

# UPDATE

NAPS Leg/Reg Update - April 16, 2015

## **Tax-Delinquent Fed Firing Measure Fails in the House**

A House Republican effort to pass legislation that would require the firing of any tax-delinquent federal or postal employee failed yesterday.

The measure, The Federal Employee Tax Accountability Act, H.R. 1563, fell 12 votes short, on a 266-160 vote. House Republican leaders had considered the measure under short-cut procedures that required a 2/3 approval for the legislation to pass. (To find out how your House Member voted, [click here](#).) It marked the second consecutive year that tax-delinquent fed firing legislation had failed under such procedures.

Following the vote, NAPS President Louis M. Atkins thanked Democratic and Republican lawmakers who stood with federal and postal employees in opposition to the meaningless and mean-spirited measure. "This measure needlessly sought to find a solution to a non-existent problem," Atkins said. "Fortunately enough House Members recognized the truth -- that federal and postal employees pay their taxes at higher rates than private sector counterparts, that it will be more difficult to collect tax debts from individuals without jobs, and that garnishment tools already exist to collect taxes from tax delinquent employees."

President Atkins also extended appreciation to the many NAPS members who responded to Wednesday's "NAPS Call to Action" to urge their House lawmakers to oppose H.R. 1563. "NAPS members recognized the need to act immediately and defeat this measure. They did a great job once again," Atkins said.

## **House, Senate Budget Resolutions Call for**

# Dramatic Changes in Retirement, Health Benefits

Dramatic cuts in federal employee and retiree compensation could come about through FY 2016 budget bills passed by the House and Senate late last month.

While the details of the House and Senate bills differ, both call for lower compensation for federal workers and retirees, dramatic cuts to agency spending and huge reductions in the federal workforce. Comparatively, the House version demands even [larger cuts](#) than the Senate measure.

The final outlook will become clearer over the next two weeks, as House and Senate negotiators complete work on a final FY 2016 budget that will seek to achieve \$5.5 trillion in total savings over the next decade, relying in part on net pay cuts for federal employees, through large increases in employee payments for their health insurance coverage and retirement benefits, as well as large cuts in the size of the non-defense federal workforce. The final budget, though non-binding, will set the framework for the consideration later this summer of a series of government funding bills and a budget reconciliation measure.

For example, contributions for FERS benefits would increase by more than 8 times -- from the current 0.8 percent of pay to 6.5 percent of pay -- under the House-approved resolution.

Contributions toward health insurance coverage would significantly increase, as well, from the current 28 percent of premium contribution to as fifty percent of the contribution.

The rate of return on the G-Fund, the most popular funding in the Thrift Savings Program, would also be cut by the House resolution.

These threats are real, and NAPS has joined with other federal employee and retiree groups to lobby against these changes and will soon be calling upon NAPS members to lend their voices.

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