

[Close Window](#) [Print This Page](#)

November 17, 2017
November 17, 2017

Message from NARFE President Richard G. Thissen

"There will not be a hotline next week, so I want to take this opportunity to wish you all a happy Thanksgiving. The federal family has faced many threats this year, and I am most thankful for the NARFE members who have taken action to protect their earned pay and benefits. Now, a new threat looms on the horizon as the federal government quickly approaches December 8, the day the latest continuing resolution expires and the government is no longer funded. If past is prologue, the federal community could be targeted as a means to offset increases in government spending. Please contact your legislators and tell them not to cut the earned pay and benefits of the federal community in any bipartisan two-year budget agreement."

Act Now! Budget Spending Agreement Could Threaten Federal Benefits

The government is currently operating under a continuing resolution, which expires on December 8, leaving Congress with a tight window to keep the government funded, especially considering Congress is in recess next week for the Thanksgiving holiday.

Congress could go multiple routes during this process, most likely passing another short-term continuing resolution. However, at some point fiscal year 2018 will have to be fully funded, and Congress will push to do this by the end of the year. NARFE is particularly concerned about the possibility of another two-year bipartisan budget agreement, which could use federal benefits as an offset for raising sequestration budget caps.

★ Congress passed bipartisan agreements in 2013 and 2015, both setting government funding levels for two years. Bipartisan negotiations are underway to do the same for fiscal years 2018 and 2019. If the final agreement follows the same pattern as the last two, increases in agency budgets would require offsets in spending. In 2013, increased retirement contributions for newly hired federal employees were used as an offset. Feds were spared in the 2015 agreement.

This time around, all of the proposals we've been successfully fighting are back on the table. These include ending the FERS Annuity Supplement, eliminating or reducing cost-of-living adjustments, decreasing the value of Thrift Savings Plan funds and increasing retirement contributions for current employees.

NARFE members must once again mobilize and take action to protect their earned pay and benefits. Take a few minutes today to contact your legislators and tell them that the federal community has paid more than its fair share and should not be targeted again by going here. NARFE members successfully made their voices heard just recently; the time has come to do it again.

House Passes Tax Reform Bill

The House passed its version of tax reform by a party-line vote of 227 – 205, handing the next move on tax reform to the Senate. The bill did not cut federal retirement or health

benefits, but NARFE is closely monitoring the process of tax reform for potential implications on the federal community.

One area of concern NARFE has with the House version of the bill is the repeal of the medical expense deduction. Millions of taxpayers over age 65 use this deduction to reduce large out-of-pocket medical expenses, such as nursing home care, which can potentially bankrupt consumers. NARFE has joined with its coalition partners in the Leadership Council of Aging Organizations (LCAO) to oppose the repeal of this deduction. The Senate version of the tax bill, which was approved by the Senate Finance Committee on November 16, does not currently contain a repeal of this medical expense deduction.

NARFE will continue to provide updates on the status of the tax reform as it moves through the legislative process.

Consumer Prices Decrease in October

Last month, a 2.0 percent cost-of-living adjustment (COLA) was announced for civil service annuities, Social Security benefits and military retirement annuities in 2018. Now that the 2018 COLA is set, NARFE is tracking consumer prices for the 2019 COLA.

Relevant to the 2019 COLA, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) decreased 0.15 percent in October 2017. The new CPI-W figure for October 2017 was 240.573, 0.38 percent higher than the average CPI-W for the third quarter of 2017 (239.668), which will be used to determine the 2019 COLA.

Individuals receiving insurance benefits under the Federal Employees' Compensation Act (FECA) received a 2.0 percent COLA in March 2017. Looking ahead to the 2018 COLA for FECA benefits, which is computed on a calendar-year basis, the October 2017 CPI-W figure (240.573) is 2.20 percent higher than the December 2016 CPI-W figure (235.390).

No Legislative Hotline November 24

Because of the Thanksgiving holiday, there will be no Hotline next week. NARFE Headquarters will be closed November 23-24. The Hotline will return to its regular schedule on Friday, December 1.

Make Your Voice Heard in Congress

NARFE members are encouraged to use the NARFE Legislative Action Center to quickly and easily send letters to members of Congress on a variety of NARFE issues, sign up for action alerts and track NARFE-related bills and votes.

Have you attended a meeting, town hall or telephone town hall with your senator(s) or representative recently? Fill out a simple feedback form here in the Action Center to tell NARFE's legislative staff the details of your legislator's stance on NARFE issues.

Obtaining the Hotline

This weekly legislative message is emailed to NARFE members, posted on the NARFE website and available to NARFE members via telephone by calling 1-800-456-8410 and selecting option 4. Past editions are archived online for NARFE member access. If you have any questions regarding the information in this Hotline, please email NARFE's Legislative Department at leg@narfe.org or call 1-800-456-8410 and select option 3.