

Advocating Excellence in Public Service

1. Congress should pass all appropriations bills in a timely manner.
2. Congress should protect federal employees' compensation, health and retirement benefits.
3. Congress should provide retroactive and ongoing relief for federal employees in the midst of the Covid-19 pandemic and take proactive steps to be better prepared for future pandemics.
4. To significantly reduce costs to American taxpayers, as well as reduce the federal government's footprint, agencies should effectively utilize and expand telework options for employees across the federal workforce, as successfully demonstrated during the Covid-19 pandemic.
5. Congress should pass meaningful hiring reforms.
6. Congress should pass legislation to allow all federal agencies the flexibility to extend the probationary period for employees entering the civil service to two years from date of hire.
7. Congress should allow Federal Employees Retirement System (FERS) employees to make deposits for non-deduction federal service performed, in the same manner as Civil Service Retirement System (CSRS) employees and former military personnel.
8. Congress should pass legislation to establish and fund initial and ongoing mandatory training requirements for all managers and supervisors across the federal government, and provide for a dual-track system to allow technical experts to rise without taking on management roles.
9. Congress should preserve due process for all federal employees, including restoring the Merit Systems Protection Board (MSPB) to being fully functional.
10. Congress should authorize capital investments across the federal government to restore and/or modernize facilities to meet their operational needs.
11. Congress should pass legislation to make cost-of-living-adjustments (COLAs) more accurate and fair.
12. Congress should pass legislation to repeal or mitigate the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP).
13. Congress should not interfere with the independent, responsible administration of the Federal Retirement Thrift Investment Board's (FRTIB) stewardship of Thrift Savings Plan investments.
14. Congress should take steps to ensure better compliance of anti-discrimination and equal pay laws.

1. PROVIDE AGENCY FUNDING REFLECTIVE OF MISSION IN A TIMELY FASHION

Congress should provide adequate funding in a timely manner to allow agencies to procure the resources and staffing levels necessary to execute their missions.

- Continuing resolutions (CRs) and government shutdowns cost all American taxpayers and hamstring managers.
- CRs force agencies to focus on short-term operations because they are unable to obtain the resources and staffing required that only comes through traditional appropriations.
- FMA implores Congress to stop using the appropriations process and government shutdowns as political tools, and fund the government in a timely, steady fashion.

If Congress is sincere in its commitment to provide American taxpayers with federal services in an efficient and cost-effective manner, lawmakers must navigate the annual appropriations process in a timely fashion. Federal agencies are unable to provide managers and supervisors the resources necessary to achieve their missions when Congress delays passage of comprehensive spending bills.

Enormous stress is placed on federal programs when continuing resolutions, instead of traditional appropriations measures, are used to fund operations. Agencies are prevented from obtaining the necessary resources required to handle rising workloads. Budget uncertainty forces managers and supervisors to focus more on short-term operations and less on their core missions, impeding efficiency and ultimately costing the government and American taxpayers significantly more money in the long run. It results in egregious costs and wastes, and it takes significant time and resources for agencies to prepare for and recover from a shutdown.

The overreliance on continuing resolutions and shutdowns severely inhibits agencies' abilities to anticipate funding levels and allocate resources in an effective fashion to boost productivity and the delivery of services. Providing agencies with timely and adequate budgets is the only course of action to prevent these avoidable challenges.

The impact is debilitating before, during and after a lapse in funding. The 16-day shutdown in 2013 cost nearly \$24 billion. The Congressional Budget Office estimated the five-week partial government shutdown of 2018-19 cost more than \$11 billion.¹ CRs are not much better. In 2017 the Secretary of the Navy said CRs cost the Navy \$4 billion since 2011.

FMA was encouraged by the two-year bipartisan budget deal Congress and the Administration agreed to and passed in August 2019, preventing sequestration in 2020 and raising the debt ceiling. We also applauded the December 2020 passage of appropriations funding the remainder of Fiscal Year 2021, despite another series of CRs. Members of Congress frequently say they want to run the government like a business. However, a business that constantly ran with budget uncertainty and delayed funding would never thrive or stay in business long. FMA implores Congress and the Administration to pass Fiscal Year 2022 appropriations in timely manner.

¹ <https://www.cbo.gov/publication/54937>

2. RETURN TO ANNUAL CALCULATION OF CIVIL SERVICE PAY ADJUSTMENTS AND PROTECT BENEFITS

To attract and retain the best and brightest to public service, Congress must stabilize the pay and benefits structure of federal employees.

- Congress must provide a reasonable across-the-board pay raise in 2022.
- Rising salaries and budgets of the public sector are not the cause of economic hardships in this country, rather, federal employees contribute more than their fair share of taxes paid despite making up less than two percent of the country's workforce.
- FMA opposes any arbitrary cuts by Congress to federal pay and benefits, which greatly affects feds morale and competitiveness with the private sector.

Federal managers, and indeed all feds, deserve to be treated with respect for their efforts and the work they have performed over many years. Every job they hold and perform daily is because of a congressional mandate. It is not too much to ask that, in return, feds be given the ability to maintain a living wage that keeps up with inflation and that provides for them and their families.

Pursuant to this, FMA supports the 3.2 percent pay raise for 2022 included in the Federal Adjustment to Income Rates (FAIR) Act (H.R. 392), as introduced by Representative Gerry Connolly (D-VA).

Additionally, FMA notes the federal pay ceiling cap has not kept up with the higher cost of living in many cities across the United States. This issue can and will play a role in recruitment and retention to the federal workforce, which already has hiring issues. If an employee is offered a promotion at a higher level, with more responsibilities, but no corresponding salary increase, will they take on the new role? Technology employees who are now capped may be tempted to leave the government for the private sector, where there is no pay cap. Congress must address this problem before it grows exponentially.

Further, since 2011, federal employees contributed more than \$200 billion to deficit reduction, despite making up less than one percent of the nation's population. In recent years, Congress targeted the pensions of new hires as a means to rein in spending, increasing employees' contributions without improving upon pension benefits or increasing the government's contribution.

Even more troubling are proposals to change retirement benefits for existing employees and retirees, such as: A six percent increase for employee payroll contributions toward retirement, with no added benefit; Elimination of the Federal Employee Retirement System (FERS) cost-of-living-adjustment (COLA); Reduction of the Civil Service Retirement System (CSRS) COLA; Elimination of the FERS annuity supplement; and, a shift from a "High 3" to a "High 5" for annuity calculations.

Proposals such as these amount to nothing more than broken promises to workers who are currently vested, or at or near retirement age, and a tax on federal employees and annuitants. They callously shift the goalposts and eliminate earned benefits for employees who dedicated a career of service to the country. If enacted, they would cripple recruitment and retention to the federal workforce, at a time when only six percent of the workforce is made up of employees aged 30 or younger. This number is even more alarming when considering the same age group makes up 24 percent of the private sector workforce. FMA implores Congress to not consider such proposals.

3. PROVIDE FURTHER RELIEF FOR COVID-19

Congress should provide retroactive and ongoing relief for federal employees in the midst of the Covid-19 pandemic and take proactive steps to be better prepared for future pandemics.

- Congress should protect and restore disabled veteran leave impacted by the Covid-19 pandemic and create a Covid-19 task force that includes management and labor representatives to promote a smooth transition for federal agencies.
- Congress should provide further access to paid leave for feds and their families dealing with the effects of Covid-19.

In his 1961 State of the Union address, President John F. Kennedy said, “Let the public service be a proud and lively career. And let every man and woman who works in any area of our national government, in any branch, at any level, be able to say with pride and with honor in future years: ‘I served the United States government in that hour of our nation’s need.’” Without question, the Covid-19 pandemic is one of those hours. We at FMA are proud of all the federal managers answering that call of public service by going above and beyond in this difficult time. And FMA continues in the effort to heal and restore the federal workforce and the nation.

In early May 2020, FMA immediately supported a legislative effort by Representative Jennifer Wexton (D-VA) to protect annual leave for essential employees. In fact, FMA legislative outreach single-handedly made Wexton’s bill bipartisan. FMA supported legislation introduced by Senator Mazie Hirono (D-HI) and Representative Derek Kilmer (D-WA) that would protect annual leave for all federal employees in any future pandemic. That is why FMA applauded the inclusion of Section 1111 in the Fiscal Year 2021 National Defense Authorization Act (H.R. 6395) which provided a higher annual leave carryover limit – 125 percent of the limit that would otherwise apply to a given employee. OPM provided guidance on implementation in a January 5, 2021, memo².

FMA supports the effort unveiled by President Biden to provide up to two weeks of paid sick leave at full pay if an employee is unable to work due to a self-isolation order from the government or their health care provider, or is experiencing Covid-19 symptoms. Additionally, FMA supports the 10-week bank of partial paid leave for employees affected due to caring for a child whose school or care provider is closed due to the pandemic or if they must care for a dependent with Covid-19 symptoms.

FMA endorsed legislation introduced in the 116th Congress to help ensure that Covid-19 does not prevent disabled veterans from using the medical treatment leave to which such veterans are entitled (H.R. 8541, introduced by Rep. Kilmer) and the Federal Labor-Management Covid Partnership Act (S. 4347), introduced by Senator Brian Schatz (D-HI) which would have created a Covid-19 task force, on which FMA would have served as a member. The purpose of the task force was to “assess the response of federal agencies to Covid-19 with respect to agency employees,” including agency communications and physical assets. Additional responsibilities would have been to “provide guidance to prepare for future pandemics, including with respect to equipment levels, cleaning protocols, and leave and telework policies.” FMA urges Congress to introduce and pass similar legislation in the 117th Congress.

² <https://www.chcoc.gov/sites/default/files/Attachment%20-%20Guidance%20on%20Implementing%20Section%201111%20of%20the%20FY21%20NDAA.pdf>

4. CONTINUE AN EMPHASIS ON TELEWORK IN THE FEDERAL WORKFORCE

To significantly reduce costs to American taxpayers, as well as reduce the federal government's footprint, agencies should effectively utilize and expand telework options for employees across the federal workforce, as successfully demonstrated during the Covid-19 pandemic.

- Covid-19 has demonstrated the federal workforce has the technology and is capable of sustaining productivity while teleworking.
- Telework has many benefits, including cost savings and environmental benefits. Managers should get training, and Congress should support a continued emphasis on teleworking.

If there is a silver lining to the Covid-19 pandemic, it could be the emergence of telework as a viable and sustainable option for many in the federal workforce, even after the country defeats Covid-19.

Many of the benefits of telework are well known, including a reduction of the federal footprint, environmental benefits from fewer commuters on the roads, less time wasted commuting, and potentially increased productivity. Toward that end, the Government Accountability Office provided testimony in November 2019 listing key practices that can help ensure the success of telework programs, as long as telework is a viable option for a particular job. We recognize that there will always be jobs where telework simply is not an option. You cannot turn a screwdriver on an aircraft carrier from your couch in your living room.

Leaving aside these exceptions, given the flexibilities that technology allows us it is critical that the federal government continue to adapt and take advantage of the opportunities telework provides. Congress and the administration should commit to a maximum telework posture throughout the Covid-19 pandemic at a minimum. FMA supported the bipartisan Pandemic Federal Telework Act (S. 4518), introduced in the 116th Congress, which would have mandated all agencies put all telework-approved employees on a maximum telework status, and re-evaluate those not currently approved for telework.

S. 4518 also looked to a post-Covid-19 workforce taking advantage of telework lessons learned. The bill would have required the executive branch to “develop a plan for telework in the event of another public health emergency,” allowing funds granted under the Technology Modernization Fund to be used for improving telework capabilities, and requiring all managers to take training on how to manage telework employees within six months of the bill’s passage. For years, FMA has stated that managers are often blamed for impeding implementation of telework among their employees, but this could be remedied with managerial training on how to best supervise teleworkers. This training would go a long way toward easing concerns of managers and create a fair and transparent situation for both the manager and employee.

Government must invest in its managers so that they are empowered to confidently and fairly administer a telework program that seamlessly meshes with the ongoing work of all employees with the overriding goal of accomplishing agency missions. FMA urges legislators to reintroduce the Pandemic Federal Telework Act in the 117th Congress.

5. HIRING REFORM

Congress should pass meaningful hiring reforms in order to attract the best and brightest to public service.

- Hiring for the federal workforce is too lengthy and cumbersome compared to the private sector, and FMA supports measures to enhance the talent pipeline in the federal workforce.
- FMA supports providing managers with more tools, including direct hire authority, to help reduce the average time-to-hire.
- FMA supports discussions about reducing the complexity of veterans' preference.

Hiring, recruitment and retention to the federal workforce are often talked about in Washington, D.C. The federal workforce faces a concerning comparison with the private sector with regard to time to hire. In Fiscal Year 2018, the average time it took to hire a new employee in the federal government was 98.3 days, which was down from 105.8 days in Fiscal Year 2017. The Office of Personnel Management's goal across the government is 80 days. And according to the Society for Human Resource Management, the average time-to-fill in the private sector is 36 days.

FMA supports commonsense hiring reforms and giving managers other tools to enhance the talent pipeline in the federal workforce. In the 114th Congress, FMA endorsed and helped usher the Competitive Service Act (P.L. 114-137) into law, allowing federal agencies to streamline the hiring process by cutting duplicative services and saving taxpayer money. FMA also supported language included in the National Defense Authorization Act to boost the maximum Voluntary Separation Incentive Payments at the Department of Defense from \$25,000 to \$40,000.

In a March 2019 report, Senator James Lankford (R-OK), stated, “Giving agencies, human resources departments, and managers more hands-on control to expedite the hiring process will allow the government to move forward with considering real talent and recruits in a timely manner, instead of getting pushed back by a delay of game.” FMA agrees, and supports efforts to increase direct hire authority, such as provisions included in the Fiscal Year 2020 National Defense Authorization Act.

FMA strongly supports our nation’s veterans who gave so much to protecting our country and way of life. We are proud to have originated the idea and worked to create disabled veteran leave for new hires in the federal workforce. However, we recognize the current veterans’ preference system often blocks other qualified new hires to the federal government. While FMA remains steadfast in support of veterans who continue to serve the country as federal employees, we also support evaluating potential reforms to how veterans’ preference is applied in the future, including: applying veterans’ preference as a tiebreaker between equally qualified candidates; limiting veterans’ preference to candidates within 10 years of discharge; or, allowing veterans’ preference to obtain an initial job within the federal government (one bite at the apple).

6. ALLOW AGENCIES TO EXTEND THE PROBATIONARY PERIOD

Congress should pass legislation to allow federal agencies the flexibility to extend the probationary period for employees entering the civil service to two years from date of hire.

- Many of the jobs that exist within the federal workforce require specialized, technical training that continues past the current one-year probationary period.
- This puts federal managers in a tenuous position of assessing employees' abilities often when they have only been in the position for a few weeks or have not started in the position at all.
- FMA urges Congress to extend the probationary period to two years from date of hire to empower managers to make a decision regarding their employees with more information at their disposal.

Many federal agencies employ labor forces requiring specialized, technical skills to carry out their duties. New employees must often master broad and complex procedures and policies to meet their agencies' missions, necessitating several months of formal training followed by long periods of on-the-job instruction. To ensure each manager and supervisor oversees a workforce that exhibits the abilities required to execute its objectives, lawmakers must afford federal agencies the latitude to extend the probationary period beyond the current length of only one year.

In occupations where training takes substantial time, supervisors may only have a few months upon which to judge employees' on-the-job performance. A longer probationary period allows supervisors to fully assess employees' abilities. The current economic environment requires agencies to take on greater responsibility while receiving fewer resources, and it is critical that members of the federal workforce prove they are up to the challenge of serving the interests of the American public.

According to Chief Human Capital Officers interviewed for a 2015 GAO Report (GAO-15-191³), "supervisors often do not have enough time to adequately assess an individual's performance before the probationary period ends, particularly when the occupation is complex or difficult to assess." Additionally, President Donald Trump, in his administration's FY20 budget request, pushed for all agencies to have greater flexibility to use longer probationary periods.⁴

FMA applauded Congress' action to extend the probationary period to two years from date of hire for Department of Defense (DOD) employees as part of the Fiscal Year 2016 National Defense Authorization Act (NDAA). We therefore opposed the effort in the 116th Congress to shift the probationary period back to one year as part of the FY 2020 NDAA. FMA was gratified NDAA conferees listened to FMA's concerns and prevented the shift, instead calling for a thorough analysis and report to Congress on how the current policy is operating at DOD.

FMA urges Congress to bring other agencies in line with DOD, the largest employer in the country, and develop a probationary period that recognizes the complexities of federal agencies' training periods.

³ <https://www.gao.gov/assets/670/668339.pdf>

⁴ <https://www.gsa.gov/cdnstatic/GSA%20FY%202020%20CJ.pdf>

7. ALLOW ALL FEDS TO MAKE DEPOSITS FOR NON-DEDUCTION SERVICE

Congress should allow Federal Employee Retirement System (FERS) employees to make deposits for non-deduction service performed, in the same manner as Civil Service Retirement System (CSRS) employees and former military personnel.

- Currently, a FERS employee can make a deposit for non-deduction service performed before January 1, 1989, and receive credit toward his or her annuity computation, yet non-deduction service performed on or after January 1, 1989, generally is not creditable under FERS for any purpose.
- FMA encourages legislation to correct this inequality and allow FERS, FERS-Revised Annuity Employee (RAE), and FERS-Further Reduced Annuity Employee (FRAE) employees to make deposits for non-deduction service performed in the same manner as CSRS employees.

Under the Civil Service Retirement System, non-deduction civilian service performed after September 30, 1982, is creditable for retirement annuity computation purposes, other than average salary, only if the employee pays a deposit for that service. Service on or before September 30, 1982, is creditable for annuity computation without a deposit; however, 10 percent of the deposit owed will be permanently deducted from the annual annuity.

Currently, a Federal Employee Retirement System (FERS) employee may make a deposit for non-deduction service performed before January 1, 1989, and receive credit toward his or her annuity computation; however, non-deduction service performed on or after January 1, 1989, generally is not creditable under FERS for any purpose.

In the 116th Congress, Representatives Derek Kilmer (D-WA) and Tom Cole (R-OK) introduced the Federal Retirement Fairness Act (H.R. 2478), which would have allowed FERS employees to buy back years served as temporary employees to credit toward their retirement. The legislation gained 62 bipartisan cosponsors, but was not considered. FMA urges Congress to introduce and pass similar legislation in the 117th Congress.

8. MANDATE AND FUND FEDERAL SUPERVISORY TRAINING PROGRAMS

Congress should pass legislation establishing initial and ongoing mandatory training requirements for all managers and supervisors across the federal government.

- Current law allows managerial training throughout the federal workforce to be among the first to be eliminated when facing a lean budget or continuing resolutions.
- Studies show that many federal employees are promoted to managerial positions based on their technical performance and lack the soft, managerial skills needed for their expanded positions.
- FMA calls for legislation establishing mandatory training programs across the federal workforce focusing on certain aspects such as management topics, including mentorship, career development, prohibited personnel practices, and collective bargaining rights.

Current law requires agencies to establish training programs for managers and supervisors focusing on how to address poor performing employees, enhance mentoring skills and conduct accurate performance appraisals. However, there is no requirement for managers to participate in these training programs, and when budgets are tight or CRs are in place, these discretionary programs are often the first to see their funding cut.

Studies have shown that agencies often promote individuals to managerial status based on technical prowess, but then fail to develop their supervisory and leadership skills. In doing so, agencies severely jeopardize their capability to achieve their missions. The development of managerial skills is one of the greatest investments an agency can make, both in terms of productivity gains and the retention of valuable employees. Following the scandal within the Department of Veterans Affairs (VA) that brought to light falsified patient wait times and improper care, it was noted that if managers better knew how to address poor performers and encourage efficiency and effectiveness throughout the VA, many of those problems could have been avoided.

An agency's ability to meet its mission directly correlates to the quality of workforce management. There is a clear need for training if a manager is to be fully successful. Too often, if an agency promotes an individual to managerial status based on technical prowess, but then fails to develop the individual's supervisory skills, that agency then severely jeopardizes its capability to deliver the level of service the American public expects and does a disservice to both the manager and to the employees supervised by that inadequately developed manager.

FMA endorsed legislation introduced in the 112th Congress, H.R. 1492 / S. 790, requiring agencies to provide supervisors with training on various management topics, including mentorship, career development, prohibited personnel practices, and collective bargaining rights. More recently, FMA endorsed the Federal Supervisor Training Act of 2016 (S. 3528), offered by Sen. Heidi Heitkamp in the 114th Congress, which included a dual-track system to allow technical experts to advance in their careers without taking on managerial or supervisory roles. FMA urges Congress to introduce and approve similar legislation in the 117th Congress.

9. PROTECT DUE PROCESS FOR ALL FEDERAL EMPLOYEES

To prevent a return to the spoils system, Congress must not eliminate or erode due process for federal employees.

- Any infringement, limitation or elimination of due process puts employees in the unjust position of possibly losing their job without proper cause and creates a strained relationship between labor and management.
- FMA opposes legislation that would eliminate or erode the right to due process.
- Congress must restore a fully functioning Merit Systems Protection Board (MSPB).

A federal employee's right to due process is fundamental and constitutional, and Congress must not take steps to eliminate or erode this right. In *Cleveland Board of Education v. Loudermill*, the Supreme Court held that the Constitution guarantees that if there must be a cause to remove a public employee from his or her job, then there is automatically a due process requirement to establish that the cause has been met.

Regrettably, the Department of Veterans Affairs Accountability and Whistleblower Protection Act of 2017 (P.L. 115-41), signed into law in June 2017, has significantly eroded due process and appeals rights for all federal employees in that department. The legislation dramatically reduces an employee's ability to appeal a decision that would deprive that employee of their job and salary. Preventing an employee from understanding charges against them or preparing a meaningful defense undermines an employee's due process and is wrong. At the same time, limiting the number of days to process an action may result in findings of legal insufficiency and no action being taken, rather than taking the necessary time to resolve any documentary issues. Many in Congress are working to extend the same attacks on due process across the federal government. FMA opposes legislative efforts to reduce or eliminate due process for federal employees across the government.

However, this does not mean every employee should be retained. As with any population, there may be some bad employees, and employees who are not suited for the position they occupy. Managers have an obligation to ensure that employees are terminated for the right reasons: unacceptable conduct or performance that cannot be corrected in another way. Therefore, FMA also supports rules proposed by the Office of Personnel Management (OPM) related to 5 CFR parts 315, 432, and 752.⁵ These rules would affect probation on Initial Appointment to a competitive position, performance-based reduction in grade and remove actions and adverse actions.

The Merit Systems Protection Board (MSPB), whose mission is to "protect the merit system principles and promote an effective federal workforce free of prohibited personnel practices" has operated without a quorum for more than three years and has had no board members since March 2019. This has resulted in a backlog of more than 3,000 cases as of January 2021. This is unacceptable. To address this, FMA and our colleagues in the Government Managers Coalition (GMC) recommended individuals from both sides of the aisle who have the qualifications and respect necessary for the MSPB. The Biden administration should immediately nominate candidates, and the Senate should swiftly confirm them to restore a quorum.

⁵ <https://www.govinfo.gov/content/pkg/FR-2019-09-17/pdf/2019-19636.pdf>

10. PROVIDE CAPITAL INVESTMENTS TO RESTORE AND MODERNIZE FACILITIES

Congress should authorize capital investments across the federal government to restore and modernize facilities to meet operational needs.

- Facilities and infrastructure across the government are in dire need of significant restoration and modernization, and many are not meeting operational needs.
- FMA urges Congress to appropriate the necessary resources and funds to facilities and infrastructure across the country.

The four public shipyards perform prodigious work to maintain the fleet that helps keep our country safe. Unfortunately, all four of them are in “poor condition,” and are not meeting the Navy’s operational needs. GAO Report GAO-17-548,⁶ released in September 2017, details many of the infrastructure issues, and it is certainly not only the shipyards that face challenges. For example, Fleet Readiness Center (FRC) East in Cherry Point, North Carolina, had a burst water main under a hangar which caused a floor bulge preventing aircraft from being maintained there.

The costs of upgrading, restoring and modernizing facilities and infrastructure run in the billions. The Navy currently estimates \$21 billion over twenty years for dry dock investment, facilities layout and optimization investment, and capital equipment investment at the shipyards. The Naval Sea Systems Command submitted a long-range plan to Congress on the current needs in a [March 2019 report](#). Simply put, investments are needed now for the shipyards to support the USS Gerald Ford Class aircraft carriers and the USS Virginia class submarines.

Repairing aging and damaged facilities within the Air Force command and Marine Corps may be costly, as well. However, the costs of *not* making these investments will undoubtedly be much greater, including higher labor and materials costs for re-work. We applaud the work of the House Armed Services Committee for directing a comprehensive report on shipyard shortfalls and how they impact military readiness.

It is important to note that restoration and modernization, including information technology, are issues that apply to agencies across the federal government, including the Social Security Administration, the Internal Revenue Service, and others.

As the frontline managers who work in these aging facilities and strive every day to complete our agencies’ missions, FMA urges Congress to make necessary investments in facilities and infrastructure at the four public shipyards and across the government.

⁶ <https://www.gao.gov/products/GAO-17-548>

11. COMMON-SENSE MODIFICATIONS TO MAKE COLAs MORE ACCURATE AND FAIR

Congress should pass legislation to provide a fair COLA for FERS retirees and to modify the method used to calculate all COLAs to more accurately reflect actual spending.

- Congress should pass the Equal COLA Act (H.R. 304), which would remove the cap on FERS retirees' COLAs.
- Congress should reintroduce legislation such as the Fair COLA for Seniors Act, to shift the calculation from the current CPI-W, which covers the general population, to the CPI-E, which creates a price index for Americans aged 62 and above.

FMA supports legislation that would fix unfair and arbitrary policies that limit cost-of-living-adjustments (COLAs) for Federal Employee Retirement System (FERS) retirees and seniors.

In 2021, the COLA for both Civil Service Retirement System (CSRS) and FERS retirees is 1.3 percent. However, in 2019, CSRS retirees received a 2.8 percent COLA, while FERS retirees received only a 2 percent boost. Under current law, FERS retirees only receive a full COLA if the difference in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) is 2 percent or less (as in 2021). If the difference is between 2 percent and 3 percent – as was the case in 2019 – FERS retirees receive a 2 percent increase. If the change is 3 percent or higher, FERS participants receive 1 percentage point less than the full increase.

To correct this inequality, Representative Gerry Connolly (D-VA) introduced the bipartisan Equal COLA Act (H.R. 304), which would align FERS COLAs with those of CSRS and Social Security beneficiaries. Regarding the built-in difference between CSRS and FERS COLAs, which began when FERS was created in the 1980s, Rep. Connolly said, “we now realize that this two-tiered system fails to protect FERS retirees who are living on a fixed income. This legislation will rectify this unfair system and ensure these dedicated public servants are protected throughout their retirement.” FMA agrees and encourages Congress to pass H.R. 304.

Annual cost-of-living-adjustments (COLAs) for federal civilian retirees and Social Security benefits are currently set based on the CPI-W. When COLAs first became automatic, the CPI-W was the only price index available. However, the CPI-W does not accurately account for seniors’ spending, particularly on health care. Seniors nearly double the amount on medical expenses than younger citizens. The Consumer Price Index for the Elderly (CPI-E), created in 1982, calculates a price index for those aged 62 and older, and is a more precise index for seniors.

In the 116th Congress, Representative John Garamendi (D-CA) introduced the Fair COLA for Seniors Act (H.R. 1553), which would have required Social Security to use the CPI-E to calculate a more accurate and fair COLA that reflects their actual spending, particularly on prescription drugs and other medical care, and lifestyle. FMA urges Congress to introduce and pass this common-sense legislation to yield more sensible COLAs for seniors in the 117th Congress.

12. REMOVE INEQUITIES IMPOSED BY GPO AND WEP

Congress should pass legislation to repeal the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP).

- The Government Pension Offset reduces the dependent/survivor benefit.
- The Windfall Elimination Provision penalizes those who have two jobs; one that earned a Social Security retirement benefit, and one that entitled them to a separate pension.
- Congress should repeal both of these unfair and harmful laws.
- FMA realizes a full repeal of GPO and WEP is cost-prohibitive and also supports partial repeals.

The Social Security Government Pension Offset law prevents government retirees who receive a government pension but did not pay into Social Security from collecting both a government annuity based on their own work and Social Security benefits based on their spouse's work record. This is unfair to many spouses, especially widows, who often lose the Social Security protection their spouse provided for them. Under current law, a Social Security widow's benefit is reduced by \$2 for every \$3 earned if the widow is eligible for a pension based on a public sector job that was not covered by Social Security. A total of 465,000 Social Security beneficiaries are affected by the GPO, seventy-five percent of whom are women and over forty percent are widowed. No offset affects spouses receiving pensions from private sector employers.

The Windfall Elimination Provision is another inequity that disadvantages many federal retirees receiving Social Security benefits and a federal pension which did not require payment into Social Security. It reduces the Social Security benefits federal retirees receive based on the number of years they served in a federal position that did not require their payment of Social Security taxes. Nearly one million Social Security beneficiaries are affected, and roughly twenty percent paid into Social Security for more than twenty years.

FMA supports the Social Security Fairness Act of 2021 (H.R. 82), legislation introduced early in the 117th Congress by Representative Rodney Davis (R-IL), which would repeal GPO and WEP. Contemporaneously, we recognize that full repeal of both GPO and WEP would be costly and full repeal is unlikely at this time. FMA therefore also supports legislation that seeks partial repeal, including bills introduced in the 116th Congress, such as the Equal Treatment of Public Servants Act of 2019 (H.R. 3934) and the Public Servants Protection and Fairness Act, H.R. 4540. Those bills would have created a new formula for WEP, calculating benefits by taking into account the actual wage and work history of public sector employees. FMA encourages Congress to take action in the 117th Congress to remedy this issue on behalf of affected workers.

13. CONGRESS SHOULD NOT INTERFERE WITH FRTIB STEWARDSHIP OF THRIFT SAVINGS PLAN INVESTMENTS

Congress should not interfere with the independent, responsible administration of the Federal Retirement Thrift Investment Board's (FRTIB) stewardship of Thrift Savings Plan investments.

- TSP's broadened investment of the international (I) fund will align TSP with the majority of private sector 401(k) offerings.
- TSP funds belong to plan participants and FRTIB fiduciaries manage assets in the sole interest of participants and beneficiaries.
- FMA opposes legislative efforts to prevent the FRTIB from doing its job.

The Federal Retirement Thrift Investment Board administers the Thrift Savings Plan, a tax-deferred defined contribution plan, similar to private sector 401(k) plans, providing federal employees an opportunity to save for retirement security. The board's mission is "to administer the TSP solely in the interest of participants and beneficiaries."

In November 2017, the board made a decision to expand TSP's international (I) fund, and base its investments on a stock index that includes companies from China. The FRTIB noted that by shifting to the broader international index, "TSP will match what all the top 10 of the largest U.S. companies' 401(k) plans offer, what all the top 10 federal contractors' 401(k) plans offer, what all six of the six largest target date fund providers offer, as well as what all 20 of the largest public employee benefit plans for state employees offer." In other words, the overwhelming majority of private sector employers already include Chinese investments in their 401(k) offerings.

Some members of Congress have been critical of this decision, calling on the FRTIB to reverse it. When FRTIB upheld its decision, critics introduced the Taxpayers and Savers Protection (TSP) Act (S. 2791 / H.R. 5018) in the 116th Congress which would have prevented the shift. And although language restricting the I Fund was included in the Senate Financial Services Appropriations bill for Fiscal Year 2021, the provision was not included in the omnibus signed into law.

In 2019, Michael Kennedy, then-chairman of the FRTIB, and Clifford Dailing, chairman of the Employee Thrift Advisory Council (ETAC), pointed out, "TSP funds are solely the property of plan participants – it is not federal money and it is not taxpayer money . . . The FRTIB is required by Congress to make decisions that are in the best interest of all TSP participants, and not consider issues better left to other federal entities." They also noted that, "as with all other funds, the choice to invest in the international fund would rest solely with participants."

FMA is a member of ETAC and supports the position ETAC and FRTIB have taken in this matter. FMA urges Congress to oppose legislation such as the TSP Act and to refrain from interfering with the board's stewardship of the TSP.

14. RECOGNIZING GENDER PAY DISPARITY AND PROMOTING PAY EQUITY IN THE FEDERAL GOVERNMENT

Congress should formally recognize that gender pay disparity exists in the federal government and pass legislation to address the situation.

- The Office of Management and Budget (OMB) should direct the Equal Employment Opportunity Commission (EEOC) to reinstate pay data collection.
- FMA urges Congress to pass the Paycheck Fairness Act and other legislation aimed at eliminating the gender pay gap.

According to the Government Accountability Office (GAO), the gender wage gap for federal employees is eleven cents on the dollar. While better than the twenty percent gender wage gap experienced by the workforce as a whole, this disparity is clearly unfair and the goal should be to eliminate it. While some measures, such as agency-specific data collection, are unique to the federal government, other means of addressing this problem apply more broadly.

In 2016 the EEOC announced new pay data collection criteria that broke down wage data on the basis of sex, race, and ethnicity for entities consisting of 100 or more employees in their Employer Information Report form (EEO-1). The purpose of this comprehensive reporting was to allow EEOC to better identify wage discrimination, and encourage broad spread compliance to equal pay laws, in an effort to overcome barriers to equal pay. While this information is not currently collected, FMA implores the Biden administration to require future EEO-1 forms to contain pay data collection, in order to ensure federal contractors are held to an appropriate standard.

Several bills were introduced in the 116th Congress aimed at addressing the gender pay equity issue in the United States. These included the Paycheck Fairness Act (H.R. 7 / S. 270), to provide stronger penalties for equal pay violations, and support wage data collection and research, and the Pay Equity for All Act (H.R. 1864), which sought to prohibit the use of past salaries to set current ones. While the House passed H.R. 7, it did not advance in the Senate in the previous Congress.

On January 28, 2021, Representative Rosa DeLauro (D-CT) reintroduced the Paycheck Fairness Act (H.R. 7) in the 117th Congress. As House Majority Leader Steny Hoyer (D-MD) said upon introduction, “It is long past time for women to receive equal pay for equal work.” Colorado Senators Michael Bennet (D) and John Hickenlooper (D) introduced the measure in the Senate. FMA urges the House to again pass this vital legislation, and for the Senate to consider and pass the bill in this session.

FMA notes that insufficient paid parental leave unfairly affects women and single mothers and contributes to the wage gap over a lifetime. We at FMA were proud to endorse paid parental leave for the federal workforce, as provided in the Fiscal Year 2020 National Defense Authorization Act, providing 12 weeks of paid leave for the birth, adoption or foster placement of a child. In the 117th Congress, we urge legislators to pass the Comprehensive Paid Leave for Federal Employees Act (H.R. 564), which would expand on that coverage and provide feds with 12 weeks of paid leave for all circumstances covered by the Family and Medical Leave Act.