



NARFE Members Get...

✓ Legislative Representation

NARFE's national legislative program is advanced in Congress by a team of registered lobbyists backed by an informed network of grassroots activists in every state and congressional district, and a member-supported political action committee. NARFE is respected by members of Congress and the administration and is a key player in the federal community.

✓ narfe Magazine and Website

NARFE's website, www.NARFE.org, and its monthly magazine are the primary news sources for information about federal retirement, health and benefit issues.

✓ NARFE Retirement Support

NARFE's Federal Benefits Service Department staff assist federal employees, retirees, their spouses and beneficiaries in matters relating to CSRS and FERS retirement; employee and retiree health, life and long-term care insurance; Medicare; Social Security; and the Thrift Savings Plan. This is the reliable resource for any and all of your benefits questions.

✓ Special Member-Only Discounts

Your membership entitles you to special benefits on insurance programs, health services, travel and much more!

✓ Join NARFE Today!

The National Active and Retired Federal Employees Association (NARFE) is the **only** association solely dedicated to safeguarding and enhancing the benefits of America's active and retired federal employees, and their survivors.

Join online at
www.NARFE.org/Join

or call 800-627-3394



**National Active and Retired
Federal Employees Association**

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Pop Quiz On Federal Benefits

Which of YOUR Benefits are at Stake?

- Retirement Annuities
- Employee Pay
- Health Benefits
- Thrift Savings Plan
- Cost-of-living Adjustments

The answer is
ALL OF THEM!

*More questions and startling
answers inside ...*



Pop Quiz

Your retirement annuity and Thrift Savings Plan accounts are safe from budget cuts.

True False **The answer is FALSE!**

THE TRUTH IS ... Congress has the power to make changes that could impact your retirement security at any time!

Despite the political climate focusing on budget deficits and cost cutting, many federal workers and retirees still believe their annuities and benefits are guaranteed at present levels.

This belief is in stark contrast to all we have witnessed as Congress and the administration continue to throw federal benefits on the chopping block when confronted with budget issues.

Here are some of the current proposals that are being considered by Congress and the administration:

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

In a budget resolution, the House approved a measure that would decrease the rate of return on the TSP's most secure fund, the G Fund. The fund's current annualized interest rate averages 2 percent; the proposal would result in an interest-rate drop to an annualized 0.02 percent. Interest earned from the G Fund would be lower than inflation, making the effective return negative. This would affect nearly 4.3 million people invested in the G Fund.

Cutting or eliminating cost-of-living adjustments (COLAs) for federal retirees

The administration's budget proposal eliminates COLAs for current and future Federal Employee Retirement System (FERS) retirees and cuts COLAs by 0.5% for Civil Service Retirement System (CSRS) retirees.

This would drastically reduce the earned retirement benefits of public servants. These proposals would save \$41.8 billion over a 10 year period but at a cost to federal retirees. When the historical average for COLAs over the past 40 years is applied to the median CSRS

and FERS annuities, the data shows that these policies would deprive retirees of hundreds of thousands of dollars in earned benefits over time.

Eliminating the FERS Annuity Supplement

FERS employees who retire from federal service before they are eligible to receive Social Security receive a supplement until they can collect Social Security. Congress and the administration have supported elimination of this benefit for current employees.

Is the Federal Employees Health Benefits Program (FEHBP), long considered the industry standard as a model health insurance program, safe from congressional changes?

True False **The answer is FALSE!**

THE TRUTH IS ... The FEHBP is being targeted by Congress. In the House fiscal year 2016 budget, Congress voted to:

- Tie the government's share of FEHBP premiums to inflation, instead of the current formula in which the government contributes 72 percent of the average of all the plans. NARFE's analysis of this change found enrollees would go from paying 28 percent of the premiums to more than 50 percent of the premiums after just 7 to 8 years. The cumulative loss to someone with family coverage is \$50,000 over those years.
- Tie the government's share of FEHBP premiums in retirement to the retiree's years of service. Presumably, the fewer years you worked, the larger your share of the premiums would be.

In the past six years, federal employee pay increases have lagged behind the private sector (including a three-year pay freeze) private-sector wages rose 11.3 percent and the cost of living increased 9.3 percent. Do you think Congress will attempt to decrease federal employees' paychecks further?

True False **The answer is TRUE!**

THE TRUTH IS ... Several times over the past few years, Congress and the administration have proposed increasing the amount current federal employees contribute to their retirement, anywhere from 1.2 percent to over 6 percent! The House has voted

several times to increase federal employee retirement contributions by over 6 percent. This amounts to nothing more than an immediate 6 percent pay cut for workers, the equivalent of losing three weeks of pay every year!

The Federal community have never contributed towards deficit reduction or shared sacrifice.

True False **The answer is FALSE!**

THE TRUTH IS ... Over the past several years, the federal community has contributed more than \$120 billion toward deficit reduction. From a three-year pay freeze that cost employees \$98 billion in lost wages, to TWO increases in retirement contributions for new hires, which is costing them \$21 billion, the federal community has done more than it's fair share. On top of that, more than 750,000 federal employees lost anywhere from 1-10 days of work in 2013 due to sequestration-related furloughs that cost them more than \$1 billion in lost wages in 2013 alone.

Fortunately, none of these have been adopted ... YET!

NARFE is the only organization dedicated solely to protecting the health care and retirement benefits of federal employees and their survivors?

True False **The answer is TRUE!**

THE TRUTH IS ... Federal health and retirement benefits often become bargaining chips in times of belt-tightening.

NARFE's sole mission is to safeguard your benefits and alert you when budget cuts threaten to reduce or even eliminate your earned benefits. Since 1921, NARFE's lobbying efforts have been indispensable in preventing Congress from taking action against your retirement income.



Join NARFE Today!