



Member Update

What You Need to Know About the Budget Reconciliation Bill Passed in the House of Representatives

NATCA Members:

Today, the U.S. House of Representatives passed its budget reconciliation bill on a party-line vote 215-214. In previous member updates, we detailed how provisions in earlier versions of the legislation would have negatively affected the federal employee retirement system and other benefits, including for air traffic controllers and other aviation safety professionals. Through the collective efforts of NATCA's members, legislative activists, and Government Affairs staff, we have successfully convinced legislators to remove from the bill many of the provisions that would have harmed federal employee benefits, including exempting air traffic controllers from any changes to the Federal Employees Retirement System (FERS).

Some negative provisions were included in the version of the bill passed by the House that affect the other aviation safety professionals who we represent. Importantly, we were successful in delaying some of their implementation until 2028. NATCA and our allies will have additional opportunities to advocate that senators do not include these harmful provisions during their budget reconciliation process. If that effort isn't successful, we will continue to seek amendment or removal of those provisions before their effective date in 2028. In the following we explain how some of the key issues that affect NATCA members were resolved in the final House bill.

Provision	Outcome
Federal Employees Health Benefit (FEHB) program	No additional costs to employees
Increase to 4.4% FERS contribution rate for all federal employees	Stricken in its entirety
High-3 average salary calculation to	Stricken in its entirety

High-5 average salary calculation	
Elimination of supplemental annuity: ATC	Complete Exemption for ATC
Elimination of supplemental annuity: non-ATC federal employees	Implementation postponed until Jan. 1, 2028

Additional explanation below:

- **Federal Employees Health Benefit (FEHB) program:** There are no additional costs to employees.
- **Proposed increase to 4.4% FERS contribution rate for all federal employees:** In an earlier version of the bill, all federal employees would have been required to increase their contributions. We already were successful earlier in exempting ATC from this provision, but it is now *stricken in its entirety*. No federal employees who pay a lower contribution to FERS will have their contributions increased to 4.4%.
- **Proposed elimination of supplemental annuity:** In an earlier version of the bill, all current federal employees would have lost their annuity supplement, unless they retired subject to mandatory separation. There is now a *complete exemption for ATC* (along with other special category employees subject to mandatory separation). *For other federal employees* (non-ATC who reach age 60 with 20 years of service or 30 years of service after reaching their minimum retirement age), this is one of the provisions where the *implementation now is postponed until January 1, 2028, and it does not apply* to anyone who is receiving a supplemental annuity prior to that date.
- **Proposed High-3 average salary calculation to High-5 average salary calculation:** With an earlier version of the bill, we succeeded in getting an *exemption for ATC*. Prior to the bill going to the floor for the final House vote, it was *stricken in its entirety*.
- **Proposed At-Will status or 5% increase in FERS contribution rate for newly hired employees:** This will require newly hired federal employees to make an election at the end of their probationary period to contribute 5% more to their FERS with no additional benefit or waive all appeal rights to termination from federal service. *ATC is exempted* (in addition to other positions subject to mandatory separation). *It applies to all other federal employees upon the effective date of the final bill*.
- **Proposed filing fee for MSPB appeals:** This provision requires federal employees who contest an adverse action to the Merit Systems Protection Board (as opposed to contesting it under a CBA grievance procedure) to pay a fee similar to the filing fees in federal court.

These legislative successes resulted from the strategic campaign we undertook to educate legislators to remove these harmful provisions. I want to thank our Union's National Legislative Committee and our legislative activists from around the country who took leave or spent their RDOs coming to

Washington, D.C., this month to meet with members of Congress and their staffs as part of our collective effort. I also want to thank those of you who took time to handwrite more than 1,200 personal letters to your representatives and senators about these proposals and participate in NATCA's Voter Voice campaign, during which we sent nearly 30,000 emails to congressional offices. The handwritten letters were delivered in person by our activists. These collective efforts made a difference. Our strength comes from the commitment of our members who take part in the process.

We also have positive news to report about the Air Traffic Control funding provisions in the House Budget Reconciliation Bill. There is over \$12 billion dollars in additional funding for the purpose of the acquisition, construction, sustainment, improvement, and operation of facilities and equipment necessary to improve or maintain aviation safety, and for personnel-related expenses.

The increased funding provisions include:

- \$1 billion allocated for recruitment, retention, and training of air traffic controllers;
- Over \$2 billion for tower and TRACON replacement, including \$240 million for Federal Contract Towers;
- \$500 million for runway safety programs and airport surface surveillance projects;
- \$3 billion for radar systems replacement;
- \$4.75 billion for telecommunications infrastructure; and
- \$260 million for weather observation technology in Alaska.

This financial commitment provides a major downpayment for improving our staffing, facilities, and equipment. NATCA joined over 50 aviation stakeholder groups in expressing our support for this additional funding.

It is important to remember that the House's passage of this bill is only part of the budget reconciliation process. NATCA will continue to advocate for removing the remaining harmful proposals while maintaining or expanding the positive provisions as the process continues in the Senate. We will continue to call on you to help carry that message in a unique and personal way that no one else can.

In Solidarity,

Nick Daniels
NATCA President

[Visit our Website](#)



