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*Working for
the advancement
of women
in government*

**FEDERALLY
EMPLOYED
WOMEN**

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CSRS and FERS COLA rates released for 2019.

Federally Employed Women support the largest cost-of-living adjustment (COLA) since 2012 to Civil Service Retirement System (CSRS) annuities and Social Security benefits. The COLA for CSRS will be 2.8 percent and 2 percent for Federal Employees Retirement System (FERS) retirees in 2019, pursuant to federal law and the latest consumer price data released by the Bureau of Labor Statistics (BLS). Richard Thissen, president of the National Active and Retired Federal Employees Association (NARFE), issued the following statement in response:

“CSRS retirees and Social Security recipients will be pleased to see their benefits increase by 2.8 percent in 2019, the largest increase since 2012. Unfortunately, hundreds of thousands of FERS retirees will be wondering why they are only receiving a 2 percent COLA when the relevant measure of consumer prices increased by 2.8 percent. That’s due to the bargain struck in Congress in the 1980s when FERS was created, which limits COLAs to 2 percent when consumer prices increase between 2 and 3 percent. But that was the wrong policy then, as it is now. It prevents FERS annuities from keeping up with inflation, which is the whole point of a COLA. It is past time for Congress to ensure FERS retirees receive a full COLA each year.

“Retirees already receive COLAs that fail to represent how seniors spend their money. COLAs are currently based on the CPI-W, which measures how urban wage earners and clerical workers under the age of 62 spend their money. Yet, since 1982, the Bureau of Labor Statistics (BLS) has been calculating a consumer price index measuring prices experienced by those 62 years of age or older, called the CPI-E. The CPI-E has shown that prices increase for seniors by 0.2 percent more, on average, than for the population measured by the CPI-W. In other words, seniors’ COLAs aren’t keeping up with their rising cost of living, which is what they are designed to do. That’s why I’m also calling on Congress to pass H.R. 1251, the CPI-E Act, which would require the BLS to use the CPI-E to determine COLAs for Social Security recipients, CSRS retirees and FERS retirees alike.

“Without adequate COLAs, FERS retirees, as well as CSRS retirees and Social Security recipients, will see inflation erode the value of their retirement income year after year. Yet that is exactly what they are supposed to prevent. Federal retirees are not asking to be made better off than they were last year. We just want to maintain the value of what we have rightfully earned through careers of service.”

FEW National President Rainey commented, “Retirees who are collecting Social Security retirement benefits may have reason to cheer as their Social Security checks will be larger next year. Yet, don’t celebrate too soon. Often times these increases are eaten up with increased Medicare premiums as COLA rates should keep up with inflation and the elevated cost of premiums to make the greatest impact on helping retirees.”

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Source: narfe.org