

**May 19, 2017**

## **Message From NARFE President Richard G. Thissen**

“This week, *The Washington Post* reported details of the president’s 2018 budget proposal. If what is being reported is true, this budget represents an egregious and insulting attack on federal service and seniors. Arbitrarily limiting and eliminating benefits is wrong and disrespectful to the men and women who have and continue to serve this proud nation. The rumored details paint a dark image for the federal community, and NARFE members must be ready to defend their earned pay and benefits.”

## **President’s 2018 Budget Reportedly Contains Substantial Cuts to Federal Retirement Benefits**

*The Washington Post* has [reported](#) details of President Trump’s 2018 budget proposal, which is expected to be released early next week. The reported proposals include unprecedented threats to both active and retired federal employees.

Specifically, The Post reported the budget will propose eliminating cost-of-living adjustments (COLAs) for retirees under the Federal Employees Retirement System (FERS), and reduce them by 0.5 percent each year for retirees under the Civil Service Retirement System (CSRS). It also reportedly proposes increasing FERS retirement contributions by 6 percent, which is essentially a 6 percent pay cut for the same benefit. It would also calculate future retirement benefits on the average of the high-five years of salary instead of the current high-three. Finally, it is being reported that the budget would eliminate the FERS Annuity Supplement for those who retire beginning in 2018.

NARFE is deeply concerned about what is being reported. The president’s budget is expected to be released on May 23, and NARFE will closely monitor the budget when available to confirm the existence of these reported cuts. President Richard G. Thissen issued a [statement](#) following The Post article, and NARFE will continue to strongly oppose these cuts if included in the budget. Stay tuned for how you can fight back against these proposals in the next Hotline.

## **Oversight Committee Holds Hearing on Federal Employee Compensation**

The House Committee on Oversight and Government Reform held a hearing this week titled “Federal Employee Compensation: An Update.” The hearing addressed a recent Congressional Budget Office (CBO) [report](#), which compared federal compensation to that of the private sector. Members of the committee also debated areas to improve and modernize the federal employee compensation system.

Witnesses from the CBO and the U.S. Government Accountability Office discussed the findings of the CBO report. The report concluded that for the most highly educated workers, the federal government paid less, on average, in total compensation than

private-sector employees with similar characteristics. For the least-educated employees, the report found the federal government paid more than the private sector, primarily as a result of greater benefits. CBO concluded total compensation was 17 percent greater for federal employees than their private-sector counterparts.

NARFE submitted [written testimony](#) to the committee, expressing our support for competitive compensation and urging the committee to take a measured and thoughtful approach to any changes to federal pay and benefits. NARFE's testimony also identified some of the flaws and limitations of the CBO report, which may have led to an incorrect conclusion. Interestingly, the Federal Salary Council has reported that federal workers are paid, on average, approximately 34 percent less than their private-sector counterparts, based on data collected by the Bureau of Labor Statistics.

Details of the hearing, including witness testimony, can be found [here](#).

### **Speak Out! Postal Reform Bill Approved by House Oversight Committee**

NARFE strongly urges its members to contact their legislators and ask them to oppose the Postal Reform Act of 2017 in its current form. This bill forces current postal retirees onto Medicare in order to keep their federal health insurance coverage and sets a dangerous precedent for ALL federal retirees. A letter can easily be sent via the NARFE Legislative Action Center [here](#).

NARFE believes it is wrong to change benefits once someone has already retired. Do not stand by idly as Congress tries to change postal retirees' benefits. A change to postal benefits could easily pave the way for Congress to change benefits for the rest of the federal community. [Write](#) your legislators today and tell them not to change postal retirees' health benefits after they have already retired.

Are you a postal retiree who chose not to take Medicare Part B? Tell NARFE about how this legislation would impact you and your family by sending us an email [here](#).

### **VA Accountability Bill Introduced in the Senate**

Legislation to ease the firing of employees of the Department of Veterans Affairs (VA) was introduced in the Senate this week by Sen. Marco Rubio, R-FL, and a bipartisan group of senators. The Department of Veterans Affairs Accountability and Whistleblower Protection Act of 2017 would amend both pre- and post-removal procedures and the appeals process for VA employees. Given the strong bipartisan support, there is a strong chance Congress passes the bill this year.

### **Make Your Voice Heard in Congress**

NARFE members are encouraged to use the new, easy-to-use [NARFE Legislative Action Center](#) to send letters to members of Congress on a variety of NARFE issues, sign up for action alerts and track NARFE-related bills and votes.

Have you attended a meeting, town hall or telephone town hall with your senator(s) or representative recently? Fill out a simple feedback form [here](#) in the new Action Center to tell NARFE's legislative staff the details of your legislator's stance on NARFE issues.

### **Obtaining the Hotline**

This weekly legislative message is emailed to NARFE members, posted on the NARFE [website](#) and available to NARFE members via telephone by calling 703-838-7780 and toll-free at 877-217-8234. Past editions are [archived](#) online for NARFE member access. If you have any questions regarding the information in this Hotline, please email NARFE's Legislative Department at [leg@narfe.org](mailto:leg@narfe.org) or call 703-838-7760.