**POSITION REPORT RASCOE**

**Equal COLA**

**Retirees Under Federal Employees Retirement System (FERS) do not receive the same cost-of-living adjustments (COLAs) as retirees under the Civil Service Retirement system (CSRS) and Social Security do in some instances. Under current law, if the COPLA is between 2 and 3 percent, FERS employees receive a 2 percent increase. If the COLA is 3 percent or higher FERS COLAs are reduced by 1 percent. Only if the COLA is 2 percent or less do FERS retirees receive the same COLA as their CRS counterparts. If this system is not changed by legislation FERS employees will have their annuities decrease in value year after year.**

**RASCOE supports EQUAL COLA legislation to provide FERS retirees with full COLAs. Inadequate and inaccurate COLAs fail to sufficiently protect earned FERS annuities from inflation. COLAs should be based on the actual measure of consumer prices and not arbitrarily constrained to the detriment of retired public servants.**

**RASCOE Pre Tax Health Insurance Premiums**

Currently employees of Farm Service Agency enjoy and appreciate their health Insurance premiums being taken out prior to taxing of their income. Retires are obligated to pay tax on their annuity income prior to their Health Insurance premium being taken out.

There has been legislation in the past to correct this inadequacy so as retirees are treated the same as current employees.

RASCOE supports legislation to be passed that would be equitable and fair. There are estimates of retirees’ personal savings from $400.00 to $600.00 a year tax savings depending on annuity income and insurance premium cost. For those with a lower annuity or earning a survivor benefit, a change in the law could be appreciated and allow additional income for expenses.

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