

**From:** Pat O'Carroll p.ocarroll@fleoa.org  
**Subject:** Fwd: Govexec: House GOP Takes Cue From Trump, Targets Federal Retirement  
**Date:** July 25, 2017 at 1:06 PM  
**To:** Patrick O'Carroll p.ocarroll@fleoa.org



Begin forwarded message:

**From:** Chris Granberg <CLG@scllaw.com>  
**Date:** July 18, 2017 at 5:08:53 PM EDT  
**To:** donald mihalek <djmihalek@gmail.com>, Nate Catura <ncatura@fleoa.org>, "Patrick O'Carroll, Jr." <p.ocarroll@fleoa.org>, Jon Fleoa <jadler@fleoa.org>, Dom Stokes <dominick.stokes@fleoa.org>, Larry Cosme <fleoa.ice@gmail.com>  
**Subject:** RE: Govexec: House GOP Takes Cue From Trump, Targets Federal Retirement

I'm just copying and pasting rather than sending a new email:

Gents,

As you may have seen, today the House Budget Committee released the text and accompanying documents for its FY 2018 budget resolution which is scheduled to be marked up tomorrow morning. The legislative text and narrative doc can be found [here](#).

As it did several years ago, the budget calls on OGR to submit legislative changes to reduce the deficit by \$32 billion over 10 years (between 2018 and 2027). This is part of the reconciliation instructions given to 11 of the authorizing committees to provide recommendations to the Budget Committee for changes to current laws within their respective jurisdictions that achieve the deficit reductions called for in the budget over the next 10 years.

While the legislative text does not spell it out, the report put out by the Budget Committee states that OGR will be tasked with writing legislation to (1) increase employee contributions to FERS/CSRS annuities; and (2) end the retirement annuity supplement. It does not say who or what types of employees would be impacted, as that would be left up to OGR to decide. Here is the statement from the House Republican budget plan doc, "[Building a Better America](#)" (pg. 46). I've also included below an article from Gov Exec on it.

## Civil Service Pensions

Our budget resolution also recommends reforms to civil service pensions to put them on a better fiscal path.

***Reform Civil Service Pensions.*** This budget adopts a policy proposed by the President's National Commission on Fiscal Responsibility. It calls for federal employees, including Members of Congress and their staffs, to make greater contributions to their own defined benefit retirement plans. It would also end the "special retirement supplement," which navs federal employees the equivalent of their Social Security benefit at an earlier age.

This would achieve significant savings while recognizing the need for new federal employees to transition to a defined contribution retirement system. The vast majority of private sector employees participate in defined contribution retirement plans. These plans put the ownership, flexibility, and portfolio risk on the employee as opposed to the employer. Similarly, federal employees would have more control over their own retirement security under this option.

It's difficult to say what the prospects are for the House and Senate to actually come to agreement on an FY 18 budget resolution. Other than to say it will be difficult. They are still operating under the FY 2017 budget reconciliation resolution that was necessary for them to do health care. While an FY 18 resolution will be necessary for them to do the reconciliation necessary for tax reform, once FY 18 is adopted the FY 17 resolution falls. Further, the Appropriations Committees have already taken action on a number of the FY 18 bills and are doing so without the annual resolution. Plus, they also have to worry about losing votes from all Democrats as well as some moderate (because it goes too far) and conservative (because it doesn't go far enough) Rs were this to go to the floor. And finally, there's the question of whether or not the Senate will actually take up and consider any budget resolution this year.

All this to say that, once again, it's hard to know exactly where this process will end up.

Best,

Chris

**Government  
Executive**

## **House GOP Takes Cue From Trump, Targets Federal Retirement**

By Jack Corrigan

4:07 PM ET

The House Republican budget blueprint introduced Tuesday would reduce retirement benefits for

The House Republican budget blueprint introduced Tuesday would reduce retirement benefits for federal employees in an effort to save billions of dollars over the next decade, mirroring some of the same cuts [presented](#) in President Trump's budget in May. However, it does not spell out the changes in as much detail as Trump's proposal, leaving that up to the House Oversight and Government Reform Committee.

The House resolution would require federal employees to contribute more to their own retirement funds, a deficit-reduction strategy that's gained traction in recent years. Additionally, it would eliminate annuity supplements for retirees covered by the Federal Employees Retirement System who retire before they are eligible for Social Security benefits.

However, the proposal provides does not define the size of the contribution increase, nor does it stipulate which employees would no longer receive annuity supplements—all future retirees or only new hires.

This pushes the responsibility to the House Oversight and Government Reform Committee, the legislative body that oversees the federal workforce. In its budget, the House mandated the Oversight committee reduce the deficit [by a minimum of \\$32 billion](#) between fiscal 2018 and 2027, making the committee responsible for implementing retirement provisions as it sees fit.

The budget resolution garnered sharp criticism from unions representing federal employees, which said it would disproportionately harm government workers.

“Slashing the pay and benefits of America's civil servants while lining the pockets of the wealthiest of the wealthy is a shameful way to govern the country,” [said J. David Cox Sr.](#), national president of the American Federation of Government Employees. “The budget is a slap in the face to all of the workers who care for our veterans, guard our borders, support our military, and keep our air and water clean.”

Jessica Klement, legislative director at the National Active and Retired Federal Employees Association, noted that eliminating FERS annuity supplements would leave law enforcement officers, firefighters and others with early mandatory retirement ages without income until they became eligible for Social Security. She called this situation “doubly cruel.”

Despite the backlash from employee advocates, the House resolution allows more wiggle room on workforce pay and benefits cuts than President Trump's proposed budget in May, and scales back the overall amount of the required reductions. Trump planned to increase employee retirement contributions by 1 percentage point annually for six years and do away with annuity payments for everyone retiring after Oct. 1, 2017.

Combined with reduced cost of living adjustments for people under the Civil Service Retirement System, the provisions in the Trump budget alone were estimated to decrease the deficit [by \\$63 billion](#) over the next decade, about twice the House bill's required reduction.

The House Budget Committee will meet on Wednesday morning for a markup of the budget resolution.

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By Jack Corrigan

4:07 PM ET

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**From:** donald mihalek [<mailto:djmihalek@gmail.com>]  
**Sent:** Tuesday, July 18, 2017 4:56 PM  
**To:** Chris Granberg; Nate Catura; Patrick O'Carroll, Jr.; Jon Fleoa; Dom Stokes; Larry Cosme  
**Subject:** Re: Govexec: House GOP Takes Cue From Trump, Targets Federal Retirement

Sounds like a meeting with OGR (again)....to advocate for LE and potential carve out....

Sent from my BlackBerry 10 smartphone on the Verizon Wireless 4G LTE network.

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**From:** Chris Granberg  
**Sent:** Tuesday, July 18, 2017 4:52 PM  
**To:** Nate Catura; Patrick O'Carroll, Jr.; Jon Fleoa; Don Mihalek; Dom Stokes; Larry Cosme  
**Subject:** RE: Govexec: House GOP Takes Cue From Trump, Targets Federal Retirement

I'm actually just finishing up an email to you all about this now and will send in a few.

**Chris L. Granberg**  
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**From:** Nate Catura [<mailto:ncatura@fleoa.org>]

**Sent:** Tuesday, July 18, 2017 4:52 PM

**To:** Chris Granberg; Patrick O'Carroll, Jr.; Jon Fleoa; Don Mihalek; Dom Stokes; Larry Cosme

**Subject:** Govexec: House GOP Takes Cue From Trump, Targets Federal Retirement

**And the news keeps getting better...**

**House GOP Takes Cue From Trump, Targets Federal Retirement**

[Link to article.](#)

Shared from The GovExec iPhone app.

Download the app from the iTunes store [here.](#)

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Don't Go It Alone