

GOVERNMENT AFFAIRS

Legislative Updates

House committee holds hearing on paid family and medical leave for federal employees

Jun 24, 2021

On June 24, the House Committee on Oversight and Reform held a hearing on the Comprehensive Paid Leave for Federal Employees Act ([H.R. 564](#)). This bill, which was introduced by Chairwoman Carolyn Maloney (D-NY) in January, would provide up to 12 weeks of paid family and medical leave for federal employees, including Postal Service employees. This paid leave could be used for personal illness, caring for a family member, or time off work needed when a family member is leaving or returning from active military duty. Federal employees are currently entitled to 12 weeks of leave under the Family and Medical Leave Act (FMLA) for such reasons, but it is not guaranteed paid leave.

“This is a policy that is long overdue for the federal workforce and for our nation,” said Chairwoman Maloney in her opening statement. “The federal government has the opportunity to lead the way on paid leave and fostering a family-friendly workplace. While providing access to paid parental leave is critically important and long overdue, it’s just as important to provide access to paid family and medical leave too.”

The hearing included five witnesses: Lelaine Bigelow, Interim Vice President for Economic Justice and Congressional Relations, National Partnership for Women & Families; Hadley Heath Manning, Director of Policy, Independent Women’s Forum; Everett Kelley, National President, American Federation of Government Employees; Vicki Shabo, Senior Fellow, Paid Leave Policy and Strategy, Better Life Lab, on behalf of New America; Eric Sorkin, Co-Owner and Chief Executive Officer, Runamok Maple.

The hearing grew tense at times with many Republican representatives expressing opposition to the bill. “Oversight Democrats have called a hearing on enhanced work perks for federal bureaucrats,” Ranking Member James Comer (R-KY) said. “That’s right, more benefits for federal employees who already enjoy job security and a lavish set of benefits not afforded to most American workers.”

Rep. Jody Hice (R-GA) echoed the Ranking Member’s remarks emphasizing the unknown costs of such a policy. “We’re looking at ways to get federal employees even more time off on the backs of the American taxpayers,” he said. “Combined with federal holidays and annual leave, federal employees now only have to work about eight months out of the year.”

During questioning, Kelley refuted this claim stating that it is unlikely that all federal employees would fall into a category allowing them to utilize the full 12 weeks of paid leave.

“Every federal employee would not be able to take four months of leave,” he said. “That's not what this is all about and to propose that would be a lie.”

Democratic representatives emphasized that paid medical and family leave policy could help recruit and retain the federal workforce while keeping employees safe. “We don't want people going to work when they're sick, and you would have thought COVID-19 would have taught us that,” said Rep. Jamie Raskin (D-MD).

In response to a question from Rep. Ayanna Pressley (D-MA) regarding why it is important to establish a federal paid leave program that covers diverse needs, Bigelow said, “Comprehensive paid leave improves health outcomes for those who need care and prevents people from having to make impossible choices between being there for their families...and their jobs and income. As the workforce ages, a comprehensive paid leave policy is just smart economics to ensure older workers can continue working and can manage work with caring for an aging parent or loved one.”

The partisan tensions surrounding the bill do not give it an easy route through Congress. A mirroring Senate bill, [S. 1158](#), was introduced in April. NALC will continue to monitor this legislation.

NALC weighs in on proposed service standard changes

Jun 23, 2021

In comments filed with the Postal Service on June 22 as part of the Postal Regulatory Commission's review of the USPS's proposed changes in service standards for First Class Mail and Periodicals, NALC argued against slowing the delivery of such mail. We noted the overwhelming opposition of the mailing community and the damage the slow-down would have to the Postal Service's brand, particularly at a time when rates are going up to levels needed to fund investment in the agency's vital networks. Read the filing [here](#).

Explanation of the health care provisions of H.R. 3076/S. 1720

Jun 03, 2021

Last month, the Postal Service Reform Act of 2021 ([H.R. 3076/S. 1720](#)) was introduced in the House of Representatives and in the Senate. NALC strongly supports these bills, the first major postal reform legislation in 15 years, because the bills address two of NALC's top priorities:

- The repeal of the mandate that the Postal Service pre-fund decades' worth of health benefits for its future retirees.

- A reform of the Federal Employees Health Benefit Program (FEHBP) to maximize participation in Medicare when active postal employees (as of January 1, 2023) retire and reach age 65.

Many members may have questions about the FEHBP and Medicare provisions included in these bills. Unfortunately, misinformation about them is common. Let us start with the proposed changes in FEHBP.

FEHBP reform

Under the legislation, postal employees and annuitants would participate in a restructured FEHBP program. All the major plans now available to participants – Blue Cross Blue Shield, the NALC HBP, Kaiser, etc. – would continue to be offered to postal employees and retirees as a postal-only version of their FEHBP plans. But their premiums would be significantly reduced because postal participants would be placed in a separate risk pool with new rules regarding Medicare enrollment.

The new legislation would not change a current postal annuitant's right to decide whether they want to enroll in Medicare. Although 90 percent of current postal annuitants are automatically enrolled in Medicare Part A (hospital services) and nearly 80 percent of them voluntarily enroll in Medicare Part B (medical services), no current annuitant would be required to enroll in either Medicare Part A or Part B. All active employees under the age of 64 (as of January 1, 2023) would be automatically placed in the postal version of the health plan they choose, and if retired upon reaching Medicare age, they would be enrolled in Medicare (absent the exceptions discussed below).

Active postal employees (as of January 1, 2023) who are 64 and older AND all current postal annuitants as of that date would be given the choice of whether to join the postal-only version of FEHBP plans (integrated with Medicare) or remain in the non-postal version of such plans, depending on whether they want to enroll in Medicare Part B, which currently carries a premium of \$148.50 per month. The reason most annuitants already choose to enroll in Medicare Parts A & B when they turn 65 is because enrolling virtually eliminates any out-of-pocket costs such as deductibles and co-payments. However, under the proposed law, current annuitants (as of January 1, 2023) would decide whether to enroll. Those who do not want to enroll in Medicare would remain in the non-postal version of their FEHBP health plan – and the Postal Service would continue to pay the government's share of their premiums.

The postal-only plans in FEHBP will be regulated and operated in the same way current FEHBP plans are regulated and operated today. There will be an annual Open Season that will allow participants to choose among a range of plans with separate rates for postal and non-postal participants.

Special protections

NALC lobbied aggressively for the inclusion of special exceptions that are contained in the legislation. Future postal annuitants who do not need Medicare because of coverage by the Veterans Administration or by another non-FEHBP program or who cannot use Medicare because they live in a place (for example, overseas) without Medicare providers would be allowed to enroll in the non-postal version of their FEHBP plan. We also worked to include a

provision to give current annuitants who did not enroll in Medicare Part B at age 65, but who now wish to do so, a one-time opportunity to enroll in Part B without the late enrollment penalty that currently applies. That penalty, which raises Part B premiums by 10% for each year after age 65 that a retiree delays enrollment, is very expensive.

Why prospective Medicare integration makes sense.

The reason it makes sense to create postal-only plans within FEHBP and to maximize Medicare participation is that it will reduce health care costs for both the Postal Service and participants. FEHBP premiums would be reduced for active and retired postal employees alike. Because Medicare is the first-payer insurer for its enrollees, the costs covered by postal-only FEHBP plans will be reduced, thereby reducing the premiums for postal employees. This would reduce the Postal Service's health care expenses by hundreds of millions of dollars annually and reduce its future liability for retiree health benefits by approximately \$50 billion.

Battling misinformation

Since the introduction of these bills, misinformation about the Medicare provisions included in the legislation have circulated through other outlets. Most noticeably, the National Active and Retired Federal Employees (NARFE) association has distributed inaccurate information about the bills. NARFE has falsely claimed that these bills would cause the premiums of non-postal federal employees and annuitants to increase, allow the Postal Service to “cherry-pick” individuals who are less costly to insure, and allow the Postal Service to avoid its full financial obligation to those retirees who choose not to enroll in Medicare.

None of this is true. In fact, non-postal FEHBP premiums would decline somewhat (about 1.0%) since the non-postal workforce is younger and less expensive to insure than the postal workforce. A recent professional actuarial analysis of the proposed FEHBP reforms conducted by PRM Consulting Group for the Postal Service demonstrates this clearly. That analysis mirrors the findings of the Congressional Budget Office (CBO) review of S. 1486 (the Postal Reform Act of 2014), which also included FEHBP and Medicare integration reforms. The CBO Cost Estimate for S. 1486 (July 14, 2014) states on page 14:

The effect of the legislation on federal on-budget payments for health insurance premiums in the FEHB program would partially offset the increase in Medicare spending. Premiums charged to non-postal enrollees in the FEHB program would be based on expected health costs of the employees, annuitants, and dependents remaining in the FEHB program after the health care costs of USPS workers, annuitants, and their dependents are shifted to the PSHB program. Because non-postal enrollees cost FEHB plans slightly less than postal enrollees, on average, CBO estimates that premiums in the FEHB program would be lower than under current law. Thus, the amount the federal government would contribute toward its share of annuitant premiums would be lower.

CBO estimates that federal payments for health insurance premiums for non-postal annuitants enrolled in the FEHB program would be reduced by about \$1.6 billion over the 2015-2024 period.

Finally, the USPS would not be able to cherry-pick who to insure – it will pay the full cost of all postal participant premiums, whether participants are in the postal or non-postal version of their FEHBP plans.

NALC, along with other postal unions, addressed these false claims in-depth in a letter to the President of NARFE. Read the letter [here](#).



NALC Priority Congressional Bills and Resolutions

Below are bills of note for NALC that have been introduced in the 117th Congress. This page will be updated regularly as bills are introduced.

House Bills

Postal Reform Act of 2021 - [H.R. 3076](#)

Status: Introduced by Reps. Carolyn Maloney (D-NY) and James Comer (R-KY) and ordered to be reported to the House of Representatives on May 13, 2021

Co-sponsors: 43 (22 Democrats – 21 Republicans)

To provide stability to and enhance the services of the United States Postal Service, and for other purposes.

USPS Fairness Act - [H.R. 695](#)

Status: Introduced February 2, 2021 by Reps. Peter DeFazio (D-OR), Tom Reed (R-NY), Carolyn Maloney (D-NY), Brian Fitzpatrick (R-PA) and Collin Allred (D-TX)

Co-sponsors: 272 (216 Democrats – 56 Republicans)

To repeal the requirement that the United States Postal Service prepay future retirement benefits.

Social Security Fairness Act - [H.R. 82](#)

Status: Introduced January 4, 2021

[Co-sponsors](#): 187 (140 Democrats – 47 Republicans)

To repeal provisions that reduce Social Security benefits for individuals who receive other benefits, such as a pension from a state or local government.

House Resolutions

House Resolution 109 ([H. Res. 109](#)) – Door Delivery

Status: Introduced by Reps. Stephanie Murphy (D-FL) and David Joyce (R-OH)

[Co-sponsors](#): 137 (110 Democrats – 27 Republicans)

Expressing the sense of the House of Representatives that the United States Postal Service should take all appropriate measures to ensure the continuation of door delivery for all business and residential customers.

House Resolution 47 ([H. Res. 47](#)) – Anti-privatization

Status: Introduced by Reps. Stephen Lynch (D-MA) and Rodney Davis (R-IL)

[Co-sponsors](#): 167 (146 Democrats – 21 Republicans)

Expressing the sense of the House of Representatives that Congress should take all appropriate measures to ensure that the United States Postal Service remains an independent establishment of the Federal Government and is not subject to privatization.

House Resolution 114 ([H. Res. 114](#)) - Six-Day Delivery

Status: Introduced by Rep. Gerald Connolly (D-VA)

[Co-sponsors](#): 136 (80 Democrats – 56 Republicans)

Expressing the sense of the House of Representatives that the United States Postal Service should take all appropriate measures to ensure the continuation of its 6-day mail delivery service.

House Resolution 119 ([H. Res. 119](#)) - Service Standards

Status: Introduced by Rep. David McKinley (R-WV)

[Co-sponsors](#): 103 (86 Democrats – 17 Republicans)

Expressing the sense of the House of Representatives that the United States Postal Service should take all appropriate measures to restore service standards in effect as of July 1, 2012.

Senate Bills

Postal Reform Act of 2021 - [S. 1720](#)

Status: Introduced by Sen. Gary Peters (D-MI) and Rob Portman (R-OH) on May 19, 2021

[Co-sponsors](#): 23 (12 Democrats – 10 Republicans - 1 Independent)

To provide stability to and enhance the services of the United States Postal Service, and for other purposes.

USPS Fairness Act - S. 145

Status: Introduced by Sen. Steve Daines (R-MT) and Brian Schatz (D-HI)

Co-sponsors: 10 (5 Democrats – 5 Republicans)

To repeal the requirement that the United States Postal Service prepay future retirement benefits.