

The National Council of Social Security Management Associations, Inc.
GREYSTONE GROUP WASHINGTON REPORT
Legislative Report 06-2018
May 18, 2018

Latest News Regarding Civil Service Reform, President's Management Agenda and Federal Employee Benefits

The last two weeks have proven to be quite busy on the Hill relative to civil service reform in general, and the latest round of proposed federal employee benefit cuts in specific. Fortunately, there has been broad bipartisan opposition expressed to the Office of Personnel Management's (OPM) May 4, 2018, proposal to cut federal employee retirement benefits. OPM's proposal includes: elimination of Federal Employees Retirement System (FERS) annuity supplements for federal employees who retire before age 62; changing the basis of a retiree's defined benefit annuity payments from their highest three to highest five years; and increasing the amount of federal employee contributions to FERS by 1 percentage point per year up to 7.25 percent matching the government's contribution. OPM's proposal also includes reducing the cost-of-living adjustments (COLAs) under the Civil Service Retirement System (CSRS) by one half of one percent and eliminating COLAs under FERS for both current and future retirees.

Attempts last week to include OPM's proposed changes as an amendment to the Fiscal Year (FY) 2019 National Defense Authorization Act (NDAA) were ultimately unsuccessful. While this was great news, we will continue to advocate against these proposals. It is unlikely the proposals will pass as written, and also very unlikely they would be signed into law, but nonetheless we will continue to oppose them.

As part of our advocacy efforts, NCSSMA was on the Hill this week with our Government Managers Coalition (GMC) colleagues to continue to proactively address proposed cuts to federal employee benefits and pay. Along with the Federal Aviation Administration Managers Association (FAAMA), Federal Managers Association (FMA), Professional Managers Association (PMA) and the Senior Executives Association (SEA), NCSSMA's Washington Representative spent Wednesday, May 16, 2018, on the Hill. Meetings included the Office of Senator Doug Jones (D-AL); staff from the Senate Homeland Security and Governmental Affairs Committee, Permanent Subcommittee on Investigations; Office of Senator Mike Enzi (R-WY); and the Chief of Staff and Deputy Chief of Staff from OPM. Topics discussed in these meetings included: OPM's recent federal employee retirement benefits proposal; probationary period legislation; telework; hiring authorities; FY 2019 pay freeze; and the anticipated Executive Order from the Trump Administration related to the civil service.

We will be joining with our GMC colleagues again in both June and July for additional meetings on both the Hill and with OPM and the Office of Management and Budget (OMB). A GMC meeting with OMB for Wednesday, May 16, was postponed due to the House Oversight & Government Reform hearing on "Workforce for the 21st Century: Analyzing the President's Management Agenda," discussed in a number of the articles included below. Information related to the hearing may be accessed at the following link: <https://oversight.house.gov/hearing/workforce-for-the-21st-century-analyzing-the-presidents-management-agenda/>

At the hearing, OPM Director Jeff Pon told lawmakers that the proposed retirement benefit cuts were aimed at aligning the federal government's personnel practices more closely with those of the private sector.

OMB's Deputy Director for Management Margaret Weichert also testified that OMB's long-awaited and much-anticipated report on reorganization is "in the clearance process now." Weichert went on to indicate, "We expect to be releasing the reorganization and reform report in the coming weeks, and that will start the broader public deliberation process."

NCSSMA provided feedback to the Social Security Administration's (SSA) Acting Commissioner Nancy Berryhill on March 20, 2017, on the Trump Administration's Executive Order requiring agencies to develop a comprehensive plan for reorganizing. We have continued to communicate with SSA, the Hill and our coalition partners on the status of the of the request.

In related news, yesterday saw OPM's release of the report on the use of "official time" by union officials in the federal workforce. According to the [report](#), unionized federal employees clocked more than 3.6 million hours of official time in FY 2016, the most recent year for which OPM data is available. The Departments of Veterans Affairs, Treasury, Transportation, Defense and Homeland Security, along with SSA, spent the most on official time in FY 2016.

Upcoming Activities

We anticipate there will be a letter in the very near future from the Federal-Postal Coalition (FPC) strongly opposing OPM's federal employee benefits proposal. NCSSMA will lend our support to those opposition efforts and share the communication with our members once it is available.

Members of the NCSSMA Executive Committee will also be meeting with members and staff from the House Oversight & Government Reform Committee and the Senate Homeland Security and Governmental Affairs Committee in July to express concerns about federal employee pay and benefits. We will continue to provide updates as they become available.

Related Articles:

\$174,789,810 for Official Time in FY 2016

<https://www.fedsmith.com/2018/05/17/174789810-official-time-fy-2016/>

Administration officials defend planned cuts to workforce benefits

<https://fcw.com/articles/2018/05/17/workforce-management-agenda-pay.aspx?m=1>

Can OPM and fed unions agree on civil service reform?

<https://www.federaltimes.com/management/2018/05/17/can-opm-and-fed-unions-agree-on-civil-service->

reform/?utm_source=Sailthru&utm_medium=email&utm_campaign=daily%20brief%205/17/18&utm_term=Editorial%20-%20Daily%20Brief

Federal Employees Face Cuts To Retirement Benefits And Pay Freezes

<https://www.npr.org/2018/05/09/609851316/trump-administration-wants-to-cut-federal-retirement-benefits-and-freeze-salarie>

House Committee Hearing Addresses Proposed Benefits Cuts

<https://www.fedsmith.com/2018/05/17/house-committee-hearing-addresses-proposed-benefits-cuts/>

OPM chief battles criticism of 'draconian' benefits proposals

<https://www.federaltimes.com/management/pay-benefits/2018/05/16/opm-director-justifies-retirement-cuts/>

OPM Chief Defends Pay Freeze as a Chance to 'Right-Size' Compensation Across Occupations

https://www.govexec.com/pay-benefits/2018/05/opm-omb-leaders-take-tough-questions-compensation-proposals/148085/?oref=govexec_today_nl

OPM Proposes Changes to Bring Federal Benefits Closer to Private Sector

<https://www.fedsmith.com/2018/05/07/opm-proposes-changes-bring-federal-benefits-closer-private-sector/>

OPM Proposes Legislation to Cut Retirement Benefits for Current and Former Feds

https://www.govexec.com/pay-benefits/2018/05/opm-proposes-legislation-cut-benefits-current-and-former-feds/148022/?oref=govexec_breaking_alert

OPM pushes cuts to federal retirement benefits

<https://fcw.com/articles/2018/05/07/opm-pension-cuts-gunter.aspx>

OPM Reports 4 Percent Increase in Use of Official Time Over Two Years

<https://www.govexec.com/management/2018/05/opm-reports-4-percent-increase-use-official-time/148294/>

OPM Retirement Cut Legislative Proposal Draws Bipartisan Opposition

<https://www.govexec.com/pay-benefits/2018/05/opm-retirement-cut-proposal-draws-bipartisan-opposition/148157/>

Pay freeze, retirement cuts trump discussion of president's management agenda

https://www.washingtonpost.com/news/powerpost/wp/2018/05/18/pay-freeze-retirement-cuts-trump-discussion-of-presidents-management-agenda/?utm_term=.b95e598fa0b4&wpisrc=nl_politics&wpmm=1

NCSSMA TWITTER ACCOUNT

Reminder: NCSSMA has a Twitter account and we encourage you to join in and follow us! You can view and follow our page on your **home computer** at <http://twitter.com/NCSSMAORG> or your **personal mobile device** at <https://mobile.twitter.com/NCSSMAORG>.

Greystone Group LLC
3303 South Wakefield Street
Arlington, VA 22206
202-547-8530
Contact: Rachel A. Emmons
E-mail: rachele@greystone-group.com