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### ☒ Legislative Representation

NARFE's national legislative program is advanced 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

NARFE's award-winning monthly magazine for active and retired federal employees gives current information about legislative issues that affect you, an in-depth look at federal benefits and financial planning topics, answers to your pressing questions, career issues and more!

### ☒ NARFE Federal Benefits Institute

The NARFE Federal Benefits Institute has a full library of live and recorded webinars, white papers and tools designed to help you take charge of your federal benefits and prepare for a secure future. These resources are always free to NARFE members. In addition, NARFE Federal Benefits Institute staff of experts are available to personally answer your questions about federal benefits by phone or email.

### ☒ NARFE Member Perks

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

*NARFE does not provide legal advice or assistance, does not provide financial planning advice or assistance, and does not provide tax advice or assistance. For legal, financial planning or tax advice/assistance, NARFE recommends members contact an attorney, financial planner or certified public accountant/tax adviser.*

### ☒ Join NARFE today!

As the only organization solely dedicated to the general welfare of all federal workers and retirees, NARFE delivers valuable guidance, timely resources and powerful advocacy. For nearly a century, NARFE has been a trusted source of knowledge for the federal community, Capitol Hill, the executive branch and the media.

Join online at [www.NARFE.org/Join](http://www.NARFE.org/Join) or call 800-456-8410.

National Active and Retired Federal Employees Association

## 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
- ☒ **ALL OF THE ABOVE**



# Pop Quiz on Federal Benefits

## 1 Your retirement annuity and Thrift Savings Plan account are guaranteed.

☐ True ☒ False

**THE TRUTH IS ... Congress has the power to make changes impacting 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 retirement and benefits are guaranteed.

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 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**

Both the House and the Administration have considered a proposal 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 eliminates COLAs for current and future Federal Employees Retirement System (FERS) retirees and cuts COLAs by 0.5 percent 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 of COLAs for the past 40 years is applied to the median CSRS and FERS annuities, 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 paid for and receive a supplement until they can collect Social Security. Congress and the administration have supported elimination of this benefit altogether.

## 2 The Federal Employees Health Benefits (FEHB) program, long considered the industry standard as a model health insurance program, is safe from congressional changes.

☐ True ☒ False

**THE TRUTH IS ... The FEHB program is targeted by Congress. Proposals in Congress would:**

- Tie the government's share of FEHB 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 within 8 years. The cumulative loss to someone with family coverage would be more than \$50,000 over those years.
- Tie the government's share of FEHB 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.

## 3 Federal pay continues to lag behind the private sector, with the wage gap now over 30 percent. So surely, closing the pay gap is a priority for Congress.

☐ True ☒ False

**THE TRUTH IS ... Several times during the past few years, Congress and the Administration have proposed freezing federal pay and 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.

*Thanks to NARFE, none of these have been adopted ... YET!*

## 4 NARFE is the only organization dedicated solely to protecting the earned pay, health care and retirement benefits of federal employees, retirees and their survivors.

☒ True ☐ False

**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.