

Truth and consequences



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Back in March, I wrote in this space about the changed political landscape in Washington and the arrival of one-party government to the nation's capital. I also suggested that elections have real consequences, especially for federal employees and retirees, who are subject to the policies and preferences of Congress and the White House. A consequence of that transition came roaring home last month when the Trump administration submitted its fiscal 2018 budget for the federal government. It is, by far, the most dangerous budget for letter carriers since the 1980s.

While we have faced serious budget attacks in the past, the balance of power between the two political parties prevented them from succeeding. The key difference now is that one party has control of the House, the Senate and the White House. So the ideas in the Trump budget can, in fact, become law—and that's why we must act.

If implemented, this budget would slash the pay of every active letter carrier hired after 1983 (those carriers covered by the Federal Employees Retirement System) by up to 6.45 percent over seven years, as it calls for equalizing the employee and employer payroll contributions for pension benefits. Most such carriers contribute 0.8 percent of pay for FERS benefits carriers while USPS pays 13.7 percent. (Other carriers hired after 2012 pay either 3.1 percent or 4.4 percent, reducing the Postal Service's share.) An equal split of the 14.5 percent cost of FERS benefits would require a shift of up to 6.45 percent in payroll contributions from the Postal Service to its FERS employees. This pay cut would be implemented all at once for new career employees—targeting existing and future CCAs—and 1 percent per year for current career employees.

This budget would also target all retired letter carriers and all active carriers who retire in the future. It would eliminate cost of living adjustments (COLAs) for FERS retirees and reduce the COLAs of Civil Service Retirement System (CSRS) retirees by 0.5 percent per year. It would further slash the pension benefits of all future retirees by using a high-5 salary average for the calculation of annuities, instead of the high-3 average salary used today.

The budget would also eliminate the annuity supplement for FERS carriers who retire before the Social Security early retirement age of 62, which could disrupt the retirement timing for thousands of carriers.

All told, the FERS cuts would reduce the value of FERS retiree benefits by 45 to 55 percent over the first 15 years of retirement. These grossly unfair cuts are truly outrageous.

But the budget does not just attack active and retired letter carriers and other federal employees. It also attacks the Postal Service's networks, calling for \$46 billion in "savings"—code for poorly defined reductions in the frequency and mode of mail delivery. The budget directly threatens our jobs—by eliminating or reducing Saturday and door delivery.

Finally, the administration's plan calls for hundreds of billions of dollars in tax cuts, tilted heavily toward the rich, which would be paid for by massive cuts to Medicaid and Social Security disability benefits—as well as by devastating cuts to the Department of Labor and other agencies that protect workers. Consequences indeed.

The proposed budget was so radical that leaders of both parties immediately declared it "dead on arrival." Knowing this, we might be tempted to let down our guard. We shouldn't, however, because Congress ultimately sets the budget and all of the Trump budget elements affecting federal employees will be on the menu of options in this year's congressional budget process. After all, many of the ideas in the administration's budget originated in the House budgets of recent years—proposals that were blocked by the White House.

All the key budget decisions must be made by Sept. 30—so we have no time to spare. We must act from now through September.

At Headquarters, NALC will do all we can to mobilize opposition to these cuts. But we need every branch leader, state association activist and member to fight alongside us over the next two months. To learn how to help in this effort, go to nalc.org and click on the "Budget Battle 2017" link. We need thousands of members and their co-workers, families, friends and neighbors to contact our senators and representatives—by mail, e-mail, phone and in person. We need a huge army of constituent-voters to protest these proposed cuts. We need thousands of carriers to show up and object to them at congressional district offices and town hall meetings during the summer recess. We need you to install the NALC Member App on your smartphone and answer our calls for action in a timely way.

Truth and consequences: The *truth* is that it takes dedicated and energetic activism to avert adverse *consequences* of elections.