

# UPDATE

NAPS Leg/Reg Update - October 26, 2017

## **Big Cuts in Civil Service Retirement Benefits Defeated ... For Now**

Federal and postal employees dodged a bullet aimed at their retirement benefits when the House of Representatives today refrained from including any retirement benefit cuts in the final version of the Fiscal Year 2018 budget resolution ([H Con Res 71](#)).

The House of Representatives approved the FY 2018 budget resolution on a [216-212](#) vote, following the Senate's approval last Thursday of the same budget resolution on a [51-49](#) vote.

No instructions are contained in the budget resolution that would reduce federal and postal employment benefits, a remarkable outcome compared to President Trump's proposed budget and earlier House action.

President Trump's proposed budget, sent to Congress last spring, would have imposed nearly \$150 billion in retirement benefit cuts. The Trump budget would have: eliminated annual cost-of-living increases for FERS retirees; lowered COLA's for Civil Service CSRS enrollees by 0.5 percent; increased employee retirement contributions by 1 percent every year over the next 5-6 years; and eliminated annuity supplements for FERS retirees who stop working before they are eligible for Social Security benefits.

Considerable lobbying in Washington and the field by NAPS and other federal/postal employee and retiree groups over the past six months

succeeded in whittling down the prospect of benefit cuts. The House of Representatives on October 5 adopted a budget resolution that imposed \$32 billion in unspecified retirement cuts, a relatively lower but still unacceptable legislative response.

Continued advocacy by NAPS and other groups through the Federal-Postal Coalition ultimately caused the Senate to decline to go along with the House and refrain from imposing any mandatory spending cuts, including civil service retirement benefit reductions in the budget resolution adopted last week.

Congressional passage of the budget resolution paves the way for Congress to begin work on tax reform through reconciliation instructions to the tax-writing committees. Earlier this week House Republican leaders, faced with dwindling time to get a tax package passed, elected to quickly accept the terms Senate budget resolution, instead of conferencing with the Senate to resolve differences between the House and Senate resolutions. That resulted in today's House passage of the Senate budget resolution, avoiding any civil service benefit reductions.

This good news proves that persistent federal and postal employee advocacy can make a difference. But like all legislative victories, the success could be temporary. Federal benefits could be vulnerable next month if Congressional lawmakers try to raise existing budget sequester caps and seek budget offsets. And it's likely that the Trump White House will again propose many of the same civil service benefit cuts within the FY 2019 budget proposal it will send to Congress early next year. It's been [reported](#) that the President's FY 2019 budget proposal will include a pay freeze for federal workers in 2019 and propose eliminating the FERS defined benefit program for all new government hires.

"If these unacceptable developments occur, the same advocacy that NAPS and other groups mounted this year will again become our play book next year," NAPS Executive Vice-President Ivan Butts predicted. "We'll continue to monitor developments and be ready, if necessary, to defend the benefits that our NAPS members have earned through our lobbying on Capitol Hill and at the grass roots level. Thanks to all who contributed to this year's victory."

To find out how your House lawmaker voted on the House budget resolution, [click here](#).

To find out how your Senator voted on the Senate budget resolution, [click here](#).

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