News from Washington

USPS Fairness Act reaches bipartisan majority of support

The USPS Fairness Act (H.R. 2382), the bill that would repeal the mandate that the U.S. Postal Service pre-fund decades' worth of health benefits for its retirees, reached a bipartisan majority of support in the House of Representatives in early August. This achievement is due to the hard work of letter carriers all across the country, who took the time to reach out to their representatives and educate them on the importance of this legislation.

"Reaching 218 co-sponsors is a great milestone," NALC President Fredric Rolando said, "allowing us to say that this bill has the support needed to pass on the House floor. This is an important step toward ending this ill-conceived mandate and would propel efforts to achieve postal reform, invest in the Postal Service's infrastructure, and better utilize its vast network to serve business and residential customers."

NALC is encouraging activists to continue their efforts. With the new House rules, legislation that reaches 290 or more co-sponsors can be scheduled directly for a House floor vote.

You can find out who your House member is and if he or she is a co-sponsor on H.R. 2382 by going to NALC's new Legislative Action Center at nalc.org/legaction, putting in your ZIP code and selecting your representative. You also can obtain the lawmaker's contact information in Washington, DC, and back in the home district. Ask your representative to support the Postal Service and its employees by co-sponsoring H.R. 2382, the USPS Fairness Act.

For more on H.R. 2382, see story on page 11.

2-year budget deal signed into law

At the beginning of August, the president signed into law a two-year $2.7 trillion budget deal along with a two-year suspension of the nation's debt.

The deal increases total defense spending from $716 billion to $738 billion in fiscal year (FY) 2020 and $740.5 billion in FY 2021, while non-defense spending would increase from $605 billion to $632 billion in FY 2020 and $634 billion in FY 2021. The spending deal also prevents nearly $125 billion in mandatory spending cuts set to trigger on Oct. 1 and that were implemented through a sequester (mandatory spending cuts) in the Budget Control Act of 2011.

Of significance for federal and postal employees, the deal does not make any changes to federal employee health and retirement benefits or seek drastic agency spending and hiring cuts, despite the calls by Senate Homeland Security and Government Affairs Committee Chairman Ron Johnson (R-WI) and Senate Budget Committee Chairman Mike Enzi (R-WY) for $15 billion in savings by raising federal employees' retirement contributions, in the FY 2020 Budget Resolution in initial negotiations.

Now that the deal is signed into law and Congress is returning from August recess, lawmakers have the parameters necessary to negotiate spending for all 12 appropriations bills, which fund the various government programs and agencies. With just a few weeks before the start of the new fiscal year, Congress will need to agree on each of the 12 individual spending bills and combine the appropriations measures into "mini-buses" or a single "omnibus" measure to avoid a third shutdown during the Trump administration.

Ed Morgan (l) of the NALC Headquarter Legislative and Political Affairs Department explains the importance of the USPS Fairness Act to a congressional aide of Rep. Donald McEachin (D-VA).

New WEP bill introduced to 116th Congress

Prior to the August recess, House Ways and Means Committee Ranking Member Kevin Brady (R-TX), introduced the Equal Treatment of Public Servants Act (H.R. 3934) to repeal the Windfall Elimination Provision (WEP) and replace it with a formula equalizing benefits for certain individuals with non-covered employment.

Enacted in 1983, the WEP rule reduces the Social Security benefits of those receiving annuity under the Civil Service Retirement System (CSRS) and of those who also earn Social Security benefits from other employment. This can reduce benefits by more than $400 a month for those subject to WEP at retirement.

While this bill is largely similar to a previous version of the bill introduced in the 113th, 114th and 115th Congresses, the legislation differs from previous bills in that:

- Individuals whose earnings and pensions are not covered and who are eligible for benefits from 2022-2060 (age 21 to 59 in 2019) will have the higher of either current law or the proportional formula applied to their benefits.
- Individuals who are eligible for benefits starting in 2061 (age 20 and younger in 2019) will have the proportional formula applied to their benefits.
- A rebate or "foreign pensions" will be issued to individuals who are eligible for benefits before 2022 (age 60 and older in 2019).

NALC's assessment is that this bill would negatively affect a small universe of letter carriers, and that therefore we cannot support this legislation. We continue to work on full repeal of WEP and Government Pension Offset (GPO) through the bipartisan Social Security Fairness Act (H.R. 141/S. 521), both introduced earlier this year. NALC will be sure to keep letter carriers informed of any updates regarding the WEP and GPO.

$15/hr. minimum wage passes House

In mid-July, the House voted 231-199 largely along party lines to pass H.R. 582, which would gradually raise the federal minimum wage to $15 an hour over the next six years and then tie the wage floor to inflation in subsequent years.

House Republicans offered an amendment to exempt businesses with fewer than 10 employees or with annual gross income of less than $1 million from implementing the $15 minimum wage. The amendment was defeated 218-210.

The most recent increase to the federal minimum wage came in 2009 to the current $7.25 per hour and this bill has been a priority for many House Democrats, especially the bill's sponsor, Education and Labor Committee Chairman Bobby Scott (D-VA).

Now that the bill has passed the House, it is up to the Senate to advance an identical bill to H.R. 582 that was introduced by Sen. Bernie Sanders (I-VT) in January. That bill is highly unlikely to advance in the Republican-controlled chamber.

House votes to repeal 'Cadillac tax'

In late July, the House voted overwhelmingly to pass the Middle Class Health Benefits Tax Repeal Act (H.R. 748). The bill would permanently repeal what is referred to as the "Cadillac tax." The tax was one of many that were passed under the Affordable Care Act to help pay for other provisions in the bill, but had been delayed from going into effect twice before and is now set for 2022. Should it go into effect, the Congressional Budget Office and Joint Committee on Taxation projected that it would collect about $193 billion in revenue through Fiscal Year 2029.

This repeal of a 40 percent excise tax on high-cost employer-provided health insurance passed the House 419-6 and now proceeds to the Senate, where its future in unclear. While the "Cadillac tax" does not apply to letter carriers or other postal employees, NALC supports H.R. 748 and, along with the Federal-Postal Coalition (of which NALC is a member), sent a letter to members of Congress in support of the bill. **PR**