NARFE

FEDERAL BENEFITS EXPERTS

Reaching Out *September 2025* Arlington, VA Chapter 7

National Active & Retired Federal Employees Association

Meetings: 2nd Wed of Month Sept through May (except December) Beech Rm, Lubber Run Community Ctr, 300 N. Park Dr., Arlington - 12:15 p.m.

President's Message *Pat Meyers*

Welcome back, Members! I hope your summer break was pleasant and rewarding in spite of some very hot days! Along with cooler weather and bright fall colors, come many NARFE activities. We look forward to reconnecting.

I especially want to invite you to join us for our first fall meeting on **September 10, 2025** for a fascinating program to be presented by Mary Lipsey of the Burke Historical Society. The title of her talk is "**Escaping Detection"** and revolves around secret female spies and soldiers in the Civil War. Mary is a popular speaker in Northern Virginia, and this is one of her favorite presentations. She also has authored a number of books including several on aviation.

SAVE THE DATE: Saturday, September 6, 2025. The Northern Virginia NARFE Chapters will again sponsor a membership recruitment event and we hope you'll join us and bring a non-member friend. It will be held at the American Legion Post 177, 3939 Oak Street, Fairfax City, VA from 1:30 - 3:30 p.m. Speakers will include National President, Bill Shackelford, Senior Director for Member Engagement, Nora MacDonald and VFN's National Legislative Chair, Gaston Gianni. Reservations are NOT required, but it will be helpful it you notify Nancy Palmerino by September 1 if you plan to attend to ensure adequate seating and refreshments. Newly elected VFN President, Deborah Fisk will also join us.

Thanks to all members who took the time to vote for our two contested state officer positions this past spring. We congratulate Debbie Fisk as our new President and Doris McAdams as our new 1st Vice President. Two bylaws were also approved, including one that changed terms of office for state officers from one to two years. **Next**, Chapter officer elections will be coming up in October. Please see the announcement elsewhere in this issue. I hope you've also given thought over the summer about how you might help our chapter by serving as an officer or committee chair or member.

Legislative Corner *Ed Weiler*

All Federal Benefits Cuts & Punitive Workforce Provisions Dropped from "Big Beautiful Bill Act" (*H.R. 1*) Before Passage: but Threats Still Loom When Congress Returns

Back in June, this column recounted a litany of cuts to our benefits and to other unfavorable workforce provisions that were being teed up for a vote in *H.R.1*. As we all by now know, **none** of these measures made it into the final bill signed into law back in July. If you have not done so already, you owe it to yourself as a NARFE member to read John Hatton's coverage of this legislative "save" in the current (9/25) issue of *NARFE Magazine*. I say this since many, or perhaps all, of these measures might be coming back into play during the appropriations process for the FY26 Budget that will begin when Congress resumes this month…a point stressed by Hatton (NARFE's Staff VP for Policy and Programs) in a recent edition of Federal News Network's *Eye on Washington* podcast (8/4/25). Forewarned is forearmed. Stay tuned to NARFE's Legislative Actions alerts, and take action when requested.

Trump Administration Issues Executive Order (*E.O. 14317*) Creating *Schedule G* in the Excepted Service

Here's one that caught me off guard. On 8/12/25, NARFE posted a brief notice of an OPM issuance of "Guidance on Schedule G." Schedule *what*, you might ask? Yep, back on July 17, President Trump issued an Executive Order creating a new Schedule G within the "excepted service." As recounted in a July 18, 2025 article in *Government Executive*, Presidents currently may, "…tap an uncapped number of appointees to serve in Schedule C positions." So why create another category within the excepted service? Here is the rationale. Whereas the role of Schedule C appointees is limited to confidential, or "policy-making" matters, the role of the new Schedule G appointee would include "policy-advocating." Translation: a Schedule G appointee would be a loyal foot-soldier of the President.

As pointed out by NARFE in its 8/12/25 notice, the number of potential Schedule G appointees is uncapped. Thus, it would seem that even if the Administration ultimately fails in its efforts to force large numbers of worker bees into Schedule P/C, it could achieve a similar outcome (i.e. ensuring loyalty) by flooding the zone with Schedule G appointees.

Recent Executive Order (8/7/25) Directing Department of Labor to Assess Feasibility/Legality Of Allowing Alternative Assets into 401(k) Plans

Unless you have a total aversion toward intake of financial news, you are no doubt aware of this recent development. Just to be clear: nothing yet has changed in the legal landscape of 401(k) plans, which are governed under the *Employee Retirement Income Security Act of 1974---ERISA*. (Although similar to 401(k)s in many aspects, the TSP is governed under the *Federal Employees' Retirement System Act of 1986*, and as such, appears not to be within the scope of this Executive Order. More on potential implications for the TSP later). Although there is no rigorous definition of "alternative assets" within the financial services industry, the Executive Order defines six categories of such investments, which can be boiled down to private equity (i.e., instruments not publicly traded), real estate, and crypto-currency assets.

Unlike many of the hot-button issues of our time (e.g., tariffs, restrictions on immigration, Federal Government downsizing), the impetus for this EO seems to have come from outside the Trump Administration. Faced with declining fees structures in the publicly-traded stock and bond markets, the financial industry has been looking for ways to broaden the pool of alternative-asset investors. No lesser a light than Larry Fink (CEO of Black Rock, which is one of the managers of TSP funds) has been beating the drum in this vein. Even the relatively-conservative Vanguard family of funds has of late been warming to the appeal of private-equity assets.

Unsurprisingly, before the ink was dry on the Executive Order, the financial press was aswirl with warnings about the dangers from including alternative assets in garden-variety 401(k) plans. The primary concern turns on issues of "opacity" (meaning, hard-to-value, since they trade infrequently, or not at all), ill-liquidity, and high transaction fees. In sum, many critics argue that the only winners in this opening would be the financial industry at the expense of the investing public.

A reasonable case can be made for inclusion, however. Apart from the fact that alternative assets offer the potential for higher rates of return (along with greater risk, of course!), there is the troubling fact that the size of the publicly-traded market has been declining. According to an article in Forbes ((https://forbes.com/sites/wesmoss/2025/02/03), the number of publicly-traded US stocks has declined by nearly 50 percent since the late 1990s. Given that the supply of publicly-traded investments has shrunk, at the same time that the demand for such assets has increased substantially due to widespread acceptance of 401(k) plans, is it any wonder then that the major stock indexes (e.g., S&P 500) are dominated by a handful of companies---a situation which poses a new risk of over-concentration?

As a final word on this matter, it should be noted that some 401(k) plans have already included alternative assets in their portfolios; and predicably enough, some have already been sued for having done so, on the grounds that such plans violate ERISA's fiduciary standard provisions. Accordingly, a whole set of labor lawyers are waiting in the wings to see how things play out in the aftermath of this recent Executive Order (WSJ, 7/21/25, p. B-1), even though a thinly veiled motive underpinning its issuance is the provision of a safe harbor for additional 401(k) Plan custodians fearless enough to take the plunge.

Even if your retirement assets reside entirely within the TSP and FERS/CSRS walled gardens, alternative assets might one day come knocking. According to a recent article by Khac Phu Nguyen (gurufocus.com, 8/12/25, subsequently picked up by Yahoo/Finance), OPM Director, Scott Kupor, is exploring, "…allowing pension assets to be invested through a sovereign wealth fund, a strategy used by other nations to seek higher returns than U.S. Government bonds typically offer." Oh sure, Kupor acknowledged that Congressional authorization would be needed to allow for such changes. But when budgets get tight, the previously unimaginable can become the possible. Stay tuned to this one.

Election of Chapter Officers for 2026

Terms of office for the current elected Executive Board expire at the end of December 2025. Members willing to be nominated for the following elected officer positions for 2026 should contact Nancy Palmerino (703-243-6546 or at nancyolive0110@yahoo.com) NOT LATER than 1 October2025: (1) President; (2) 1st VP for Legislation; (3) 2nd VP for Membership; (4) Secretary; and (5) Treasurer. Questions regarding these offices may be directed to Nancy or President Pat (703-578-3372) or at pmmeyers2000@aol.com. Officers will be elected at the October general meeting. All nominations submitted in advance to Nancy, plus any nominations from the floor during that meeting, will be voted upon by those in attendance at the meeting. Please consider joining the Executive Board next year. As Legislative Chair, Ed Weiler, put it previously: "Running a chapter requires people. If enough members step up to the plate, Chapter 7 remains a going concern,"

Membership Report — *Nancy Palmerino*

Congratulations and best wishes to long-time member Madge Selinsky who recently turned 105. Her birthday celebration included a luau with hula dancers and a trivia game based around the year 1920. We regret to report the passing of Mary A, Freeman, a NARFE member since 1970. We have 248 Chapter members and an additional 530 National members in our chapter area for a total of 778 Chapter and National members.

Alzheimer's Report — *Nancy Palmerino*

We collected $581 for Alzheimer's research from checks and the 50/50 raffle at our June luncheon. Additional monies from more of Bob and Jane Munsey's coin collection plus our previous balance for 2025 brings our total collected to date to $689.60.

Walk to End Alzheimer's – October 11, 2025

The Walk to end Alzheimer's will take place again on October 11 at the Harris Pavilion in Manassas. It is the Tri-Counties Va group. You can donate without attending or attend without walking! Join our Area X VP, Ted Pasek, at the Walk, sign up for the Team "NARFE Area X Va" and Theodore Pasek. Donate for Alzheimer's and support NARFE's contribution. Go to *alz.org* to get started.

Contact Information

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