How the budget process could affect letter carriers

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Every spring on Capitol Hill, a new debate begins on funding the government. It starts with the White House's priorities and then action shifts to the House and Senate to find ways to legislate spending priorities and budget cuts. Now that fall is here, there has been a lot of activity on the budget.

Recently, the House and Senate were able to agree on extending government funding until Dec. 8. That deal also included some much-needed funding for states affected by recent hurricanes and addressing the nation's debt limit. With about a month to go, Congress is working toward passing a long-term budget through the end of the fiscal year (Sept. 30, 2018).

While the House and Senate are haggling over funding, they are also outlining their own budget principles, known as "budget resolutions." As this *Postal Record* was going to press, the House of Representatives passed its resolution and called upon 11 committees to find a total of $1.5 trillion in spending cuts and, within that, the resolution asks the House Oversight and Government Reform (OGR) Committee, which manages federal compensation and retirement programs, to cut $32 billion over 10 years through reforms to civil service pensions. Here are a few provisions that are being considered in the House that would affect both active and retired letter carriers:

- Raising federal employees' pension contributions by up to 6.45 percent of pay over the next six years, resulting in a take-home pay cut of up to $3,600 per year for active letter carriers.
- Eliminating cost-of-living adjustments (COLAs) for current and future retirees under the Federal Employees Retirement System (FERS).
- Reducing COLAs for the Civil Service Retirement System (CSRS) annuitants by one-half of 1 percent (that is, 0.5 percent) each year.
- Reducing CSRS and FERS pension benefits for new retirees by basing annuities on employees' highest average pay over five years (high-5) instead of over three years (high-3).
- Eliminating the annuity supplement that covers the gap for employees who retire under FERS before they qualify for Social Security benefits at age 62.
- Slashing the rate of interest paid on assets invested in the Thrift Savings Plan Government Securities Fund (G Fund), costing active and retired postal employees $32 billion over 10 years.
- Cutting $46 billion in vaguely defined cuts and revenue changes to the Postal Service, most likely through further cuts to service standards, reducing the frequency of delivery (eliminating Saturday delivery), and scaling back door delivery.

Across the Hill, the Senate Budget Committee approved its budget resolution and it now awaits a vote on the Senate floor. Thankfully, the Senate's priorities did not direct the Senate Homeland Security and Government Affairs Committee to make cuts, so eventually the two resolutions will go into conference to resolve any differences before voting on one resulting version.

The whole process can be confusing, but one thing is clear: Letter carriers should be aware that no matter what is happening on Capitol Hill, lawmakers often have their eye on federal compensation and retirement benefits as a means of achieving "savings" or "offsets" when deals are being made.

The real question we should ask ourselves is: How do we combat these possible cuts? There are two tools that NALC and the federal community use to combat these cuts. The first is our network of activists. Members of Congress want to hear from their constituents and, when they hear from them early and often, they take note. This is why it's critical for letter carriers to be on alert for calls to action when we learn that Congress may be considering legislation that could be harmful or helpful to us. NALC provides regular updates with push notifications through the NALC Member App for smartphones. I encourage you to download the app, if you haven't already, so that you can stay informed as this process continues.

But we cannot protect letter carriers with activism alone, which is why we have the Letter Carrier Political Fund (LCPF), our political action committee (PAC). The PAC allows us to support letter carrier-friendly incumbents and candidates and, in turn, we build relationships with members of Congress who we can reach out to for help in protecting us on the issues that matter most. Our PAC is non-partisan, meaning we will support Republicans, Democrats and Independents who support us on the issues that matter most.

The political views of NALC members across the country vary from the far left to the far right, which makes our union strong. Regardless of our individual political views, we can be united in defending against potential harmful cuts to the compensation and retirement benefits that we have earned. Making contributions to our non-partisan LCPF is the easiest step we as NALC members can take.

For more information or to sign up to become a contributor, please go to nalc.org/pac or contact the Department of Legislative and Political Affairs at NALC Headquarters at 202-662-2833.

Note: *By making a contribution to the Letter Carrier Political Fund, you are doing so voluntarily with the understanding that your contribution is not a condition of membership in the National Association of Letter Carriers or of employment by the Postal Service, nor is it part of union dues. You have a right to refuse to contribute without any reprisal. The Letter Carrier Political Fund will use the money it receives to contribute to candidates for federal office and undertake other political spending as permitted by law. Your selection shall remain in full force and effect until cancelled. Contributions to the Letter Carrier Political Fund are not deductible for federal income tax purposes. Federal law prohibits the Letter Carrier Political Fund from soliciting contributions from individuals who are not NALC members, executive and administrative staff or their families. Any contribution received from such an individual will be refunded to that contributor. Federal law requires us to use our best efforts to collect and report the name, mailing address, occupation and name of employer of individuals whose contributions exceed $200 per calendar year. Any guideline amount is merely a suggestion, and an individual is free to contribute more or less than the guideline suggests and the Union will not favor or disadvantage anyone by reason of the amount of their contribution or their decision not to contribute.*