MESSAGE FROM DAVID SENTER February 2020

David Senter - I’ve been digging into the President’s Budget proposal that impacts current and future retirees.  Many of these proposals were in last years President’s Budget that were rejected by Congress.  RASCOE needs to keep an eye on these proposals because you never know what will happen in the dark of night while a deal is being worked out.

Current employees in the FERS System would increase by 1% per year the contribution the employee makes toward retirement until it reaches the government match.  Estimates are that the increase will be about 6% for the average employee.  For employees under the CSRS system would not be effected.

1. The Budget Proposal would eliminate the supplemental payment that applies only for FERS retirees that retire before age 62.  The payment is equal to about what retirees would receive from Social Security benefits and is paid until the retiree reaches 62.
2. The Budget also would base a retirees annuity on the high 5 not high 3 as it currently is.
3. The Annual Cost of Living adjustments would be cut for both FERS and CSRS retirees, Cost of Living adjustments for FERS would be eliminated and for CSRS the adjustment would be cut in half.
4. The President’s Budget projects a $53.6 billion cut for current and future retirees over 10 years.
5. In another section, the interest rate paid in the Government G Fund of the Thrift Saving Plan would be cut from 2% interest paid to 1% interest paid, costing employees and future retirees $10.5 billion over 10 year.

We will follow developments and keep you informed.  I think all RASCOE members should let you Members of Congress know that you expect them to protect the retiree benefits you earned.