

Good Morning:

Please be sure you ask your members to follow up on this most important attack on federal active and retired federal employees. We still have a chance to change minds and we need everyone's help to do that. I know probably everyone has seen this on GEMS messages; but sometimes I wonder if the same information coming from the local leaders will have more impact. [Send your letter today!](#)

- The second Price budget, nicknamed Price II, was the one that passed the House. Seventeen Republicans and all of the Democrats opposed the budget, H. Con. Res. 27.
- In terms of federal employee and retiree issues, both Price budgets assume \$318 billion in savings by:
 - Increasing retirement contributions by roughly 6 percent for all current federal employees;
 - Increasing some federal retirees' share of their health insurance premiums by basing the government contribution on their years of service;
 - Increasing employees' and retirees' Federal Employees Health Benefits Program (FEHBP) premiums by tying the government's employer contribution to inflation and turning FEHBP into a voucher program;
 - Decreasing the civilian workforce by 10 percent through attrition, whereby one employee would be hired for every three who leave government service;
 - Decreasing the rate of return on the Thrift Savings Plan's Government Securities Fund (G Fund);
 - Encouraging the total elimination of the Federal Employees Retirement System (FERS);
 - Eliminating the FERS Annuity Supplement; and
 - Increasing postal employees' share of their FEHBP premiums.
- The Republican Study Committee budget included the Chained CPI.
- The Democratic budget did not have specifics on federal employee and retiree issues, though it did include a policy statement in support of the federal community.
- NARFE opposed the Price budgets and issued a press release, sent a letter to Capitol Hill and signed onto a Federal-Postal Coalition letter in opposition. Following the vote, NARFE issued a second press release.
- You can see how your members of Congress voted on the budget by visiting NARFE's Legislative Action Center. While there, you can send your representative a letter thanking them for their opposition or asking them to explain their vote.
- Senate FY16 Budget
 - The Senate also voted on their budget proposal. Unlike the House, there was one budget that was voted on, but multiple amendments were voted on during an extended Senate session.
 - NARFE opposed the Senate budget and sent a letter to Senators.
 - The Senate Budget Resolution, S. Con. Res. 11, assumes \$170 billion in savings from the federal community by:
 - Increasing retirement contributions by roughly 6 percent for all current federal employees;
 - Increasing employees' and retirees' Federal Employees Health Benefits Program (FEHBP) premiums by tying the government's employer contribution to inflation; and
 - Decreasing the civilian workforce by 10 percent through attrition, whereby one employee would be hired for every three who leave government service.

- You can see how your Senators voted on the budget by visiting NARFE’s Legislative Action Center. While there, you can send your Senator a letter thanking them for their opposition or asking them to explain their vote.

What’s Next in Budget Fight

- Over the next few months, a final budget will be negotiated between the House and Senate. *Because budget resolutions do not get signed by the President, they do not have the authority of law.* Budget resolutions provide guidance to the appropriations committees in terms of their spending levels.
- Once the spending levels have been determined, the appropriations committees will begin their work of setting spending policy for the government.
- By including these proposals in their budgets, the House and Senate have made it easier for them to be included in appropriations legislation, or even stand-alone legislation as a “pay-for.”
- The budgets also set the stage for Reconciliation, which is signed into law.

House Oversight and Government Reform Mark-Up

- On March 25, the House Oversight and Government Reform (OGR) Committee marked up several pieces of legislation under its jurisdiction. One piece that was approved is a bill introduced by the committee’s chairman, Rep. Jason Chaffetz (R-UT), dealing with federal employees who are delinquent in their taxes. NARFE opposes the legislation.

High-3 to High-5 Legislation

- Bruce Westerman (R-AR) introduced legislation (H.R. 1230) to change the formula that is used to determine federal employees’ annuities. Currently, the formula uses the highest average salaries for three years but the legislation would change it to the highest average salaries for five years.
- There are currently no co-sponsors on the bill.
- NARFE is not encouraging members to take action on the legislation because we do not want to bring attention to its introduction.

Medicare “Doc-Fix”

- On Thursday, March 26, the House passed a bipartisan bill that would permanently repeal the Sustainable Growth Rate (SGR) formula. The SGR formula determines how much doctors are reimbursed for providing care for patients covered by Medicare. Since the creation of the formula, Congress has delayed its full implementation resulting in the threat of greater and greater cuts. To avoid those cuts, Congress would pass “doc fix” legislation.
- The compromise legislation, H.R. 2, would permanently repeal the SGR formula, thus avoiding the need for “doc fixes.” The legislation would provide modest, 0.5 percent increases in payments for the next five years and then transition to a performance-based payment formula.
- To partially offset the cost of repealing the SGR formula, the bill would increase premiums for higher-income Part B and Part D participants, starting in 2018. Premiums would increase by up to 15 percent for individuals with income above \$133,500 (\$267,000 for a couple).
- The Senate is expected to take up the legislation when they return from the April recess.

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