



# Advocacy Update

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Federal Employee Program.

# Agenda

- 115th Congress Recap
  - Threats
  - Accomplishments
- Legislative Priorities for the 116<sup>th</sup> Congress
  - Hill Day Agenda
- Shutdown Recap
- Grassroots Advocacy
- NARFE-PAC
- Questions

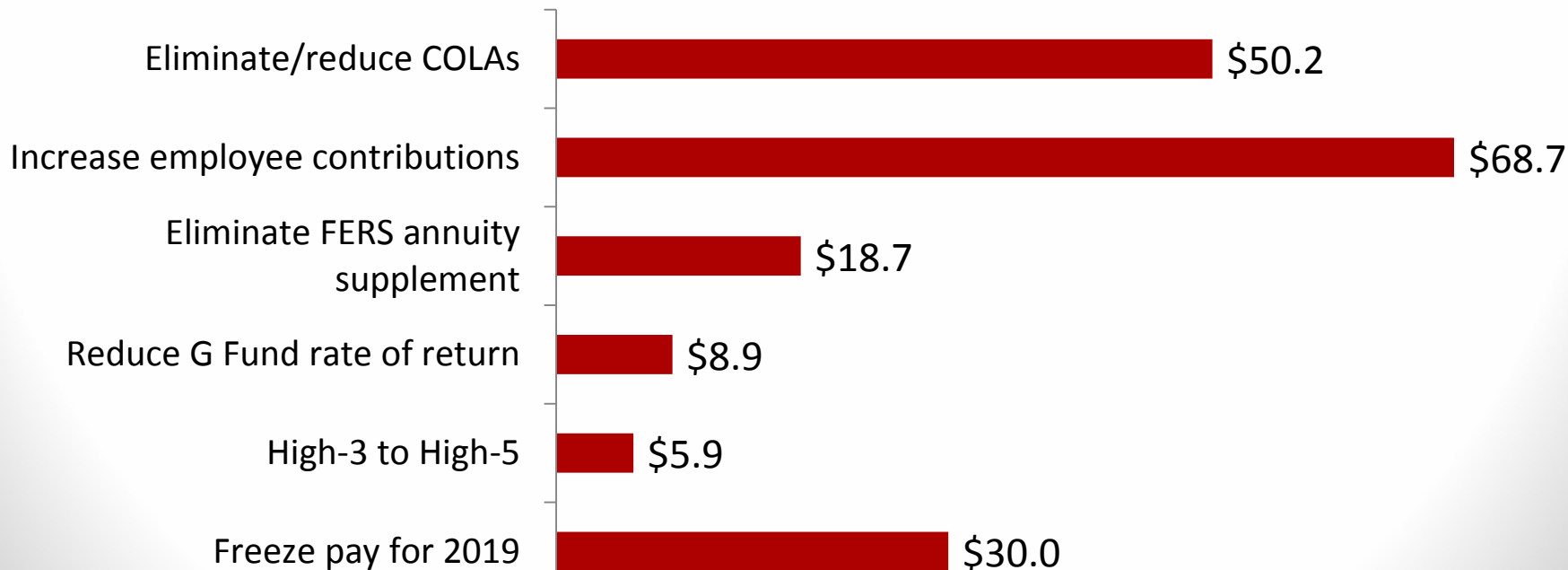
# 115<sup>th</sup> Congress – Threats

## FY19 Trump Budget

- Eliminate or Reduce COLAs
- Increase FERS Retirement Contributions by 6%
- Eliminate the FERS Annuity Supplement
- High-3 to High-5 for future retirees
- Reduce Rate of Return on G Fund
- Reduce Total Paid Time Off
- 2019 Federal Pay Freeze

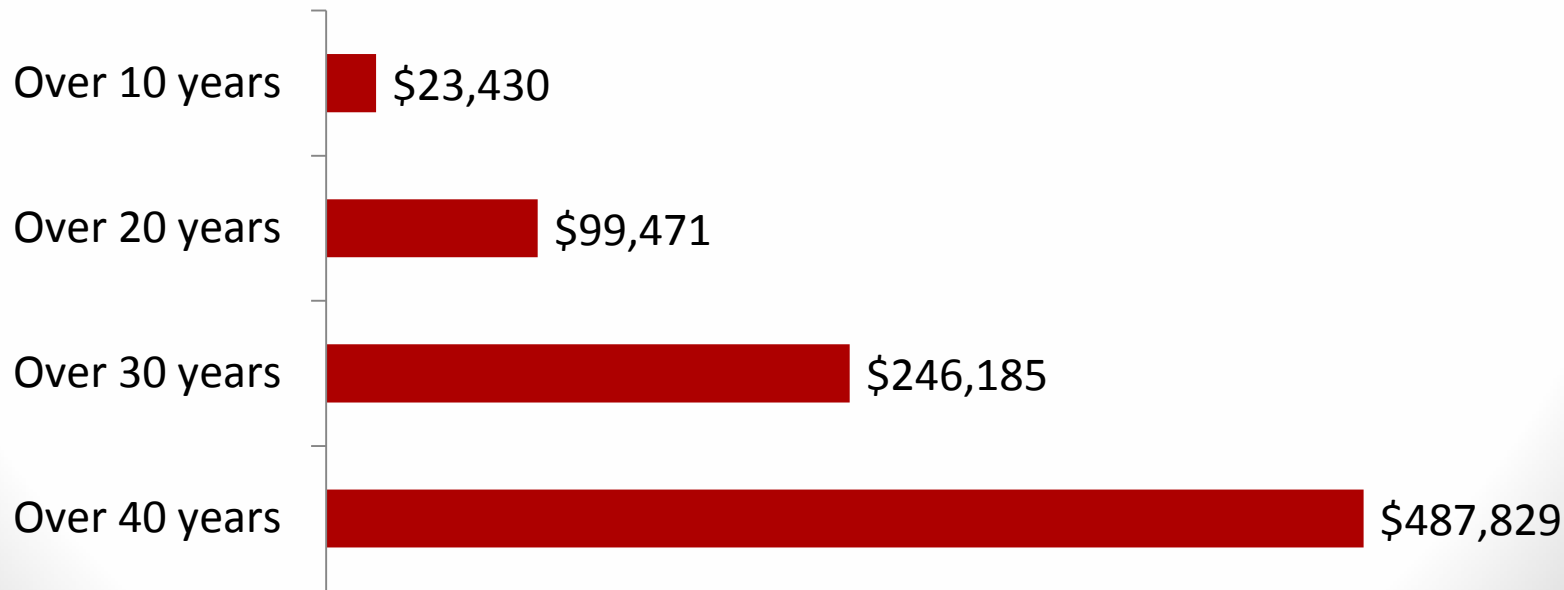
# 115<sup>th</sup> Congress – Threats

**Estimated cost to Feds over 10 years (in billions)**



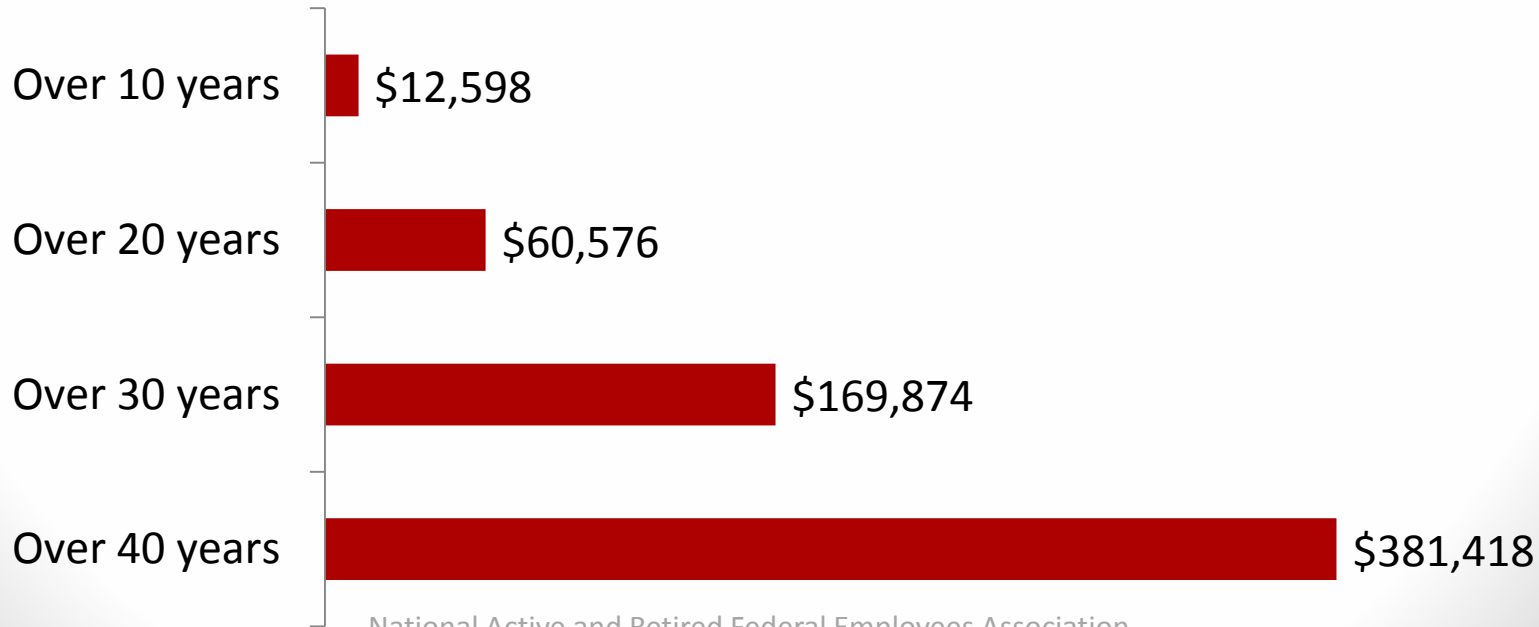
# 115<sup>th</sup> Congress – Threats

Eliminating COLA for FERS. Typical Retiree Loses:



# 115<sup>th</sup> Congress – Threats

Reducing COLA for CSRS. Typical Retiree Loses:



# 115<sup>th</sup> Congress – Threats

Increase FERS retirement contributions by 6%

Year	Annual Loss (Avg.)	Cumulative Loss (Avg.)
2020	\$869	\$869
2021	\$1,773	\$2,642
2022	\$2,712	\$5,354
2023	\$3,689	\$9,043
2024	\$4,703	\$13,747
2025	\$5,757	<b>\$19,504</b>



# 115<sup>th</sup> Congress – Threats

## Eliminate FERS Annuity Supplement

- Bridges gap between early retirement and eligibility for Social Security
- 35 Years of Service Example:
  - Retires at age 57
  - \$2,000/month Social Security benefit
  - Loss: \$1,750/month x 60 months = **\$105,000**



# 115<sup>th</sup> Congress – Threats

## Reduce rate of return on TSP's G Fund

- Average G Fund returns = 2.4%
- Proposal changes how G Fund \$\$ is invested
- Reduces returns to close to zero
- Renders G Fund essentially useless

# 115<sup>th</sup> Congress – Threats

House FY18 Budget – mandatory spending cuts

- \$32 billion in cuts from Feds
- Passed on October 5, 2017

Senate FY18 Budget – focused on tax reform

- No cuts targeting federal retirement/health benefits
- Passed on October 19, 2017

# Legislative Accomplishments

## House-Senate Tax Reform Compromise

- Focused solely on tax reform
- No cuts to Feds!
- NARFE message of “Enough is enough!” resonated

# Legislative Accomplishments

## Two-Year Bipartisan Budget Agreement

- Set funding levels for FY18 and FY19
- Raised sequester caps by \$300 billion
- Offsets of \$100 billion
- Federal benefits cuts were **NOT** included
- NARFE message is resonating!

# Legislative Accomplishments

**After 8 years of constantly defending your earned benefits, federal retirees haven't lost anything!**

# Legislative Accomplishments

## Postal Reform Act

- NARFE opposed
- Mandatory Medicare enrollment for *current* and future postal retirees

## Precedent setting

- Breaks a promise
- Changes benefits in retirement
- Removes choice previously enjoyed

# Legislative Accomplishments

## Postal Reform - What Happened?

- Bills stalled – not enough support
- NARFE's concerns gained traction
- Back to drawing board?



# Legislative Accomplishments

## 2019 Federal Employee Pay Raise

- President proposed pay freeze for 2019
- Absent congressional action, President sets pay
- Three-year pay freeze from 2011-2013
  - \$98 billion lost over 10 years

# Legislative Accomplishments

## 2019 Federal Employee Pay Raise

- Senate approved 1.9 percent average pay raise
- House did not provide any raise
- 2018 ended with a government shutdown
- President ordered pay freeze in December

# Legislative Accomplishments

## 2019 Federal Employee Pay Raise

- New House passed 2.6% pay raise
- February: Pay Raise Signed Into Law – Finally!
  - Retroactive to January
  - 1.4% across-the-board
  - 0.5% increase to locality pay

# Legislative Accomplishments

## TSP Modernization Act of 2017

- Expands and creates more flexible withdrawal options
- Creates more options for participants
- Should reduce full transfers out of the TSP
- Signed into law November 17, 2017
- Available September 2019

# Legislative Priorities

## Budget Threats

- Expect Trump's FY20 Budget to contain same proposals
  - Reduce CSRS COLA
  - Eliminate FERS COLA
  - And More
- All benefit changes require legislation
- **Goal: Strengthen congressional opposition to these proposals**

# Legislative Priorities

## Budget Threats

- Offset / “Pay-for” Concern
- Budget Deal for FY20 & FY21
- Infrastructure Package?

# Legislative Priorities

## Postal Reform

- NARFE opposes mandatory Medicare enrollment for current retirees
  - Precedent-setting change to federal benefits in retirement
- No bills introduced yet this Congress
- **Goal: Modify leading postal reform bills to protect current retirees**



# Legislative Priorities

## Federal Pay Raise in 2020

- Expect Trump's FY20 budget to include pay freeze
- Congressional action required
- **Goal: Enactment of 3.1 percent (or more) average pay raise**

# Legislative Priorities

## Federal Pay Raise for 2020

- Needed for recruitment, retention
- Based on average change in private-sector pay
- Parity with military pay raise

# Legislative Priorities

## WEP Reform

- Windfall Elimination Provision unfairly reduces Social Security benefits based on government service
- NARFE supports repeal or reform
- **Goal: Support efforts to provide relief for current retirees**

# Legislative Priorities

## WEP Reform

- Repeal bills, including GPO, introduced
  - Unlikely to gain traction
- NARFE working with leaders on reform effort
  - Chairman and Ranking Member of Ways & Means
  - Timeline uncertain

# Legislative Priorities

## Improve COLAs

- Equal COLA Act
  - FERS retirees receive lower COLA
  - Full COLA for FERS retirees
- Fair COLAs for Seniors Act
  - Use CPI-E to calculate COLAs
  - CPI-E measures consumer prices for those age 62 and older

# Legislative Priorities

## NARFE's Day on the Hill

- What should I talk about?
  - What you did/do as a federal employee
  - Postal Reform
  - Any benefit cut affecting you
  - Any issue you feel strongly about

# Legislative Priorities

## NARFE's Day on the Hill

- Know Before You Go
  - Cosponsorships
  - Recent Votes
  - Thank You
  - Background Info



# Shutdown Recap

## 35-Day Government Shutdown

- December 22, 2018 – January 25, 2019
- Longest ever
- Nine departments and numerous agencies

# Shutdown Impact

800,000 federal workers affected

- 2 missed paychecks

More than 420,000 working without pay

About 380,000 furloughed, not working

# Shutdown Impact

- Contractors go without pay, back pay
- Businesses relying on federal operations lose money
- Government operations disrupted
- \$11 billion in lost economic activity
  - \$3 billion gone forever

# Shutdown Response

## NARFE Shutdown Central

- Updates
- Webinar
- Resources
  - FAQs
  - Things to Know
- Press and Hill outreach and resources

# Shutdown Response

## The Government Employee Fair Treatment Act

- Guarantees back pay for furloughed federal workers
- As soon as possible after the shutdown
  - Prevents pay from being delayed until the next pay period
- Applies to future shutdowns
- Signed by President on January 16, 2019

# Grassroots Advocacy

- Constituent Concerns Influence Legislators
- Power in Numbers
- Positions NARFE as the go-to resource on Feds

# Grassroots Advocacy

- Keep it Simple
- Make it Personal
- Ask for Action



# NARFE-PAC

**Helps Strong  
Supporters**

**Builds  
Relationships**

**Political  
Relevancy**

# NARFE-PAC

## 2017-2018 Goals and Results

- Raise \$1.5 million
  - **\$1.896 million**
- Disburse \$1 million for political purposes
  - **\$1.1 million**
- Attend 100 local fundraisers
  - **105**
- Increase sustainer program by 50%
  - **32%**

# NARFE-PAC

## 2019-2020 Goals

- Raise \$1.75 million
- Disburse \$1.25 million for political purposes
- Attend 110 local fundraisers
- Increase sustainer program by 20%

# Questions?