

How the Shutdown May Affect Federal Workers and Annuitants

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Federal Employee Pay: According to the Office of Personnel Management (OPM), approximately 1.3 million federal employees will be kept on the job - so called "excepted" employees - while about 800,000 federal employees will be sent home for the duration of the government shutdown. Those who are asked to keep working during a shutdown will be paid once a budget deal to resume government operations is passed. For those who are not excepted and are not working during the shutdown, Congress will determine whether they receive pay for the furlough period. Congress did so after the 1995 and 1996 shutdowns, but may not this time, particularly given the demonization of federal workers by some lawmakers.

Annuity Benefits: Federal retirees under the CSRS and FERS retirement systems will still receive their scheduled annuity payments on the first business day of the month. Federal retirement payments, like payments such as Social Security benefits, fall under the "mandatory" budget category not funded through annual appropriations and thus, would not be affected by a government shutdown. Health, Life and Long-Term Care Benefits: Federal Employees' Health Benefits Program, Federal Employees' Group Life Insurance, FEDVIP (dental/vision insurance), and Federal Long Term Care Insurance Program premiums will continue to be withheld and paid by OPM. There will be no interruption in insurance coverage.

Thrift Savings Plan: The Federal Retirement Thrift Investment Board has stated that a federal government shutdown would not affect the Thrift Savings Plan (TSP) since it does not receive annual appropriations from Congress. The TSP would operate during such a period as usual.

Retirement Processing: For those newly retired employees, a government shutdown may delay the processing of your paperwork by your agency, prior to your records being sent to OPM. For those recent retirees whose retirement OPM has already begun to process, there should be no additional delay caused by a government shutdown as OPM Retirement Services employees will still be working normal operating hours.

Retirement and Benefits Information: OPM staff responsible for answering the retirement and health benefits questions asked by federal workers and annuitants will be available during the shutdown. If there is a shutdown, NARFE members will continue to have access to this information by calling or emailing the NARFE Federal Benefits Service Department. NARFE members can call 703-838-7760 and ask for the Federal Benefits Service Department or send an email to fedbenefits@narfe.org.

Other Federal Benefits: Programs like Social Security, Medicare and Medicaid fall under the "mandatory" budget category not funded through annual appropriations and thus, would not be affected by a government shutdown. For more information, please see OPM's Guidance for Shutdown Furloughs report, which can be found here: <http://www.opm.gov/policy-data-oversight/pay-leave/furlough-guidance/guidance-for-shutdown-furloughs.pdf>.