

Federal Civil Service Retirement and Health Benefits Remain Unscathed in Obama Budget
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Margaret L. Baptiste, president of the National Active and Retired Federal Employees Association (NARFE), said today she is pleased that President Obama's budget for fiscal year (FY) 2011 does not recommend any reductions in the earned retirement and health security of federal annuitants and workers.

In addition, NARFE's president lauded the administration's decision to renew traditional support for pay-increase parity between federal civilian employees and military personnel.

However, Baptiste said she is concerned about a plan to force onto the retirement rolls federal workers sidelined by workplace injuries or illnesses and currently receiving workers' compensation.

"This is the first step on a long path to writing the 2011 budget, and we are relieved that there are no plans to cut civil service retirement and health benefits," she said. "Still, we remain concerned that federal workers and annuitants could be in the crosshairs of a targeted effort to reduce deficits, which have exploded as a result of actions unrelated to civil service pay and benefits.

"Many lawmakers have called for sacrifice and responsibility as the nation grapples with unparalleled economic upheaval and an unprecedented \$1.4 trillion budget deficit and \$11 trillion national debt. Patriotic federal workers and annuitants want to do their part, but not if it means they are singled out for budget cuts while others are not asked to make similar sacrifices," Baptiste said.

"However, we are happy that the administration has proposed restoring equity between federal civilian and military personnel by recommending that both groups receive the same pay increase in 2011. Pay parity is an important acknowledgement that civilians and uniformed military personnel often work side-by-side in defense of our country," Baptiste said. "While we recognize that times are tough, it will be especially difficult for lower income civilian employees and military personnel to pay higher living expenses on the proposed 1.4 percent raise."

In addition, NARFE applauded the administration's suggestion that older Americans who received no cost-of-living adjustment (COLA) in 2010 be offered a one-time payment of \$250. When the administration first endorsed this proposal in October 2009, it was argued that federal, state and local government retirees who are not eligible to receive Social Security should also be offered relief. Baptiste said NARFE will work with congressional leaders and the administration to ensure that all retired public employees receive equivalent compensation.

The president's budget recommends that Federal Employees' Compensation Act (FECA) benefits for future participants be replaced at age 65 by annuities paid through the federal retirement system. Although current FECA beneficiaries would not be affected, NARFE is concerned that the benefits of future recipients could be unfairly reduced under the proposal to move them from workers' compensation into the retirement system.

Finally, Baptiste thanked the administration for reaffirming the government's commitment to modernization of the federal retirement system, an initiative which, once implemented, would shorten the average time taken to authorize Civil Service Retirement System (CSRS) or Federal Employees Retirement System (FERS) annuity payments.

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NARFE, one of America's oldest and largest associations, was founded in 1921 with the mission of protecting the earned rights and benefits of America's active and retired federal workers. The largest federal employee/retiree organization, NARFE represents the retirement interests of nearly 5 million current and future federal annuitants, spouses, and survivors.