



COLA, Benefits, and Congressional Actions

Hello everyone. The following message below appeared on the NARFE.ORG website. We thought of it as being very important to you our NC NARFE members concerning governmental action on your COLA and benefits.

Please remember to Vote this coming November and inform yourselves of the issues that effect us one and all. Please contact me at carobeach1@aol.com or 910-619-0762 with any questions.

Message from NARFE President Richard G. Thissen:

“Federal retirees rightfully earned their annuities through hard work in service to the American people. If retirees are not provided sufficient cost-of-living adjustments (COLAs), their earned retirement security will be eroded by inflation. Despite the announcement of a 2.8 percent COLA in 2019, the current COLA formula does not accurately account for the spending habits of seniors, and therefore retirees are not fully protected from rising consumer prices. This may be the largest COLA increase since 2012, but it still falls short of what seniors need to keep pace with rising costs.”

COLA Announced for 2019

Based on the latest consumer price data released by the Bureau of Labor Statistics, the 2019 COLA for Civil Service Retirement System (CSRS) annuities and Social

Security benefits will be 2.8 percent. This is the largest COLA for CSRS retirees and Social Security beneficiaries since 2012. Meanwhile, retirees under the Federal Employees Retirement System (FERS) will not receive the full amount and instead will only receive a 2 percent COLA to their annuities.

CSRS annuity and Social Security benefit COLAs are adjusted according to the change in the Consumer Price Index for Urban Wage Earners (CPI-W) from year to year, based on the average of the third-quarter months of July, August and September. However, pursuant to federal law, when the CPI-W increases between 2 and 3 percent, FERS COLAs are unfairly and arbitrarily capped at 2 percent. NARFE opposes this policy and is urging Congress to ensure FERS retirees receive the full COLA necessary to protect the value of their earned annuities from rising inflation.

The COLA, as currently calculated, fails to accurately account for how seniors spend their money and the extent they are impacted by rising consumer prices. Using the CPI-W inaccurately bases seniors' COLAs on the spending habits of urban wage earners and clerical workers under the age of 62. Instead, COLAs should be calculated based on the CPI-E. NARFE strives for the fair assessment of consumer prices in the determination of annual COLAs. To that end, we support the CPI-E Act of 2017, [H.R. 1251](#), which would change the calculation of annual COLAs to more accurately reflect the actual spending habits of Americans over age 62. Click [here](#) to contact your legislators and ask them to cosponsor the CPI-E Act of 2017.

Pon Resigns as OPM Director

On October 5, Dr. Jeff Pon abruptly resigned from his Senate-confirmed post as Director of the Office of Personnel Management (OPM). The same day, the White House appointed Margaret Weichert to the position of Acting Director of OPM. In a [statement](#), the White House claimed Weichert will take on the new OPM responsibilities in addition to her current duties as the Deputy Director for Management with the Office of Management and Budget (OMB). In this position, Weichert is involved in the administration's efforts to reshape the civil service and transform the role of OPM.

Pon held the position of OPM Director for roughly seven months. During that time, he played a key role in advancing many of the Trump administration's proposals related to the civil service, and was working to unveil a major civil service reform package

this month. Pon also advocated for many of President Trump's fiscal year 2019 (FY19) budget proposals that would reduce federal earned pay and benefits.

Pon came into the job with his own vision of a civil service modified for the needs of future generations. He prioritized the digitalization of employee and retiree records to streamline OPM services, the flexibility for future federal workers to smoothly come and go from federal service, the acceleration of federal hiring processes to ensure we are able to attract top talent, as well as the heightened public appreciation of federal employees for the indispensable services they provide.

Legislation Creating Process for Government Reorganization Advances

Following release of a plan to privatize the U.S. Postal Service (USPS) and move federal benefits programs out of OPM, NARFE members should [contact](#) their legislators and voice their unease with the [administration's government reorganization plan](#). On September 26, the Senate Homeland Security and Governmental Affairs Committee approved the Reforming Government Act of 2018, [S. 3137](#), and unanimously advanced a modified version of the legislation to the full Senate chamber. S. 3137 would create a procedure for the Office of Management and Budget (OMB) to submit a formal government reorganization plan to Congress for consideration and a vote. The legislation would provide OMB two years to submit a formal reorganization plan to Congress that would accomplish cost savings or decrease the number of federal agencies.

During the markup, Democrats expressed apprehension that a 51-vote requirement to pass the reorganization proposals would pollute the process with partisanship and diminish any opportunity to accomplish meaningful reforms. To induce bipartisanship, Sen. Heidi Heitkamp, D-ND, put forward an amendment that would require a 60-vote margin to pass the formal reorganization proposals into law. After further deliberation, the committee agreed to a modified amendment introduced by Heitkamp and then reported the bill favorably to the full Senate. This amendment maintains the simple majority vote, but requires the formal reorganization plan to acquire a minimum of five cosponsors from each party to ensure bipartisanship and minority party buy-in. Companion legislation in the House has not been considered.

NARFE has grave concerns with certain aspects of the administration's reorganization plan. Among these is a concern that transferring federal personnel policy from OPM to

the Executive Office of the President risks exposing nonpartisan career civil servants to tumultuous politicization. This is especially troubling considering the administration's recent proposed cuts to federal earned pay and benefits. Likewise, the administration of federal retirement and health benefits may receive less attention and resources with the transferring of OPM's programmatic functions to an expanded General Services Administration (GSA). Additionally, the reorganization plan's proposal to privatize USPS would severely undermine the agency's prized universal service and jeopardize the jobs, pay, benefits and retirement security of dedicated postal employees. NARFE members should [express](#) their concerns with these changes to their legislators using NARFE's legislative action center.

Grassroots Corner

With the November midterm elections less than a month away, you may be wondering how to effectively approach your members of Congress and those running for office to ensure they are aware of NARFE and its legislative priorities. How should you impress upon candidates and incumbents the vital work of the federal community between now and November 6?

In an upcoming NARFE Advocacy webinar, Grassroots Program Manager Molly Checksfield will provide suggestions on how to connect with legislators and candidates in the final weeks leading up to the midterm elections. October advocacy during an election year is unique, and you'll want to approach your advocacy in a way that builds recognition for NARFE and its legislative priorities. The light at the end of the tunnel is visible, but the work isn't done yet.

The "Preparing for Midterm Elections" webinar, including Q&A, will be held on Tuesday, October 16, at 2:00 p.m. ET. Registration for this live event is limited to the first 1,000 registrants, so click [here](#) to register now.

For questions about this upcoming webinar, please contact advocacy@narfe.org.

Obtaining the Hotline

This weekly advocacy 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 Advocacy Department at advocacy@narfe.org or call 1-800-456-8410 and select option 3.