



NARFE'S LEGISLATIVE ACCOMPLISHMENTS

114th CONGRESS (2015-2016) REVIEW

In the 114th Congress, the federal community continued to face assaults on its earned benefits. As a result, NARFE's legislative efforts focused on defeating proposals attacking federal employees and retirees, as well as working toward solutions to other concerns facing NARFE members. Here are highlights of the Association's accomplishments as the 114th Congress (2015-2016) concluded in December 2016.

✓ **Thwarted ALL attempts by Congress to cut the earned pay and benefits of federal employees and retirees.**

- **The House of Representatives' Fiscal Year (FY) 2016 budget resolution contained eight provisions totaling \$318 billion in cuts to the federal community.** These cuts included raising retirement contributions of current federal employees, reducing the size of the federal workforce, increasing enrollees' share of Federal Employees Health Benefits Program (FEHBP) premiums and reducing the return of the Thrift Savings Plan's (TSP) most stable investment vehicle, the G Fund. Ultimately, none of those cuts were passed into law, thanks to the hard work of NARFE and its members.
- **The Senate failed in its attempt to pay for highway improvements on the backs of the federal community.** As the Senate debated a six-year highway bill in 2015, some senators suggested offsetting the cost by changing the rate of return of the TSP's G Fund, rendering the fund nearly worthless, as the return would be lower than the average savings account. Such a change would have cost TSP participants \$32 billion. NARFE members and lobbyists sprang into action, and Congress was forced to find other sources of funding.
- **A budget agreement offsetting sequestration cuts for two years did not take from federal employees or retirees.** After the federal community contributed more than \$120 billion to pay for other priorities in recent years, NARFE members have been sounding the drumbeat: Enough is enough! A two-year budget deal was signed into law at the end of 2015, increasing spending levels by \$80 billion without offsets to the federal community, even after the initial budget called for \$318 billion in cuts. NARFE's message is resonating on Capitol Hill.

✓ **Successfully mitigated disproportionate and unfair increases in Medicare premiums.**

- **Without a cost-of-living adjustment (COLA) in 2016, millions of Medicare enrollees not "held harmless" would have seen their premiums increased by 52 percent, unless Congress or the administration took action.** NARFE began sounding the alarm on this issue on the Hill and with the administration before any other organization. Due to NARFE's lobbying efforts and the messages sent to legislators by thousands of NARFE members, a compromise fix was included in the two-year budget agreement, limiting the 2016 premium increase to 15 percent for those not held harmless.
- **In the face of a small retiree COLA in 2017, which did not trigger the budget deal's provisions, NARFE secured the introduction of legislation to mitigate the effects of Medicare premium increases for those not held harmless, in a situation similar to 2016.** While this legislation was not considered by Congress, premium increases previously had been limited (to 10 percent, as opposed to about 20 percent) through action by the administration due to concerns raised by NARFE and its coalition partners.

✓ **Protected postal retirees' health benefits through the Federal Employees Health Benefits Program (FEHBP).**

- **Postal reform legislation in both the House and the Senate would have required all eligible postal retirees and their spouses to enroll in Medicare or forfeit their earned retiree health benefits coverage through the FEHBP.** NARFE worked tirelessly to oppose these provisions, supporting amendments that would prevent loss of health insurance coverage entirely, maintain choice for postal retirees



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and/or reduce the cost of additional coverage. Ultimately, sponsors of the legislation were unsuccessful in bringing it before Congress, in large part due to NARFE's objection to mandatory Medicare.

✓ **In response to significant spikes in premiums (by an average of 83 percent and as much as 126 percent) under the Federal Long Term Care Insurance Program (FLTCIP), NARFE secured critical information and support for enrollees and pushed Congress to act to avoid a repeat of the situation.**

- NARFE provided critical information and secured dedicated support for Association members who participate in the program. NARFE secured a dedicated phone line and personalized counseling for NARFE members from the staff of the contractor administering FLTCIP. NARFE also hosted an informational webinar to help enrollees with their choice of coverage options.
- NARFE played a critical role in securing a November 2016 hearing on the FLTCIP rate hike at which NARFE President Richard G. Thissen testified. NARFE offered policy solutions to improve the affordability of the program and prevent such staggering premium increases from occurring again. NARFE is continuing to promote legislative solutions.

✓ **Worked to keep Association members informed regarding the data breaches at the Office of Personnel Management (OPM).**

- Following the announcements of two OPM data breaches, NARFE stayed in constant communication with OPM officials to ensure NARFE members were provided the information they need to protect their financial well-being. NARFE immediately created a website to provide answers to members' questions. NARFE also testified on Capitol Hill, stressing: "It is imperative that we not only act swiftly to remedy this situation, but we also must ensure an incident of this magnitude does not repeat itself. We must do a better job of protecting the millions of federal employees who serve this nation."

✓ **Worked to increase identity theft protection provided to individuals impacted by the data breaches at OPM.**

- NARFE supported lifetime identity theft protection, while the services offered after the breaches only cover three years. In the FY 2016 Omnibus Appropriations bill, those impacted were awarded 10 total years of coverage. While not the lifetime coverage NARFE sought, this was a notable improvement to the length of the protection.

✓ **Supported efforts to protect TSP participants from receiving bad financial advice.**

- NARFE testified before the Department of Labor in favor of a rule to hold financial advisers to a "best interest" standard, instead of the current "suitability" standard, when providing advice regarding rollovers and other financial matters. Speaking for NARFE, President Thissen's testimony focused on NARFE's concern that federal employees and retirees and military personnel who are invested in low-fee TSP funds are not adequately protected from bad financial advice, particularly about whether to roll over TSP funds into an outside individual retirement account. The rule became effective in June 2016, and initial compliance requirements begin in April 2017.

✓ **NARFE's media coverage reaches new heights.**

- Throughout the 114th Congress, NARFE saw unprecedented coverage in the press, thanks to a combination of being out in front on certain issues and efforts to draw attention to others that were being overlooked by the media. On topics as wide-ranging as the Medicare Part B issue, the new Self Plus One option and the OPM data breach, NARFE was mentioned in the press more than 750 times in 2015 and nearly 190 times in 2016. NARFE also garnered more coverage in national news outlets, including CBS Evening News, on which NARFE's legislative director appeared, and Fox Business News, on which NARFE's legislative counsel appeared.