

June 7, 2022

Sent via email to members of the United States Senate

Dear Senator:

On behalf of the National Active and Retired Federal Employees Association (NARFE), I urge you to cosponsor S. 4221, the Equal COLA Act. This bill fixes a longstanding issue afflicting federal retirees in the Federal Employees Retirement System (FERS), whereby their earned annuities fail to keep pace with inflation due to an inequitable policy that reduces their annual cost-of-living adjustments (COLAs). The impact of this unfair policy is exacerbated during times of high inflation, as our nation is experiencing now, and brings additional challenges to retirees living on fixed incomes.

Current law treats COLAs for FERS annuities differently from COLAs for Civil Service Retirement System (CSRS) annuities and Social Security. If the annual COLA falls between 2 and 3 percent, then the FERS COLA holds at 2 percent. If the COLA exceeds 3 percent, then the FERS COLA is reduced by one percentage point. Meanwhile, CSRS and Social Security beneficiaries receive full COLAs each year. This inequitable policy, enacted in the 1980s with the creation of FERS, fails to fully protect the earned value of FERS annuities.

Full COLAs based on the actual measure of inflation are imperative to preventing undue erosion to the value of earned federal annuities. Without the passage of this legislation, FERS retirees will continue to face unfair losses to their annuities as a result of inflation – the exact outcome COLAs were designed to prevent. The Equal COLA Act is a necessary step toward maintaining the value of what FERS retirees earned through careers of committed service to the American people, and I urge you to support this legislation.

We cannot allow inflation to cause further harm to those living on fixed incomes. It is time Congress moves forward with this legislation. No retiree deserves to see his or her fixed income devalued each year because of a misguided policy set by the federal government.

For these reasons, I urge you to cosponsor the Equal COLA Act. Thank you for your consideration of our views. If you have any questions or concerns, please contact NARFE's Staff Vice President for Policy and Programs John Hatton at jhatton@narfe.org.

Sincerely,



Ken Thomas
NARFE National President