

**STATEMENT BY
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**TO THE SUBCOMMITTEE ON THE FEDERAL
WORKFORCE, POSTAL SERVICE, AND THE
DISTRICT OF COLUMBIA
COMMITTEE ON
OVERSIGHT AND
GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES**

**HEARING ON
“RETIREES RETURNING TO THE RESCUE:
RE-EMPLOYING ANNUITANTS
IN TIMES OF NATIONAL NEED”**

MAY 20, 2008

Mr. Chairman and members of the subcommittee, I am Daniel C. Adcock, Assistant Legislative Director of NARFE, the National Active and Retired Federal Employees Association. I am testifying on behalf of NARFE President Margaret Baptiste who is away on a prior business commitment.

I appreciate the opportunity to express our views on the re-employment of federal annuitants.

NARFE has long held that federal retirees who are interested in returning to government service ought to be able to receive the full salary of their new job without any offset as the result of the retirement annuity they earned through prior federal service.

NARFE's annuitant members count among our rank agency managers and line supervisors, security specialists, computer programmers, air traffic controllers and law enforcement personnel. Annuitants boast rare talents and vast experience. At a time when the nation faces critical challenges and our federal government faces an unprecedented brain drain, we should not ignore this pool of ready, willing, able and proud men and women who have dedicated their careers in service to our nation. For those capable, and those willing to give more in answer to this call, laws, regulations and the manner in which they are applied must not be an impediment to accessing our talents.

The requirements of the "war on terror," homeland security and other responsibilities have created considerable staffing difficulties, particularly in light of the unique expertise and experience required for these jobs. Indeed, the reality of our current skill shortages demonstrates

the critical roles played by civilian employees of the government, thousands of whom are working alongside their uniformed colleagues in locations like Iraq and Afghanistan.

After serving full careers in public service, most federal retirees want to stay retired. However, there is a growing number who want to return to public for several reasons. Some are motivated by the need for more income to pay for their children's or grandchildren's soaring college costs and to better shoulder their own rising out-of-pocket health care expenses and other mounting daily living expenses, including energy costs. Others are compelled to earn wages to replace Social Security benefits lost as a result of the application of the unfair and arbitrary Government Pension Offset (GPO) and Windfall Elimination Provision (WEP).

But it is not always about money. Some retirees appreciate the value of remaining professionally, mentally and physically engaged through re-employment. In addition, more and more no longer care to be bystanders with what is going on in the Middle East and with Homeland Security and they want to answer the call of public service at a time when our nation needs their unique skills and talents.

So what is stopping them?

Under current law, the wages of those re-employed annuitants are generally offset by the amount of their annuity. However, the Office of Personnel Management (OPM) and certain federal agencies have the authority to allow some returning retirees to avoid the offset when serving "in

positions for which there is exceptional difficulty in recruiting and retaining a qualified employee” and in jobs critical to the accomplishment of the agency’s mission.

Unfortunately, not all qualified retirees, with in-demand skills, receive a waiver. Indeed, they tell us that they would not consider re-employment since the offset of their federal pay, by the amount of their annuity, would make their re-employed salary uneconomical. Absent a waiver, some would be working for free, as a practical matter, if their annuity was the same or higher than jobs that pay a lower salary. This has been sometimes true as in the case of retired federal law enforcement officers who are interested in filling airport screener positions with the Transportation Security Administration.

In fact, many crucial federal workers avoid the red tape of the waiver process altogether by going to work for a government contractor where their federal annuity presents no barrier to being paid full salary at the new job. Beyond the attraction of not having your wages or annuities cut, working for a contractor allows federal retirees to earn more quarters in Social Security-covered employment, in an effort to mitigate the reduction of their Social Security benefits by the Windfall Elimination Provision. Should the federal government continue to deny itself access to this pool of experienced professionals at these critical times? Why pay a premium to a contractor when you can get the skills of a seasoned professional basically at “cost”?

One way of making re-employment with the federal government more attractive to skilled and motivated retirees is H.R. 3579, legislation introduced by Ranking Member Tom Davis which would allow federal agencies to reemploy federal retirees on a limited, part-time basis without

offset of annuity from salary. Rep. Davis' proposal does not end this existing authority, but would extend it by allowing agency heads, on their own, to waive the restriction for retirees who return to work part time. It is our intention that agencies use this authority to supplement, and not supplant, the current workforce and to find annuitants with specific skills which are not presently available for hard-to-fill positions which require specific skills.

The flexibility of working part time is appealing to many retirees interested in going back to work since they are not trying to build up their careers. What's more important for them is not missing certain life events for work. In fact, with the benefit of age and experience, many of them more clearly understand the old adage that nobody wants their tombstone to read that they "should have spent more time at the office."

Additionally, some federal annuitants, for certain aging and physical reasons, would not consider taking full-time employment. Allowing for flexibility in work schedules would make federal agencies an attractive employer for many of these retirees.

In sum, H.R. 3579 removes many obstacles preventing or discouraging the re-employment of federal annuitants and it enables the government to hire workers with skills and talents in short supply. For these reasons, NARFE urges you, Mr. Chairman, and members of the subcommittee to approve this needed and crucial legislation.

We commend you for your interest in enabling federal annuitants to continue to make critical contributions to our safety and well-being during this time of national need. Thank you for the

invitation to share our views here today, and thank you for your able leadership of the subcommittee.