

National Active and Retired Federal Employees (NARFE) District of Columbia Federation

RESOLUTION

National Active and Retired Federal Employees (NARFE) District of Columbia Federation Endorses Restoration of D.C. Pension Tax Benefit for 40,000 Retired Federal Workers, D.C. Government Employees, Teachers, Police, Firefighters and Veterans

WHEREAS, the NARFE DC Federation represents 44,000 federal annuitants.

WHEREAS, for 57 years retired federal and local government employees living in Washington, DC received a modest tax benefit allowing them to subtract \$3,000 from income when they calculated their local District of Columbia taxes.

WHEREAS, this provision -- known as the "pension benefit exclusion" -- was granted by Congress in recognition of civil servants' public service and the relatively low salaries they receive compared to the private sector.

WHEREAS, the pension benefit exclusion covered approximately 44,000 retired federal workers, as well as many D.C. government employees, D.C. firefighters and police officers, D.C. teachers and military service veterans.

WHEREAS, the D.C. City Council repealed the pension benefit exclusion, effective in 2015, as part of a complex tax bill without giving affected seniors notice of the repeal.

WHEREAS, seniors were painfully surprised to discover the loss of this benefit when they filed their tax returns this year.

WHEREAS, concerned citizens have petitioned Mayor Bowser and the D.C. Council to restore the pension benefit exclusion, but their pleas have fallen on deaf ears.

WHEREAS, the pension annuity exclusion remained intact even during the District of Columbia's fiscal nadir in the 1990s, when the city's finances were in shambles. Yet the exclusion was repealed during the District's recent burst of prosperity, when its population and tax base are rising.

WHEREAS, the repeal of this modest benefit is an affront to seniors who are long-time residents of the city. The repeal underscores the perception that as

Washington, DC becomes increasingly gentrified, seniors who stuck with the city in its hard times no longer are welcome. While District officials profess to wanting to preserve the District's economic diversity, repealing the pension benefit exclusion does the opposite.

WHEREAS, other jurisdictions maintain far more generous annuity exclusions. Maryland increased its exclusion (not limited to public employees) from \$27,000 to \$29,000 for 2015. Virginia has an age-based exclusion of \$12,000 beginning at age 65 for singles making less than \$50,000 and less than \$75,000 for married couples.

WHEREAS, a citizens coalition has formed to fight to bring back the pension benefit exclusion, including the Penn-Branch Citizens/Civic Association; D.C. Federation of Citizens Associations; Baptist Ministers Conference of DC and Vicinity; VFW DC Chapter; National Active and Retired Federal Employees Association, DC Chapter; Mary A. Collins, Washington Teachers Union Retiree Chapter; Margaret Hicks, PhD, CPA; Del Robinson, MBA, CPA; Isaac McRae, MST, EA president, I. McRae, Inc.; Blacks In Government (BIG); and Brookland-Woodridge AARP Chapter #2414.

THEREFORE, BE IT RESOLVED:

That in furtherance of its advocacy mission the NARFE DC Federation endorses and supports restoration of the pension benefit exclusion, and supports passage of Bill 22-0044 – Tax Relief for Seniors.

Our chapter leaders will be encouraged to write letters to the Hon. Muriel Bowser, Mayor of the District of Columbia; the Hon. Phil Mendelson, Chair, D.C. City Council; and the Hon. Eleanor Norton, D.C Delegate, U.S. House of Representatives urging immediate restoration of the pension benefit exclusion and is willing to testify in support of the provisions and the need to enact them into law.

NARFE members in DC will be encouraged to contact the mayor and their representatives.

Approved by:

*NARFE DC Federation Convention
April 29, 2017*

*Randolph Clarke
President, DC NARFE*