



2022 Legislative Priority: Repeal FERS-RAE and FERS-FRAE

Background: In an era of difficulty recruiting talent to the Federal Government, the three-tier version of the Federal Employees Retirement System (FERS) created by the “Revised Annuity Employee” and “Further Revised Annuity Employee” categories is untenable. Employees hired since 2012 have had higher contributions to their pensions with no corresponding increase in benefits. This erodes the purchasing power of Federal employees and unfairly shifts costs onto the employees, who are all also taxpayers. Bills to repeal FERS-RAE and FERS-FRAE have been filed in previous congresses, such as H. R. 3269 of the 115th Congress, but have not been enacted.

Current Status: Federal employees hired (or re-hired) since 2012 have had to contribute more than their co-workers, lowering the overall value of the benefits package for those newer employees.

Impacts: Agencies cannot compete for talent as effectively, and employees feel more financial strain when combined with annual pay adjustments below those required by the Federal Employees Pay Comparability Act (FEPCA). This results in employees with more stress, which has negative effects on employee efficiency and productivity, as well as adverse health outcomes.

Requested Action:

- File a bill (sample language enclosed) to repeal FERS-RAE and FERS-FRAE.

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To repeal the revised annuity employee and further revised annuity employee categories within the Federal Employees Retirement System, and for other purposes.

IN THE SENATE OF THE UNITED STATES

A BILL

To repeal the revised annuity employee and further revised annuity employee categories within the Federal Employees Retirement System, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Federal Employee Pension Fairness Act of ----”.

SEC. 2. REPEAL OF FERS REVISED AND FURTHER REVISED ANNUITANT CATEGORIES.

(a) Repeal Of Annuity Computation.—Section 8415 of title 5, United States Code, is amended by striking subsection (d).

(b) Repeal Of Annuitant Categories.—Section 8422(a)(3) of title 5, United States Code, is amended—

(1) by striking “other than revised annuity employees or further revised annuity employees”; and

(2) by striking subparagraphs (B) and (C).

(c) Repeal Of Government Contributions.—Section 8423(a) of title 5, United States Code, is amended by striking paragraph (2) and inserting the following:

“(2) In determining any normal-cost percentage to be applied under this subsection, amounts provided for under section 8422 shall be taken into account.”.

(d) Conforming Amendments.—Section 8401 of title 5, United States Code, is amended—

- (1) in paragraph (35)(B), by striking the semi-colon at the end and inserting “; and”;
- (2) in paragraph (36), by striking “; and” at the end and inserting a period; and
- (3) by striking paragraphs (37) and (38).

(e) Application.—

(1) IN GENERAL.—The amendments made by this section shall apply on the first day of the first pay period beginning after the date of enactment of this Act.

(2) TREATMENT OF FORMER REVISED OR FURTHER REVISED ANNUITANTS.—Any individual who, as of the date of enactment of this Act, was a revised annuity employee or a further revised annuity employee (but for the amendments made by this section) shall be deemed to be an employee or Member (as those terms are defined in section 8401 of title 5, United States Code) for purposes of chapter 84 of such title.