



# Legislative Hotline

National Active and Retired Federal Employees Association

## Message from NARFE President Ken Thomas:

"Proud, hard-working federal employees and retirees deserve better than the cuts to their earned pay and benefits included in President Trump's fiscal year 2020 (FY20) budget request. The president's latest budget, like past versions, breaks promises made to the federal community by threatening to slash what they earned through long, dedicated careers of service to our country. Trump's FY20 budget is an expression of the value the administration places on public service, and NARFE will not rest until these proposals aimed at undermining the federal workforce and breaking commitments to Feds are soundly defeated."

## President Trump's FY20 Budget Takes Aim at Feds

President Trump again proposed substantial cuts to earned federal pay and benefits in his [fiscal year 2020 \(FY20\) budget](#) request to Congress. The proposed cuts show further hostility to a federal community still recovering from the damages caused by a record 35-day government shutdown. Slashing take-home pay and retirement benefits breaks promises made to our nation's civil servants and hamstringing the federal government's ability to recruit and retain a highly qualified workforce.

Read a full statement issued by NARFE National President Ken Thomas [here](#).

NARFE strongly objects to the following fiscal year 2020 budget proposals, which amount to more than \$177.1 billion in cuts to earned federal benefits:

- Eliminating cost-of-living adjustments (COLAs) for current and future Federal Employees Retirement System (FERS) retirees.
- Reducing COLAs for Civil Service Retirement System (CSRS) retirees by 0.5 percent each year from what the COLA would have been otherwise. When combined with the elimination of the FERS COLA, this would cost federal retirees \$56 billion over 10 years, and much more thereafter.
- Increasing employee contributions to the annuities of federal employees covered under FERS by 1 percent each year for the next six years, without any corresponding benefit increase.
- Eliminating the earned and fully funded FERS Annuity Supplement for new retirees. This benefit, provided to FERS employees who retire before they are eligible to collect Social Security, would hit those with a mandatory retirement age – such as federal law enforcement officers and air traffic controllers – the hardest.
- Reducing the rate of return on the Thrift Savings Plan's Government Securities Investment (G) Fund.
- Changing the basis for federal pensions for new retirees such that they are based on the average of the highest five years of salary instead of the highest three.
- Reducing working and retirement-age benefits for federal workers disabled through their service.

Alarming, these cuts appear under the authority of the General Services Administration (GSA) instead of the Office of Personnel Management (OPM),

signaling that the administration is using the president's 2020 budget to double down on its government reorganization plans to transfer OPM's programmatic functions – such as human resources solutions, retirement services, and administration of health care and insurance programs for the federal workforce – to GSA. NARFE stands staunchly opposed to the administration unilaterally eliminating OPM and rolling its programs into GSA without input from stakeholders or due congressional oversight and approval.

The full budget, likely to be released next week, may contain additional objectionable proposals that were not included in the documents released this week.

### **Senate Panel Examines Postal Task Force Recommendations**

The Senate Committee on Homeland Security and Governmental Affairs (HSGAC) held a [hearing](#) on Tuesday, March 12, titled "A Path to Sustainability: Recommendations from the President's Task Force on the United States Postal Service." The president's task force was a cross-agency group created in April 2018 directed to evaluate the operations and finances of the United States Postal Service (USPS). After meeting with a wide range of stakeholders, including NARFE, and conducting its own research, the task force released its report in December 2018.

The Task Force was fully aware of leading congressional proposals, which NARFE opposes, that would require postal retirees to pay additional health insurance premiums, through Medicare Part B, as a condition of retaining their earned federal retiree health benefits. Yet it declined to mention or endorse them in its report.

The hearing made clear that the administration actually opposes those proposals. One of the task force leaders, Gary Grippo, Deputy Assistant Secretary for Public Finance for the U.S. Department of the Treasury, argued that the proposal to require all postal retirees to enroll in Medicare would shift postal liabilities to taxpayers. That, he noted, would run counter to the mandate for USPS to remain self-sustaining.

While NARFE was heartened by the administration's opposition to proposals mandating Medicare coverage for postal retirees, NARFE National President Ken Thomas has [expressed](#) deep concerns with some of the task force's recommendations. Notably, NARFE opposes proposals to cut retirement and workers compensation benefits and to undermine standards for universal service, such as by moving away from six-day delivery. Similar proposals have been rejected by Congress before, and the Senate committee members said nothing at the hearing to suggest congressional positions have changed.

### **Thanks for a Successful LEGcon19!**

Just a few days after the president released a budget request fraught with attacks on both active and retired Feds, NARFE was there to answer the call and stand up for the entire federal community. On March 13, NARFE members attending LEGcon19 converged on Capitol Hill to tell their legislators in person that enough is enough and that NARFE will not stand for unfair and unwarranted attacks on federal pay and benefits. LEGcon19 attendees shared their personal stories with their representatives, developed their relationships with legislators and staff, and established NARFE as the go-to resource on the federal community.

NARFE thanks attendees for another successful legislative training conference. But, even with such a successful day on Capitol Hill for NARFE, our work isn't done. LEGcon19 attendees now need to bring all they learned back home and share their newfound knowledge to boost local grassroots advocacy efforts. It's important to keep using all you learned through LEGcon19 and follow up with your

representatives' local offices to keep the pressure on.

### **Obtaining the Hotline**

This weekly advocacy message is emailed to NARFE members, posted on the NARFE [website](#) and available to NARFE members via telephone by calling 1-800-456-8410 and selecting option 4. Past editions are [archived](#) online for NARFE member access. If you have any questions regarding the information in this Hotline, please email NARFE's Advocacy Department at [advocacy@narfe.org](mailto:advocacy@narfe.org) or call 1-800-456-8410 and select option 3.

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