



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 grass-roots 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 and health care 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 rates on insurance programs, insurance, travel services 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
or call 800-627-3394.**



**National Active and Retired
Federal Employees Association**

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Alexandria, Virginia 22314-1914

F-123 (09/15)



Pop Quiz

On Federal Benefits

**Your Federal Benefits
Can Change at Any Time.
What is at Stake?**

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

✓ **ALL OF THE
ABOVE**

***More questions and startling
answers inside ...***



Pop Quiz

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

Yes No **The answer is NO!**

The harsh reality is: Congress has the power to make changes to your hard-earned federal annuity and benefits 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 continues to throw federal benefits on the chopping block when confronted with budget issues.

Each year, Congress generates a budget with levels of spending for federal programs, including benefits for federal workers and retirees. Here are some of the proposals contained in the non-law binding House fiscal year 2016 budget resolution:

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

In the 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 is 1.88 percent; the budget would result in an interest-rate drop to an annualized 0.01 percent. Interest earned on money in the G Fund would be lower than inflation, making the effective return negative, or less than worthless. This would affect the roughly 4.3 million people invested in the G Fund.

Encouraging the total elimination of the Federal Employees Retirement System (FERS)

While the budget was short on details, in a statement of policy, the budget encouraged the total elimination of one leg of the three-legged retirement stool – the defined benefit annuity – leaving new federal hires with only the TSP and Social Security. Combined with the proposed change to the G Fund, Congress is effectively taking drastic steps to lessen the retirement security of millions of federal employees.

Eliminating the FERS Annuity Supplement

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

2 The Federal Employees Health Benefits Program (FEHBP), long considered the industry standard-bearer as a model health insurance program, is safe from congressional changes since it is an exemplary program.

Yes No **The answer is NO!**

Despite being an industry leader and providing premiums on par with large private-sector companies, the FEHBP is being targeted by Congress. In the recently-passed 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 10 years. The cumulative loss to someone with family coverage is \$35,000 over those 10 years.
- Tie the government's share of FEHBP premiums in retirement to the retiree's years of service with the federal government. Presumably, the fewer years you worked, the larger your share of the premiums would be.

Fortunately, neither of these options has been adopted ... yet.

3 Over the past five years, federal employees had their pay frozen for three years and received only a 1 percent raise in 2014 and 2015. Meanwhile, private-sector wages have risen 8.3 percent in the past five years, and the cost of living increased 11 percent. Given all this, do you think Congress will attempt to decrease federal employees' paychecks further?

Yes No **The answer is YES!**

Several times over the past few years, members of Congress and the administration have proposed increasing the amount all current federal employees and retirees 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 6 percent. This amounts to nothing more than an immediate 6percent pay cut for workers, the equivalent of losing three weeks of pay every year!

4 Federal employees should be part of any "shared sacrifice" because our government needs to spend less, and the federal community hasn't contributed at all toward deficit reduction.

Yes No **The answer is NO!**

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 in their paychecks, the federal community has sacrificed. 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. Federal employees have done more than their fair share.

The sad truth is that federal health and retirement benefits often become bargaining chips in times of belt-tightening. And federal benefits are an easy pocket for Congress to pick.

NARFE's sole mission is to safeguard your benefits and to 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.

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

Yes No **The answer is YES!**



Join NARFE Today!