

Bracing for anti-fed proposals in the 115th Congress



Director of Legislative and Political Affairs
Kori Blalock Keller

For years, some in Congress have worked to advance proposals detrimental to letter carriers. With the House, Senate and presidential administration under GOP control, NALC is hoping for the best but preparing to do battle when it comes to legislation that affects our health and retirement benefits, collective-bargaining rights and employment levels. While few specifics have been released, past proposals show us what we can expect.

Over the past five years, most GOP budget blueprints have called for reducing the federal workforce through attrition, increasing employee health and retirement contributions, maintaining pay freezes, and privatizing Medicare. Most of these proposals failed because of the opposition of President Obama. But we did not survive unscathed. Indeed, the so-called “Middle Class Tax Relief and Job Creation Act of 2012” forced letter carriers and other federal employees hired on and after Dec. 31, 2012, to increase contributions to their retirement from 0.8 percent to 3.1 percent of pay, with no offsetting pay increase. The Bipartisan Budget Act of 2013 further increased those contributions to 4.4 percent for those hired on and after Jan. 1, 2014.

During Speaker of the House Paul Ryan’s (R-WI) tenure as chairman of the House Budget Committee, his Fiscal Year 2015 budget suggested raising all federal employees’ retirement contributions to 5.5 percent with no increase in benefits. It would have cut employees’ pay by the same amount, using federal workers as a piggy bank to reduce the deficit. The budget mirrored previous versions and suggested turning Medicare into a voucher system and raising the age of eligibility to 67. Ryan’s 2012 spending plan also proposed freezing federal pay for five years and reducing the number of staffers through attrition.

Ryan’s replacement wasn’t much better. Rep. Tom Price’s (R-GA) Fiscal Year 2016 budget would have: required all federal employees to pay an additional 6 percent of their salary toward retirement without any increase in pay or benefits; privatized Medicare; lowered the rate of return for the Thrift Savings Plan’s G Fund; and reduced premium subsidies for those with “relatively short” careers in government. The budget laid out nearly \$318 billion in cuts from workers, the equivalent of a \$3,500 pay cut for a Step O letter carrier.

Fast-forward to recent comments by Rep. Jason Chaffetz (R-UT), chairman of the House Oversight and Government Reform Committee, who announced his first priority in 2017 will be making it easier to fire “bad apples.” In 2015, the House rejected Chaffetz’ H.R. 1563, a measure that called for permitting federal agencies to fire employees who owe

back taxes. He also plans to shift federal employees’ current retirement benefits to a market-driven 401(k)-style plan for new employees. “We have a Republican president who will help us drive this to the finish line,” Chaffetz recently told a *Washington Post* reporter.

These go hand-in-hand with what President-elect Donald Trump promised on the campaign trail. In his “Contract with the American Voter”—which outlines priorities for his first 100 days in office—Trump promised to order a hiring freeze on federal employees. Past legislative versions of this proposal exempted the USPS, but it’s not clear if an executive order would. We oppose a freeze and, if necessary, will fight for a postal exemption.

The president-elect and Speaker Ryan agree that repealing and replacing the Affordable Care Act (ACA), aka Obamacare, will be one of their top priorities during the 115th Congress. Speaker Ryan has also suggested that he intends to couple Medicare privatization with the ACA’s repeal. “Unfortunately, [Medicare] is on an unsustainable path, and Obamacare has made things worse,” his recent “A Better Way” plan stated.

In fact, that is not true. The ACA actually reduced Medicare costs and added 11 years to the solvency of the Medicare trust funds.

It’s likely that the incoming administration will push lawmakers to use the “reconciliation process” to begin repealing the ACA within the first two weeks of January. Reconciliation refers to special procedures that allow for Congress to enact spending and tax reforms with a simple majority in the Senate. Reconciliation budget bills cannot be filibustered in that chamber.

Despite Trump saying before the election that he opposed cutting Medicare, his pick for secretary of Health and Human Services, Price, suggests he may be open to benefit reductions and privatization.

“NALC is preparing to defend letter carriers and preserve Medicare, and we’ll need your help to do so.”

How we can help stop these attacks

With the 115th Congress already underway, it’s time to put a face to the work letter carriers do as federal employees. NALC is preparing to defend letter carriers and preserve Medicare, and we’ll need your help to do so. Begin building a relationship with your members of Congress. Introduce yourself and share the important work that you do. If you already have relationships, work to strengthen them and stay in contact. Most importantly, reach out to your district’s letter carrier congressional liaison and support their work.

We’re dusting off our battle gear. You should, too.