workforce with funding challenges. This suggests that variation in pension generosity stemming from the roll out of NFAREAA can provide needed insight on the role of pensions in the public labor market.

In this paper, I study the impact of NFAREAA on public worker labor outcomes using an event study. The policy led to a pension increase between $96,000 to $126,000 for the average retiring worker. I find that increased pension generosity has little impact on the average service years of a worker. This aligns with previous literature and may be due to age constraints imposed by various policy. However, for older workers and low wage workers I find heterogeneous responses. Workers above the age of 65 decrease their labor supply by approximately 2.9 years while low wage workers increase their labor supply by 2.35 years. The elasticities of lifetime of labor supply with respect to net wages for these workers are -0.91 and 0.99 for older workers and low wage workers respectively. Previous literature find estimates to be close to zero for the average worker–less is known about the distribution of responses. The elasticities I find in this paper provide insights for effective workforce planning. Moreover, I provide evidence that increased pension generosity decreases the quit rate of permanent workers by -30%. This suggests that pension policy is an effective tool for retaining workers with the highest amount of human capital. Last, I find no evidence that more generous pensions attract workers. This suggests that policy providing more generous pensions will have small effects on recruitment. These last two findings suggest that there may be an asymmetry in how workers value pensions. This may be that workers outside of the federal government are not salient of pension quality while workers within are. Given this, agencies may need to consider alternative forms of compensation if their goal is to recruit more effectively. As a whole, these findings contribute to the literature by understanding

[1]Note: non-foreign areas are a part of the United States, but outside of the contiguous United States

the role of pensions on the public workforce.

Previous literature suggests that a more generous benefit package induces a wealth effect which, in turn, causes an earlier retirement (Blundell, French, and Tetlow 2016). While theory informs the negative relationship between labor and pension generosity, measuring the magnitude of this effect has been difficult. Previous research has used structural models to estimate the relationship.[2] Recent research has started to use natural experiments to estimate this elasticity. Krueger and Pischke (1992) and Snyder and Evans (2006) both study a "notched" set of workers who received lower Social Security benefits. These two papers find differing effects: Krueger and Pischke (1992) finds no evidence of disemployment with higher benefit generosity whereas Snyder and Evans (2006) finds large disemployment effects. More recently, Brown (2013) uses a policy change that affected retirement benefits for school teachers in the state of California. Brown (2013) finds the policy had small effects with an elasticity of about 0.04, which implies that workers will adjust their retirement date by less than two months for an increase of 10% in compensation. Another paper with similar results is Manoli and Weber (2016). Manoli and Weber (2016) finds that almost no worker would delay retirement by 1.25 years for an increase of 25% in total retirement benefits. In this paper, I provide evidence by using a direct exogenous shock to pension benefits for all federal workers. Workers receive between 14-25% higher pension benefits conditional on working for three or more consecutive years. I contribute to this literature by reaffirming previous research in a diverse setting, showing there is a small elasticity of labor supply with respect to wealth shocks. However, I find a larger range of responses that have not been captured in previous literature highlighting that effective policy will need to account for heterogeneity when workforce planning.

There is a mixed literature of the effect of pension generosity on worker retention. Lazear (1990) suggests that defined benefits pension programs are a form of strategic compensation to increase labor retention. Structural models have estimated this relationship and find modest effects.[3] Recently, natural experiments have been used to estimate this relationship. Quinby and Wettstein (2021) studies a large pension cut that reduces total present value for Rhode Island public workers by 43%. Quinby and Wettstein (2021) finds that there is a 2.4%, or 12% increase from baseline, in separations as a result of the pension cut. Quinby and Wettstein (2021) suggests the low elasticity could be due several reasons: workers may not highly value pensions; workers have intrinsic motivation for public service; and/or workers are imperfect substitutes within the labor market. Koedel and Xiang (2017) studies an

[2]For early structural work see Rust (1989), Stock and Wise (1990) and Gustman and Steinmeier (1986). More recently, French (2005) and French and Jones (2011)

[3]See Gustman and Steinmeier (1993); Dale-Olsen (2006); Frazis and Loewenstein (2013); Rabe (2007); Mitchell (1982)

increase in pension generosity for teachers in St. Louis. Koedel and Xiang (2017) finds no effect of pension generosity on retention. These recent papers call into question the strategic compensation theory proposed in Lazear (1990). If pension generosity is not effective in retaining workers, then there may be alternative compensation arrangements which could better retain workers. I contribute by showing that pensions have large implications on workers with the highest levels of human capital–permanent workers–while there is little effect on temporary workers. Without this distinction, I find a null effect on the overall workforce. This finding is contrary to recent literature and suggests that pension policy is effective for maintaining a public workforce.

The literature of pension generosity on worker recruitment has found null effects. Fitzpatrick (2015) finds that pension benefits are not highly valued when workers are deciding jobs. Krueger (1988) finds that changes in pension generosity do not increase job applications for federal positions. However, there exists anecdotal evidence that pensions attract workers, but may attract different types of workers. In this paper, I find no evidence that more generous pensions attract workers. This suggests that policy aimed at providing more generous pensions to recruit workers may have little impact.

The paper proceeds as follows. The second section of the paper provides background to the policy reform and introduces the data. The third section develops an econometric framework to understand how the policy impacted labor outcomes. The fourth section provides results on retention, retirement and recruitment. The fifth section concludes with policy implications and future areas of research.

2 Background

The Federal Employee Retirement System (FERS) and Civil Service Retirement System (CSRS) are, collectively, one of the largest pension systems in the U.S. and, more generally, in the world. These systems cover most federal workers and have $2 trillion dollars in actuarial liabilities.[4] [5] Workers entering the workforce prior to January 1, 1987 were automatically enrolled into CSRS. Individuals entering the workforce after that cutoff date were automatically enrolled into FERS. FERS has three major components: a FERS annuity (a defined benefit plan), Social Security, and a Thrift Savings Plan (an optional defined contribution plan with matched contributions). CSRS has only two major components: a CSRS annuity and a Thrift Savings Plan (an optional defined contribution plan with matched con-

[4]Please see the following: link

[5]Most federal workers are covered by FERS with exceptions for specific agencies such as the Central Intelligence Agency, the Foreign Service, and all branches of the U.S. military.

tributions). CSRS and FERS are financed by contributions from active workers to retired workers, with unfunded liabilities covered by the federal government. In general, the pension annuity is calculated using the participant's age, salary and service years.

Previous to NFAREAA, pension benefits for federal workers in non-foreign areas such as Alaska, Hawaii, or Guam was significantly lower than workers in the contiguous United States. This is because NFA workers received a COLA to compensate for higher prices. However COLAs are non-taxable income and are not considered when calculating pension benefits. This meant, previous to the policy, workers in NFAs received similar wages to workers in the contiguous United States, but received disproportionately lower pension benefits. NFAREAA transitioned COLAs to locality pay for each non-foreign area over a three year period. Locality pay is taxable income and is considered when calculating pension benefits. As a result, pension benefits significantly increased as shown in Figure 1c. I provide an example of this in Figure 1a.

The formula used by the Office of Personnel Management (OPM) to calculate pensions for FERS is as follows:

$$\text{Pension} = \begin{cases} 1.1\% \times \text{High-3 Average Salary} \times \text{SY}, & \text{if age} > 62 \text{ and SY} > 20 \\ 1\% \times \text{High-3 Average Salary} \times \text{SY}, & \text{otherwise} \end{cases} \tag{1}$$

where

$$\text{High 3 Average Salary} = \max_j \frac{\sum_{t=j-2}^{j} \text{Salary}_t}{3} \tag{2}$$

and

$$\text{Salary} = \text{Base Pay} \times \text{Locality Pay Multiplier} \tag{3}$$

The formula used by the Office of Personnel Management (OPM) to calculate pensions for workers under CSRS is similar and is included in Appendix B. SY is service years which is the time spent working for the federal government. High-three average salary is the average of the highest three continuous years of taxable salary while working for the federal government. Since COLAs are non-taxable, they do not effect a worker's high-three average salary. This implies switching COLAs to locality pay directly increased pension benefits by increasing

a worker's taxable salary.[6] This is shown in Figure 1b. However, it is important to note that workers received a reduced COLA which offset the increase in locality pay, resulting in workers having the same after-tax take-home pay.[7] This is shown in Figure 1d. In addition, Appendix A displays each NFA alongside the changes in full locality pay, payable locality pay, and COLA from 2009 to 2015.[8]

To be eligible for these benefits, workers must be above a certain age and/or above a specified number of service years. Federal workers can voluntarily retire under any one of the three conditions:[9]

1. if the worker is above the age of 62 and they have 5 years of service
2. if the worker is above the age of 60 and they have 20 years of service
3. if the worker is above a minimum retirement age and they have 30 years of service.[10]

To illustrate the change in pension benefits, consider workers in Alaska. Workers retiring post 2013 would have a 25% increase in pension benefits compared to workers prior to 2010 as shown in Figure 1c. For workers in Alaska and Hawaii, this increased pension annuities for the average worker by $6,000 or an average of 21%. All together, this demonstrates the quasi-experimental variation induced by the pension policy. The policy induced higher pension benefits for all workers residing in NFAs while all other states had no change in pension benefits. This provides an ideal setting to identify the impact of pension benefits on several labor outcomes.

3 Data

The data used in this analysis comes from the Office of Personnel Management (OPM) which collects data on federal workers for administration purposes (Personnel Management 2005). The data contains information on the federal civilian workforce and military. The

[6] For further explanation on how the high-three average salary is calculated, please see Appendix B.

[7] Workers feared losing wages due to the policy so the adjustments to COLA offset increases in locality pay to avoid this situation. Please see the following: link.

[8] Full locality pay is used for retirement calculations while payable locality pay is used for salary calculations. To ensure that wages did not change significantly, workers received a COLA and a payable locality pay for their wages. However the full locality pay was used to calculate a worker's pension annuity.

[9] For some occupations such as an air traffic controller, law enforcement, firefighter or military reserve technician or if the worker's federal agency has undergone a major change in function, workers can retire earlier than the age of 55.

[10] The minimum retirement age is dependent on the worker's year of birth, but is approximately 55 years old. Workers who retire prior to these thresholds are considered early retirees and receive diminished benefits. To be eligible for an early retirement, workers must be approximately 55 years old and have 10 years of service.

data are at the worker-year level from 2005 to 2018 and provides detailed information on salary, education level, occupation, agency, age level, years of service and other variables. The data is repeated cross-sections for each year with no worker identifiers. Altogether, there are three datasets: the first provides a cross-section of all workers employed by the federal government; the second provides a cross-section of accessions into the federal government; and the last one provides a cross-section of separations out of the federal government. I provide additional summary statistics in Figure 2.

The Federal workforce is an ideal setting to explore the impact on labor outcomes for several reasons. The Federal data is rich, which provides opportunity to leverage heterogeneity such as the distinction between permanent and temporary workers. Further, the Federal workforce is large, which affords the opportunity for precise estimates. In a given year, there are over 640,000 workers with approximately 40,000 separations and 30,000 accessions. Last, the policy impacted two states–Alaska and Hawaii–which provides an opportunity to find a common treatment effect.

In these results, I focus on non-military, permanent, full-time workers. This leaves 14,109,209 employments, 547,957 separations, and 433,151 accessions across time. I separate out the military because the policy did not impact military personnel. Further, due to a separate policy affecting the Department of Veterans Affairs in 2016, I remove them from the analysis.[11] Last, I remove the Department of Homeland Security due to large restructuring in the agency and significant workforce size changes between 2004 and 2012.

4 Econometric Framework

Adopting notation from Clarke and Tapia-Schythe (2021), I use a standard event-study framework to identify the impact of the pension policy. Specifically the model used is:

$$Y_{s,t} = \alpha + \sum_{j=2}^{J} \beta_j (\text{Lag } j)_{s,t} + \sum_{k=1}^{K} \gamma_k (\text{Lead } k)_{s,t} + \mu_s + \lambda_t + X'_{s,t}\Gamma + \epsilon_{s,t} \tag{4}$$

for state s at time t where μ_s and γ_t are state and time fixed effects, $X_{s,t}$ are (optionally) time-varying controls, $Y_{s,t}$ is the outcome of interest, and $\epsilon_{s,t}$ is an unobserved error term. The policy was enacted in October 2009. Due to this, I use 2008 as the reference year. For this setting, I do not use time-varying controls and rely on state and time fixed effects. I cluster standard errors at the state level as in Cameron and Miller (2015). For the control

[11] A policy in 2016 allowed individuals to take a phased retirement which induced workers to begin their retirement earlier. Please see VA Directive 5009/11.

group, I use all other states besides Alaska and Hawaii. For robustness, I include additional placebo tests in the Appendix F. These do not change results significantly. I use a similar framework for long term effects:

$$Y_{s,t} = \alpha + \gamma PostEvent_t \times Treatment_s + \mu_s + \lambda_t + X'_{s,t}\Gamma + \epsilon_{s,t} \tag{5}$$

The coefficient of interest is γ which identifies the impact of treatment in the long run. In this setting, the long run will be denoted as all years post 2013. I include years 2005 to 2008 as the relevant pre-treatment time period. The preferred specification for the outcome variable is logged retirements. An alternative measure is the percentage of workforce retiring. This specification introduces variation due to workforce hiring and exits, which will lead to a noisier outcome variable.[12] For regressions with logged outcome variables, when there are intervals with 0 counts I use the following instead: $log(x+1)$. I include all regression outputs for event studies in Appendix D and regression outputs for heterogeneity figures in Appendix G.

5 Results

5.1 Net Wealth

I use a back-of-the-envelope calculation to measure the effect on an individual's net wealth. I make an assumption that, on average, individuals retiring will live to 80 which is the average life expectancy in the United States. To calculate the change in net wealth that individuals would receive if they had delayed their retirement, I do the following:

$$\begin{aligned} TotalPensionGrowth = &(AverageLifespan - RetirementAge) && (6)\\ &\times Pension && (7)\\ &\times GenerosityMultiplier && (8) \end{aligned}$$

The average retirement age is between 59 and 64.[13] As stated earlier, the average increase

[12] Consider a large increase in the percent of the workforce retiring. This could be due to a high amount of retirees or a low number of workers in the workforce which can be problematic for inference.

[13] Note: the dataset does not provide numerical ages, it provides age bins. This means I impute what an individual's age is if they are above 65. From the Federal Reserve's Survey of Household Economics and Decisionmaking, 96% of workers are retired by age 70. I impute the upper bound to be 70 for workers above the age of 65. Link for the dataset.

is $6,000. This is shown in Table 1. This means the average worker could expect an increase of $96,000 to $126,000 if they had delayed their retirement. To show the distribution of effects, I calculate the total pension growth using the set of Alaska workers that retired prior to the policy in 2007. There is large variation in the shock that ranges from $10,000 to $400,000. This is shown in Figure 1f.

5.2 Net Wages

As mentioned previously, COLAs decrease and locality pay increases. As a result, taxable income increases. However, what is less certain is the change in post-tax income. The policy was specifically aimed to not change take home wages.[14] For robustness, I use TAXSIM35 from NBER to estimate the change in a worker's after tax pay. For pensions, I use the pension rate which is 0.8% prior to 2013, 3.3% from 2013 to 2014 and 4.1% from 2014 on as specified on by OPM. For marriage status, I assume that all workers are single filers since marriage status is not available in the dataset. Combined this allows me to estimate the tax liability for workers before and after the policy. I find that the average worker's post tax income changed by -$231, as shown in Table 1. This shows that Alaska and Hawaii had no differential wages due to the policy as intended by policymakers and highlights that wages are not the main driver of behavior.

While take-home salary did not change, total compensation including pension benefits did. To understand the impact on benefits, I include the pension accrual in the total wages a worker receives.[15] I calculate the change in wage by using the following formula for FERS workers:

$$\frac{\Delta Wage}{Wage} = \frac{\Delta PensionAccrual}{Wage} \tag{9}$$

Since the change in salary is approximately 0, then

[14]Here is a link that shows the Congressional Budget Office's cost estimates. Note: "As a result, salaries would increase to maintain the take-home pay of affected employees."

[15]Note: This does not include valuation of health benefits, but this exercise is meant to create a lower bound. Adding health insurance will create a smaller change in wages.

$$\Delta PensionAccrual = PensionAccrual_{New} - PensionAccrual_{Old} \tag{10}$$

$$= PensionAccrual_{Old} \times (1 + GenerosityShock) - PensionAccrual_{Old} \tag{11}$$

$$= PensionAccrual_{Old} \times GenerosityShock \tag{12}$$

$$= \delta \times Wage \times GenerosityShock \times (T - S) \tag{13}$$

where $(T - S)$ = Years of retirement.

$$\frac{\Delta PensionAccrual}{Wage} = \frac{\delta \times Wage \times GenerosityShock \times (T - S)}{Wage} \tag{14}$$

$$= \delta \times GenerosityShock \times (T - S) \tag{15}$$

To calculate an upper bound on the change in wages, I assume that $(T - S)$ or the total number of years in retirement is on average 20 years. Given that OPM defines δ to be 1.1% and *GenerosityShock* is approximately 1.16-1.25, the percent change in wages is between 3.5-5.5%. For CSRS workers, the shock is similar except δ is approximately 2% which means the percent change in wages is between approximately 7%-10%.

5.3 Retirement

Regarding workforce exits, a large majority of workers leaving are due to retirement, quitting or transferring. Approximately 6% of the workforce separates. Of that 6%, approximately 25% quit, 50% retire and 15% transfer within the Federal government, and 10% being other categories. This can be seen in Figure 2d. While transferring is not necessarily costly, retirement and job quits can be costly to an agency. In this analysis, I focus on the long-run effects. Future research should explore the short run effects on retirement in detail. As shown in Figure 3a, workers are less responsive to pension changes in the long run compared to the short run. In Table 3, I find no significant change in the number of retirements yearly. Additionally, there is no significant effect on total service years at retirement. This can be seen in Figure 3b.

I separate the effect by age brackets and find that pension generosity had little effect on labor supply for 55-59 and 60-64 year olds.[16] This is shown in Figure 4a. However for workers above the age of 65, there is a 10% decrease in total service years. This represents

[16]Note: the data is binned into age groups so individual ages are not readily available.

a decrease in labor supply of approximately 2.9 years. For workers below the age of 64, it may be that age constraints on Social Security or constraints from the Federal government bind workers from retiring early. Additionally, I find that workers in the lowest quartile of wages increased their labor supply by approximately 10% which is approximately 2.35 years. This can be seen in Figure 4b. These findings suggest that there are large heterogeneous responses to pension policy.

In the long run, this policy has little effect on the average labor supply of a worker. This is consistent with previous literature. However, there is evidence to show a large heterogenous response to this policy. For the oldest workers, I estimate the elasticity of lifetime of labor supply with respect to net wage to be approximately -0.91.[17] Further, workers in the lowest quartile of wages significantly increased their labor supply by approximately 2.35 years. This leads to an elasticity of approximately 0.99. In this paper, I find a larger range of elasticities suggesting that pension generosity has a small effect on the average worker, but the distribution of responses is larger than previously found. Given these heterogeneous responses, policymakers will need to take workforce demographics into account when setting pension policy as it has significant effects on different populations.

5.4 Retention

I first test to see if there is a change in quits, which can be seen in Figure 3c. For permanent workers, I find a decrease of -30% in quits post policy.[18] This represents a decrease of 38 quits yearly in Alaska and 13 quits yearly in Hawaii. This shows that workers do consider pension benefits when deciding between quitting or staying in their current employment. For temporary workers, I do not find a significant change in separations which can be seen in Appendix C in Figure 5c and Figure 5d. This shows that job quits depends on the type of employment: permanent workers are less likely to separate after the policy while temporary workers are not. This suggests that permanent workers are aware of their pension and consider it when deciding to leave their job. This result differs from recent literature, which finds a small effect of pensions on retention. This may be due to separating out the effect on permanent versus temporary workers. Without separating out the effect on permanent and temporary workers, I find a small non-significant effect of pension generosity on job quits of approximately -12%.

I create an elasticity using the change in job quits with respect to wages. This creates a

[17] To calculate this: I follow Brown (2013) and look at the percent change in service years with respect to the percent change in wages. I use an upper bound of 10% for the wage changes as shown in the earlier section. On average workers above the age of 65 worked 30 years.

[18] I include placebo tests in Appendix F and I find that the effect is significant at the 5% level.

lower bound for the elasticity of job quits to wage of approximately -6 to -8, showing that job quits are very responsive to wage changes. This is a relatively large elasticity that has not been found in the literature. Dale-Olsen (2006) uses observational evidence and finds that a 1% increase in fringe benefits leads to a 0.5% decrease in turnover. This suggests that agencies use pension benefits as strategic compensation to increase retention for workers with the highest capital accumulation (Lazear 1990). While the marginal worker considering quitting the agency responds to pension generosity, it does not seem that the marginal worker considering transferring responds to pension generosity. This is shown in Figure 3d. It may be that there is a decrease in workers transferring out of Alaska or Hawaii, however the data cannot distinguish transfers across states from within state. It may be that most transfers are happening with in Alaska and Hawaii and may explain the null result.

Further when separating out by service years, I find that the effect of pension generosity on job quits scales with service years as shown in Figure 4c. This is consistent with Lazear (1990), as workers with higher tenure are less likely to leave due to cliff vesting. More specifically, the effect of the policy reduced quits by approximately -23% for workers with 0-4 service years, approximately -39% for workers with 5-9 years, approximately -37% for workers with 10-14 years, -26% for workers with 15-19 years, and -6% for workers with 20 or more years. It is important to note that workers are eligible to retire after 20 years so this may explain why there is a null effect for workers with more service years.

I calculate that this policy led to a -32% decrease in total service years lost from job quits each year in Alaska and Hawaii. This is shown in Table 1. To put into perspective, I aggregate the effect across Hawaii and Alaska. This led to a decrease of 51 quits each year. Those workers collectively had a total of 450 service years and $1,209,000 in wages. This shows that pension generosity is an important factor to retain workers with the highest human capital which coincides with Becker's theory of general and specific training (Caire and Becker 1967).

5.5 Recruitment

For workforce entries, there are two main types of accessions into the workforce: transfers and new hires. Summary statistics are shown in Figure 2. Transfers are individuals moving within the federal workforce across agencies or states. Approximately 80% of the individuals joining the federal government are new hires. Given that net compensation increased for workers, I test to see if there is a change to accession quality or quantity in Alaska and Hawaii. I rely on education level and previous service years within the federal government

as an observable measure of quality.[19] I find in Figure 3g that the average education level of a hire did not change. However, I do find some evidence that workers being hired had lower experience, which is in Figure 3f. I further separate out hires by experience levels in Figure 4e and find a significant decrease of -31% in the 5-9 service years and -30% in the 10-14 service years. This is most likely due to better retention of workers, as shown in the previous section.

Last, I do not find any evidence that older or younger workers are more likely to be hired. In this case, there is no change in hires by age, as shown in Figure 4f. This finding is consistent with earlier evidence by Krueger (1988) which shows that changes in pension generosity do not lead to more applications for federal jobs. This may be due to several reasons. It may be a salience issue since job searchers may not have available information about pension plans. I include in Appendix H a sample job listing. This job listing contains no information about benefits, suggesting that changes in pension generosity are not salient to job searchers. Alternatively, it could be due to workers' preferences for alternative forms of compensation. Future research should explore possible mechanisms. Overall, there is little evidence that increased pension generosity led to higher observable quality workers or changes in the composition of workers. This suggests that policies aimed at recruiting workers through more generous pensions may have little impact.

6 Conclusion

In this paper, I study the impact of a 16-25% increase in pension generosity on labor. This policy represents an average estimated 5-10% increase in net wages while maintaining take home pay or a total wealth increase of approximately $96,000 to $126,000 for the average worker. I examine a range of outcomes on labor specifically related to retirements, retention and recruitment for the federal workforce.

The evidence presented suggests that the average worker, in the long run, does not change their labor supply significantly with respect to pension generosity. Previous literature has shown similar results with an elasticity close to 0. However, there is a large range of responses with older workers decreasing their labor supply and lower-wage workers increasing their labor supply. I find a larger range of elasticities than previously found. Given these findings, future policies will need to carefully consider the heterogeneous impacts of policy across workers.

Previous literature suggests that pensions have little effect on worker separations. I find

[19] I utilize the education level provided by OPM to quantify this. For more information on education levels please see Appendix 4.

a large significant negative effect on job quits for permanent workers while little effect on temporary workers. This distinction, not shown in previous literature, reaffirms early work from Lazear (1990). Further, this effect is increasing in service years which shows that pensions are effective tools in retaining workers with the highest levels of human capital. It is important for future policies to carefully consider the influence of pensions on the labor force given the substantial effects observed.

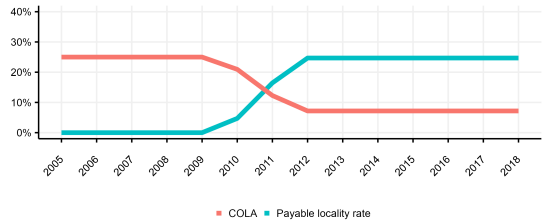
Last, I find no evidence that more generous pension benefits leads to better recruitment. This result is less clear since workers within the federal government respond to the policy by quitting less. Workers outside of the federal government may not be aware of the pension generosity. Krueger (1988) also suggests that fringe benefits may not be salient to workers when deciding where to apply for jobs. Future research should investigate this and explore possible mechanisms for how individuals search for jobs. If individuals are not aware of fringe benefits in their job search, this may mean policymakers will need to reconsider what forms of compensation are effective at attracting workers.

All together, I provide evidence of the effect of pension on several labor outcomes. The evidence shown suggests that pension benefits have large impacts on labor retention while smaller effects recruitment. Given the current state of state funding issues for pensions, I provide evidence that decreases in pension generosity may lead to higher levels of employee turnover. Additionally, there is evidence of large heterogeneity in retirement behavior with respect to pension policy. For effective workforce planning, policymakers will need to consider these factors when making budgetary decisions related to pensions.

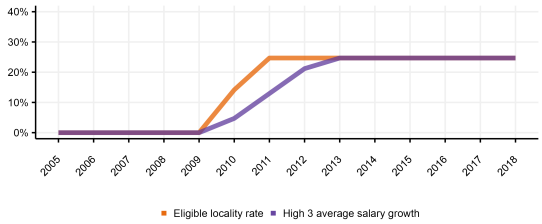
7 Figures

Figure 1: Theoretical change in compensation - Alaska

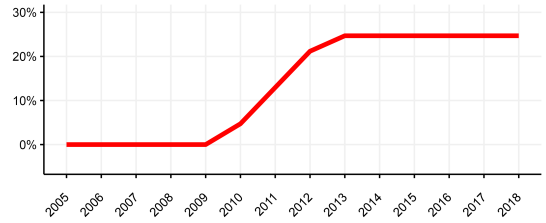
(a) Payable locality rate and COLA



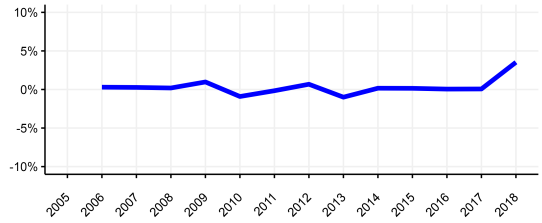
(b) Eligible locality rate



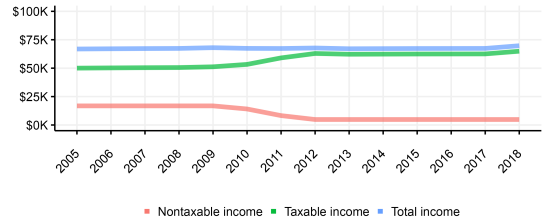
(c) Growth in pension benefits



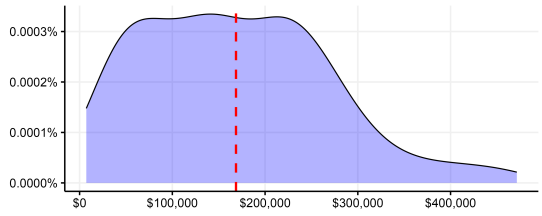
(d) Growth in wages



(e) Aggregate income



(f) Lower bound of pension growth

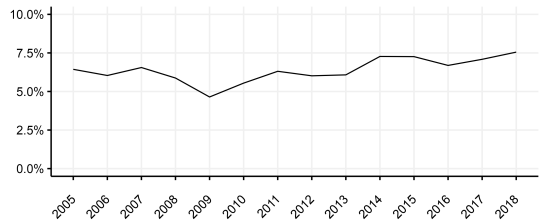


Notes: This figure highlights the effects of the policy for an example worker in Alaska. In Figure (a), there is an increase in locality pay and a decrease in COLAs. As a result, in Figure (b) the average high three salary increases. This increase translates to a higher pension benefit pay out shown in Figure (c). Figure (d) shows that the growth in wages during the policy were minimal. These estimates were imputed using TAXSIM 35 from the National Bureau of Economic Research. Due to data limitations, there is no information on marriage status. For this reason, I assume that individuals are single filers. Figure (e) shows the change in income for the median worker in Alaska. Figure (f) imputes the total pension growth for all 2007 Alaska retirees. This is the distribution of the lower bound estimate of the wealth shock because it does not factor in inflation and since it uses the upper bound within a given age brackets. For example: If someone is in the 60-64 bin, I impute their age to be 64. The red dotted line is the average increase in pension benefits.

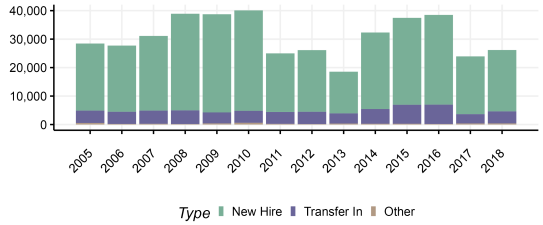
Figure 2: Summary statistics

(a) Percent of workforce joining

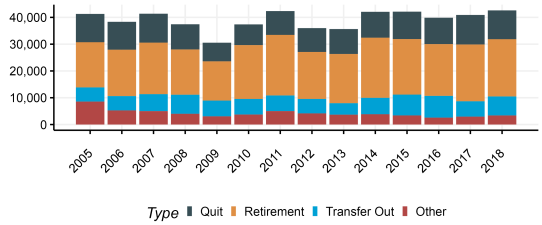
(b) Percent of workforce separating



(c) Accessions by type



(d) Separations by type



Notes: These are summary statistics for non-military, full time workers for the Federal workforce from 2005 to 2020. Transfer out is when a worker transfers to another agency or another state. Other encompasses a variety of other separations and accessions. For separations these include: reduction in force, termination, death, early retirement, retirement with a disability. For accessions these include: mass transfers and senior executive appointments.

Figure 3: Effect of pension generosity on outcomes

(a) Effect on log(retirements)

(b) Effect on log(service years)

(c) Effect on log(quits)

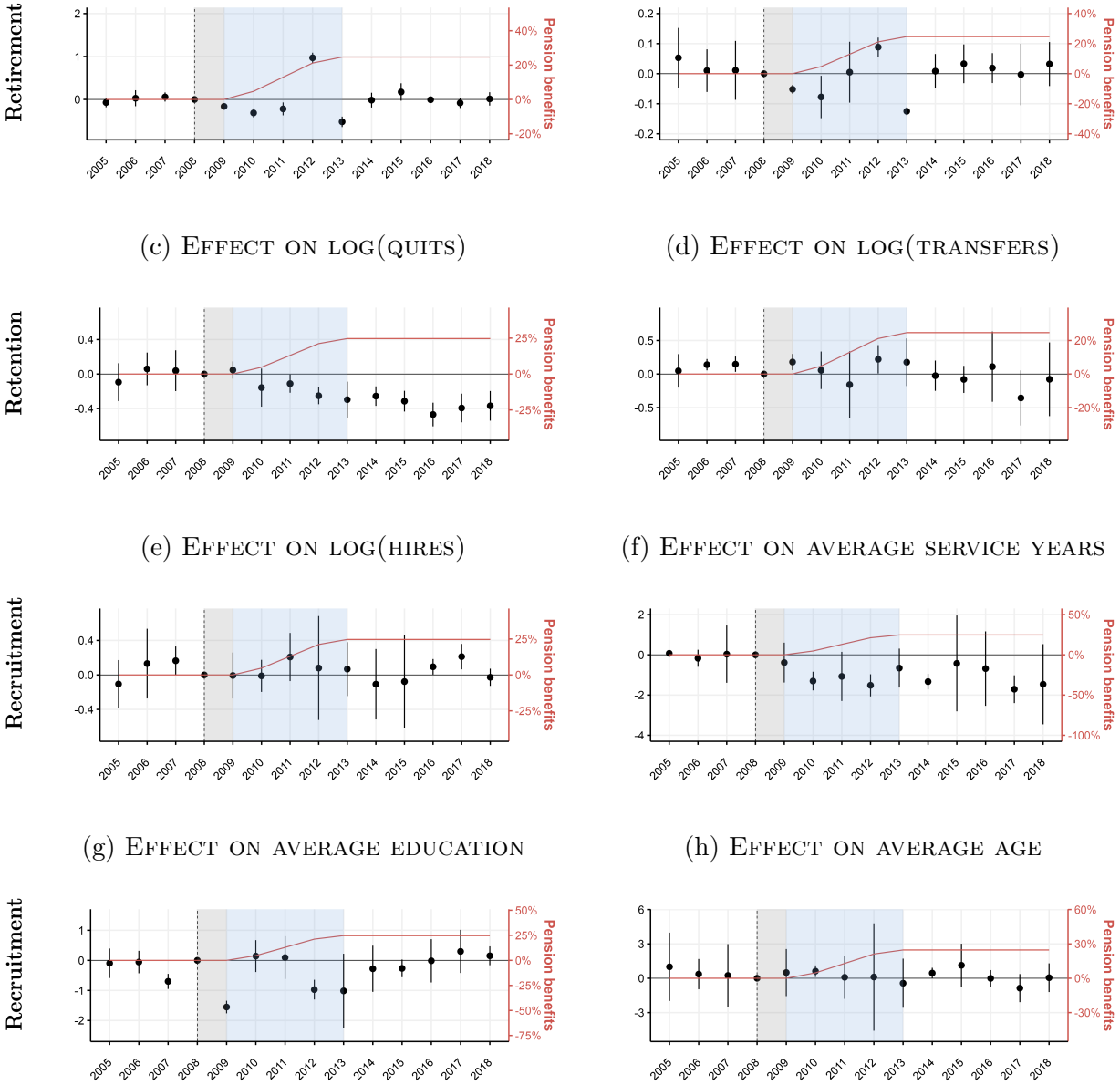
(d) Effect on log(transfers)

(e) Effect on log(hires)

(f) Effect on average service years

(g) Effect on average education

(h) Effect on average age



Notes: All figures are an event study following the methodology in Clarke and Tapia-Schythe (2021). The gray shaded area represents the year the policy was passed in. The blue shaded area represents when the pension generosity increased. The red line represents the increase in pension benefit generosity due to the policy.

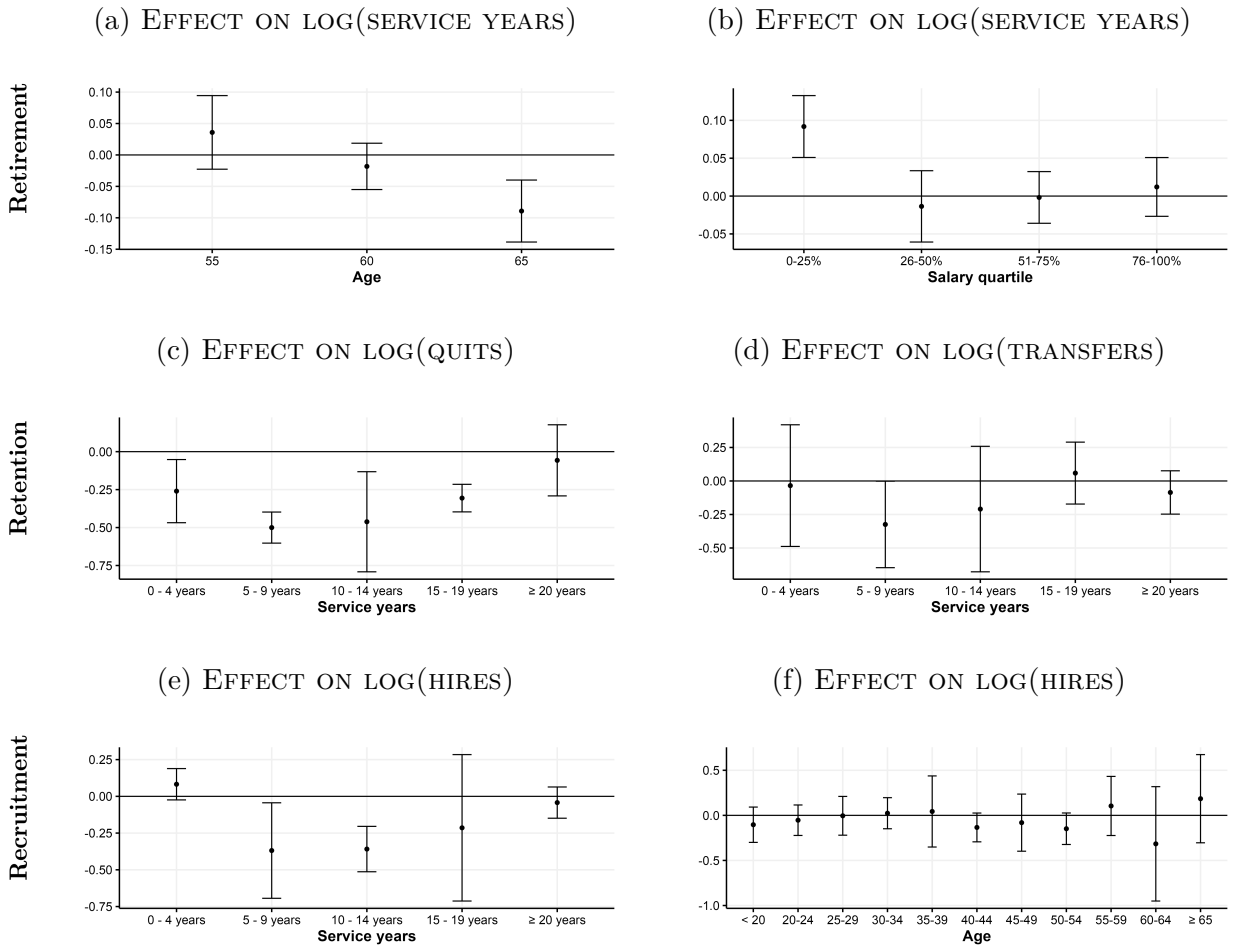
Table 1: Long run effect of pension generosity on labor outcomes

Outcome Group:	Retirement			Retention		Recruitment		Wages
Dependent Variables:	Pension ($)	log(Retirements)	log(SY)	log(Quits)	log(SHCL)	Mean Ed	Mean SY	Post tax income ($)
Model:	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Treat × Time = 1	5,796.7***	0.01	-0.0006	-0.36***	-0.38***	0.19	-1.1***	-231.4
	(842.4)	(0.02)	(0.004)	(0.08)	(0.07)	(0.21)	(0.26)	(335.4)
Fixed-effects								
State	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	459	459	459	459	459	459	459	459
R^2	0.83628	0.98493	0.63766	0.97493	0.96482	0.60751	0.65732	0.92766

Clustered (State) standard-errors in parentheses
*Signif. Codes: ***: 0.001, **: 0.01, *: 0.05*

Notes: SHCL = Sum of human capital lossed. This represents the total years of experience that were lost due to quits. SY = Service years. This represents the years that a worker has spent working for the federal government. Ed = Education level. This represents the education level of a new hire.

Figure 4: Heterogeneity analysis



Notes: In this figure, I use a pre-post analysis to identify heterogenous effects by age, salary quartile, and service years. To compute salary quantiles, I standardize salaries within a given state in each year. I do this by aggregating each state by year and creating a distribution of wealth. I then compare a given quartile between treated and control.

8 Bibliography

Aubry, Jean-Pierre, Caroline V Crawford, and Kevin Wandrei. 2018. "Stability in Overall Pension Plan Funding Masks a Growing Divide." Center for Retirement Research.

Blundell, Richard, Eric French, and Gemma Tetlow. 2016. *Retirement Incentives and Labor Supply*. Elsevier.

Brown, Kristine. 2013. "The Link Between Pensions and Retirement Timing: Lessons from California Teachers." *Journal of Public Economics* 98: 1–14.

Caire, Guy, and Gary S. Becker. 1967. "Human Capital, a Theoretical and Empirical Analysis with Special Reference to Education." *Revue Économique* 18.

Cameron, A. Colin, and Douglas L. Miller. 2015. "A Practitioner's Guide to Cluster- Robust Inference." *Journal of Human Resources* 50.

Clarke, Damian, and Kathya Tapia-Schythe. 2021. "Implementing the Panel Event Study." *The Stata Journal* 21: 853–84.

Dale-Olsen, Harald. 2006. "Wages, Fringe Benefits and Worker Turnover." *Labour Economics* 13.

Fitzpatrick, Maria Donovan. 2015. "How Much Are Public School Teachers Willing to Pay for Their Retirement Benefits?" *American Economic Journal: Economic Policy* 7.

Frazis, Harley, and Mark A. Loewenstein. 2013. "How Responsive Are Quits to Benefits?" *Journal of Human Resources* 48.

French, Eric. 2005. "The Effects of Health, Wealth, and Wages on Labour Supply and Retirement Behaviour." *Review of Economic Studies* 72.

French, Eric, and John Bailey Jones. 2011. "The Effects of Health Insurance and Self-Insurance on Retirement Behavior." *Econometrica* 79.

Gustman, Alan L., and Thomas L. Steinmeier. 1986. "A Structural Retirement Model." *Econometrica* 54.

———. 1993. "Pension Portability and Labor Mobility. Evidence from the Survey of Income and Program Participation." *Journal of Public Economics* 50.

Koedel, Cory, and P. Brett Xiang. 2017. "Pension Enhancements and the Retention of Public Employees." *Industrial and Labor Relations Review* 70.

Krueger, Alan B. 1988. "The Determinants of Queues for Federal Jobs." *Industrial and Labor Relations Review* 41.

Krueger, Alan B., and Jörn-Steffen Pischke. 1992. "The Effect of Social Security on Labor Supply: A Cohort Analysis of the Notch Generation." *Journal of Labor Economics* 10: 412–37.

Lazear, Edward P. 1990. "Pensions and Deferred Befefits as Strategic Compensation." *In-*

dustrial Relations: A Journal of Economy and Society 29.

Manoli, Day, and Andrea Weber. 2016. "Nonparametric Evidence on the Effects of Financial Incentives on Retirement Decisions." *American Economic Journal: Economic Policy* 8.

Mitchell, Olivia S. 1982. "Fringe Benefits and Labor Mobility." *The Journal of Human Resources* 17.

Munnell, Alicia H., Jean Pierre Aubry, and Mark Cafarelli. 2016. "COLA Cuts in State-Local Pensions." *Journal of Pension Economics and Finance* 15.

Novy-Marx, Robert, and Joshua D. Rauh. 2009. "The Liabilities and Risks of State-Sponsored Pension Plans." *Journal of Economic Perspectives* 23.

Personnel Management, Office of. 2005. "Fedscope Data."

Quinby, Laura D., and Gal Wettstein. 2021. "Do Deferred Benefit Cuts for Current Employees Increase Separation?" *Labour Economics* 73.

Rabe, Birgitta. 2007. "Occupational Pensions, Wages, and Job Mobility in Germany." *Scottish Journal of Political Economy* 54.

Rust, John P. 1989. *A Dynamic Programming Model of Retirement Behavior. The Economics of Aging.*

Snyder, Stephen E, and William Evans. 2006. "The Effect of Income on Mortality: Evidence from the Social Security Notch." *The Review of Economics and Statistics* 88: 482–95.

Stock, James H., and David A. Wise. 1990. "Pensions, the Option Value of Work, and Retirement." *Econometrica* 58.

Appendix

A OPM Transition Table

Table 2: OPM Nonforeign Locality and COLA Rates 2009-2015

	2009		2010			2011			2012-2015		
Region	**COLA**	**Locality**	**COLA**	**Payable Locality**	**Full Locality**	**COLA**	**Payable Locality**	**Full Locality**	**COLA**	**Payable Locality**	**Full Locality**
Anchorage, Alaska	23	0	19.03	4.72	14.16	10.56	16.46	24.69	5.57	24.69	24.69
Fairbanks, Alaska	23	0	19.03	4.72	14.16	10.56	16.46	24.69	5.57	24.69	24.69
Juneau, Alaska	23	0	19.03	4.72	14.16	10.56	16.46	24.69	5.57	24.69	24.69
Other Alaska	25	0	20.94	4.72	14.16	12.28	16.46	24.69	7.18	24.69	24.69
County of Honolulu, Hawaii	25	0	20.94	4.72	14.16	16.07	11.01	16.51	12.25	16.51	16.51
County of Hawaii, Hawaii	18	0	14.26	4.72	14.16	9.76	11.01	16.51	6.24	16.51	16.51
County of Kauai, Hawaii	25	0	20.94	4.72	14.16	16.07	11.01	16.51	12.25	16.51	16.51
County of Maui, Hawaii	25	0	20.94	4.72	14.16	16.07	11.01	16.51	12.25	16.51	16.51
Puerto Rico	14	0	10.44	4.72	14.16	7.18	9.44	14.16	4.2	14.16	14.16
U.S. Virgin Islands	25	0	20.94	4.72	14.16	17.23	9.44	14.16	13.84	14.16	14.16
Guam Northern Mariana Islands	25	0	20.94	4.72	14.16	17.23	9.44	14.16	13.84	14.16	14.16
Other Possessions	0	0	0	4.72	14.16	0	9.44	14.16	0	14.16	14.16

Notes: Column entries are percentages.

B OPM Pension Calculation

B.1 High-Three Average Salary

By definition of OPM: "High-three average salary is figured by averaging the highest basic pay over any three consecutive service."

Consider a government worker with salary S who works in Alaska. They are to receive a series of basic pay shocks. Starting in 2010, they receive a growth in basic pay of $X\%$. Taking an average at the end of 2010, that worker would have a "high-3" average salary of:

$$\frac{S + S + S * (1 + X)}{3}$$

The following year, with a growth in basic pay of $Y\%$, that worker would have a "high-3" average salary of

$$\frac{S + S * (1 + X) + S * (1 + Y)}{3}$$

The following year, with a growth in basic pay of $Z\%$, that worker would have a "high-3" average salary of

$$\frac{S * (1 + X) + S * (1 + Y) + S * (1 + Z)}{3}$$

The following year, with no growth, that worker would have a "high-3" average salary of

$$\frac{S * (1 + Y) + S * (1 + Z) + S * (1 + Z)}{3}$$

The following year, with no growth, that worker would have a "high-3" average salary of

$$\frac{S * (1 + Z) + S * (1 + Z) + S * (1 + Z)}{3}$$

B.2 CSRS Pension Accrual

The accrual rate for workers under the CSRS system is as follows:

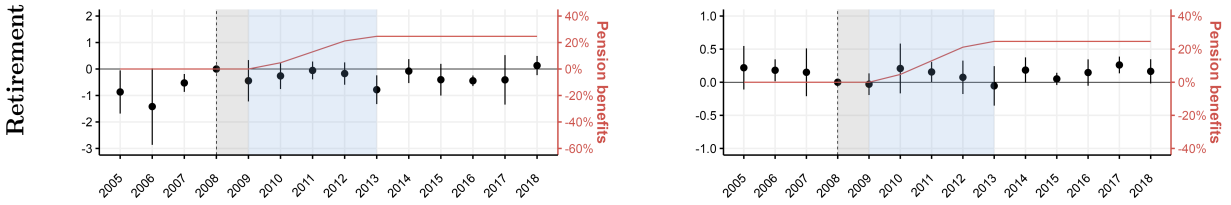
$$\text{Pension Accrual} = \begin{cases} 1.5\% \times \text{High-Three Average Salary}, & \text{First five service years} \\ 1.75\% \times \text{High-Three Average Salary}, & \text{Second five service years} \\ 2\% \times \text{High-Three Average Salary}, & \text{All remaining years} \end{cases} \tag{16}$$

C Temporary Worker Outcomes

Figure 5: Effect of pension generosity on outcomes - temporary workers

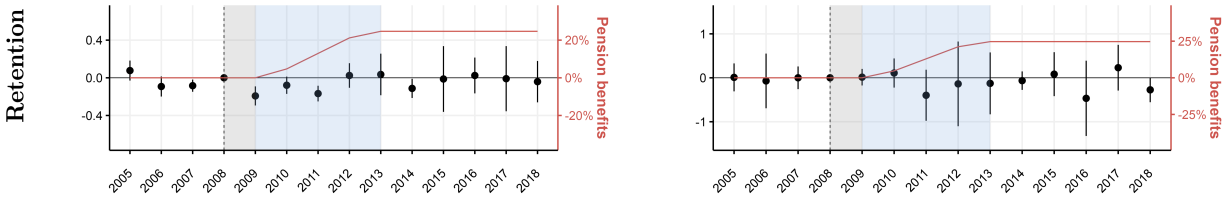
(a) Effect on logged retirements

(b) Effect on logged service years of retirees



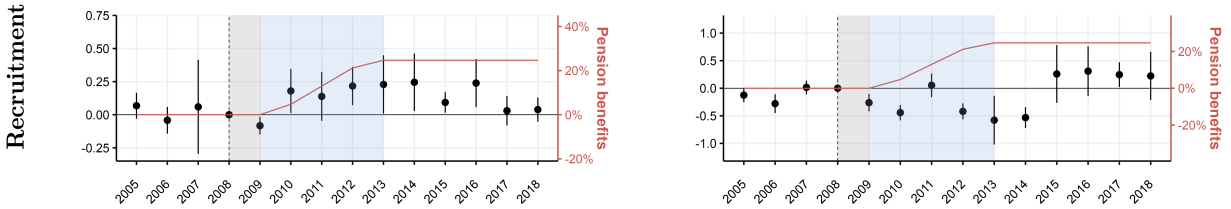
(c) Effect on logged quits

(d) Effect on logged transfer-outs



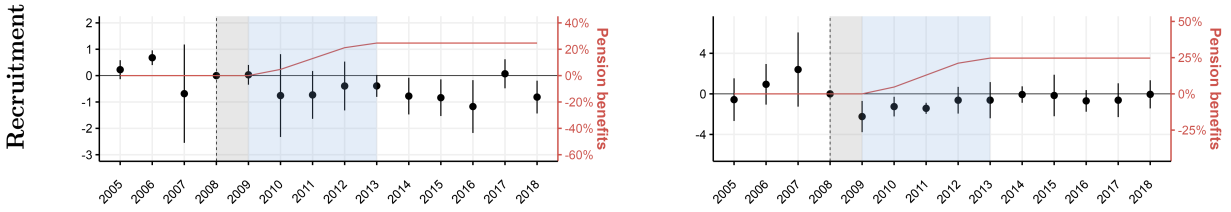
(e) Effect on logged accessions

(f) Effect on average service years of hire



(g) Effect on average education of hire

(h) Effect on average age of hire



Notes: The gray shaded area represents the year the policy was passed in. The blue shaded area represents when the pension generosity was increasing.

D Event Study Table

Table 3: Event Study – Alaska and Hawaii

Group:	Retirement		Retention		Recruitment			
Dependent Variables:	log(Retirements)	log(SY)	log(Quits)	log(Transfers)	log(Hires)	Mean SY	Mean Ed	Average age of hire
Model:	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Variables								
Treat × Year = 2005	-0.07 (0.06)	0.05 (0.05)	-0.09 (0.11)	0.05 (0.13)	-0.11 (0.14)	0.07 (1.1)	-0.10 (0.25)	1.0 (1.5)
Treat × Year = 2006	0.03 (0.10)	0.01 (0.04)	0.06 (0.10)	0.14** (0.04)	0.13 (0.21)	-0.17 (0.22)	-0.06 (0.19)	0.36 (0.67)
Treat × Year = 2007	0.06 (0.05)	0.01 (0.05)	0.04 (0.12)	0.15* (0.06)	0.16 (0.08)	0.03 (0.73)	-0.70*** (0.13)	0.24 (1.4)
Treat × Year = 2009	-0.16*** (0.02)	-0.05*** (0.007)	0.05 (0.05)	0.18** (0.06)	-0.007 (0.14)	-0.39 (0.51)	-1.6*** (0.11)	0.50 (1.0)
Treat × Year = 2010	-0.31*** (0.05)	-0.08* (0.04)	-0.16 (0.11)	0.06 (0.14)	-0.01 (0.10)	-1.3*** (0.24)	0.14 (0.27)	0.62* (0.26)
Treat × Year = 2011	-0.22** (0.08)	0.005 (0.05)	-0.11* (0.05)	-0.16 (0.25)	0.21 (0.14)	-1.1 (0.62)	0.09 (0.36)	0.09 (0.96)
Treat × Year = 2012	0.97*** (0.06)	0.09*** (0.02)	-0.25*** (0.05)	0.22* (0.11)	0.08 (0.31)	-1.5*** (0.28)	-0.97*** (0.17)	0.11 (2.4)
Treat × Year = 2013	-0.52*** (0.06)	-0.13*** (0.006)	-0.30** (0.11)	0.18 (0.18)	0.07 (0.16)	-0.66 (0.49)	-1.0 (0.63)	-0.43 (1.1)
Treat × Year = 2014	-0.02 (0.09)	0.008 (0.03)	-0.26*** (0.06)	-0.03 (0.11)	-0.11 (0.21)	-1.3*** (0.20)	-0.28 (0.39)	0.45 (0.24)
Treat × Year = 2015	0.17 (0.10)	0.03 (0.03)	-0.31*** (0.06)	-0.08 (0.10)	-0.08 (0.27)	-0.43 (1.2)	-0.27 (0.15)	1.1 (0.96)
Treat × Year = 2016	-0.007 (0.03)	0.02 (0.03)	-0.47*** (0.07)	0.11 (0.27)	0.09* (0.05)	-0.69 (0.94)	-0.01 (0.37)	-0.009 (0.37)
Treat × Year = 2017	-0.08 (0.06)	-0.003 (0.05)	-0.39*** (0.09)	-0.36 (0.21)	0.21** (0.07)	-1.7*** (0.35)	0.30 (0.37)	-0.86 (0.63)
Treat × Year = 2018	0.01 (0.08)	0.03 (0.04)	-0.37*** (0.09)	-0.08 (0.28)	-0.03 (0.05)	-1.5 (1.0)	0.15 (0.16)	0.05 (0.64)
Fixed-effects								
Year	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
State	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fit statistics								
Observations	714	714	714	714	714	714	714	714
R^2	0.98788	0.67504	0.97544	0.96610	0.97356	0.68218	0.65883	0.63861
Within R^2	0.20572	0.11262	0.03264	0.01486	0.01085	0.03335	0.02744	0.00712

Clustered (State) standard-errors in parentheses
*Signif. Codes: ***: 0.001, **: 0.01, *: 0.05*

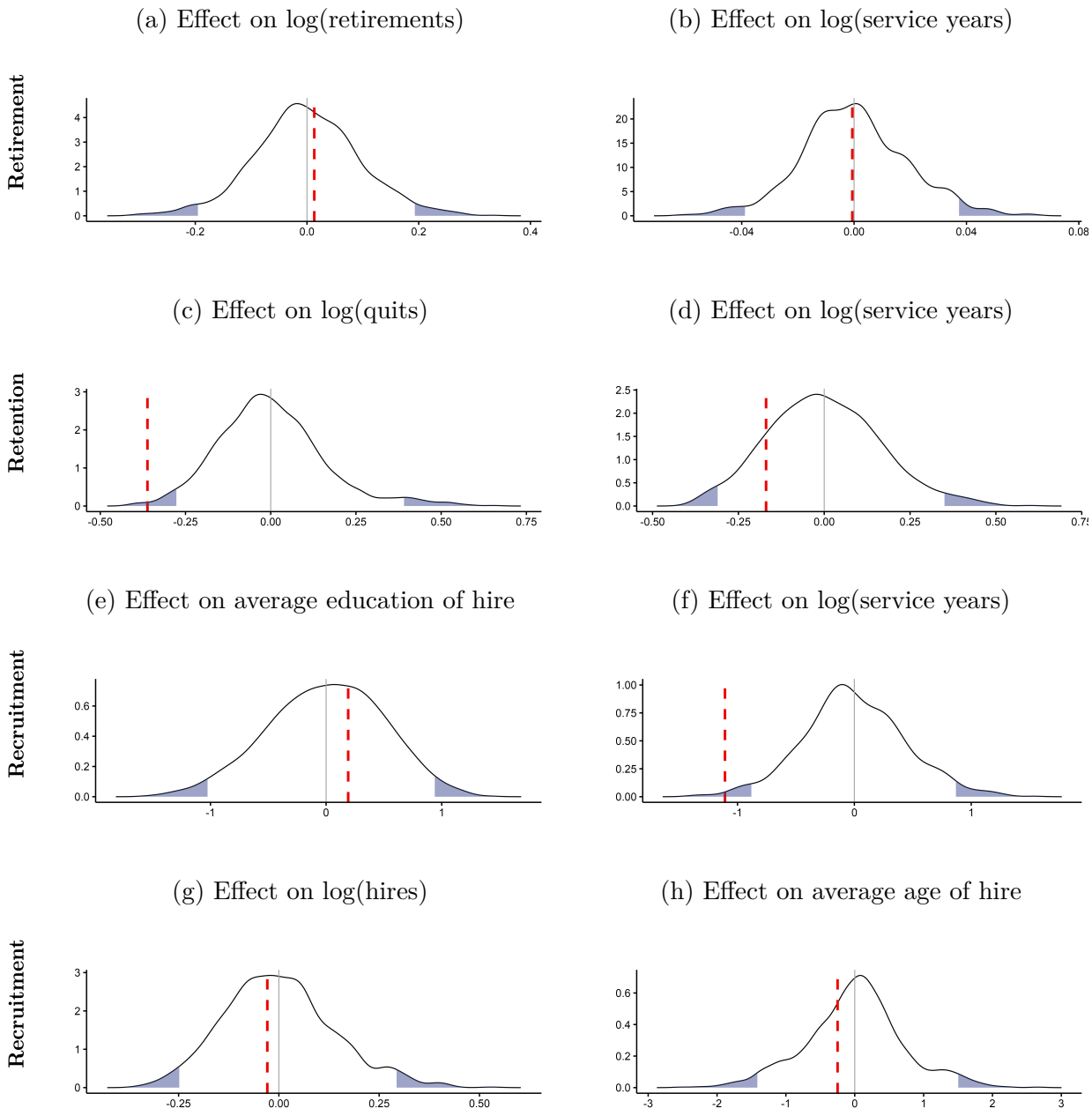
E Education Levels

Table 4: Education levels

Years of Education	Description
01	No formal education or some elementary school - did not complete
02	Elementary school completed - no high school
03	Some high school - did not complete
04	High school graduate or certificate of equivalency
05	Terminal occupational program - did not complete
06	Terminal occupational program - certificate of completion, diploma or equivalent
07	Some college - less than one year
08	One year college
09	Two years college
10	Associate degree
11	Three years college
12	Four years college
13	Bachelor's degree
14	Post-bachelor's
15	First professional
16	Post-first professional
17	Master's degree
18	Post-master's
19	Sixth-year degree
20	Post-sixth year
21	Doctorate degree
22	Post-doctorate
**	**-Unspecified
	No education level reported

F Placebo Tests

Figure 6: Placebo tests



Notes: To compute a placebo test, I use the pre-post model specified in the econometric framework. I then randomly sample by choosing two states to be treated and compare them to the other 48 states. I create a distribution from the results and compute the significance of the effect sizes observed from Alaska and Hawaii.

G Heterogeneity Tables

Table 5: Retirements by age

Dependent Variable:	log(Retirements)		
	55-59	60-64	65+
Model:	(1)	(2)	(3)
Variables			
Treat × Time = 1	-0.05	0.02	-0.007
	(0.03)	(0.04)	(0.04)
Fixed-effects			
State	Yes	Yes	Yes
Time	Yes	Yes	Yes
Fit statistics			
Observations	459	459	459
R^2	0.97021	0.97533	0.96812
Within R^2	0.00055	7.93×10^{-5}	9.93×10^{-6}

Clustered (State) standard-errors in parentheses
*Signif. Codes: ***: 0.001, **: 0.01, *: 0.05*

Table 6: Service years of retirees by age

Dependent Variable:	log(SY)		
	55-59	60-64	65+
Model:	(1)	(2)	(3)
Variables			
Treat × Time = 1	0.04	-0.02	-0.09***
	(0.03)	(0.02)	(0.03)
Fixed-effects			
State	Yes	Yes	Yes
Time	Yes	Yes	Yes
Fit statistics			
Observations	459	459	459
R^2	0.39877	0.45570	0.37116
Within R^2	0.01541	0.00120	0.01118

Clustered (State) standard-errors in parentheses
*Signif. Codes: ***: 0.001, **: 0.01, *: 0.05*

Table 7: Logged quits by service years

Dependent Variable:	log(Quits)				
	0 - 4 years	5 - 9 years	10 - 14 years	15 - 19 years	$\leq$ 20 years
Model:	(1)	(2)	(3)	(4)	(5)
Variables					
Treat × Time = 1	-0.26*	-0.50***	-0.46**	-0.31***	-0.06
	(0.11)	(0.05)	(0.17)	(0.05)	(0.12)
Fixed-effects					
State	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes
Fit statistics					
Observations	459	458	459	454	459
R^2	0.95549	0.95089	0.90869	0.86498	0.87832
Within R^2	0.01072	0.03640	0.01785	0.00577	0.00024

Clustered (State) standard-errors in parentheses
*Signif. Codes: ***: 0.001, **: 0.01, *: 0.05*

Table 8: Logged transfers by service years

Dependent Variable:	log(Transfers)				
	0 - 4 years	5 - 9 years	10 - 14 years	15 - 19 years	$\leq$ 20 years
Model:	(1)	(2)	(3)	(4)	(5)
Variables					
Treat × Time = 1	-0.04	-0.32	-0.21	0.06	-0.09
	(0.23)	(0.16)	(0.24)	(0.12)	(0.08)
Fixed-effects					
State	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes
Fit statistics					
Observations	459	458	459	454	459
R^2	0.91879	0.90616	0.90172	0.89051	0.89536
Within R^2	8.93×10^{-5}	0.00656	0.00296	0.00021	0.00043

Clustered (State) standard-errors in parentheses
*Signif. Codes: ***: 0.001, **: 0.01, *: 0.05*

Table 9: Logged hires by service years

Dependent Variable:	log(Hires)				
	0 - 4 years	5 - 9 years	10 - 14 years	15 - 19 years	$\leq$ 20 years
Model:	(1)	(2)	(3)	(4)	(5)
Variables					
Treat $\times$ Time = 1	0.08	-0.37*	-0.36***	-0.21	-0.04
	(0.05)	(0.17)	(0.08)	(0.25)	(0.05)
Fixed-effects					
State	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes
Fit statistics					
Observations	459	456	454	442	435
R^2	0.94862	0.92252	0.91021	0.88440	0.87663
Within R^2	0.00094	0.01070	0.00884	0.00239	7.95×10^{-5}

Clustered (State) standard-errors in parentheses
*Signif. Codes: ***: 0.001, **: 0.01, *: 0.05*

Table 10: Logged hires by age

Dependent Variable:	log(Hires)										
	< 20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	≤ 65
Model:	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Variables											
Treat × Time = 1	-0.10	-0.05	-0.005	0.02	0.04	-0.13	-0.08	-0.15	0.10	-0.32	0.18
	(0.10)	(0.09)	(0.11)	(0.09)	(0.20)	(0.08)	(0.16)	(0.09)	(0.17)	(0.32)	(0.25)
Fixed-effects											
State	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fit statistics											
Observations	305	458	459	458	458	459	457	458	448	419	324
R^2	0.57333	0.90094	0.91826	0.93982	0.93785	0.92805	0.91675	0.90804	0.90374	0.80674	0.75635
Within R^2	8.84×10^{-5}	0.00020	2.06×10^{-6}	5.82×10^{-5}	0.00019	0.00164	0.00051	0.00146	0.00080	0.00364	0.00121

Clustered (State) standard-errors in parentheses
*Signif. Codes: ***: 0.001, **: 0.01, *: 0.05*

Administrative Support Assistant

DEPARTMENT OF AGRICULTURE

Forest Service

Summary

Positions filled through this announcement provide and/or advise on a variety of administrative management services.

This is an open and continuous announcement. See Additional Information section for more information.

Applications will expire every 90 days. To remain active for consideration, applicants **must** resubmit their application.

Overview

Accepting applications

Open & closing dates

05/01/2023 to 09/29/2023

Salary

$20.36 - $22.70 per hour

Pay scale & grade

GS 5 - 6

Locations

Few vacancies in the following locations:

- **Anchorage, AK**
- **Cordova, AK**
- **Craig, AK**
- **Girdwood, AK**
- **Hoonah, AK**
- **Juneau, AK**
- **Ketchikan, AK**
- **Moose Pass, AK**
- **Petersburg, AK**
- **Sitka, AK**
- **Thorne Bay, AK**
- **Wrangell, AK**
- **Yakutat, AK**

Remote job

No

Telework eligible

Yes—as determined by the agency policy.

Travel Required

Not required

Relocation expenses reimbursed

No

Appointment type

Permanent -

Work schedule

Full-time -

Service
Excepted

Promotion potential
8 - The target grade of positions filled through this announcement may be 06, 07, or 08. Target grade will be determined at the time of the job offer.

Job family (Series)
0303 Miscellaneous Clerk And Assistant
(/Search/Results?j=0303)

Supervisory status
No

Security clearance
Not Required
(/Help/faq/job-announcement/security-clearances/)

Drug test
No

Position sensitivity and risk
Non-sensitive (NS)/Low Risk
(https://www.usajobs.gov/Help/faq/job-announcement/security-clearances/)

Trust determination process
Credentialing
(https://www.usajobs.gov/Help/faq/job-announcement/security-clearances/)
Suitability/Fitness
(https://www.usajobs.gov/Help/faq/job-announcement/security-clearances/)

Announcement number
23-R10OCR-ASA-0303-5-8-AP

Control number
722808800

This job is open to

The public
U.S. Citizens, Nationals or those who owe allegiance to the U.S.

Clarification from the agency

Anyone who has lived or worked in or near the geographic boundaries of the Chugach National Forest or Tongass National Forest and has special knowledge or expertise concerning the cultural and/or resources of the Southcentral or Southeast Alaska area may apply.

Duties

- Duties are described for the minimum performance level, GS-06.
- The position receives visitors and handles calls of a routine nature, such as locations of key personnel, local amenities, subsistence opportunities and regulations, tourism, fishing, hunting and recreation opportunities.
- Provides administrative support in the specialized area or program the unit/staff supports.
- Responsible for the administrative oversight of various business processes, which may include processing financial, procurement, property, personnel, and other administrative instruments for the unit/staff.
- Determines overall file methods, plans and systems, use of files equipment, preservation of records of continuing value and the systematic elimination of all other records.
- From rough drafts, notes, or oral instructions, prepares correspondence, forms, reports and other documents with a wide variety of technical terminology.
- Performs miscellaneous and other clerical services, such as applying postal regulations to out-going mail.
- Performs other duties as assigned.

Requirements

Conditions of Employment

- Must be a U.S. Citizen or National.
- Males born after 12-31-59 must be registered for Selective Service or exempt.
- Subject to satisfactory adjudication of background investigation and/or fingerprint check.
- Successful completion of a 2-year probationary period is required.
- Per Public Law 104-134 all Federal employees are required to have federal payments made by direct deposit to their financial institution.

• Successfully pass the E-Verify employment verification check. To learn more about E-Verify, including your rights and responsibilities, visit E-Verify.

Qualifications

You must meet the ANILCA eligibility requirements to be referred for this position.

Eligibility Requirements: You must have lived and or worked in or near the geographic boundaries of the Chugach National Forest or Tongass National Forest a and have special knowledge or expertise concerning the natural and cultural resources in Southcentral or Southeast area to participate in visitor services and administrative activities.

Your responses to the questions in the assessment for this announcement must clearly show that you meet the eligibility requirements.

Education

These jobs do not have an education qualification requirement.

Additional information

The salary amount will be adjusted to include a Cost of Living Allowance (COLA)
(https://www.opm.gov/policy-data-oversight/pay-leave/pay-systems/nonforeign-areas/#url%3DCOLA-Rates)
. A gradually reducing COLA will continue to be paid after December 31, 2012. COLA will not be eliminated until 65% of the locality pay equals the frozen COLA rate. See the OPM website at:
http://www.opm.gov/oca/cola/index.asp
(http://www.opm.gov/oca/cola/index.asp%20)
for additional information.

Positions may be filled at one or more of the duty locations included in this announcement.

THIS IS AN OPEN CONTINUOUS ANNOUNCEMENT. This type of announcement provides the Forest Service with a readily available source of applicants when vacancies occur. Eligibility and qualifications will be verified when there is a vacancy for the location and grade for which you applied. Information on specific locations where jobs are being filled and the dates when applications are due for these locations can be found on the Forest Service
(http://fsoutreach.gdcii.com/Outreach)
website.

The Forest Service may use certain incentives and hiring flexibilities, currently offered by the Federal government, to attract highly qualified candidates. Additional information is available at
https://www.opm.gov/policy-data-oversight/pay-leave/pay-and-leave-flexibilities-for-recruitment-and-retention/
(https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.opm.gov%2Fpolicy-data-oversight%2Fpay-leave%2Fpay-and-leave-flexibilities-for-recruitment-and-retention%2F&data=04%7C01%7C%7C0096aa4601984888916d08d915428378%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637564198105039832%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn%3D%7C1000&sdata=%2BV1RU2IUg%2FCwobYcZze4oDFzXHpx2EEu6fsB5MRuDAI%3D&reserved=0)

These are bargaining unit positions and are represented by NFFE.

Government housing may be available, depending on location.

Federal affiliated daycare facilities may be available, depending on location.

This position may be eligible to telework up to four days per week, based upon the duties of the position. This position may also be eligible for flexible work arrangements as determined by agency policy and any applicable collective bargaining agreements.

If you are selected for a position with further promotion potential, you will be placed under a career development plan, and may be non-competitively promoted if you successfully complete the requirements and if recommended by management. However, promotion is not guaranteed.

ANILCA appointments require a 2 year probationary period. Upon completion of 2 years the incumbent will be non-competitively converted to a career or career-conditional appointment if all of the following are met: successful completion of 2 year probationary period, Office of Personnel Management (OPM) qualification requirements are met for the position the incumbent is converting into, satisfactorily meeting performance requirements, and completion of all prescribed training. If all requirements are not met upon completion of two years in this position, employment will be terminated.

Benefits

A career with the U.S. government provides employees with a comprehensive benefits package. As a federal employee, you and your family will have access to a range of benefits that are designed to make your federal career very rewarding. Learn more about federal benefits
(https://www.usajobs.gov/Help/working-in-government/benefits/)
.

Eligibility for benefits depends on the type of position you hold and whether your position is full-time, part-time or intermittent. Contact the hiring agency for more information on the specific benefits offered.

How You Will Be Evaluated

You will be evaluated for this job based on how well you meet the qualifications above.

You will be evaluated for this job based on your responses to the questions in the assessment to determine whether or not you are eligible for appointment under the ANILCA authority.

Note: Please follow all instructions carefully. Errors or omissions may affect your eligibility. Providing inaccurate information on Federal documents could be grounds for non-selection or disciplinary action up to including removal from the Federal service.

To view the application form, visit: https://apply.usastaffing.gov/ViewQuestionnaire/11950252

Required Documents

The following documents are required for your applicant package to be complete. Our office cannot be responsible for incompatible software, illegible fax transmissions, delays in the mail service, your system failure, etc. Encrypted documents will not be accepted. Failure to submit required, legible documents may result in loss of consideration.

Resume that includes: 1) personal information such as name, address, contact information; 2) education; 3) detailed work experience related to this position as described in the responsibilities section including work schedule, hours worked per week, dates of employment; title, series, grade (if applicable); 4) supervisor's phone number and whether or not the supervisor may be contacted for a reference check; 5) other qualifications.

If claiming veteran's preference, you must submit a DD214, Certificate of Release from Active Duty, which shows dates of service and discharge under honorable conditions. If currently on active duty you must submit a certification of expected discharge or release from active duty service under honorable conditions not later than 120 days after the date the certification is submitted. Veteran's preference must be verified prior to appointment. Without this documentation, you will not receive veteran's preference and your application will be evaluated based on the material(s) submitted.

If claiming 10-point veteran's preference you must provide the DD214 or certification requirements (see above bullet), plus the proof of entitlement of this preference as listed on the SF-15 Application for 10-point Veterans' Preference. The SF-15 should be included but is not required. Failure to submit these documents could result in the determination that there is insufficient documentation to support your claim for 10-point preference. For more information on veterans' preference visit FEDSHIREVETS
(https://www.fedshirevets.gov/job-seekers/veterans-preference/#content)
.

How to Apply

Please view Tips for Applicants
(https://www.fs.usda.gov/working-with-us/jobs/how-to-apply)
- a guide to the Forest Service application process.

Read the entire announcement and all instructions before you begin. You must complete this application process and submit all required documents electronically by 11:59p.m. Eastern Time (ET) on the closing date of this announcement.

Applying online is highly encouraged. We are available to assist you during business hours (8:00a.m. - 4:00p.m. (MST), Monday - Friday. If applying online poses a hardship, contact the Agency Contact listed below well before the closing date for an alternate method. All hardship application packages must be returned to Human Resources no later than noon ET on the closing date of the announcement in order for it to be entered into the system prior to the closing date.

This agency provides reasonable accommodation to applicants with disabilities on a case-by-case basis. Contact the Agency Contact to request this.

To begin, in USAJOBS click "Apply" and follow the instructions to attach your resume and required documents, complete the assessment questionnaire, and submit your application.

NOTE: Please verify that documents you are uploading from USAJOBS transfer into the Agency's staffing system as there is a limitation to the number of documents that can be transferred. However, once in the Agency's staffing system, you will have the opportunity to upload additional documents. Uploaded documents must be less than 5MB and in one of the following document formats: GIF, JPG, JPEG, PNG, RTF, PDF, TXT or Word (DOC or DOCX). Do not upload Adobe Portfolio documents because they are not viewable.

Agency contact information

HRM Contact Center

Phone

1-877-372-7248 X2
(tel:1-877-372-7248 X2)

Email

HRM_Contact_Center@usda.gov
(mailto:HRM_Contact_Center@usda.gov)

Learn more about this agency
(#agency-modal-trigger)

Address

USDA Forest Service HRM Contact Center
DO NOT MAIL IN APPLICATIONS, SEE INSTRUCTIONS IN THE ANNOUNCEMENT.
Albuquerque, NM 87109
US

Next steps

Your application will be reviewed to verify that you meet the eligibility and qualification requirements for the position prior to issuing referral lists to the selecting official. If further evaluation or interviews are required, you will be contacted. Log in to your USAJOBS
(https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.usajobs.gov%2F&data=04%7C01%7C%7C198596a2ef624eeca92608d95e63056b%7Ced5b36e701ee4ebc867ee03cfa0d4697%7C0%7C0%7C637644601643425378%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=XaGpNbQyufnXvLMx%2BPQKv36jMnfDcECQUVHLmjk6Iws%3D&reserved=0)
account to check your application status.

You must choose to turn on email notifications in your USAJOBS profile if you want to receive important email notifications that may impact your applicant experience (e.g. If you start an application and do not submit it prior to the closing date, USAJOBS will send an email reminder that the closing date is approaching and your application is in an incomplete status).

Multiple positions may be filled from this announcement.

Fair & Transparent

The Federal hiring process is set up to be fair and transparent. Please read the following guidance.

Equal Employment Opportunity (EEO) Policy
(/Help/equal-employment-opportunity/)
Financial suitability
(/Help/working-in-government/fair-and-transparent/financial-suitability/)
New employee probationary period
(/Help/working-in-government/fair-and-transparent/probationary-period/)
Privacy Act
(/Help/working-in-government/fair-and-transparent/privacy-act/)
Reasonable accommodation policy
(/Help/reasonable-accommodation/)
Selective Service
(/Help/working-in-government/fair-and-transparent/selective-service/)
Signature and false statements
(/Help/working-in-government/fair-and-transparent/signature-false-statements/)
Social security number request
(/Help/working-in-government/fair-and-transparent/social-security-number/)