

April 29, 2025

***Sent via e-mail***

Dear Chairman Comer, Ranking Member Connolly, and members of the House Committee on Oversight and Government Reform:

On behalf of the National Active and Retired Federal Employees Association (NARFE), I urge you to oppose the committee print providing for reconciliation pursuant to H.Con.Res.14 due to its cuts to earned and accrued federal benefits and policies designed to undermine the merit-based civil service system that guards against corruption and politicization of the operation of law.

At a time when the current administration is conducting massive reductions in force and attempting to eliminate – or at least greatly erode – the merit-based civil service system, cuts to federal benefits and legislative policies designed to disincentivize accrual or assertion of merit-based protections would pile onto an already beleaguered and under-assault workforce, further undermining the appeal of public service on behalf of this nation.

Worse yet, the committee print includes two provisions (High-3 to High-5, and ending the FERS annuity supplement) that would reduce the value of earned retirement benefits for individuals on the brink of retirement. Such individuals have fulfilled their service to this country, and now this committee is aiming to roll back a portion of the compensation that was promised to them in exchange for such service. Further, individuals may have reasonably relied upon such benefits in financial planning. That's not just undermining the future of public service, it's taking back earned compensation from those who have already served. We urge this committee to hold harmless individuals who are already vested in the retirement system; or at the very least, we strongly urge this committee and Congress to hold harmless from changes to retirement calculations individuals who are at or near (for example, within 10 years of) retirement eligibility age.

Two additional provisions aim to enact policy changes to the merit-based civil service through spending policy – increased fees for appeals to the Merit System Protection Board (MSPB) and incentive payments to employees to shift their status to at-will employment. The merit-based civil service does not exist to protect federal employees; it exists to protect against cronyism and corruption in the civil service and fill the ranks of government with qualified individuals. Congress should protect the merit-based civil service, not encourage employees to undermine it.

While we oppose the committee print strongly, we recognize that the committee refrained from including policies that would have impacted current retirees, and we sincerely appreciate those notable omissions. Specifically, we appreciate the exclusion of a policy that would have threatened the integrity of the Federal Employees Health

Benefits (FEHB) program for both current retirees and employees by creating a voucher system that would have forced enrollees to pay more and more, year after year. To the extent it was also under consideration, we appreciate the exclusion of a policy that would have reduced the rate of return for the Thrift Savings Plan (TSP) G Fund, undermining the growth of retirement savings.

Further views on the specific provisions in the Committee Print are included as follows:

**NARFE opposes the provisions to (i) calculate the FERS and CSRS annuities based on the highest five years of pay instead of the highest three years of pay, and (ii) eliminate the FERS annuity supplement for most federal employees.** These provisions would reduce the value of earned retirement benefits, and apply as of the date of enactment. In so doing, they would break promises to retirees by reducing the value of their vested benefits. Retirement annuities are provided as part of the compensation to middle-class federal and postal workers for their work over long careers in public service. The annuities are not gifts; they were earned. Diminishing their value in any way after the accrual of such benefits fails to honor the commitments made to these public servants.

If only applied to new hires or those not yet vested, the provisions would still amount to a reduction in compensation via a reduction in retirement benefits. But holding harmless those who are already vested would avoid retroactively applying the reductions to accrued benefits. Holding harmless those who are at least 5 or 10 years from retirement eligibility would at least mitigate the degree to which the changes apply to accrual of benefits from past service as opposed to accrual from future service.

We appreciate the committee maintaining the FERS annuity supplement for individuals who are forced to retire early, but strongly urge the committee to extend such exception to anyone subject to mandatory early retirement, regardless of whether the mandatory retirement mandate forces the specific timing of their retirement. Otherwise, the provision deprives law enforcement and others subject to mandatory early retirement of a critical portion of their retirement income if they become eligible and apply for retirement prior to the mandatory separation age, or under any other different circumstances.

**NARFE opposes the provision to allow new employees to choose between at-will employment or a pay cut via higher Federal Employees Retirement System (FERS) contributions.** This provision would force federal employees to accept a 5 percent pay cut via additional contributions towards their retirement benefit (on top of the proposal to increase such contributions by 3.6 percent) in exchange for converting to at-will status without merit-based protections from politically motivated, or other unjust, termination. Such a policy fails to recognize that merit-based civil service protections do not exist for the benefit of the employee – they exist to protect the country from cronyism and corruption in the civil service.

Removing merit-based civil service protections opens the door to replacing nonpartisan, professional civil servants with political loyalists or incompetent cronies. Doing so

increases the risk of politically motivated enforcement of laws, threatening individual liberty; politically determined contract and grant awards, threatening greater corruption and waste of taxpayer dollars; and politically selective or incompetent provision of services, threatening failure of government operations for all Americans or targeted to certain disfavored groups or localities.

Congress should protect the merit-based civil service, not encourage employees to undermine it by accepting higher pay in exchange for merit-based protections.

**NARFE opposes the provision that would force federal employees appealing potentially illegal termination to the MSPB to pay a fee to do so.** As stated above, the merit-based civil service does not exist to protect federal employees; it exists to protect against cronyism and corruption in the civil service and fill the ranks of government with qualified individuals. Congress should not make it more difficult for individuals to challenge potentially illegal and politically motivated actions.

**NARFE opposes the provision to increase the FERS contribution rate by 3.6 percent of pay.** This is nothing more than a thinly veiled, across-the-board pay cut. According to the Federal Salary Council, federal employees are already paid nearly 25 percent less than their private-sector counterparts.<sup>1</sup> This would exacerbate that problem, and the recruitment and retention issues that accompany the pay disparity. It would also force vested employees to pay more into their retirement system, without any added benefit.

Though we oppose this provision, we appreciate the phased-in approach to the increase.

**NARFE does not oppose the provision to audit the FEHB program for coverage of eligible family members, even as we have some concerns regarding its implementation.** If individuals are not legally eligible for FEHB benefits, they should not be receiving them. Our only concern is the potential that efforts to prevent those who are ineligible for benefits would inadvertently take away benefits from individuals who are eligible family members, perhaps by placing overly burdensome requirements for proof of eligibility. If enacted, we would urge care in implementation.

## **Conclusion**

Day-in and day-out federal employees work with little fanfare to ensure our national defense, protect our citizens from terrorism and other crime, care for our veterans, deliver our mail, run indispensable programs such as Social Security and Medicare to provide income and health security in retirement, provide critical information regarding the weather and relief to those devastated by it, ensure the water we drink and the air we breathe is clean, and much more. They are an essential part of the solution to the challenges facing our government and our nation. We ought not to treat them as

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<sup>1</sup> Report of the Federal Salary Council Working Group:  
[https://www.govexec.com/media/general/2024/11/fsc\\_wg\\_report\\_for\\_2026\\_loc\\_pay.pdf](https://www.govexec.com/media/general/2024/11/fsc_wg_report_for_2026_loc_pay.pdf).

expendable through benefit cuts, mass layoffs or otherwise, when they are anything but that.

For these reasons, I urge you to oppose the committee print providing for reconciliation pursuant to H.Con.Res.14 due to its cuts to federal retirement benefits and policies aimed at undermining the merit-based civil service.

Thank you for your consideration of our views. If you have any questions or concerns about this request, please contact NARFE Staff Vice President for Policy and Programs John Hatton at [jhatton@narfe.org](mailto:jhatton@narfe.org) or 571-483-1267.

Sincerely,

A handwritten signature in black ink, reading "William Shackelford". The signature is written in a cursive style with a large, stylized "W" and "S".

William Shackelford  
NARFE National President