



NARFE Policy and Programs Update

Colorado Federation Conference, May 24, 2023

Presented by John Hatton, Staff Vice President for Policy and Programs



Agenda

- Federal Benefits Institute with Q&A
- NARFE's Collaborative Strategy
- Grassroots and Grasstops Initiatives
- A Look Back
- Advocacy Priorities
- LEGcon23
- NARFE-PAC
- Questions & Answers

NARFE Federal Benefits Institute



Resources for NARFE Members

- **Webinars**
 - Guidance, tips and tools on federal benefits topics
 - Live Q&A with experts
- **Benefits Briefs**
 - Short, instructive articles on specific topics
- **White Papers**
 - Explainers on broad benefit topics
- **Magazine Q&A**
 - Helpful answers to complicated federal benefits questions



Personal Assistance to NARFE Members

- Federal benefits specialists
 - Provide personal answers to individual questions.
- FedHub – NARFE’s online community
 - Seek advice and feedback from other members, experts
- Partnering with the best experts around
 - Free consultation, discounts on financial planning from advisors who know intricacies of federal benefits.
 - Connection to federal benefit advisors when more in-depth consultation required.



Webinars – 2022 overview

- 16,691 registrants
- 9,114 live attendees
- At least 1,110 new members (938) and reinstatements through webinar registrations
- Net revenue (from sponsorships and member recruitment/retention): \$45,139



What's New?

- 2024 FEHB Open Season
 - OPM encouraging plans to provide Part D Employer Group Waiver Plan add-ons.
 - No additional premium cost.
 - Accrue benefits available via Medicare (soon available due to Inflation Reduction Act)
 - Drug manufacturer price discounts
 - Drug price negotiation (by DHS)
 - Limits on drug price increases
 - Limits on out-of-pocket expenses
 - Caps price of insulin at \$35 per month
 - Possible IRMAA cost, but OPM indicating plans should allow opt-out



What's New?

- [Postal Service Health Benefits Program](#)
 - Starts in January 2025
 - All postal employees and annuitants
 - Parallel set of plans to current FEHB
 - Plans must have “equivalent benefits and cost sharing requirements” to FEHB plans (except related to Part D integration)
 - OPM to ensure plans with at least 1,500 postal employees or annuitants in FEHB in 2023 offer PSHB plans “to the greatest extent practicable”



What's New?

- [Postal Service Health Benefits Program](#)
 - Waiver of Part B requirement
 - No requirement for current postal annuitants and postal employees age 64 and older as of 1/1/25, plus eligible family members of such, not already enrolled in Part B
 - Medicare Part D integration
 - Special Enrollment Period for Part B
 - 6 months starting 4/1/24
 - Eligible if not enrolled in Part B as of 1/1/24
 - Waiver of late enrollment penalties



What's New?

- Federal Long Term Care Insurance Program
 - OPM has renewed contract with John Hancock for FLTCIP
 - Enrollee letter indicated premiums would rise again
 - Did not indicate how much
 - Previous increases as high as 25 percent (2009), 126 percent (2016)
 - Premiums out in September 2023, effective January 2024



What's New?

- TSP Online / Recordkeeping System
 - Log-in difficulties
 - Data transfer issues
 - Beneficiary designations not in system, even if on file
 - Tax withholding changes
 - Delayed RMD payments for about 2,400 participants

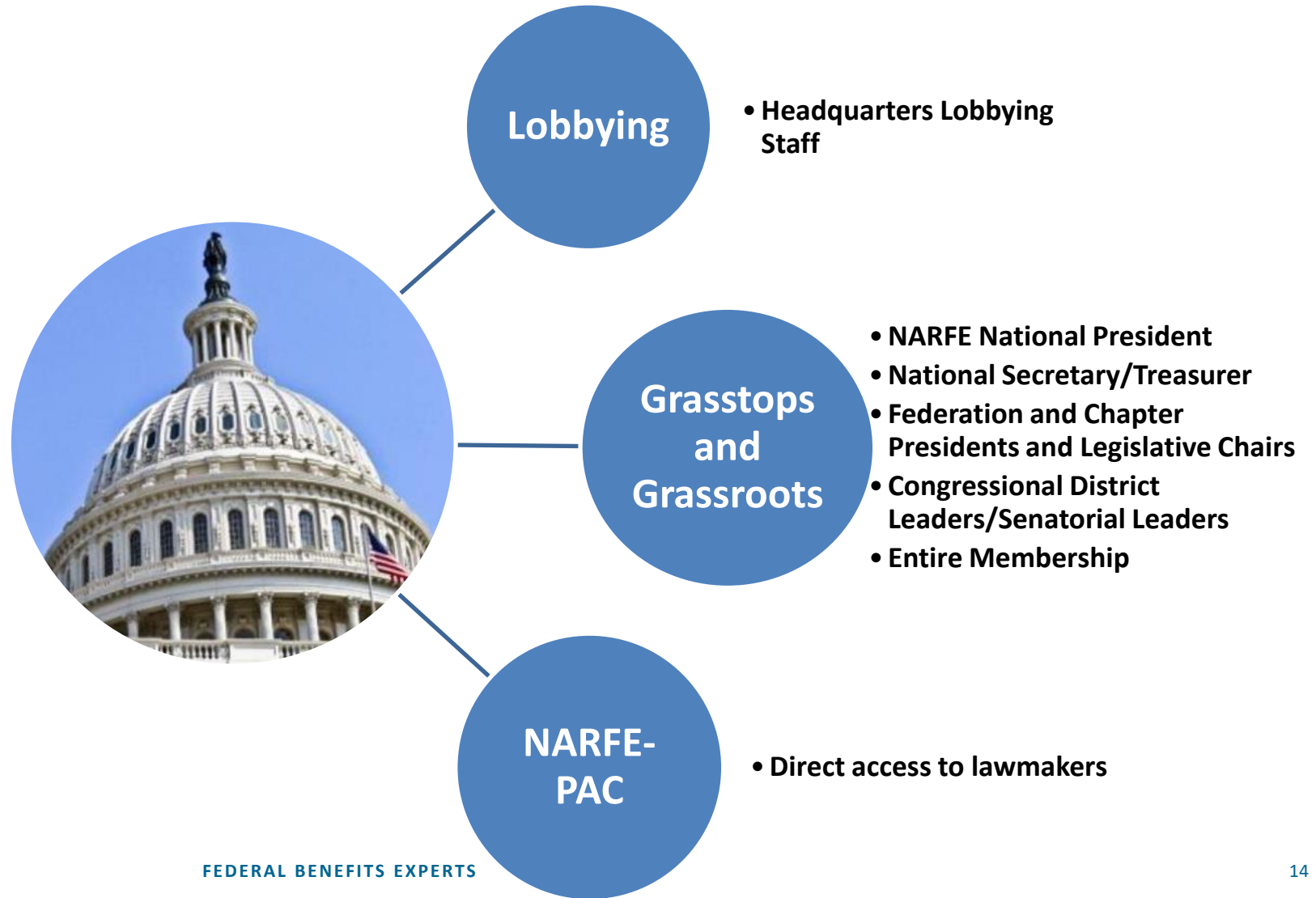
Questions?

NARFE's Collaborative Strategy



A Three-Legged Approach

- **Protecting the earned pay, rights and benefits**
 - Federal and postal employees
 - Retirees and annuitant survivors





Tactics

- **Grassroots**
 - Entire NARFE membership
 - Demonstrates size and influence of the federal community in lawmakers' districts and states
 - Letter-writing, meetings, phone calls, engagement in community events
- **Grasstops**
 - NARFE leaders
 - Often used for targeted action
 - » Utilize established congressional relationships, testify at hearings, mobilize NARFE federation and chapter members to act

NARFE's Collaborative Approach



Tactics

- **Lobbying**
 - Headquarters advocacy team and lobbyists
 - Meet with lawmakers and staff on Capitol Hill
 - Help draft legislation and provide guidance on federal community matters
 - Interact with administration and agencies
- **NARFE-PAC**
 - NARFE's political arm
 - Support fed-friendly incumbents and candidates
 - Ensures NARFE's seat at the table among other interest groups

Grassroots and Grasstops Advocacy



Overview of Initiatives

- **Advocacy Leader Trainings & Resources**
 - NARFE Advocacy Leader Guide
 - Advocacy Webpages
 - FedCon22
 - Advocacy Track
 - LEGCon23
 - June 14, 20 – 22
- **Latest News and Information-Sharing**
 - NARFE Voices – monthly grassroots e-newsletter
 - NewsLine – weekly e-newsletter
 - NARFE Magazine



Overview of Initiatives

- **Legislative Action Center**
 - Action Letters
 - Phone Scripts
- **Grassroots Campaigns/Targeting**
 - Welcome Packets to New Lawmakers
 - Follow Up Request to Gain Cosponsors for H.R. 82/ S. 597 (repeal of WEP/GPO)
 - Additional Targeted Action Alerts
 - Public Service Recognition Week LTEs
 - Grassroots Advocacy Month

A Look Back



Long-Term View

- ZERO cuts to earned federal retirement and health benefits for federal retirees and employees since 1996
 - Last rollback: Delayed COLAs to federal annuities in FY1994 through FY1996
- Faced substantial budget threats over last 10 to 12 years
 - Eliminating or reducing COLAs
 - Reducing rate of return on TSP G Fund
 - Reducing contributions to health benefits
- Recent losses limited to increased retirement contributions for new hires in 2013/2014



Postal Reform – Key Concerns Addressed

- **Maintaining Choice re: Medicare Part B for Current Postal Retirees**
 - Past bills forced current retirees to enroll in Medicare Part B as a condition of continued receipt of earned retiree health benefits.
 - Part B adds premium costs, previously declined.
- **Protect FEHB for All**
 - Earlier versions of H.R. 3076 could have increased premiums for some postal retirees and all nonpostal federal employees and retirees.
 - Actuarial analysis confirmed NARFE's concerns.
 - New version ensures separate risk pools created by bill do not adversely impact premiums for either the federal program or the new postal program.



WEP/GPO Repeal

- **First Committee Advancement Ever**
 - Secured 305 cosponsors (290 triggered House Consensus Calendar rule)
 - Committee advanced unanimously (but without recommendation) in September 2022
 - Committee leaders (and members) indicated support for addressing issue, publicly expressed intention to work on compromise
 - But also expressed concerns re: solvency, new inequities
 - **NARFE continued push for House floor vote**



WEP/GPO Repeal

- House committee leaders continued to discuss possibility of including a compromise in year-end legislation (possible tax extenders package)
- BUT, no provisions related to WEP or GPO included in year-end legislation.
- Possible holdups:
 - No tax extenders package
 - No deal on pay-for for WEP reform between Neal and Brady?
 - Objections if GPO not included
- Still able to build off progress going into 2022

Advocacy Priorities



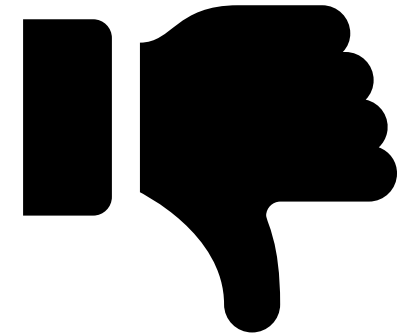
Overview

- Protect Earned Retirement and Health Benefits
- WEP/GPO Repeal or Reform
- More Accurate COLAs For FERS Retirees
- OPM Customer Service
- Relief from Federal Long Term Care Insurance Premium (FLTCIP) Increases
- Improving Medicare Integration with FEHB
- Federal Pay Increase
- Protecting a Merit-Based Civil Service



Protect Earned Retirement and Health Benefits

- **Oppose cuts to earned retirement and health benefits**
- **Past proposals include:**
 - Increased contributions toward retirement
 - Reducing rate of return on TSP G fund
 - Reductions to/Elimination of COLAs
 - Elimination of FERS annuity supplement
 - Eliminate FERS entirely
 - Increase employee share of FEHB premiums





Protect Earned Retirement and Health Benefits

- **Debt limit fight looming – tied to budget negotiations**
 - Deadline predicted in July-September
- **Budget negotiations**
 - Deadline for congressional leaders (D and R) and Biden to reach an agreement on government funding: prior to October 1, 2023
 - Unless they reach an agreement or pass a short-term continuing resolution (CR), the government will shutdown
 - Top-line agreement precedes appropriations bills
- **Threats to federal benefits loom**
 - Outside organizations already calling for additional cuts to federal benefits
 - Expect congressional budget proposals that target federal benefits
 - Possible pay-for in budget negotiations?



WEP/GPO Repeal or Reform

- **Support repeal of WEP and GPO**
 - Social Security Fairness Act, H.R. 82/S.597
 - Goal: 290 cosponsors in the House
 - Allows the bill to be placed on the House Consensus Calendar
 - Current cosponsors: 274 (as of 5/24/23)
 - 305 cosponsors in House in the past Congress
- **Support reintroduction of reform bills, inclusion of repeal in larger Social Security reform**





More Accurate COLAs for FERS Retirees

- **Support of the Equal COLA Act, H.R. 866, ensuring FERS COLAs match the change in consumer prices (and the CSRS COLA)**
- **If CPI increases above 2%, FERS retirees do not receive full COLA**
 - If between 2% and 3%, FERS COLA = 2%
 - If above 3%, FERS COLA = CPI minus 1%



OPM Customer Service

- **Support improvements to OPM customer service**
 - Congressional oversight of OPM RS
 - Support IT modernization and proper funding
- **NARFE continues to receive member complaints re: OPM customer service**
 - Inability to connect to OPM
 - Delays processing transactions (e.g., changes to health benefits)
 - Delays starting survivor annuities



FLTCIP Premiums

- **Support efforts to provide relief from premium increases**
- **OPM has renewed contract with John Hancock for FLTCIP**
- **Enrollee letter indicated premiums would rise again**
 - Did not indicate how much
 - Previous increases as high as 25 percent (2009), 126 percent (2016)
 - Premiums out in September 2023, effective January 2024
- **OPM actions**
 - Independent Actuary & Consultant Hired
- **NARFE Letter Requested Partial Refund Option**
 - Not given accurate quote re: premiums, locked into program right now



Improve Medicare Integration with FEHB

- **Support policies to reduce health care costs through improved integration of Medicare with FEHB**
 - Maintain choice for retirees re: Medicare Part B enrollment
 - Provide more plan options that provide reimbursement for Medicare Part B premiums, increase reimbursement amounts
 - Ensure FEHB plans benefit from prescription drug prices negotiated by the Department of Health and Human Services for Medicare Part D plans
 - Allow cost savings through Part D integration; reimbursement for IRMAA



Federal Pay

- **Support market-rate federal pay increases**
 - 5.2 percent average increase for 2024
 - Parity with military pay raise
 - Based on recent changes in private-sector wages and salaries
- **Biden budget includes 5.2 percent average pay increase for 2024**
- **FAIR Act would provide an 8.7% average increase in pay in 2024**





Improving Government and Protecting the Merit System

- **Support the Saving the Civil Service Act, H.R. 1002/S.399**
 - Would prohibit return of Schedule F, protect merit based civil service
- **Support H.R. 159/ S. 59, Chance to Compete Act**
 - Would improve cross-agency hiring, expand the use of subject matter experts in the hiring process, and primarily focus on an individual's relevant experience and skills rather than self-ratings and degrees
 - Passed the House 422-2
- **Support additional efforts to modernize federal human capital management**

LEGCon23



Grassroots Advocacy Training

- Virtual Conference
- Schedule
 - Know Before You Go: June 14
 - Legislative Training Days: June 20-21
 - **Virtual Lobbying Day: June 22**





Grassroots Advocacy Training

- Program
 - Congressional Speakers, Staff Panel
 - Rotating Breakout Sessions
- LEGCon23 will help you:
 - Make the most of your virtual meetings
 - Develop into a more influential advocate year-round
 - Learn how NARFE-PAC can help you build your grassroots relationships
- Registration is open. Meeting requests start going out in late May.



NARFE-PAC



Why NARFE-PAC is Important

Helps elect Fed-
friendly members
of Congress

Builds strong
relationships with
lawmakers

Ensures federal
community is
political force

Pools individual
contributions to
maximize impact

Empowers
strongest
supporters



NARFE-PAC 2021-2022 Cycle Goals

- Raise \$1,850,000: **\$1,702,094.44**
- Disburse \$1,350,000 for political contributions: **\$1,333,500**
- Send NARFE members to 120 local fundraisers: **132**



NARFE-PAC 2021-2022 Cycle Review

- 167 NARFE-PAC Supported Candidates Won Election
 - 12 new candidates
- 14 NARFE-PAC Supported Candidates Lost Election
 - 4 new candidates
- **92 percent win rate overall, 75 percent for new candidates**



NARFE-PAC 2023-2024 Goal Progress

- Raise \$1,600,000: **\$236,186**
- Disburse \$1,200,000 for political contributions: **\$151,500**
- Send NARFE members to 125 local fundraisers: **13**



Colorado: Contributions to NARFE-PAC 2023-2024 Cycle

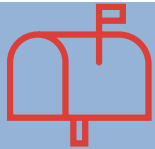
- **National only members**
 - Contributors – 59
 - Sustainers – 5
 - Total contributions – \$3,101
- **Chapter members**
 - Contributors – 62
 - Sustainers – 6
 - Total Contributions – \$3,171



Visit www.narfe.org/narfe-pac to contribute



NARFE-PAC Magazine Article in the March Issue



NARFE-PAC's Letter Campaign



Calling Headquarters

- **1-800-456-8410, option 3**



NARFE-PAC



Contribute **monthly** through your annuity or by credit card. Get started at narfe.org/pac-sustainer.

Monthly contributors of \$10 or more receive a sustainer lapel pin

OR

Make a **one-time** contribution:

- ☐ \$25 – Basic lapel pin
- ☐ \$50 – Bronze lapel pin
- ☐ \$100 – Silver lapel pin
- ☐ \$250 – Gold lapel pin
- ☐ \$500 – Platinum lapel pin
- ☐ Other: _____

Contribution totals are cumulative for the 2023-2024 election cycle



NARFE-PAC Annuity Withholding Sustainer Program

Visit www.narfe.org/pac-sustainer



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NARFE-PAC Member Homepage

[MAKE A ONE-TIME CONTRIBUTION](#)

[GIVE MONTHLY VIA CREDIT CARD](#)

[BECOME A NARFE-PAC SUSTAINER VIA FEDERAL ANNUITY](#)

NARFE-PAC Materials for NARFE-PAC Leaders

This page includes materials for NARFE-PAC leaders, including the NARFE-PAC toolkit, documents covering the roles and responsibilities of a NARFE-PAC leader, contribution forms and more.

NARFE-PAC Annuity Withholding Form

Please complete each section of this form to register with NARFE that you want to be a NARFE-PAC sustainer via your federal annuity.

NARFE-PAC Contribution and Disbursement Reports

Contribution reports detail the number of contributors and amount of total NARFE-PAC contributions by chapter, state and region, and disbursement reports detail the congressional candidates who have received NARFE-PAC funds.

FEDERAL BENEFITS EXPERTS

Questions?