



## AUGUST 2016 NARFE TALKING POINTS

*This fall, Congress will have a long to do list and a short amount of time before they adjourn and finish the 114<sup>th</sup> Congress (2015-2016). Some of NARFE's legislative priorities could face votes this fall, in addition to the need to fund the government for FY17. The Talking Points below reflect NARFE's priorities as they relate to the fights we will face. Please use this information to prepare for meetings with legislators and candidates. You can find Issue Briefs on these issues to leave with your legislators and candidates on NARFE's [website](#).*

### **U.S. Postal Service Reform**

NARFE opposes H.R. 5714 and S. 2051 because they require current postal retirees and their spouses to enroll in Medicare or lose their Federal Employee Health Benefits Program (FEHBP) coverage. While the House bill includes automatic enrollment and a transition period, the legislation still changes the game for retirees after they have retired. Additionally, NARFE opposes S. 2051 because it would reduce workers' compensation benefits for injured or disabled federal employees. NARFE supports postal reform legislation that relieves the United States Postal Service (USPS) of its burdensome prefunding requirement for future retiree health care costs, and maintains service standards such as six-day and to-the-door delivery without undermining important employee benefits, such as workers' compensation, health benefits and annuities.

### **Windfall Elimination Provision Reform**

NARFE supports H.R. 711, the Equal Treatment of Public Servants Act, as originally introduced. While H.R. 711 does not repeal the Windfall Elimination Provision (WEP), it reduces the penalty for those already impacted and establishes a new, fairer formula for those who will face the WEP penalty in the future. NARFE does not support a proposed substitute amendment that would have removed the enforcement requirements in the original bill, resulting in the estimated penalty reduction being 50 percent to 14 percent for those currently impacted by the WEP. NARFE has long sought repeal of the WEP and the Government Pension Offset (GPO) and continues to support full repeal of both. NARFE supports H.R. 711 because it has a chance to move through Congress and provide some relief to those penalized by the WEP.

### **Medicare Part B Hold Harmless**

Under the "hold harmless" provision of the Social Security Act, the dollar increase in Medicare Part B premiums is limited to the dollar increase in an individual's Social Security benefit. When there is no cost-of-living adjustment (COLA) for Social Security benefits, approximately 70 percent of beneficiaries are held harmless from any increase in their Medicare Part B premiums. However, the remaining 30 percent of Part B beneficiaries who are not held harmless become responsible for shouldering the premium increases for all beneficiaries. This includes federal retirees who do not receive Social Security benefits. For 2016, those not held harmless faced a 52 percent increase in Medicare Part B premiums. Due to a compromise in the two-year budget agreement passed at the end of 2015, those not held harmless saw were held to a 15 percent increase. At this time, it is projected

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that while there will be a small COLA in 2017, it may not be large enough to cover the projected increase in Medicare Part B premiums. The 2015 compromise does not account for such a situation and those not held harmless are once again facing a disproportionately high premiums increase. If you are not held harmless, you should discuss what this means for you and your family when talking to members of Congress.

### **The Federal Community Has Done Its Fair Share**

The federal community has done its fair share to decrease the deficit and should not be singled out for further cuts to pay or benefits. Over the last six years, active employees sacrificed more than \$120 billion toward deficit reduction and other priorities through a three-year pay freeze and two increases in retirement benefits without any corresponding increase in benefits. In 2013, over 750,000 federal employees were furloughed as a result of sequestration. This cost federal employees over \$1 billion in lost wages that year alone. Enough is enough.

### **The Federal Community**

Proposals targeting the federal community will impact over five million hard-working middle class Americans, retirees, and their families across the country. Approximately 85 percent of all federal employees live outside of Washington, D.C., Maryland, and Virginia. Nearly two-thirds of federal, non-postal employees work to Protect America's Heartbeat by defending our homeland, supporting our military, and/or caring for our veterans.

Many federal employees are experts in their fields with over 51 percent holding a college degree or higher. These higher levels of education include doctors at the Department of Veterans Affairs, nuclear scientists at the Department of Energy and epidemiologists at the Centers for Disease Control. A January 2012 report from the Congressional Budget Office (CBO) found that when benefits are weighed, America's most educated and experienced federal workers earn about 18 percent less in total compensation than they would if they worked in the private sector. These highly educated individuals continue to work for the federal government because they are committed to public service.

Sixty percent of federal employees have served the public for over 15 years. Many federal employees also served in the military before becoming public servants. In 2013, 31 percent of individuals hired by the federal government were veterans, while 54 percent of new hires at the Defense Department were veterans.