



NARFE'S LEGISLATIVE ACCOMPLISHMENTS

114th CONGRESS MIDTERM (2015) REVIEW

In 2015, the federal community continued to face assaults on its earned benefits. As a result, NARFE's legislative efforts focused on defeating proposals attacking federal employees and retirees as well as working toward a solution to other problems facing NARFE members. Here are highlights of the Association's accomplishments thus far in the 114th Congress.

✓ Thwarted ALL attempts by Congress to cut the earned pay and benefits of federal employees and retirees.

- **The House of Representatives' Fiscal Year 2016 budget resolution contained eight provisions totaling \$318 billion in cuts to the federal community**, including raising retirement contributions of current employees, arbitrarily reducing the federal workforce, increasing enrollees' share of Federal Employees Health Benefits Program (FEHBP) premiums and reducing the return of the Thrift Savings Plan's (TSP) most stable investment vehicle, the G Fund. Ultimately, none of those cuts were passed into law in 2015, thanks to the hard work of NARFE and its members.
- **The Senate failed in its attempt to pay for highway improvements on the back of the federal community.** As the Senate debated a six-year highway bill, some suggested offsetting the cost by changing the rate of return of the TSP's G Fund, rendering the fund nearly worthless, as the return would be lower than the average savings account. Such a change would have cost TSP participants \$32 billion. NARFE members and lobbyists sprang into action, and Congress was forced to fund the bill by other means.
- **A budget agreement offsetting sequestration for two years did not take from federal employees or retirees.** After contributing more than \$120 billion to pay for other priorities in recent years, NARFE members have been sounding the drumbeat: Enough is enough! A two-year budget deal was signed into law, increasing spending levels by \$80 billion without offsets to the federal community, even after the initial budget called for \$318 billion in cuts.

✓ Successfully prevented a disproportionate and unfair increase in Medicare premiums.

- **Without a COLA in 2016, millions of Medicare enrollees not held harmless would have had their premiums increased by 52 percent, unless Congress or the administration took action.** NARFE began sounding the alarm on this issue before any other organization. Due to NARFE's lobbying efforts and the messages sent to legislators by thousands of NARFE members, a compromise fix was included in the two-year budget agreement. Premiums for those not held harmless increased only by the amount they would have gone up, had there been a COLA.

✓ Supported efforts to protect TSP participants from receiving bad financial advice.

- **NARFE testified before the Department of Labor in favor of a rule to hold financial advisers to a "best interest" standard,**

instead of the current "suitability" standard, when providing advice regarding rollovers. Speaking for NARFE, National President Richard G. Thissen's testimony focused on NARFE's concern that federal employees and retirees and military personnel who are invested in low-fee TSP funds are not adequately protected from bad financial advice. Because rollovers are not covered by the existing definition of fiduciary investment advice, financial advisers may legally recommend that account holders roll over their TSP holdings into an IRA, where the money could be invested in mutual funds providing the same, or essentially similar, products at a much higher cost. If finalized, the rule should result in better investments and, therefore, lead to greater returns on the hard-earned retirement savings of millions of Americans. Congressional efforts to stop or delay the rule have failed thus far.

✓ Worked to protect and inform NARFE members following the data breaches at the Office of Personnel Management (OPM)

- **Following the announcements of two OPM data breaches, NARFE has stayed in constant communication with OPM officials to ensure NARFE members have the information they need to protect their financial wellbeing.** NARFE immediately created a website to provide answers to members' questions. NARFE also testified on Capitol Hill, stressing: "It is imperative that we not only act swiftly to remedy this situation, but we must also ensure an incident of this magnitude does not repeat itself. We must do a better job of protecting the millions of federal employees who serve this nation."

✓ Worked to increase identity theft protection provided to individuals impacted by the data breaches at OPM

- **NARFE supports lifetime identity theft protection, while the services offered after the breaches cover only 18 months and three years.** In the FY16 omnibus appropriations bill, those affected were awarded 10 total years of coverage. While not the lifetime coverage NARFE advocated, it's a notable improvement.

✓ NARFE's media coverage reaches new heights

- **In 2015, NARFE saw unprecedented coverage in the press, thanks to a combination of being out in front on certain issues, and efforts to draw attention to other concerns that were being overlooked by the media.** On topics as wide-ranging as the Medicare Part B issue, the new Self Plus One option and the OPM data breaches, NARFE was mentioned in the press more than 750 times in 2015. NARFE also garnered more coverage in national news outlets, including [CBS Evening News](#), on which NARFE's legislative director appeared, and [Fox Business News](#), on which NARFE's legislative counsel appeared.