Congressional Budget Office
Cost Estimate

May 13, 2025

At a Glance

Reconciliation Recommendations of the House Committee on Oversight and Government Reform

As ordered reported on April 30, 2025

https://tinyurl.com/4xtz2jns

By Fiscal Year, Millions of Dollars	2025	2025-2029	2025-2034
Direct Spending (Outlays)	-22	-1,759	-11,747
Revenues	9	15,690	39,204
Increase or Decrease (-) in the Deficit	-31	-17,449	-50,951

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Over Threshold

The legislation would
- Increase some employees' contributions to Federal Employees' Retirement System (FERS) and eliminate the retirement supplement for most employees in the system
- Change the years of salary history used for calculating retirement benefits for most employees to five years from three years
- Increase pension contributions of new federal hires who choose not to be at-will employees
- Require eligibility verification for dependents in the Federal Employees Health Benefits (FEHB) program, expand fraud assessments of the program, and deny or disenroll ineligible dependents
- Impose private-sector mandates by reducing the value of certain earned benefits

Estimated budgetary effects would mainly stem from
- Increasing revenues from federal employees' contributions to FERS
- Reducing federal spending on retirement annuities and annuity supplements
- Verifying FEHB eligibility for dependents and disenrolling ineligible dependents

Areas of significant uncertainty include
- Anticipating federal employees' responses to changes in FERS contributions and benefits
- Projecting how many new federal workers would choose to be at-will employees
- Predicting the number and timing of dependents who would be found ineligible for FEHB
- Projecting reductions in spending generated by disenrolling ineligible dependents from FEHB

Detailed estimate begins on the next page.

See also
CBO's Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

Legislation Summary

H. Con. Res. 14, the Concurrent Resolution on the Budget for Fiscal Year 2025, instructed the House Committee on Oversight and Government Reform to recommend legislative changes that would decrease deficits by a specified amount over the 2025-2034 period. As part of the reconciliation process, the House Committee on Oversight and Government Reform approved legislation on April 30, 2025, that would decrease deficits.

Estimated Federal Cost

In CBO's estimation, the reconciliation recommendations of the House Committee on Oversight and Government Reform would, on net, decrease deficits by $51.0 billion over the 2025-2034 period. The estimated budgetary effects of the legislation are shown in Table 1. The costs of the legislation mainly fall within budget functions 550 (health), 600 (income security), 800 (general government), and 950 (undistributed offsetting receipts).

Return to Reference

Table 1.
Estimated Budgetary Effects of Reconciliation Recommendations
Title IX, House Committee on Oversight and Government Reform, as Ordered Reported on April 30, 2025

By Fiscal Year, Millions of Dollars

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2029	2025-2034
Increases or Decreases (-) in Direct Spending												
Budget Authority	-22	-116	-11	-575	-1,007	-1,418	-1,784	-2,046	-2,277	-2,491	-1,731	-11,747
Estimated Outlays	-22	-189	4	-560	-992	-1,403	-1,771	-2,046	-2,277	-2,491	-1,759	-11,747
On-Budget	*-22*	*-3*	*-182*	*-560*	*-992*	*-1403*	*-1771*	*-2046*	*-2277*	*-2491*	*-1,759*	*-11,747*
Off-Budget [a]	*0*	*-186*	*186*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Increases in Revenues												
Estimated Revenues	9	1,839	4,229	4,811	4,802	4,779	4,747	4,707	4,664	4,617	15,690	39,204
Net Decreases in the Deficit From Changes in Direct Spending and Revenues												
Effect on the Deficit	-31	-2,028	-4,225	-5,371	-5,794	-6,182	-6,518	-6,753	-6,941	-7,108	-17,449	-50,951
On-Budget Deficit	*-31*	*-1,842*	*-4,411*	*-5,371*	*-5,794*	*-6,182*	*-6,518*	*-6,753*	*-6,941*	*-7,108*	*-17,449*	*-50,951*
Off-Budget Deficit [a]	*0*	*-186*	*186*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*

Budget authority includes estimated and specified amounts.

a. Cash flows for USPS are recorded in the federal budget in the Postal Service Fund and are classified as off-budget direct spending.

Basis of Estimate

For this estimate, CBO assumes that the legislation will be enacted in summer 2025. CBO's estimates are relative to its January 2025 baseline and cover the period from 2025 through 2034.

Direct Spending and Revenues

CBO estimates that enacting the legislation would decrease direct spending by $11.7 billion and increase revenues by $39.2 billion over the 2025-2034 period; the deficit would be reduced $51.0 billion over the 2025-2034 period (see Table 2).

Increase in FERS Employee Contribution Requirements

The federal government provides most of its civilian employees a defined benefit retirement plan through the Federal Employees' Retirement System (FERS). The plan provides eligible retirees with a monthly benefit in the form of an annuity. Those benefits are funded jointly by contributions from employees and their employing federal agencies. Contribution rates, benefit formulas, and qualification criteria vary across different categories of employees.

Section 90001 would raise the required contribution rates for certain groups of people who entered FERS before January 1, 2014; specifically, most federal employees, Members of Congress, and Congressional staff.

FERS contributions would not change for federal employees who are both eligible for enhanced retirement benefits and subject to mandatory retirement, specifically federal law enforcement officers and firefighters, Customs and Border Protection officers, members of the U.S. Capitol Police and the Supreme Court Police, air traffic controllers, and nuclear materials couriers. (Enhanced benefits are calculated using a higher percentage of federal salary—1.7 percent—for the first 20 years of service compared with the regular benefits that generally use 1 percent.) FERS contributions also would not change for people who entered FERS after 2013 (those employees are referred to as FERS Further Revised Annuity Employees).

Under current law, most regular federal employees who entered FERS before January 2013 contribute 0.8 percent of their annual salary toward retirement; most who entered FERS during 2013, referred to as FERS Revised Annuity Employees, contribute 3.1 percent (see Table 3). The proposed higher contribution rates for affected employees would be phased in over two years, beginning in January 2026.

By the end of the phase-in period (2027), most employees who entered FERS before January 1, 2014, would contribute 4.4 percent of their annual salary. The contributions of FERS recipients who are eligible for enhanced benefits and also subject to mandatory retirement would remain unchanged at 1.3 percent. Members of Congress and Congressional staff who entered FERS before 2013 are eligible for enhanced benefits; their contributions would rise from 1.3 percent to 4.9 percent over the phase-in period. Members and staff who entered FERS after January 1, 2013, are not eligible for enhanced benefits.

Table 3.
Federal Pension Contributions, by FERS Category, as Required Under Section 90001

	Contribution Rate, Percentage of Annual Salary		
	2025	2026	2027
FERS, Entered FERS Before 2013			
Regular Federal Employees	0.80	2.60	4.40
Members of Congress, Congressional Staff	1.30	3.10	4.90
Enhanced-Benefit Recipients Subject to Mandatory Retirement	1.30	1.30	1.30
FERS RAE, Entered FERS In 2013			
Regular Federal Employees, Members of Congress, Congressional Staff	3.10	3.75	4.40
Enhanced-Benefit Recipients Subject to Mandatory Retirement	3.60	3.60	3.60
FERS FRAE, Entered FERS After 2013			
Regular Federal Employees, Members of Congress, Congressional Staff	4.40	4.40	4.40
Enhanced-Benefit Recipients Subject to Mandatory Retirement	4.90	4.90	4.90

FERS = Federal Employees' Retirement System; FRAE = Further Revised Annuity Employees; RAE = Revised Annuity Employees.

The rate for most federal employees, Members of Congress, and Congressional staff who entered the system in 2013 would increase from 3.1 percent to 4.4 percent over the phase-in period. Contributions would remain constant at 3.6 percent for employees who entered in 2013 who are eligible for enhanced benefits and also subject to mandatory retirement. The contributions for FERS Further Revised Annuity Employees (those who entered after 2013) would remain constant at 4.4 percent of their annual salary over the phase-in period for most federal employees, Members of Congress, and Congressional staff and at 4.9 percent for employees who are eligible to receive enhanced benefits.

Contributions paid by federal employees toward their retirement are recorded as revenues in the federal budget. CBO estimates that the proposed increases in employee contributions would increase revenues by $34.5 billion over the 2025-2034 period.

Federal agencies also contribute to their employees' retirement. For each increase proposed for employees, there would be a corresponding reduction for employing agencies. Reducing employers' contributions for FERS employees (other than employees of the Postal Service, USPS) would reduce spending subject to appropriation by $31.8 billion over the 2025-2034 period, CBO estimates. That, in turn, would reduce the intragovernmental offsetting receipts paid into the Civil Service Retirement and Disability Fund (CSRDF) by an equal amount. Because that budgetary action is contingent on future appropriations, the increase in the deficit from the decline in estimated offsetting receipts is not attributed to this legislation.

By contrast, outlays by USPS are classified as off-budget direct spending. Reducing that agency's contributions to employee retirement would result in smaller intragovernmental offsetting receipts being paid into the CSRDF, therefore increasing on-budget direct spending by that same amount.

Under section 90001, the total amount of retirement contributions (employee plus agency shares) paid into the CSRDF would remain the same as under current law. That is, the legislation would replace some of the payments by agencies with payments by federal employees. CBO attributes budgetary savings to the proposal because employees' contributions are classified in the budget as revenues, whereas agency payments are classified as intragovernmental transfers that are subject to future appropriation. If the reduction in intragovernmental transfers makes possible an offsetting increase in other appropriations, the net effect would be an increase in outlays—because an intragovernmental payment would be replaced by spending that goes outside the government.

CBO estimates that reducing the USPS contribution rate for affected employees would reduce that agency's required payments to the CSRDF by nearly $2.7 billion over the 2025-2034 period. That reduction of receipts into the fund would result in a nearly $2.7 billion increase in on-budget direct spending over the period. Because CBO projects that USPS will exhaust both its borrowing authority and its reserve funds in 2027, any savings to the Postal Service Fund from lower retirement contributions would be fully offset beginning in that year. As a result, CBO estimates that enacting the provision would result in a reduction in off-budget outlays in 2026 that would be offset by increased off-budget direct spending beginning in 2027 as USPS would spend the amount it saved from lower accrual payments to fund its operations.

Elimination of FERS Annuity Supplement

Under current law, certain FERS employees who retire before age 62 receive a supplement to their annuity that is intended to equal the amount they would receive from the Social Security Administration if they were eligible for Social Security benefits at the time of retirement. The annuity supplement ends when the retiree turns 62 or becomes eligible to receive Social Security benefits.

Section 90002 would eliminate the annuity supplement for most newly retired people under FERS. Employees who retire under a mandatory authority would continue to receive the supplement as under current law. Current FERS annuitants and those who retire before enactment also would continue to receive the supplement.

Using data from the Office of Personnel Management (OPM), CBO estimates that about 21,000 new FERS retirees who do not retire under a mandatory authority are added to the annuity supplement rolls each year. In fiscal year 2025, the average annual supplement for affected annuitants would be about $18,000, CBO estimates. Those annuitants begin to receive the supplement, on average, at age 59 and would therefore receive the supplement for about three years. On that basis, CBO estimates that eliminating the supplement for new annuitants would reduce direct spending by $10.0 billion over the 2025-2034 period.

High-5 Average Pay for Calculating CSRS and FERS Pension

Most federal employees hired before 1987 are part of the Civil Service Retirement System (CSRS), the defined benefit pension plan that was replaced by FERS. Under current law, retirement annuities under both systems are based on a participant's average salary over the three consecutive years with their highest earnings.

Section 90003 would change the annuity calculation to use a five-year average for most CSRS and FERS employees who retire on or after January 1, 2027. The annuity calculation for employees who are subject to mandatory retirement would remain at the three-year average, as under current law.

Using data from OPM, CBO estimates that about 90,000 employees who are not subject to mandatory retirement are added to the CSRS and FERS retirement rolls each year. Under current law, the average monthly benefit for CSRS annuitants was about $5,700 in fiscal year 2024; for FERS the average was about $2,300. Using the five-year average, rather than the three-year average, would reduce an affected retiree's annuity by about 3 percent. CBO estimates that enacting section 90003 would reduce direct spending by $3.1 billion over the 2025-2034 period.

Election for At-Will Employment and Lower FERS Contributions for New Federal Civil Service Hires

Section 90004 would require most new federal civilian hires to choose either to serve as at-will employees or to contribute an additional five percent of their salary toward their retirement. The change would apply to employees hired or appointed after enactment. It would not apply to employees who cannot appeal adverse actions to the Merit Systems Protection Board, including most USPS employees. It also would exclude certain other employees, including positions excepted from the competitive service due to the confidential, policy focused nature of their work.

At-will employees can have their employment terminated at any time without cause. Those employees retain protection under antidiscrimination laws, however, including laws that prohibit termination on the basis of race, sex, or religion. Under this provision, new hires who choose not to become at-will employees would retain civil service protections that require employers to show cause for any adverse personnel action and would retain the right to appeal employment termination.

Based on data from OPM, CBO estimates that roughly 124,000 affected federal hires will enter FERS in fiscal year 2026 with an annual salary of about $71,000, on average. Using data about employees' perceptions of job security and willingness to forgo current compensation for future benefits, CBO estimates that roughly one quarter of affected federal hires would choose to contribute an additional 5 percent of their salary toward retirement rather than enter into at-will employment. On that basis, CBO estimates that the larger retirement contributions of those who reject at-will employment would increase revenues by $4.7 billion over the 2025-2034 period.

Federal agencies also are required to contribute toward employees' retirement. Under section 90004, agencies' contributions would decrease by the same percentage that employees' contributions rise. CBO estimates that reduced employer contributions for FERS employees in agencies other than USPS would decrease spending subject to appropriation by $4.5 billion over the 2025-2034 period.

CBO estimates that section 90004 would apply to roughly 10 percent of USPS employees. A reduction in USPS's contributions for affected hires who do not choose at-will employment would reduce that agency's required payments to the CSRDF (as well as receipts into the fund) by $112 million over the 2025-2034 period, CBO estimates, thereby boosting on-budget direct spending by that amount. Because CBO projects that USPS will exhaust both its borrowing authority and its reserve funds in 2027, any savings to the Postal Service Fund would be fully offset beginning in that year. Thus, CBO estimates no net change in off-budget outlays by USPS over the 2025-2034 period.

Filing Fee for Merit Systems Protection Board Claims and Appeals

Section 90005 would direct the Merit Systems Protection Board (MSPB) to impose fees for employees, former employees, or applicants for employment to file certain types of claims against federal agencies. Fees collected from claimants whose appeals are denied would be deposited into the Treasury as miscellaneous receipts. CBO expects that under this provision fewer claims would be filed than the 4,000 that are filed annually, on average, under current law. Using information from the MSPB, CBO estimates that enacting the provision would increase revenues by $3 million over the 2025-2034 period.

FEHB Protection

Section 90006 would require federal agencies to verify the eligibility of enrollees' dependents to participate in the FEHB program. That program provides health insurance to about 8 million federal workers and annuitants, including current and retired USPS employees, and coverage for their dependents and survivors. Verification would occur when the employee or annuitant starts or changes a dependent's enrollment—for example, during open season, because of a change in employment, or in response to a qualifying life event, such as a marriage or the birth or adoption of a child. Within six years of enactment, the legislation would require OPM to conduct a verification audit of all dependents enrolled in the program. Dependents found to be ineligible would be denied enrollment or disenrolled. The legislation also would expand OPM's annual assessment of fraud risk to include a risk assessment for enrollment by ineligible dependents.

Agencies currently verify dependents' eligibility at initial enrollment or when employees change their coverage at the time of a qualifying life event. OPM requires federal agencies to verify 10 percent of enrollment elections during open season. However, the Government

Accountability Office has indicated that some ineligible dependents have been enrolled and that additional measures could be taken to reduce fraud in the program.[1]

Over the 2026-2034 period, the legislation would authorize OPM to spend $604 million from the FEHB trust fund to expand that agency's oversight of the program, increasing outlays by the same amount. Authorized amounts would be for the following activities:

- $474 million to develop, maintain, and conduct ongoing verifications for and oversight of the FEHB program's enrollment and eligibility systems;
- $80 million to audit enrollment of dependents; and
- $50 million for program oversight by OPM's Office of the Inspector General.

Those amounts would be used in part for activities that would reduce enrollment in FEHB and result in smaller government contributions to premiums. CBO anticipates that OPM would implement the section's auditing requirements using contracts with private-sector entities. Given the likely duration and complexity of such an undertaking, CBO expects that the audit would begin later in fiscal year 2026 and continue through 2031.

Using data on the composition of enrollment in the FEHB program, along with information about the share of dependents removed as a result of other verification audits, CBO expects that implementing the section would cause enrollment to decline by about 100,000 people, on average, in each year over the 2026-2034 period, of which about 10,000 would be removed as a result of open-season verifications.

Government contributions to premiums for federal annuitants and USPS employees are classified in the budget as direct spending. Therefore, a decline in FEHB enrollment among those groups would reduce direct spending. CBO estimates that about 35 percent of the people disenrolled would be ineligible dependents of federal annuitants and USPS employees, at an average annual cost of about $6,900 per dependent, for a total reduction in direct spending of $2.1 billion over the 2026-2034 period.[2]

In total, CBO estimates enacting the section would reduce direct spending by about $1.5 billion over the 2026-2034 period.

1. Government Accountability Office, *Federal Employees Health Benefits Program: Additional Monitoring Mechanisms and Fraud Risk Assessment Needed to Better Ensure Member Eligibility,* GAO-23-105222 (January 2023), www.gao.gov/products/gao-23-105222.

2. By contrast, spending for federal employees is classified as spending subject to appropriation and contingent on subsequent appropriations; therefore, any reductions in spending for that population are excluded here.

Uncertainty

CBO's estimates for the budgetary effects of enacting title IX are subject to uncertainty. Several areas in particular are difficult to estimate:

- Anticipating federal employees' responses to changes in FERS contributions and benefits is uncertain because decisions related to employment and retirement depend on a wide variety of individual circumstances.
- Estimating new federal employees' responses to a requirement to contribute a larger percentage of their salary toward their retirement or accept at-will employment is subject to significant uncertainty due to limited data and historical experience related to how workers have responded in similar situations.
- Estimating the budgetary effects of section 90006 is subject to significant uncertainty because no similar verification audit of the FEHB program has been undertaken. CBO projected the cost of an audit, length of time required to complete an audit, the number of dependents who could be found ineligible, and the number disenrolled, but actual amounts could be larger or smaller than estimated. Moreover, given the inherent uncertainty concerning patterns of health care use by people who would be newly found ineligible, the reductions in spending that would be generated by an audit also could be larger or smaller than estimated here.

Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in Table 1. Only on-budget changes to outlays or revenues are subject to pay-as-you-go procedures.

Increase in Long-Term Net Direct Spending and Deficits

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2035.

Mandates

The Committee on Oversight and Government Reform's reconciliation recommendations would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) by reducing the value of certain earned benefits for current federal employees. Specifically, the legislation would impose mandates by eliminating the FERS annuity supplement for most federal employees and by calculating most future retirees' annuities using their average highest five years of earnings rather than the three-year average specified under current law.

In general, changes to the conditions of federal employment are not mandates because federal employment is voluntary. However, CBO considers provisions that reduce the value of a benefit that is already earned to impose a mandate because the change is retroactive, and affected employees lack the opportunity to make an alternative choice.

The cost of the mandates would be the loss of the annuity supplement and the reduction in the value of current federal employees' retirement annuities. CBO estimates that the average annual cost in the first five years that the mandates are in effect would be $750 million, which would exceed the annual private-sector threshold established in UMRA ($206 million in 2025, adjusted annually for inflation).

The legislation would not impose any intergovernmental mandates as defined in UMRA.

Other provisions within the legislation, including the increase in required retirement contributions by current federal employees, are prospective and do not decrease the value of any earned benefits. Therefore, those provisions do not impose mandates.

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[Table 2 begins on the next page.]

Return to Reference

Table 2.
Estimated Changes in Direct Spending and Revenues Under Reconciliation Recommendations
Title IX, House Committee on Oversight and Government Reform, as Ordered Reported on April 30, 2025

	By Fiscal Year, Millions of Dollars											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2029	2025-2034
					Increases or Decreases (-) in Direct Spending							
Sec. 90001, Increase in FERS Employee Contribution Requirements												
Budget Authority	0	0	578	415	378	341	306	273	242	214	1,371	2,747
Estimated Outlays	0	0	578	415	378	341	306	273	242	214	1,371	2,747
On-Budget[a]	*0*	*183*	*395*	*415*	*378*	*341*	*306*	*273*	*242*	*214*	*1,371*	*2,747*
Off-Budget[b]	*0*	*-183*	*183*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Sec. 90002, Elimination of FERS Annuity Supplement												
Budget Authority	-22	-229	-530	-781	-1,013	-1,219	-1,387	-1,521	-1,623	-1,709	-2,575	-10,034
Estimated Outlays	-22	-229	-530	-781	-1,013	-1,219	-1,387	-1,521	-1,623	-1,709	-2,575	-10,034
Sec. 90003, High-5 Average Pay for Calculating CSRS and FERS Pension												
Budget Authority	0	0	-38	-122	-224	-329	-435	-541	-650	-761	-384	-3,100
Estimated Outlays	0	0	-38	-122	-224	-329	-435	-541	-650	-761	-384	-3,100
Sec. 90004, Election for At-Will Employment and Lower FERS Contributions for New Federal Civil Service Hires												
Budget Authority	0	0	6	7	10	13	15	18	20	23	23	112
Estimated Outlays	0	0	6	7	10	13	15	18	20	23	23	112
On-Budget[a]	0	2	4	7	10	13	15	18	20	23	*23*	*112*
Off-Budget[b]	*0*	*-2*	*2*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Sec. 90006, FEHB Protection												
Budget Authority	0	113	-27	-94	-158	-224	-283	-275	-266	-258	-166	-1,472
Estimated Outlays	0	40	-12	-79	-143	-209	-270	-275	-266	-258	-194	-1,472
On-Budget[c]	0	41	-13	-79	-143	-209	-270	-275	-266	-258	-194	-1,472
Off-Budget[d]	0	-1	1	0	0	0	0	0	0	0	0	0
Total Changes												
Budget Authority	-22	-116	-11	-575	-1,007	-1,418	-1,784	-2,046	-2,277	-2,491	-1,731	-11,747
Estimated Outlays	-22	-189	4	-560	-992	-1,403	-1,771	-2,046	-2,277	-2,491	-1,759	-11,747
On-Budget	*-22*	*-3*	*-182*	*-560*	*-992*	*-1403*	*-1771*	*-2046*	*-2277*	*-2491*	*-1,759*	*-11,747*
Off-Budget	*0*	*-186*	*186*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*

(Continued)

Table 2.
Estimated Changes in Direct Spending and Revenues Under Reconciliation Recommendations
Title IX, House Committee on Oversight and Government Reform, as Ordered Reported on April 30, 2025

(Continued)

	By Fiscal Year, Millions of Dollars											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2029	2025-2034
	Increases in Revenues											
Sec. 90001, Increase in FERS Employee Contribution Requirements												
Estimated Revenues	0	1,768	4,052	4,525	4,404	4,270	4,123	3,967	3,805	3,634	14,749	34,548
Sec. 90004, Election for At-Will Employment and Lower FERS Contributions for New Federal Civil Service Hires												
Estimated Revenues	9	71	177	286	397	509	624	740	859	981	940	4,653
Sec. 90005, Filing Fee for Merit Systems Protection Board Claims and Appeals												
Estimated Revenues	*	*	*	*	1	*	*	*	*	2	1	3
Total Changes												
Estimated Revenues	9	1,839	4,229	4,811	4,802	4,779	4,747	4,707	4,664	4,617	15,690	39,204
	Net Decrease in the Deficit From Changes in Direct Spending and Revenues											
Effect on the Deficit	-31	-2,028	-4,225	-5,371	-5,794	-6,182	-6,518	-6,753	-6,941	-7,108	-17,449	-50,951
On-Budget Deficitt[a,c]	*-31*	*-1,842*	*-4,411*	*-5,371*	*-5,794*	*-6,182*	*-6,518*	*-6,753*	*-6,941*	*-7,108*	*-17,449*	*-50,951*
Off-Budget Deficit[b,d]	*0*	*-186*	*186*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*

Budget authority includes estimated and specified amounts. Components may not sum to totals because of rounding.

CSRS = Civil Service Retirement System; FEHB = Federal Employees Health Benefits; FERS = Federal Employees' Retirement System;
* = between zero and $500,000.

a. The on-budget effect arises from reduced contributions by the Postal Service for FERS employees' retirement, resulting in smaller deposits of offsetting receipts into the Civil Service Retirement and Disability Fund.

b. The off-budget effect arises from reduced contributions by the Postal Service for FERS employees' retirement. Under current law, CBO expects that the Postal Service will exhaust both its borrowing authority and its reserve funds in 2027. As a result, CBO expects that the savings to the Postal Service Fund under the legislation would be fully offset beginning in that year.

c. The on-budget effect arises from reductions in enrollment in the FEHB program of dependents of federal annuitants.

d. The off-budget effect comes from reduced Postal Service contributions for postal employees' health benefits. Under current law, CBO expects that the Postal Service will exhaust both its borrowing authority and its reserve funds in 2027. As a result, CBO expects that the savings to the Postal Service Fund under the legislation would be fully offset beginning in that year.