

Legislative Update for Current and Retired Federal Employees

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116th Congress Overview

The 116th Congress started in the middle of a partial government shutdown (January 2018). The NARFE website provided valuable information for Feds who were locked out of work due to the 35 day shutdown – NARFE shutdown central kept employees and others what the status of negotiations were going, who was affected and how. Government Employees fair treatment Act, guaranteed Feds back pay for this one and future similar events.

Trump's FY21 Presidential Budget proposals included:

- Eliminate or reduce COLA's for current and future retirees – CSRS would get crumbs and FERS gets nada
- Increase FERS Retirement Contributions by 6%
- Eliminate FERS Annuity Supplement- bridge payment (up to 62) this benefit is fully paid for, so the only basis is a belief that it is unfair for Feds to get anything good.
- Change the High-3 to High-5 calculations for future retirees – not a big deal, unless you receive a promotion within those 3 years then it has a large impact.
- Reduce rate of return for G Fund (TSP) -from about 2% to about 0.02%, which makes the G Fund useless as it doesn't keep up with inflation (of course, it doesn't keep up with inflation anyway, so just making it worthless.)
- Reduce total paid time off by pooling all leave in one pool (sick and annual). You get X days off, no matter for why you take it. That's it. This is predicated on the belief that Feds get more time off than private sector employees with the fed holidays. This does not consider that your sick leave can be counted in your retirement calculation. This also reduces the federal annuity.
- Limits pay increase for 2021 – pay freezes.

\$180 billion in cuts to federal benefits were proposed in the budget proposals.

Bipartisan budget deals:

- Raised annual spending caps;
- Only partially offset the cost;
- There were no cuts to fed benefits;
- The federal workforce was not used as offset for other spending.

Sequester caps increased and other offsets were found for \$1 billion- the federal community was not part of the cuts. Large expensive bills could be problematic, such as the House passed massive infrastructure transportation bill, but it did not have any negative affect. NARFE has been on the frontlines making sure that government doesn't try to balance the budget on the backs of fed employees. Feds should be "safe" through FY2021. After nearly 10 years of defending federal benefits, NARFE has been successful in holding the line against cuts from both Congressional and presidential budget proposals for retirees. The fed benefits are like a piggy bank for Congress and the president.

Other issues overcome:

Elimination of OPM into a new office of Federal workforce policy under the Exec office while

merging remaining functions into GSA. Congressional approval is necessary for such a reorganization. The Administration did not make a case for improvement; could not prove there would be any efficiency improvement. No business case made. GSA has its own problems; the director of the new office of federal workforce policy would not need to be confirmed by congress – a political position, no vetting, which threatened the political neutrality of the public service. OPM does have problems. Retirements are still paper-processed; it's time for modernization. NARFE detailed OPM's problems, while discussing that the reorg was unfounded, in testimony to congress. NARFE supports a National Academy of Public administration study of OPM operations and mandates to help OPM modernize. FY21 House Appropriations further block and OPM merger. NAPA is in year-long contract to look at what OPM does and doesn't do will report to Congress, challenges, ways to address those challenges.

Federal employees pay raises for last two years:

President sets pay adjustment, absent congressional action.

2019 there was an impasse on spending – shutdown, no pay increase.

President implemented pay freeze in Dec 2018

Feb 2019 1.9% pay raise signed into law.

2020 – Trump 2.6% pay raise/house had 3.1% increase

Dec 2019 – 3.1% average pay signed into law

Pay parity with military returned. (frozen in 2011 in 2012 and 2013)

Postal reform:

USPA Fairness Act HR 2382/S.2965 – NARFE supports

Repeals the prefund all future retiree benefits (100% mandated which led to the USPS problems) passed 309 to 106. Senate action unlikely.

Comprehensive postal reform bills.

NARFE opposes mandatory Medicare for USPS current retirees.

No current comprehensive bill introduced in Congress this year – on hold for time being.

Paid parental leave provisions in the FY20 NDAA – good news! Signed into law National Defense Authorization Act. Effect on October 1:

Must be employee for one year for title five employees;

Left out nontitle five employees (Air Traffic Controllers) (unintentional);

Fixed in the House Fy21 NDAA, passed a few weeks ago.

Additional NARFE accomplishments:

- Eliminate 40% excise tax on high cost FEHBP – Cadillac tax;
- Extension of agency authority to rehire annuitants without salary offset;
- Implementation of TSP modernization Act – would encourage more people to keep their money in the TSP;
- House passed DC Statehood bill – nothing further probably will happen on this.

COVID-19 RESPONSE

Suspended RMDs from retirement accounts for 2020;

No restrictions on stimulus checks going to retirees;

OPM encourages FEHB plans to waive co-pays, cover telehealth;

Mid-year changes to FSA permitted;

Frontline workers exemplify public service,

Nearly 19,00 civilian feds have tested positive for the virus but still work;

Feds integral to ongoing response;

Expanded telework, but return to work concerns;

She thanked all the active employees who are still working and doing their best to serve.

WEP/GPO repeal or reform

Repeal Bills introduced.

WEP reform 3 house bills introduced and one senate bill.

NARFE Goals – Support effort to provide relief or current retirees and Force House vote on full repeal (HR 141) 290 co-sponsors will receive a vote – 249 members as of 8/6.

Fair COLA for Seniors Act (HR 1553): current COLA formula CPI-W measures the spending of urban wage earners and clerical workers under the age of 62
CPI-E measures the prices experienced by seniors (over 62) would more accurately measure how seniors spend their money. There are not enough cosponsors or support for this switch. So, NARFE supports Adoption of CPI-E which could increase COLAs by an average of 0.27%
NARFE GOAL – build congressional support for more accurate COLAs.

FY 21 pay raise – federal pay rates must remain competitive with private sector to keep talent. Feds are on the front lines of the pandemic. With so many out of work and the economy doing poorly, now is not a good time to push for a pay raise. NARFE GOAL: enact pay raise in 2021 at parity with military. House has passed pay raise for Military – senate is doing nothing, President will decide – not a great choice – what will he do? Tell congress what you do as a federal employee – to reflect and justify why you should receive a raise next year.

Postal reform – Emergency financial relief in response to COVID-19 pandemic

CARES act provided \$10 billion line of credit

House passed bills include \$25 billion in emergency appropriations (NARFE supports)

House-Senate negotiations on another COVID relief package continue.

Stress on USPS – during COVID – if there is no relief the USPS will fail – (my opinion - which is precisely what GOP wants). Klement was optimistic.

That's it for the 116th Congress. Now looking ahead before the end of 2020. Not much will happen – election politics will dominate agenda. COVID relief package, not if but when. Continuing Resolution (CR) expected prior to October 1 – just not enough time to get everything through. Appropriations bills may be pushed into 2021 if there's a change in administrations.

2021

- Fund government for FY 21;
- Continued response to COVID
- Deficit reduction efforts? Who Pays?
- The only certainty is the 2021 activities will depend on the election outcome.

Keeping FEDs off the cutting block over the next few months

www.narfe.org/GOTV2020 -

Know what you need to do to get your voice heard in the coming elections.

NARFE PAC – raises money from NARFE members and contributes that money to congressional candidates that friendly to issues concerning federal employees. It is the political arm of NARFE, and that money is used to encourage candidates who are sympathetic to federal workforce issues. Fed-friendly candidates – only Congressional elections, never presidential elections. It builds a relationship with members of congress and future members of congress, it allows NARFE members to interact with congress and future candidates. It is an additional voice for NARFE members and bring attention to NARFE legislative priorities.

2019-2020 goal to raise \$1.75 million

1.73 million as of June 30 – almost there

Disbursed \$1.25 million for political purposes directly to campaigns of individual members of congress and candidates for those offices, leadership committees and party committees almost all of that money comes from events

\$1.074 million

GOAL: Attend 110 local fundraisers. So Far only 78, most are on hold right now, so the goal is not going to be met. Perhaps another route.

Goal Increased sustainer program by 20% (Currently at 11%) There are rewards for sustainers who give a monthly contribution. They supply a steady stream of funding so that NARFE can plan and budget that is not possible with just the occasional donation.

AETNA ad at the end – Susan Allgood sgallgood@aetna.com or call 615-465-9241
Chat live at 222.aetnafedslive.com or visit the www.aetnafeds.com/retireplans site

Legislative Update for Current and Retired Federal Employees Chat Transcript

This is a transcript of an online chat from August 6, 2020. If you have a question that is not answered here or need more clarification, please contact NARFE's advocacy department at fedbenefits@narfe.org

Question: Do we have any strategy to move bills that might get to the Senate like H.R. 141 but McConnell refuses to act on?

Answer: It's unlikely that even must-pass legislation gets passed this year in the Senate. There's little hope for anything that's not COVID relief, apropos or the NDAA... and even those are uncertain.

Question: "Do you know how many of the 19,000 Federal workers that contracted COVID-19 passed away?"

Answer: Last I saw it was at least 60.

Question: Does Congress get the same pay raise as Federal workers including their staff?

Answer: No. Members of Congress have to pass their own raise separately. The last time they did so was 2009. Staff salaries and increases are at the discretion of the Member, within their office budgets.

Question: Does NARFE PAC endorse political candidates?

Answer: No. Sometimes a person who has received NARFE-PAC funds will say NARFE endorsed him/her, but the association does not officially or formally endorse candidates.

Question: "Given the huge amount of debt, is it realistic to expect to keep the Federal community out of the conversation about reducing it?"

Answer: Nope. I think it's an inevitability in the coming years. That's why I think it's crucial NARFE members talk about what they do/did for the federal government. Putting a human face on Feds will make it much more difficult for lawmakers to target your benefits.

Question: How is NARFE doing on getting the OK to allow retirees to contribute to NARFE-PAC from their annuity? And I would guess that there would be no credit card fees so NARFE-PAC would get the entire sustainer amount.

Answer: We're working with OPM to add the option. The project to add the option is in the OPM queue.

Question: "I have heard for years that the government is trying to ""bring the Post Office onto it's knees"" in order to make privatization possible. If our administration stays the same as a result of the election, does NARFE see this as a possibility? also, do you see the current changes since the appointment of the new postmaster general as meant to make it more difficult for some people to vote, thus affecting the election?"

Answer: To your first question, I think it's a possibility, but unlikely. There are always going to be efforts to privatize USPS but think there's enough opposition in Congress to stop it. As to your second question, I don't want to speculate, but it certainly appears that way.

Question: "If member of Congress have the latitude to increase salaries for staff, where do they get the money to pay staff? And do the salaries for congressional staff vary widely?"

Answer: Every office has the same budget, and that budget is part of the leg branch approps bill. It's been significantly decreased since 2008. Staff salaries are very low, especially considering the jobs they do, and they do not vary much by office. Some members are known to pay better than others, but I would argue that no one pays well. Their budgets are very small.

Question: "If there is a change in Administrations, do you think that the pressure will be off OPM to upgrade their systems?"

Answer: I don't think so. Most career officials at OMB and OPM agree the systems need upgrading. I think it's more a matter of where it falls on the priority list.

Question: Is it appropriate to write to the Senate Majority Leader or Speaker of the House on bills to ask for support or opposition if they are not your Senator or Representative?

Answer: It's appropriate, I'm just not sure it's effective. There is, however, a way to email the House Majority Leader via his leadership website (all the way at the bottom), so that's something.

Question: Is NARFE considering weighing in on the changes the New Postmaster General is making that are changing the way letter carriers do their jobs such as reduced time in the office sorting mail and leaving some mail behind?

Answer: Yes, we're talking right now about the right approach for NARFE to take.

Question: Is there a similar situation in the Senate that enough co-sponsors could require a floor vote?

Answer: No.

Question: "It seems like some legislation is a no-brainer, such as the Paid Parental Leave for Non-Title 5 employees. You would think that Congress could pass that and get it off their list of things to do. How do we get some of the no-brainer legislation passed?"

Answer: It's so true, isn't it? I don't have the magic answer. Congress can't even seem to do the things it HAS to do, let alone the no-brainers. This is a byproduct of the very partisan environment we live in.

Question: "Its nice that Federal employees achieved parity with the 3,1% increase, but after the increase in FEHB premiums many if not most paychecks actually decreased. What are the prospects for FEHB premiums going forward?"

Answer: FEHB premiums are typically lower than the average private sector increases. Having a pool of 8 million participants gives OPM a lot of negotiating power to keep premiums down. However, given the pandemic, I wouldn't be surprised if we saw larger increases next year than usual. There's not much NARFE, or even OPM, can do about that.

Question: "My Congressman, Tom Suozzi, is on a group of bi-partisan reps to try to get ""common sense"" legislation considered. Have we worked with this group to get their endorsement on our legislation?"

Answer: We've worked a lot with individual members of that caucus and did meet initially with the chairs last Congress. But not as group recently. Good suggestion.

Question: My legislators are fully in support of Federal employees/retirees. To what extent would it be valuable for someone like me to write to legislators who are not as supportive and are not in my state?

Answer: Not at all valuable. I can tell you that if you're not a constituent, staff will not read your letter, let alone respond to it. In this situation, what you should do is encourage your supportive Members to urge their colleagues to support Feds, to cosponsor legislation that NARFE supports, etc... This is especially important if your member of Congress is in leadership.

Question: "Ok, there have been over 290 WEP/GPO cosponsors in the past. Did it actually come to a floor vote? When and what were the results?"

Answer: No. That's a new rule this Congress, and can easily change when the 117th Congress is sworn in. That's why it's crucial we act now.

Question: Social Security COLAs have been so low that my wife and I have received zero COLA for over five years now. Medicare got it all. Is there any action to make the COLA the increase in Medicare premiums plus a percentage of the change? At this rate I'll never see an increase in my net Social Security benefit.

Answer: I haven't seen that proposed in the past. I will flag your suggestion for my fellow advocacy staffers.

Question: What do you make of recent OPM memo to move to competency based hiring per recent Executive Order? I thought OPM did that back in the 1990's.

Answer: We're looking over the guidance, which the CHCO Council released this week. I'll get back to you, but on it's face, the EO looks fine, non-controversial.

Question: What does NAPA stand for and when will the study be completed?

Answer: National Academy of Public Administration. It's supposed to be complete within a year of the contract being signed, which was supposed to be 30 days after the law was signed. It wasn't entered into until several months after that. I believe they finally signed the contract in March of this year. So a year from then.

Question: "What legislative work is NARFE partnering with other organizations i.e.: AARP, or your Coalition partners RE:: Postal Reform Activity?"

Answer: We've been working with the Federal-Postal Coalition (over 30 groups that represent federal and postal workers and retirees) on COVID-related issues currently - hazard pay, FEHB coverage, telehealth, etc... We've also discussed strategy on the pay raise with other federal employee organizations. NARFE also participated in a report on the future of human capital. Stay tuned for the October issue of the magazine for more information on that.

Question: What will happen re legislative conference in 2021

Answer: It's too soon to answer that question right now, but we're discussing our options.

Question: "Where did OPM merger proposal originally come from? Does it make sense to merge human resources and benefits management with an agency that manages government real estate, travel, technology, vehicle fleets, small business contracting. Would the HR function get lost in GSA's responsibilities and lose priority at federal level?"

Answer: It came from OMB. It officially appeared early on in Trump's budget requests to Congress. Yes, we believe OPM's core functions would get lost in a larger agency and not get the attention they deserve. What you describe is the basis for NARFE's objections.

Question: "With all the COVID-19 upheaval and the Postal Service financial issues, does it look like the mandatory Medicare enrollment for Postal retirees is off the table?"

Answer: I think overall reform is off the table for now, which takes this issue off the table. But, with a struggling USPS, once we're past the pandemic, I think it will be right back on the table.

Question: "With Congress so preoccupied with the COVID response bill, what 1 item is most important for us to take to our representatives?"

Answer: What a great question for Marsha next week! I'd take the WEP/GPO repeal bill, the CPI-E bill, or postal funding. Postal funding is a big sticking point in negotiations right now.

Question: "You mentioned that not much will get done until after the election. But during Grassroots Advocacy Month we are working on WEP/GPO Repeal-WEP Reform, CPI-E to determine COLA, and a FY2021 Pay Raise for Federal workers, do you think anything will happen and if not, is it beneficial?"

Answer: I think it's important for NARFE to continue to push for these issues to gain traction, move the needle, and secure more cosponsors. I think getting to 290 cosponsors on the GPO/WEP bill is within reach. I'm pessimistic about the pay raise given the House was silent, so there's no negotiating power in conference.

Question: "You mentioned that we would probably see a CR prior to October 1 for FY21 spending, do you think there is any chance that we will suffer another government shutdown or just operate on CR's until after January 1, 2021?"

Answer: I think a shutdown is really unlikely in an election year. What happens after the election though... well, anything could happen. I wouldn't be surprised if the first CR takes us past the election and then next steps will depend on the election results.

Question: You said that House rules require a floor vote if a bill has 290 cosponsors. Correct? Has that ever happened to the WEP/GPO bills over the last 35 years?

Answer: Yes. It was common to get over 300 cosponsors to that bill. Not as much in recent years, but definitely in recent memory.