



PROFESSIONAL MANAGERS ASSOCIATION

An Association for Federal Managers and Management Officials

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PMA 117th Congress Legislative and Policy Agenda

Internal Revenue Service (IRS) Specific Policy Agenda

The Professional Managers Association (PMA) is a nonprofit professional membership association that promotes leadership and excellence within the federal workforce through advocacy on policy and legislation affecting Internal Revenue Service (IRS) managers, management officials, and non-bargaining unit employees that are being considered by Congress and the Administration. PMA's IRS-focused policy agenda includes:

BUDGET

ROBUST, CONSISTENT FUNDING FOR THE IRS

At agencies such as the IRS, cutting the budget limits the ability of the agency to perform critical functions such as collecting \$3.5 trillion in revenue, 253 million returns, and issuing \$452 billion in refunds. The [Congressional Budget Office \(CBO\)](#) estimates increasing the IRS's funding for examinations and collections by \$20 billion over 10 years would increase revenues by \$61 billion. Consistent funding saves taxpayer funds. PMA supports the restoration of regular budget order and multi-year budgets to continue providing uninterrupted taxpayer services.

MODERNIZATION

PROVIDING FOR 21ST CENTURY IT CAPABILITIES AT THE IRS

PMA strongly supports the IRS' technology modernization request for \$4 billion in dedicated funding from the Congress. PMA supports robust, multi-year budgeting which will allow the IRS to upgrade and integrate its 60+ overlapping taxpayer databases, used by more than five generations of IRS employees. The Individual and Business Master Files (IMF/BMF) are the oldest computing systems still in use within the Federal government, implemented in the Kennedy administration. The IRS is facing significant risks due to its reliance on legacy programming languages, outdated hardware, and a shortage of staff with critical skills needed to maintain these systems.

The [Department of Treasury Inspect General](#) recently found that in FY 2019 spent over \$2.86 billion to operate its current information technology infrastructure, nearly \$2.04 billion (71 percent) of which was on operations and maintenance. Until the IRS is able to spend consistent time and funding to update its technology, the IRS will continue to spending more to maintain legacy systems than to modernize them.

WORKFORCE

REBUILDING & RESKILLING THE IRS WORKFORCE



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As funding decreased over the past decade, the IRS lost more than 29,00 full-time positions, which included more than 14,600 key enforcement personnel positions. The TFA mandate to restructure the agency also provides an opportunity for investing in personnel and training so the Service can meet growing mission demands.

REFORMING THE PAY AND PERFORMANCE MANAGEMENT SYSTEM

IRS managers are subject to an alternate compensation system comprised of three broad pay bands with compensation based on performance. PMA supports reforms ensuring the pay and performance management system is fair, fully funded, equitable, and truly rewards performance:

- The system should have transparent and well-communicated pay levels and avenues for advancement.
- The agency should not impose arbitrary quotas to assign performance ratings or awards.
- Performance ratings should never be based solely on a midyear and annual discussion. Managers must receive consistent, regular performance feedback and counseling, throughout the rating period.
- Managers and non-bargaining unit employees should have a process through which to grieve their performance rating which is not limited only to those who approved the performance rating in question.
- Managers and non-bargaining unit employees should receive performance awards regardless of impending retirement or transfer of assignment prior to payment of award.
- Performance awards should not be denied to those managers and non-bargaining unit employees who are at the pay cap.
- Pay compression should be addressed to ensure that top level federal employees receive the full salary and locality payment they are entitled to.
- Managers and non-bargaining unit employees routinely work long hours during the week and come in on the weekend, with little availability to use accrued comp time. Employees should be allowed to keep comp time for up to 26 pay periods.

PROMOTING EQUITY AMONG THE IRS WORKFORCE

PMA supports policies and initiatives promoting equity, diversity, inclusivity, and justice within the IRS and for our taxpayers. PMA supports policies that root out systemic inequalities within the IRS workforce to improve IRS interactions with the taxpayer. PMA supports consideration of:

- Implicit bias assessments as part of the personality assessment batteries managers and prospective managers undergo as part of the succession planning process;
- Making existing unconscious bias training mandatory instead of optional;
- Implementing anti-racist leadership training and trainings that help managers overcome their biases;
- A review of IRS workplace culture to identify areas where systemic racism and other biases have seeped into our processes (e.g., standards of dress, religious comp time,



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performance standards for written/verbal communication, etc.)

COVID-19

PANDEMIC POLICY & WORKPLACE SAFETY ISSUES

Due to the IRS' paper-intensive operations, many IRS employees must physically report to work. Ensuring such employees are provided the appropriate PPE, workplace safety measures, enhanced hazard pay and leave is critical. Technology challenges and modernization needs are also directly tied to the ability of the IRS workforce to function remotely when necessary. PMA reiterates our calls to ensure adequate, supplemental funding for technology modernization to ensure the IRS is able to meet taxpayer needs during atypical conditions.

As Congress works to meet the needs of the public during the pandemic, many proposals would impose significant new missions and tight timelines on the IRS. The Service is still processing 2020 tax returns and in the middle of the 2021 return season. Congress must be thoughtful about the new demands it places upon the IRS and seek stakeholder input to ensure goals can be actualized in an effective manner.

TAX POLICIES

Earned Income Tax Credit

PMA calls on Congress to direct a study of EITC outcomes in depth and reform the law to address chronic challenges, including with improper payments. Congress must then update the EITC to either place less burden on the IRS or move the program to an agency with the tools and capacity to navigate complex family law. The Taxpayer Advocate Service has made numerous recommendations regarding EITC, with Recommendations 1.1 and 1.2 being easy fixes to implement.¹

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About PMA - Formed in 1981 by IRS Managers, the Professional Managers Association is a national membership association representing the interests of professional managers, management officials and non-bargaining unit employees in the Internal Revenue Service.

¹ https://taxpayeradvocate.irs.gov/Media/Default/Documents/2020-JRC/JRC20_Volume3_Final.pdf