

NARFE ADVOCACY PRIORITIES FOR 2025-26

1. Oppose Cuts to Earned Federal Retirement and Health Benefits

Federal employees work hard and contribute for years to earn and to pay for retirement annuities and health care. These benefits must not be altered to threaten the health and financial security of federal employees and retirees. Past proposals sought to cut or eliminate cost-of-living adjustments (COLA), decrease the government share of health insurance premiums, increase employee contributions toward retirement with no added benefit, reduce the initial retirement benefit for those approaching retirement, and/or cut 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 rejected. Specifically, NARFE opposes cuts considered and included in the House Oversight and Government Reform Committee Print for budget reconciliation legislation and opposed the House-passed version of H.R. 1 due to provisions impacting earned, vested federal retirement benefits.

2. Protect the Integrity of Government Operations and the Merit-Based Civil Service

a. Oppose Efforts to Eliminate or Undermine the Merit-Based Civil Service

A competitive, merit-based civil service provides continuity through changing administrations, preserves institutional knowledge and expertise within the federal government, and safeguards the rule of law. Civil service rules ensure federal employees are hired and fired based on their job performance and not what political connections they have or lack. The rules also protect employees from being removed for choosing adherence to the Constitution, laws, and professional standards over political allegiance or politically motivated actions. NARFE filed suit in the U.S. District Court to block the implementation of President Donald Trump's Executive Order 14171 creating Schedule Policy/Career (or Schedule P/C, formerly known as Schedule F). Schedule P/C would exempt a substantial number of positions from rules that ensure merit-based hiring and firing. NARFE opposes these policies, and supports passage of the Saving the Civil Service Act ([H.R. 492/S. 134](#)) to prevent the erosion of merit-based civil service protections.

b. Oppose Across-the-Board Reductions in the Size of the Federal Workforce

President Trump's executive order, "Implementing the President's 'Department of Government Efficiency (DOGE)' Workforce Optimization Initiative," seeks to reduce the size of the federal workforce starting with a hiring freeze and large-scale reductions in force (RIFs). NARFE opposes policies which would undermine critical government operations on behalf of the American people. Rather, DOGE efforts aimed at improving efficiency and eliminating waste, fraud and abuse should utilize the talents and initiatives of the federal workforce, including the recommendations from the Government Accountability Office (GAO) and agency inspector generals to address overpriced and/or underperforming contracts, improper payments, fraud, and other abuse. Decreasing the size of the federal workforce overseeing federal spending and operations – or installing political cronies into positions currently occupied by civil servants – is much more likely to lead to greater inefficiency, waste, fraud, and abuse by private-sector actors seeking to siphon taxpayer dollars for their own benefit; not less.

c. Support Market Rate Increases to Federal Pay Rates

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 3.8 percent, on average, for calendar year 2026 through the appropriations process, and supports the FAIR Act, H.R. 493/ S. 126. 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 increasing contributions towards retirement or

eliminating the Federal Employees Retirement System (FERS) annuity entirely, which have been considered in the past. This amounts to nothing more than an immediate across-the-board pay cut.

3. Support Full COLAs for Federal Retirees

NARFE supports providing FERS annuitants with an annual COLA equal to the relevant CPI increase as proposed in the Equal COLA Act, ([H.R. 491/S. 624](#)). 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 genuine cost retirees face.

4. Support More Choice and Lower Costs for Federal/Postal Health Benefits Programs

Choice has been a hallmark of the Federal Employees Health Benefit (FEHB) program, allowing enrollees to select a health plan that best meets their needs while encouraging competition among plans vital to managing costs and maintaining high quality service and care. NARFE supports efforts by federal agencies and the Office of Personnel Management (OPM) to empower federal employees and retirees to take advantage of the choices provided via improved educational and training resources. Additionally, NARFE supports choice regarding Medicare enrollment (notably for Part B and Part D) for federal and postal retirees, including the reversal or annulment of an OPM regulation preventing postal retirees from maintaining prescription drug coverage via their Postal Service Health Benefits (PSHB) plan. NARFE also supports FEHB/PSHB plans expanding reimbursement for Part B premiums, as some plans currently do, and enacting legislation that would treat FEHB/PSHB coverage as creditable coverage for Part B, permitting the waiver of Part B late enrollment fees for individuals covered by these programs.

5. Strengthen OPM's Retirement Services division

NARFE has been concerned with the continued inability of annuitants and their families to connect with OPM for assistance and the prospect of long retirement processing delays. NARFE supports funding for OPM's Retirement Service to meet its goals, including for the widespread adoption of an online retirement application and a digital case management system. NARFE has supported language included in Financial Services and General Government appropriations committee reports to require OPM to publicize various retirement claims and benefit change processing times and call center response rates and to provide quarterly congressional briefings on these issues. NARFE supports continued congressional oversight to push OPM to modernize processes and technology to improve customer service levels.