

118TH CONGRESS LEGISLATIVE PRIORITIES

Oppose Any Cuts to Earned Federal Retirement and Health Benefits

In exchange for years of hard work, federal employees and retirees were promised retirement annuities and retiree health care. These benefits were earned fairly and paid for. They should not be altered in retirement. Doing so would deprive federal retirees of security of their health and finances. Past proposals have sought to reduce or eliminate cost-of-living adjustments, decrease the government share of health insurance premiums, reduce the initial retirement benefit for those approaching retirement, and reduce the rate of return on federal civilian and military retiree savings in the Thrift Savings Plan G Fund. NARFE strongly opposes these proposals and urges that they be non-starters in future budget negotiations.

Support Reform or Repeal of the WEP and GPO

The Windfall Elimination Provision (WEP) unfairly reduces earned Social Security benefits based on government employment. The Government Pension Offset (GPO) unfairly reduces or eliminates the Social Security benefits government retirees could collect based on their spouse's work record by two-thirds of their own government pension. NARFE supports fully repealing the WEP and the GPO via passage of the Social Security Fairness Act, H.R. 82/S.597. We also support efforts to reform the WEP and GPO, as we recognize that even partial relief would represent a substantial improvement over the status quo.

Support for Full COLAs for Federal Retirees

NARFE supports providing Federal Employees Retirement System (FERS) annuitants with an annual COLA equal to the relevant CPI increase via passage of the Equal COLA Act, H.R. 866, and reintroduction and passage of S. 4221 (117th Congress). Current law holds the FERS COLA at 2 percent if the full COLA falls between 2 and 3 percent, and it reduces FERS COLAs by one percentage point if the full COLA exceeds 3 percent. This inequitable policy, enacted in the 1980s with the creation of FERS, fails to fully protect the earned value of FERS annuities. NARFE also stands against efforts to base COLAs for federal annuities and Social Security off the flawed Chained Consumer Price Index (CPI). A switch to Chained CPI would reduce earned benefits and fail to keep pace with the true cost retirees face.

Strengthen the Office of Personnel Management's (OPM) Retirement Services (RS) division

NARFE is concerned with significant retirement processing delays and the inability of annuitants and their families to connect with OPM to receive needed assistance. NARFE has supported including language in Financial Services and General Government appropriations committee reports to require publication of retirement claims and benefit change processing times, call center response rates, along with quarterly congressional briefings on the issues. NARFE supports continued congressional oversight to push OPM to modernize processes and technology to improve customer service levels, and adequate funding for OPM RS to do so.

Protection for Enrollees in the Federal Long Term Care Insurance Program

After enduring premium increases as high as 25 percent and 126 percent in connection with the last two contract renewals of the Federal Long Term Care Insurance Program (FLTCIP), enrollees will face yet another premium increase in 2023, likely well beyond the limit of what

they could reasonably expect when they signed up. This creates an unfair, and financially burdensome situation for enrollees, forcing them to either cancel their coverage and forfeit the premiums already paid or take on significantly higher premiums to retain their coverage. AS such, NARFE supports allowing enrollees the option of a partial refund of their premiums rather than forcing them to pay yet another premium increase. NARFE also supports introduction of legislation to provide relief from FLTCIP premium increases above the quoted amounts via tax credits or tax deductions.

Support Improved Integration of Medicare with the Federal Employees Health Benefits (FEHB) Program

Federal annuitants enrolled in both FEHB and Medicare Part B pay two sets of premiums for overlapping, and often duplicative, coverage. While they benefit from lower cost sharing payments (deductibles, copayments, and coinsurance), they pay more up front. For this reason, many federal annuitants decline Medicare Part B, and NARFE continues to oppose mandatory Medicare enrollment. Furthermore, FEHB plans often provide prescription drug coverage in lieu of Medicare Part D. This leaves FEHB on the hook for a greater amount of retiree health insurance coverage than most employer-sponsored plans typically assume, raising costs for the entire program. Improving coordination between FEHB and Medicare – without shifting costs onto retirees – would help increase Medicare enrollment and reduce costs for both FEHB and enrollees. Toward that end, NARFE supports expanding reimbursement for Part B premiums, as some FEHB plans currently do, waiving Part B late enrollment fees for individuals covered by FEHB, ensuring FEHB plans gain access to any prescription drug pricing negotiated by the Department of Health and Human Services for the Medicare program, allowing FEHB plans to integrate with Medicare Part D, and ensuring FEHB/PSHB participants integrated into Part D receive adequate reimbursement for any Income Related Monthly Adjustment Amount (IRMAA) they must pay. These policies may be implemented via administrative action, but we also urge support from congressional representatives.

Support Market Rate Increases to Federal Pay Rates / Oppose Federal Employee Compensation Cuts

Federal pay rates must be competitive to recruit and retain a well-qualified and high-performing workforce. To maintain competitive pay rates, NARFE supports an average increase of at least 5.2 percent, on average, for calendar year 2024. Furthermore, the competitiveness of federal compensation should not be undermined by benefits cuts. NARFE opposes proposals that would effectively decrease the pay of federal employees by reducing benefits, such as past proposals to increase contributions towards retirement – nothing more than an immediate across-the-board pay cut.

Improving Government Operations and Protecting the Merit System

NARFE supports efforts to modernize federal human capital management, from hiring process reforms to performance management improvements, to ensure effective and efficient government operations. But NARFE stands firmly against any attempts to undermine the merit based civil service, a system that ensures federal employees are hired and fired based on their competence, rather than political connections or lack thereof. To these ends, NARFE supports the Saving the Civil Service Act, H.R. 1002/S.399; and the Chance to Compete Act, H.R. 159/S.59.