

# NALC and fed-postal coalition play defense against pension proposals

**T**he U.S. House of Representatives voted in March to cut letter carriers' pay once again, in the form of a boost in the employee share of the pension contributions that come out of our biweekly paychecks. The proposed cuts were included in a non-binding House Republican budget plan for Fiscal Year 2016. Seventeen Republicans and every Democrat voted against this plan.

However, the cuts were dropped from the budget jointly adopted by the House and Senate last month (see story on page 8). Still, this attack on our pensions came on the heels of two previous cuts enacted in recent years for new federal employees, including letter carriers.

The original budget plan the House adopted in March called for cutting \$318 billion from federal and postal compensation. That included not only the increase in pension contributions to 6 percent for current employees but also reductions in Thrift Savings Plan earnings, an increase in employees' share of health care premiums and replacing health insurance with a "voucher" plan that wouldn't increase with growing medical costs. It also encouraged eliminating FERS altogether and getting rid of the FERS annuity supplement. The pension contribution change would have affected all federal employees and postal workers, not just new hires—amounting to a \$3,500 pay cut for a Step O carrier.

In addition, the House budget plan proposed \$40 billion in cuts in Postal

Service spending (even though they would not lower the budget deficit because the Postal Service does not receive taxpayer funds), calling for a change in frequency and type of delivery (five-day delivery and cuts to door-to-door service) and eliminating the right of postal employees to negotiate over health and life insurance benefits. (See the President's Message in the May issue of *The Postal Record* for more information.) And those are just the items in this particular House plan—other bills introduced in this session of Congress target our pay, benefits and collective-bargaining rights.

"It's clear that a large faction in Congress wants to continue to whittle away at our pay and benefits," NALC President Fredric Rolando said. "They want to roll us back out of the middle class."

NALC isn't fighting this battle alone. As a participant in the Federal-Postal Coalition, a group of 31 labor unions and other groups representing a combined 5 million federal and postal workers and retirees, NALC is harnessing the power of unity to help assure

that the interests of letter carriers are heard on Capitol Hill as Congress debates federal worker issues.

NALC Director of Legislative and Political Affairs Kori Blalock Keller is vice chairman of the Federal-Postal Coalition. Keller uses that role to provide leadership in the coalition on issues affecting postal employees and to make the voice of letter carriers part

of a united front to protect all federal workers.

"Kori works very hard to make solidarity work for letter carriers through the Federal-Postal Coalition," Rolando said. "The voices of millions of federal workers working in unison on Capitol Hill speak louder as one."

The threat of attacks on our pay and benefits this year hasn't gone away. Even though the pension hits and other cuts aren't part of the budget blueprint, Congress still could enact them at any time.

The last increase in federal employee contributions to pensions was tucked into a last-minute spending bill passed in December 2013 and signed by President Obama. That bill set employee contributions at 4.4 percent for employees hired on or after Jan. 1, 2014 or with less than five years of previous federal civilian service. Federal employees have also seen their pay frozen in 2011 through 2013 with a negligible increase in 2014.

It was the second increase in employee contributions in as many years. In 2012, Congress upped the contribution for new hires to 3.1 percent beginning Jan. 1, 2013. The contribution had stood at 0.8 percent since the Federal Employees Retirement System (FERS) was introduced in 1987.

"These attacks aren't going to stop," Rolando said. "It's easy for Congress to blame federal workers for their own failures. We know how that works—some members of Congress have been blaming us for the financial situation of the Postal Service for years, while the real issue is the debilitating pre-funding of retiree health care benefits that Congress imposed."

Working in unison through the Federal-Postal Coalition gives federal and postal workers the strength to help



**NALC Director of Legislative and Political Affairs Kori Blalock Keller**



## Federal-Postal Coalition

**The Federal-Postal Coalition** is made up of 31 national organizations that collectively represent 5 million middle-class federal and postal workers and retirees.

Federal and postal employees take care of our veterans, guard our borders, thwart terrorism, maintain our military's hardware, take criminals off our streets and keep them behind bars, support the country's businesses, ensure the safety of our food and water, and deliver services and vital mail to every community in America.

For more than three decades, the Federal-Postal Coalition has amplified both labor and management voices to ensure that America's federal and postal workforce remains strong, effective and efficient.

resist attacks on the pay and benefits of working men and women, who often make easy targets.

Federal employees have been a favorite congressional scapegoat for decades. Bullies in Congress perpetuate negative images of federal workers as overpaid, sometimes pointing to private-sector wages and benefits by comparison.

"These politicians ignore the facts," Rolando said. "A legally mandated annual survey by the Federal Pay Council found that federal compensation lagged behind private sector pay by 35 percent in 2014."

In the original House budget plan that proposed pension contribution increases, its authors pointed to recommendations by the National Commission on Fiscal Responsibility and Reform that federal employees pay more for their retirement. That bipartisan commission, commonly known as the Simpson-Bowles commission (its co-chairmen were former Sen. Alan Simpson and former White House chief of staff Erskine Bowles) proposed in 2010 a comprehensive package to reduce government spending.

"Those in Congress who support the attacks tried to justify cuts to our pay using Simpson-Bowles—but they ignored all the other proposals in Simpson-Bowles that they didn't like," Rolando noted. "In fact, Congress failed to pass the Simpson-Bowles deal. Now some members of Congress

are cherry-picking what they like from it and are trying to balance the budget on the backs of workers."

The Simpson-Bowles plan called for all federal worker contributions, regardless of hire date, to rise to 6 percent. "In other words, they want 6 percent of your pay to go toward your pensions, with no accompanying increase in your pension benefits," Rolando said.

Adding insult to injury, cuts to postal worker pay or benefits wouldn't save the taxpayers anyway, since the Postal Service doesn't get taxpayer funds. Postal workers already have paid more than enough for their pension fund, which is fully funded.

Keller warned that even though the final budget plan passed without imposing another increase in employer contributions to pensions, the struggle is far from over. Any number of proposals to cut pay or benefits, reduce the workforce, decrease worker protection or curb collective-bargaining rights could come at any time. Recently, the House rejected an effort to end official time for union activities and another proposal to take steps to fire federal workers who were delinquent on their taxes. These proposals might find other paths through Congress.

The bottom line is that Congress must find at least \$9 billion in spending reductions from last year's level this year—and \$194 billion over 10 years—as mandated by "sequestration," a

process Congress enacted in 2011 that imposes automatic across-the-board cuts if Congress fails to reduce spending. The search for room in the budget to avoid sequestration could trigger new proposals aimed at squeezing even more out of federal workers' pay and benefits. And many in Congress would like to make cuts far beyond \$9 billion. They could force the issue by attaching cuts to a last-minute, must-pass spending package to avoid a government shutdown or to a bill allowing an increase in the government's borrowing limit.

Letter carriers are not powerless to fight back.

By participating in the efforts of the Federal-Postal Coalition, each of our voices joins with those of 5 million of our brothers and sisters in the federal workforce to send our message to Congress.

"Over the last several years, federal workers have contributed more than \$120 billion in savings," Rolando said. "It's time for all of us to tell Congress that enough is enough."

Rolando urged letter carriers to continue to participate in grassroots lobbying to make sure the message is heard loud and clear. "Signing up for the e-Activist Network is one of the easiest ways to stay informed about what's going on and how you can help," Rolando said.

Visit [nalco.org](http://nalco.org) to sign up. **PR**