NARFE'S LEGISLATIVE ACCOMPLISHMENTS
115th CONGRESS (2017-2018) REVIEW

Federal employees and retirees faced very real and serious threats to their earned pay and benefits during the 115th Congress (2017-2018). In response, NARFE's legislative priority was to defeat those proposals. But we also worked to advance legislative improvements for NARFE members as the landscape allowed. Here are highlights of the Association's accomplishments during the 115th Congress.

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

- **President Trump's Fiscal Year 2018 and 2019 Budget Proposals called for at least $149 billion in cuts to earned retirement benefits for current and former federal employees.** Specifically, the budgets proposed:
  - Eliminating cost-of-living adjustments (COLAs) for federal retirees covered by the Federal Employees Retirement System (FERS).
  - Reducing COLAs by 0.5 percent each year from what they would be otherwise for federal retirees covered by the Civil Service Retirement System (CSRS).
  - Eliminating the FERS Annuity Supplement for new retirees.
  - Increasing federal employee contributions to retirement by 1 percent of pay each year for the next six years, without any corresponding benefit increase.
  - Basing retirement benefits for new retirees on the highest five years of salary instead of the highest three years of salary.

  Ultimately, none of those proposals were passed into law, thanks to the hard work of NARFE and its members.

- **The House of Representatives passed a FY18 budget resolution that would have required $32 billion in cuts to federal retirement benefits to offset the cost of a major tax overhaul.** The budget report also endorsed policies that would have required around $163 billion in cuts, including:
  - Increasing retirement contributions for current federal employees.
  - Limiting the rate of return on the Thrift Savings Plan's (TSP) G fund.
  - Limiting the government portion of Federal Employees Health Benefits (FEHB) premiums for retirees to increases in inflation, which would raise premium costs for retirees.
  - Ending the FERS Annuity Supplement.

  NARFE worked tirelessly to oppose the provision requiring such cuts, and it was not included in the final joint budget resolution. Thanks to the hard work of NARFE and its members, none of these provisions were passed into law, either as part of the budget or through other legislation.

- **A budget agreement offsetting sequestration cuts 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 in February 2018, increasing spending levels by nearly $300 billion without offsetting that increase through cuts to earned federal retirement and health benefits.

✔Protected postal retirees' health benefits through the Federal Employees Health Benefits (FEHB) Program.

- The House Oversight and Government Reform Committee approved postal reform legislation, H.R. 756, in March 2017 that would have required all eligible postal retirees and their spouses to enroll in Medicare or forfeit their earned retiree health benefits coverage through FEHB. A similar version, H.R. 6076, was also introduced in 2018.

- In March 2018, Sen. Thomas R. Carper, D-DE, introduced a similar, Senate version, S. 2629, which included the same mandate with various, but limited, exemptions.
- NARFE opposed the mandatory Medicare provisions, seeking to amend the bills to remove them, or alternatively, to halt progress on the bills as written.
- Despite efforts to advance the bills through Congress, the House bills never received approval from additional committees of jurisdiction and the Senate bill did not receive floor consideration.
- Thanks to NARFE's lobbyists and members, this precedent-setting legislation did not reach the president's desk.

✔ **Helped provide more flexible withdrawal options for Thrift Savings Plan (TSP) participants, giving them more control over their own retirement savings.**

- The president signed the TSP Modernization Act, H.R. 3031, into law, P.L. 115-84, on November 17, 2017.
- The law will allow multiple, partial post-separation withdrawals, which individuals can time to their individual needs, and permits multiple, age-based withdrawals for participants who are still working and are older than age 59½ . The legislation also will provide greater flexibility by allowing the election of quarterly or annual payments and allows periodic withdrawals that can be changed at any point during the year. Payments could be stopped while leaving the account balance in the TSP. Finally, the law eliminates the withdrawal election deadline.
- The Federal Retirement Thrift Investment Board, which oversees the TSP, was given two years to issue the regulations and make the preparations necessary to implement the expanded withdrawal options. The new options will be available in mid-September 2019.

✔ **Worked with Congressman Connolly, D-VA, to craft legislation, the Equal COLA Act, H.R. 7165, to ensure Federal Employees Retirement System (FERS) annuitants receive a full cost-of-living adjustment (COLA) based on the measured change in consumer prices.**

- Under current law, when the change in consumer prices measures between 2 and 3 percent, FERS annuitants only receive a 2 percent COLA. When it is above 3 percent, the FERS COLA is equal to the measured change in consumer prices, minus 1 percent. In 2019, FERS annuitants only received a 2.0 percent COLA, while the COLA to Civil Service Retirement System (CSRS) annuities and Social Security benefits was 2.8 percent.
- The Equal COLA Act would ensure FERS annuitants receive a COLA based simply on the change in the measured change in consumer prices, and equal to COLAs provided to Social Security benefits and CSRS annuities.
- While the bill was not considered, it laid down a marker that FERS retirees deserve full COLAs to maintain purchasing power in retirement.