

## 112<sup>th</sup> Congress (2011-2012)

### ► **Prevented any damaging alterations to current retirees' annuities or health benefits:**

- **Successfully opposed a switch to the Chained CPI to calculate cost-of-living adjustments (COLAs), as proposed by the Simpson-Bowles Fiscal Commission.** Switching to the Chained CPI would reduce federal annuities by over 3 percent in 10 years, and by over 9 percent in 30 years. The proposal was receiving serious consideration as a part of year-end fiscal cliff negotiations, but strong opposition by NARFE and other groups helped keep it out of the final deal.

- **Successfully opposed a proposal to limit the government's contribution for health insurance premiums.** Currently, the government contribution is based on a formula that ensures the government pays a minimum percentage (72 percent) of total premiums. But the Simpson-Bowles Fiscal Commission proposed setting the government contribution as a set lump-sum figure, e.g., \$7,000 per year, and indexing that figure to inflation. With health care costs outpacing inflation, federal employees and retirees would be forced to pay a greater share of their health insurance premiums.

- **Successfully opposed proposals to place postal retirees and/or employees into a separate health insurance plan.** Removing some or all postal employees/retirees from the Federal Employees Health Benefits Program (FEHBP) would have led to an increase in premiums for FEHBP participants, as well as an added cost to the government. NARFE opposed these proposals, and they were ultimately removed from postal reform legislation, S.1789, prior to Senate passage.

### ► **Prevented passage of legislation adverse to the federal workforce:**

- **Prevented increased retirement contributions for current employees.** All federal employees hired before 2013 saw no change in their retirement contributions. As part of a compromise not to punish current federal workers, Congress increased the percentage paid by new hires (starting in 2013) by 2.3 percent, a figure less than the 5 percent increase sought in other House-passed bills.

- **Prevented reduction or elimination of federal retirement annuities.** Several pieces of legislation in the 112<sup>th</sup> Congress (H.R.3630, H.R. 3813, S.644) sought to substantially decrease current federal employees' retirement compensation, or increase the amount employees paid towards retirement with no corresponding benefit increases. NARFE was successful in ensuring these proposals were not enacted into law.

- **Prevented reduction in federal workers' compensation benefits.** Senate-passed postal reform legislation, S.1789, included unfair reductions in federal workers' compensation benefits for disabled workers with dependents and when they would reach retirement age. These reductions did not take into account the disadvantages faced by employees unable to work because of a job-related injury or illness. NARFE pushed strongly with its allies in Congress to ensure that any final bill would adequately protect injured federal workers. Congress was ultimately unable to reach a compromise on postal reform.

► **Providing the option of phased retirement for federal employees.** With agency approval, federal employees eligible for retirement will have the option to begin working part-time while receiving a partial annuity payment. This new option, authorized by P.L.112-141, will provide added flexibility to employees wishing to reduce their work hours but not fully retire. It also will allow agencies to better manage transitions to newly hired and newly promoted employees, especially given the current retirement wave. The law includes a requirement that phased retirees spend a portion of their part-time schedule mentoring junior employees.

► **Easing unnecessary restrictions on political activity.** NARFE supported common-sense legislation enacted into law (P.L. 112-230) that eliminates the restriction on state and local government employees from seeking federal partisan political office and allow for less severe penalties than termination for minor Hatch Act violations.

► **Providing honorary flags to federal employees who have died serving their country.** Pursuant to P.L. 112-73, agencies now are allowed to present honorary flags to the families of federal employees who lose their lives in service to our country. Previously, such an honor was limited to deceased military members.

## 111<sup>th</sup> Congress (2009-2010)

► **Equity for Federal Retirees in Stimulus Bill:** Ensures that federal, state and local government retirees who were not eligible for Social Security will receive a one-time, \$250 per-person refundable tax credit for the 2009 tax year.

► **Protection of Federal Benefits:** Protects benefits by defeat of an amendment to the fiscal year 2010 House Budget Resolution that would have cut federal civilian retirement and/or health benefits by \$10 billion over 10 years.

### ► **Enactment of Several Civil Service Improvements in the Defense Authorization Bill:**

- **Re-employing Annuitants:** Allows federal agencies to re-employ federal retirees on a limited, part-time basis without offset of annuity.

- **Federal Employees Retirement System (FERS) Sick Leave:** Permits FERS workers initially to credit half, and in 2014 all, of their unused sick leave toward retirement.

- **FERS Redeposit:** Allows returning FERS employees, who previously left federal service, to repay a deposit to the Retirement Trust Fund, with interest, in order to be able to combine their past and new federal service for future annuity service.

- **Civil Service Retirement System (CSRS) Part-Time Service Fix:** Permits certain CSRS workers to phase down to part-time status at the end of their careers without reducing their final annuity.

- **Locality Pay Equity:** Provides locality pay that is creditable toward retirement for federal employees in Hawaii, Alaska and the U.S. Territories.

- **National Security Personnel System (NSPS):** Ends the Department of Defense's pay-for-performance personnel system, the NSPS, and restores employees to the federal General Schedule pay system.

## 111<sup>th</sup> Congress (2009-2010) – continued

### ► **Enactment of Enhancements to the Thrift Savings Plan (TSP):**

- **Automatic Enrollment and Immediate Contributions:** Provides automatic TSP enrollment of, and immediate matching contributions for, newly hired federal employees.
- **Roth Option:** Adds a “Roth option to the TSP, allowing participants to make after-tax contributions to the plan and withdraw their earnings tax-free upon retirement.
- **TSP Accounts Rights for Survivors:** Ensures that surviving spouses have the same rights over their inherited accounts as any other TSP participant.

### ► **Shielding the Federal Employees Health Benefits Program (FEHBP) in the Senate’s Health Care Reform Bill:**

- **Safeguards:** NARFE-drafted language would safeguard the FEHBP under a plan to have the Office of Personnel Management manage health plans for nonfederal civilians.
- **Threatening Amendments Dropped:** Proposals were dropped that would have required federal workers to join health exchanges and that would have opened the FEHBP to nonfederal civilians without separate risk pools.

### ► **House and Senate Approval of Medicare Part B Premium Protection Bill:** Protect all Medicare beneficiaries, including government retirees who are not eligible to receive Social Security, from paying an increase in the 2010 Medicare Part B premium,

### ► **Defeat Attempts to Freeze Federal Worker Pay:** NARFE helped to push back three attempts in the Senate (May 27, June 17, and 23, 2010) and one in the House (May 28, 2010) to deny federal workers a modest 1.4 percent salary increase in 2011.

### ► **Enactment of Expanded Telework Opportunities:** Requires executive branch agencies to establish policies allowing eligible employees to telework.

The *National Active and Retired Federal Employees Association (NARFE)* has been protecting and improving the earned benefits of federal employees, retirees and their families since 1921.

### *NARFE is your legislative voice*

NARFE is the only membership organization solely dedicated to protecting and preserving the benefits of all federal workers and retirees. NARFE’s national legislative program is advanced in Congress by a team of influential lobbyists backed by an informed network of grass-roots activists in every state and congressional district, as well as a member-supported Political Action Committee.

### *NARFE is your information resource*

Federal retirement, life insurance, health care, compensation and other benefits for both current and retired federal employees are complex and often amended. NARFE keeps members informed of these changes and provides the answers you need to make important decisions.

Join with hundreds of thousands of current and retired feds to strengthen our advocacy on your behalf.



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