

NARFE's steadfast dedication to defending the interests of federal retirees and employees resulted in several legislative accomplishments in 2019, the first year of the 116<sup>th</sup> Congress. The organization's advocacy efforts over the past year focused on defeating proposals that threatened to cut billions from federal benefits, improving pay rates, enhancing benefits, guaranteeing federal workers are made whole after government shutdowns, and protecting the integrity of the agency functions on which federal employees and retirees rely. With hard work—along with persistence, perseverance and patience—NARFE and its members accomplished the following in 2019.

### ✓ **Blocking the OPM Reorganization Plan**

- In its fiscal year 2020 (FY20) budget, the Trump administration proposed reorganizing the Office of Personnel Management (OPM). The plan had the potential to subject the federal workforce to political influence and undermine OPM's ability to carry out the programs—notably, retirement services, health care and insurance—on which federal employees and retirees rely.
- NARFE President Ken Thomas [testified](#) at a congressional hearing in May voicing [concern](#) over the consequences of the reorganization plan. The testimony helped lay the groundwork for congressional action in opposition to the reorganization proposal.
- In December, a defense authorization bill signed into law by the president stopped the OPM reorganization plan from advancing at least until 180 days after year-long study by the National Academy of Public Administration (NAPA) detailing the challenges facing OPM and recommending solutions.
  - ◇ NARFE played the leading role in advancing the compromise language after it became apparent that language from the House-passed bill that simply blocked the reorganization was unlikely to pass the Senate or be signed into law.
  - ◇ Not only does the language prevent the troubling reorganization proposal from moving forward, it also an opportunity to improve OPM operations.

### ✓ **Preventing Cuts to Earned Pay and Benefits**

- In its FY20 budget proposal, the administration called for more than \$177 billion in cuts to earned

retirement benefits for current and former federal employees.

- These cuts included eliminating cost-of-living adjustments (COLAs) for current and future Federal Employees Retirement System (FERS) retirees and reducing COLAs by 0.5 percent for Civil Service Retirement System (CSRS) retirees.
- Thanks to the hard work of NARFE and its members over the years, these proposals never received serious consideration during budget negotiations. Congressional leaders and the president approved a two-year budget deal in July that raised sequestration-level spending caps on agency budgets and contained **no** cuts to federal pay or benefits.

### ✓ **Securing Pay Raises for Federal Employees in 2020 and 2019**

- The administration initially proposed freezing federal pay rates for calendar years 2019 and 2020. In August, the administration subsequently changed its position for 2020, supporting a 2.6 percent across-the-board increase.
- NARFE worked with congressional allies to prevent a pay freeze in 2019 and secure a larger, market-based pay increase for 2020.
- Specifically, as part of a year-end FY20 funding bill, Congress passed and the president signed into law a 3.1 percent average pay raise—a 2.6 percent across-the-board increase and a 0.5 percent average increase in locality rates—for federal employees in calendar year 2020.
  - ◇ The 2020 raise is the largest in a decade; it keeps pace with average private-sector increases and achieves parity with military salary increases.

◇ NARFE worked tirelessly over the course of 2019 to return federal pay raises to the statutory policy of tracking with private-sector increases and matching increases for the military—a common practice in the decades prior to 2011.

- Earlier, in February, [NARFE supported](#) the FY19 funding bill that Congress passed and the president signed into law which included a 1.9 percent average federal pay raise—a 1.4 percent raise across-the-board and an average 0.5 percent locality pay increase—retroactive to January 1, 2019.

◇ This was the first time since 2010 that Congress passed a pay raise into law through the appropriations process rather than approving a pay freeze or deferring to the president.

### ✓ **Providing Paid Parental Leave for Federal Employees**

- In March, NARFE supported reintroduction of the Federal Employee Paid Leave Act (FEPLA) of 2019. NARFE President Ken Thomas joined the [press conference](#) announcing the reintroduction.
- NARFE worked with a coalition of stakeholders and congressional allies to include the language of FEPLA in the House-passed version of the National Defense Authorization Act (NDAA) for FY20. Following House passage, [NARFE worked](#) with congressional leaders to include the language in a final conference report.
- As part of the FY20 NDAA, Congress passed and the president signed into law a provision giving most federal employees 12 weeks of paid parental leave for the birth, adoption or foster care placement of a child.

### ✓ **Guaranteeing Back Pay for Employees Furloughed During Government Shutdowns**

- NARFE teamed with congressional allies to pass the Government Employee Fair Treatment Act of 2019, which the president signed into law. The law not only guaranteed back pay for those furloughed during the 35-day shutdown that began in December 2018, but also for all future government shutdowns.

### ✓ **Addressing the Longest Government Shutdown in History**

- NARFE [continuously urged](#) Congress and the president to end the government shutdown that began in December 2018, cataloging and highlighting the damaging impacts to political leaders, civil servants and the public.
- NARFE members mobilized and worked cohesively to keep the pressure on their leaders to end the shutdown. Members sent more than 10,000 letters to Congress and submitted more than 2,000 letters to the editor. Nearly a dozen NARFE member letters to the editor were published, including one in *The Washington Post*.
- NARFE developed a “Shutdown Central” webpage providing resources for federal employees on health care, unemployment, TSP withdrawals, retirement claims and more. Several members of Congress shared this NARFE resource on social media and in newsletters.

### ✓ **Extending the Rehired Federal Retirees Waiver Authority**

- NARFE and its congressional allies worked to include language in the FY20 NDAA to extend agency authority, through 2024, to rehire federal retirees on a part-time basis without an offset to their annuities and without obtaining a waiver from OPM.
- This authorization allows the agencies to fill critical needs and creates opportunities to train the next generation of public servants.

### ✓ **Repealing the Cadillac Tax**

- Attached to a year-end FY20 government funding measure, the president signed into law a repeal of the so-called “Cadillac Tax”—a 40 percent excise tax on high-cost employer-provided health insurance benefits to employees and retirees.
- The tax, previously delayed but scheduled to go into effect in 2022, likely would have affected some Federal Employees Health Benefit (FEHB) program plans, leading to higher premiums or benefit cuts and increased cost-sharing (co-pays, coinsurance and deductibles) to avoid the tax.
- NARFE joined coalition partners to [support](#) repeal of the tax.