



# LEGISLATIVE PRIORITIES FOR THE 115<sup>TH</sup> CONGRESS

*In the 115<sup>th</sup> Congress, the National Active and Federal Employees Association (NARFE) is urging members of Congress to do the following:*

## **1. Oppose ANY Cuts to the Earned Retirement and Health Benefits of Federal Retirees.**

In exchange for years of hard work, federal employees and retirees have been promised retirement annuities and retiree health benefits. These benefits were earned fairly, and should not be taken away now. Doing so would break a basic promise that ought to be upheld, and would deprive federal retirees benefits that are essential to their financial and health security.

Notably, NARFE opposes the following proposals that would, in effect, break a promise to federal retirees by devaluing their retiree health benefits, retirement annuities, or retirement investments:

- Reducing the government contribution towards federal health insurance premiums by limiting the increases to inflation, rather than the cost of health insurance (FY16 House Budget Resolution).
  - This proposal could cost a federal family upwards of \$50,000 over ten years, with employees and retirees paying more than 50 percent of total premiums.
- Using the Chained CPI to determine cost-of-living adjustments (COLAs) for Social Security benefits and federal and military retirement annuities.
- Reducing the rate of return on the Thrift Savings Plan G Fund from an average of 2.25 percent to 0.02 percent (FY16 House Budget Resolution).
  - This would deprive millions of federal employees and retirees the value of a key portion of their retirement investment.

## **2. Oppose Across-the-Board Federal Employee Compensation Cuts.**

Across-the-board pay and/or benefit cuts fail to distinguish between differing occupational and geographic labor markets and further undermine the adequacy of compensation for already undercompensated public servants, thereby threatening the ability to recruit and retain an effective workforce. NARFE opposes proposals that would effectively reduce the pay of all federal employees (current or future) by reducing their benefits or by preventing pay increases, notably including:

- Increasing federal employee payroll contributions towards retirement by as much as 6 percent of pay, without any added benefit (FY16 House Budget Resolution).
  - This amounts to an immediate 6 percent across-the-board pay cut.
- Eliminating the Federal Employees Retirement System (FERS) annuity entirely for new hires without an equivalent increase in pay or Thrift Savings Plan (TSP) contributions (FY16 House Budget Resolution; Heritage Foundation's Blueprint for Reform).
- Across-the-board federal employee pay freezes.

## **3. Support Reform of the Windfall Elimination Provision (WEP) That Would Provide Relief to Current Retirees.**

The WEP unfairly reduces earned Social Security benefits based on government employment. NARFE supports WEP reform efforts along the lines of the original version of Chairman Kevin Brady's (R-TX) bill, H.R. 711 (114<sup>th</sup> Congress), which provided significant relief for current retirees who have been unfairly penalized by this provision for years.



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## **4. Oppose Requiring Postal Retirees to Either Purchase Additional Health Insurance Coverage (Through Medicare) or Forfeit Their Earned Retiree Health Benefits.**

Postal retirees should retain the choice as to whether to add Medicare to their existing retiree health benefit coverage. Eliminating that choice, as contained in H.R. 5714/S.2051 (114<sup>th</sup> Congress), breaks a basic promise and precedent not to alter retiree benefits after retirement, and adds significant additional costs to aging postal retirees.

## **5. Oppose unwise civil service “reform” policies that would undermine the effectiveness of the federal workforce.**

Civil service policies should be focused on ensuring an effective federal workforce; not based on politically-appealing talking points. Unfortunately, too many recent policy proposals have taken aim at hard-working, dedicated public servants unfairly, and threaten to undermine the effectiveness of the federal workforce, and even the strength of our democracy. While positive civil service reforms based on best practices and rooted in thoughtful policy should be pursued, members of Congress should be vigilant in opposing political attacks masquerading as policy, such as:

- A federal hiring freeze and reducing the federal workforce through attrition.
  - This policy undermines the efficiency of government operations by creating hiring backlogs and inadequate staffing levels, and it is unlikely to save any money, as work now performed by federal employees is likely to be outsourced to federal contractors for an even higher cost to taxpayers. As reported by GAO, hiring freezes ultimately end up costing more money than they save.
- Eliminating, or substantially eroding, due process protections for federal employees.
  - Due process protections ensure that federal employees are hired and fired based on merit, and not based on political views or affiliations or otherwise. These protections were put in place to guard against the corruption and incompetence that would arise under the spoils system of the 1800s, when jobs were handed out as, and in exchange for, political favors.

## **6. Support Reforms to Calculating Medicare Part B Premiums When There is a Zero or Low COLA to Social Security Benefits.**

Medicare Part B premiums should not differ based on whether they are paid from a Social Security check, a federal or state government pension or a personal check. Unfortunately, when there is a low or zero cost-of-living adjustment (COLA) to Social Security benefits, they do. While Medicare premium increases for many are limited to their Social Security COLA, increases are not limited for others, like federal retirees, who are also forced to pick up the tab. Congress should pursue a permanent fix to this unfair situation.

## **7. Support Reforms to the Federal Long-Term Care Insurance Program (FLTCIP) That Would Ensure Price Stability And Affordability.**

Following premium increases of 83 percent, on average, and by as much as 126 percent, reforms are necessary. Reforms should ensure that the FLTCIP can provide more reliable pricing in a more affordable manner. At a November 2016 House hearing on the issue, NARFE outlined a number of policy options that could do so, and legislation towards this end should be pursued.

NARFE also supports broader reforms to long-term care financing that could address the needs of all Americans, such as a public-private long-term care partnership where the federal government could underwrite or provide insurance against the catastrophic risk of needing high-level care for a long period of time, such as more than two or three years.