

NARFE Praises Passage of Phased Retirement for Federal Employees

July 11, 2012

WASHINGTON, DC – The National Active and Retired Federal Employees Association (NARFE) hailed enactment of a law allowing federal employees to phase into retirement by collecting a partial annuity while switching to a part-time work schedule. “Federal employees will now be able to cut back on their hours but not fully retire if they are not ready. Not only is this good news for experienced federal workers, but the government as a whole also will benefit from retaining these valuable workers to help with transitions,” commented NARFE President Joseph A. Beaudoin. The bill, which funds transportation projects and lowered the student loan interest rate, passed with bipartisan support in both chambers of Congress, and President Obama signed the legislation (P.L. 112-141) on July 6.

Previous versions of the bill used reductions in federal employee pay and benefits to pay for expenditures for transportation projects and an extension of lower student loan interest rates. “The president’s signature on this bill is a victory for federal employees, who do not have to lose pay or benefits to pay for the legislation,” said Beaudoin.

“The outpouring of messages from retired and active federal employees over the last month has helped send Congress one simple message: Federal employees and retirees do not deserve to be the piggybank for all legislation moving through Congress,” Beaudoin added.

NARFE, which has long supported the concept of phased retirement, is particularly pleased with the new law’s requirement that not less than 20 percent of the phased retiree’s time must be spent mentoring his or her replacement, a key component of successful succession planning. More details regarding the guidelines for phased retirement can be found in Section 100121 of the bill.

from NARFE National website