2017 Congressional Meetings Agenda

Scott Halstead, Legislative Vice President

I. Introduce NARFE Members

1. Name
2. Where in state you live
3. What you did for the federal government (briefly)

II. Minnesota's Federal Family

1. Number of federal employees in MN: 16,430
2. Number of postal employees: 12,804
3. Number of annuitants: 30,395
4. Average annual annuity: $27,725.00

III. Where the Federal Employees Work:

1. VA: 7,102
2. DOD: 2,318
3. Agriculture: 1,732
4. Homeland Security: 350
5. 60.7% of Minnesota's Federal Employees are Defense related!

IV. Your Legislator's Voting Record

District	112th Congress	113th Congress	114th Congress	Lifetime
Walz	80%	88%	100%	91%
Lewis	N/A	N/A	N/A	N/A
Paulsen	0%	44%	30%	27%
McCollum	100%	100%	100%	100%
Ellison	100%	100%	90%	97%
Emmer	N/A	N/A	0%	0%
Peterson	100%	88%	80%	80%
Nolan	100%	100%	100%	100%
Klobuchar	100%	100%	100%	100%
Franken	100%	100%	100%	100%

V. MN Retired Federal Employees by Congressional District. OPM data from 2013. Members elected Nov. 2014.

Representative	Congressional District	Number of Annuitants
Tim Walz	1	2,842
Jason Lewis 2016	2	4,313
Erik Paulsen	3	2,965
Betty McCollum	4	3,802
Keith Ellison	5	3,066
Tom Emmer	6	3,323
Collin Peterson	7	4,264
Rick Nolan	8	4,918

I. Federal Retirement Fund

The federal workforce has already contributed $182 billion towards deficit reduction since 2011 through a three-year pay freeze, reduced pay increases, unpaid furlough days due to sequestration, and two increases in retirement contributions for new hires without any additional benefit. These middle-class workers give their all to this nation every day, and were the first to contribute when the nation was facing severe economic challenges. They should not be forced to sacrifice even more.

What is the financial condition of Federal Retirement Funds? On August 24, 2015, the Congressional Research Service issued a report titled "Federal Employees' Retirement System: Budget and Trust Fund Issues".

In summary: The total annual income of the Civil Service Retirement and Disability Fund (CSRDF), (funds the CSRS and FERS retirement program) will increase from $92.6 billion in FY2013 to an estimated $152.7 billion in FY2025 and to $1.0 trillion in FY2090. The total expenses of the fund are projected to rise more slowly, increasing from $77.1 billion in FY2013 to an estimated $112.7 billion in FY2025 and to $673.3 billion in FY2090. Consequently, the assets held by the CSRDF also are projected to increase steadily, rising from $844.6 billion in FY2013 to an estimated $1.3 trillion in FY2025 and $12.8 trillion in FY2090.

House Budget Committee Budget Resolution and President Trump's FY18 Budget are very similar and include harmful proposals that would affect the federal community, including: **Note**: **2nd District Congressman Jason Lewis is a member of the House Budget Committee. He voted to pass this resolution.**

1. COLAs for current and future Federal Employees Retirement System (FERS) retirees would be eliminated altogether. **A typical FERS retiree annuity of $13,000. 00 annually would be reduced by more than $100,000 over 25 years.**

2. **C**OLAs for Civil Service Retirement System (CSRS) retirees would be reduced by 0.5 percent each year from what it would have been otherwise. A **typical CSRS retiree annuity of about $37,000.00 annually would be reduced by more than $150,000 over 25 years.**

II. Cost-of-living Adjustments

1. Cost-of-living adjustments (COLAs) protect the purchasing power of retirement benefits from being eroded by inflation in the prices of goods and services. In 1972, Congress passed legislation providing for automatic COLAs for Social Security. COLAs have been in effect since 1962 for CSRS. Social Security COLAs and CSRS COLAs are equal to the annual change in the Consumer Price Index for Urban Wage and Clerical Workers (CPIW.

2. Federal employees covered under FERS would see employee contributions to their annuities increased by 1 percent each year for the next six years, without any corresponding benefit increase. This will cost FERS employees $71.2 billion over the next 10 years, and more thereafter.

3. The FERS Annuity Supplement would be eliminated for new retirees starting in fiscal year 2018.

4. **Because Social Security retirement benefits cannot begin before the age of 62, Congress included in FERS a temporary supplemental benefit for workers who retire before age 62. This "FERS supplement" is paid to workers who retire at the age of 55 or older with at least 30 years of service or at the age of 60 with at least 20 years of service. It is also paid to law enforcement officers, firefighters, and air traffic controllers who retire at the age of 50 or later with 20 or more years of service. The supplement is equal to the estimated Social Security benefit that the individual earned while employed by the federal government. It is paid only until the age of 62, regardless of whether the retiree chooses to apply for Social Security retired worker benefits at 62 years old. Eliminating the FERS Annuity Supplement would be very harmful to law enforcement officers, firefighters, and air traffic controller that have an early mandatory retirement age.**

5. Federal pensions would be based on the average of the highest five years of salary instead of the highest three.

6. These proposals would diminish the value of federal annuities, threaten the financial security of federal and postal employees and retirees and result in more retired federal civil servants needing financial assistance.

Why are Congress and the President proposing to reduce federal annuities? The Civil Service Retirement and Disability Fund are very well funded. In 2025, the assets would provide 11.5 years of annuities. In 2090, the assets would provide 19 years of annuities. What is the Republican Congress and the President going to do with the **$$$**? It looks to me that Congress should be increasing annuities without any increase in employee contributions; the cost of living adjustment should be changed to the CPI-E to reflect more accurate expenses of seniors and the FERS supplement should be increased.

III. Other Proposals Under Consideration:

1. A decrease in the rate of return on the Thrift Savings Plan's (TSP) Government Securities Fund (G Fund).

2. Increasing some federal retirees' share of their health insurance premiums by basing the government contribution on their years of service.

3. Increasing enrollees' Federal Employees Health Benefits Program (FEHBP) premiums by tying the government's employer contribution to inflation, rather than the average cost of the plans.

4. **Each year employees and retirees would be forced to pay a greater share of rising health insurance premiums, increasing from roughly 30 percent of premiums now, to greater than 50 percent in as little as seven or eight years, and an even greater percentage thereafter. This could cost a federal family as much as $50,000 over 10 years, and even more thereafter**. The most recent PEW report on State Health Premiums (2014) stated that employers paid an average of 84% of the premiums with employees paying 16%. Private employers pay around 73%.

5. The total elimination of the FERS pension.

6. **Postal reform: No MN cosponsors**

    a) Although it makes many necessary improvements to the U.S. Postal Service, NARFE opposes H.R. 756, the Postal Reform Act of 2017, because it unfairly burdens 76,000 current postal retirees and their survivors by changing the bargain regarding their health benefits, removing choice and setting a dangerous precedent for federal employees and retirees.

    b) Under the legislation, current postal retirees would be required to enroll in Medicare Part B in order to continue receiving health insurance coverage through the Federal Employees Health Benefits Program (FEHBP), ultimately raising their overall health insurance premiums an additional $134 per month, or more plus spouses.

    c) Postal retirees should not be threatened with the loss of their health insurance entirely if they do not buy additional, often duplicative coverage through Medicare.

    d) Agencies paying employee and retiree benefits from current appropriations provide incentive for them to minimize staffing levels and growth of federal government.

    e) With this legislation, Congress is saying it will change benefits for retirees. This would be a slippery slope.

    f) This bill removes choice for postal retirees as to whether they pay additional premiums for additional coverage by Medicare Part B or lose their FEHBP coverage altogether. Those who choose not to enroll in Part B should not be forced to as a condition of retaining their retiree health benefits. **We recommend allowing retirees to opt out of Medicare Part B coverage and retaining their retiree health benefits.**

7. A bipartisan bill recently introduced in the House and Senate would create flexible withdrawal options from the Thrift Savings Plan (TSP). The current limited withdrawal options are one of the leading reasons federal workers and retirees transfer their money out of the TSP, which provides sound investment options at a low cost. This bill would implement much needed changes to the withdrawal process of the TSP and would grant federal workers and retirees greater control over their retirement savings.

   a) As a constituent and a member of the National Active and Retired Federal Employees Association (NARFE), I urge you to cosponsor the TSP Modernization Act of 2017 (S.873/H.R. 3031). This bipartisan legislation strengthens the Thrift Savings Plan (TSP) and the financial stability of over 4 million federal and military personnel and retirees who are responsibly saving for and living out their retirement.

   b) TSP participants, including federal employees and retirees, military personnel and retirees and congressional staff, have dealt with an overly restrictive set of withdrawal rules since the beginning of the TSP 30 years ago, causing them to transfer their retirement accounts out of the TSP and into higher-fee accounts in exchange for additional options. Backed by the Federal Retirement Thrift Invest Board (FRTIB), this legislation contains a series of well thought-out withdrawal changes that would modernize the TSP and allow participants to have greater control over their retirement.

   c) Responsibly saving for retirement is a concept that all legislators should support. The proposed withdrawal options within this bill would encourage TSP participants to save for the future, all the while ensuring that they would have greater access to their hard-earned savings.

   d) It is time that the TSP takes a step forward and modernizes. For these reasons, I respectfully request you cosponsor S. 873/H.R. 3031.

IV. Personal Stories:

V. Conclusion/Thank You:

Making the proposed changes in the House Budget Committee Budget Resolution and Postal bill would cost federal employees and retirees an estimated $234 Billion over 10 years without any additional benefit. How is the federal government going to hire and retain qualified employees to serve this nation? I ask that you reject the House Budget Committee's resolution and its instructions to the House Oversight and Government Reform Committee to cut $32 billion from federal retirement programs. We ask that you also oppose any attempts to cut our retirement benefits in the future. We look forward to a written response from Representative/Senator on these issues.

1. **Review any action items from the meeting**

2. **NARFE Magazine**
3. **Reminder that you are available as a resource**
4. **After Your Meeting**
   a) **Send a thank you letter.**
   b) **If there were any questions you could not answer at the time of the meeting, address these in your follow-up/thank-you email.**
   c) **Provide a report to your District Officer and your Legislative Vice President, Scott Halstead**