

Dear PAH Region Call Participants,

Thank you again for joining us on the legislative calls this week. Don't forget: these calls are open to all NARFE members with an interest in legislation and taking a lead role in our Protect America's Heartbeat Program. Please forward this recap to members who may be interested. If you or a member would like to receive reminders and recaps of the calls directly, please e-mail me directly (sweissmann@narfe.org<mailto:sweissmann@narfe.org>) to be added to the disbursement list.

Below is a recap of the calls, including answers to some of the questions that were asked.

Legislative Update:

The House Budget Committee, chaired by Rep. Tom Price, R-GA, approved the House's FY 2017 Budget on Wednesday, March 16. All of the committee's Democrats and two Republicans voted against the budget. While the budget's text was released prior to the mark-up, the accompanying report with specifics on the budget cuts and committee instructions was not released until the following week. Specifically, the House budget would increase retirement contributions for all current federal employees; reduce the federal workforce by 10 percent through attrition, whereby one employee would be hired for every three who leave government service; decrease the rate of return on the Thrift Savings Plan's Government Securities Fund (G Fund); and increase postal employees' share of their FEHBP premiums. These are all proposals that we have seen before.

The Senate Budget committee has announced that they will not look at passing a FY17 budget, unless the House passes one first. After April 15, House and Senate Appropriations Committees can begin their work based on the two-year budget agreement passed at the end of 2015.

Prior to the March 16 mark-up, NARFE sent a letter<<http://www.narfe.org/departments/home/articles.cfm?ID=4030>> to the

House Budget Committee asking them to leave feds alone.

The House Ways and Means Social Security Subcommittee held a hearing on Social Security and ensuring equal treatment. The hearing touched on the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO), but it was mainly focused on H.R. 711. H.R. 711 is the WEP reform bill introduced by Ways and Means Chairman Kevin Brady, R-TX. The legislation would reduce the WEP penalty applied to future Social Security benefit payments for those who are already 62, beginning in 2017 assuming passage this Congress. It would change the WEP formula moving forward for those who are not yet 62. A detailed explanation<<http://www.narfe.org/departments/home/articles.cfm?ID=4008>> of how the change would work is available on NARFE's website. Prior to the hearing, NARFE submitted written testimony<http://www.narfe.org/pdf/Testimony_WEP_GPO_Hearing_House_SS_Subcommittee.pdf> and released a statement<<http://www.narfe.org/legislation/articles.cfm?ID=4034>>. At the hearing, Republicans and Democrats agreed that the WEP unfairly penalizes retirees and that some form of reform is needed. Chairman Brady indicated that the committee may move to advance his bill soon. An action letter<<http://cqrcengage.com/narfe/app/write-a-letter?5&engagementId=157633>> is also available on the Legislative Action Center.

As expected, Sen. Brian Schatz, D-HI, introduced the Senate version of the updated FAIR Act, S. 2699. The Senate bill was originally cosponsored by Senators Barbara A. Mikulski (D-MD), Ben Cardin (D-MD), and Sherrod Brown (D-OH). S. 2699 would provide a 5.3 percent across-the-board pay increase for federal employees in 2017, almost three times greater than the 1.6 percent pay increase proposed by President Obama. A slightly different companion bill was introduced by Rep. Gerry Connolly (D-VA). Rep. Connolly's version, H.R. 4585, includes an across-the-board 3.9 percent pay raise for federal employees in 2017, with an additional 1.4 percent allotted for locality pay adjustments. An action alert<<http://cqrcengage.com/narfe/app/write-a-letter?9&engagementId=76259>> is available on the Legislative Action Center.

The Department of Labor released its final rule regarding conflict of interest and providing protections for retirement savings. The rule is designed to ensure that individuals saving for retirement are protected by a "best interest" or "fiduciary" standard when receiving investment advice. Previously, the best interest standard did not apply to advice given on a one-time basis, advice regarding rollovers, or any advice on investing in an IRA. Instead, such advice was subject only to a weaker "suitability" standard, which allows financial advisers to provide recommendations that serve their own interest instead of their clients. For federal employees and retirees, this put their TSP funds at risk. NARFE has been working on this issue for nearly a year. President Thissen testified last year before the DOL. NARFE's statement<<http://www.narfe.org/departments/home/articles.cfm?ID=4038>> following the announcement is available on the website.

OPM has awarded a new contract to John Hancock Life and Health Insurance Co. that will result in larger out-of-pocket costs for Federal Long Term Care Insurance Program enrollees. The higher rates will go into effect in the fall of 2016. OPM and John Hancock are still negotiating the new premiums, but they will be substantially higher for enrollees. John Hancock was the only company that bid for the seven-year contract. NARFE has been in contact with Long Term Care and OPM, and will update our members as information is available. NARFE issued a statement<<http://www.narfe.org/departments/home/articles.cfm?ID=4040>> when the initial announcement was made and further questions should be directed to the Federal Benefits Department

Protect America's Heartbeat Update:

If you want to get NARFE's message out during campaign season, now is the time to start executing your strategy. As states finish their primaries, there are fewer candidates to meet with. It is important to meet with the Republican and Democratic candidates for the House and Senate, as one of them will be the winner. Use this opportunity to start building your relationships now - it will make working with the

office next year that much easier. You can start working on the relationship by volunteering on a campaign and getting involved in the political process.

The Legislation Department is updating several documents within the PAH Toolkits<<http://www.narfe.org/heartbeat/resources.cfm>>. As documents are updated, they are immediately being put on the website for your use so please check the Toolkit website before your meetings. As always, please contact the Legislation Department with any questions or for further assistance.

Also, a reminder to tell us about your outreach. This helps us plan and strategize for both on the Hill and in districts. Knowing about your conversations with legislators and candidates is priceless information for us. You can send an e-mail recapping your outreach to advocacyinaction@narfe.org<<mailto:advocacyinaction@narfe.org>>.

The House and Senate are scheduled to be in session the remainder of April, but in recess the first and last week in May.

April's webinar will begin our series on preparing for the summer's grassroots push, culminating in August's "Meet Your Candidates Month." The webinar will be hosted by Deputy Legislative Director John Hatton and will focus on WEP, GPO and pending legislation. The webinar will be hosted on Tuesday, April 19 at 9:30 am EDT and Thursday, April 21, at 1:30 pm EDT. To RSVP for the Tuesday webinar, please click [here](https://attendee.gotowebinar.com/register/3046849348744484612)<<https://attendee.gotowebinar.com/register/3046849348744484612>>. To RSVP for the Thursday webinar, please click [here](https://attendee.gotowebinar.com/register/5585162101418930436)<<https://attendee.gotowebinar.com/register/5585162101418930436>>. The dates and topics for the May, June and July webinars are available online<<http://www.narfe.org/member/articles.cfm?ID=3663>>. Previous webinars are also posted online<<http://www.narfe.org/member/articles.cfm?ID=3672>>.

NARFE-PAC

Thank you to everyone who supported NARFE-PAC during March, which was NARFE-PAC Month. We saw a strong increase in contributions and appreciate all those who

took the time to make NARFE-PAC a focus of chapter and federation meetings and those who contributed. As of March 31, 2016, NARFE-PAC has raised roughly \$932,000 from 20,190 NARFE members! We are well on our way to meeting and possibly surpassing our \$1 million goal and have already reached our goal to grow our monthly Sustainer program by 100%! We are now focusing greater attention on using that money to help elect fed-friendly members of Congress in the 2016 elections.

If you're organizing a PAC table at your federation convention this year, please contact Jason Freeman to ensure you have all the necessary materials, or with any questions you may have.

Housekeeping:

Carolyn Dorf has left NARFE. We are currently interviewing for the position and will keep you posted. In the meantime, please contact the Legislative Department directly at leg@narfe.org or 703-838-7760, ext. 201. You can also reach out to members of the department directly.

Questions:

1. If the House and Senate Appropriations Committees begin doing their work without a new budget, will the federal community be targeted? If the House and Senate Appropriations Committees begin their work after April 15 without a new FY17 budget, they will be using the baseline budget numbers included in the two-year budget agreement that was passed at the end of 2015. That agreement raised the budget limits and did not include any "hits" to the federal community. However, the appropriations committees can spend less than is established in the budget. Also, proposals can always come up as independent legislation. We will continue to monitor the appropriations process.

2. I've seen some articles discussing the statutory deadline to pass a budget being missed. What is that about? There is statutory language that requires a budget be passed before April 15 and some in Congress feel that a new FY17 budget should be

passed. However, there are others who feel that the two-year agreement passed last year fulfills the statutory requirement. Keep in mind that the budget has not authority of law and is a joint resolution between the House and Senate.

3. We want to meet with the candidates running for the House and Senate. Where can I find out who is running? The first place to check is the Board of Elections, or whoever is responsible for managing elections in your state. They will usually keep an online listing of candidates who will appear on the ballot. If the filing deadline to appear on the ballot is still a ways away, then you can check with your local or state political parties to see who has announced that they are running.

4. Is there a Senate companion to H.R. 711? At this time, there is not a Senate companion.

5. What are the chances of H.R. 711 passing? We are optimistic about H.R. 711 passing the House this year. The fact that Rep. Brady is the chairman of the committee of jurisdiction (House Ways and Means Committee) means that it is very likely to move through the committee process. The biggest obstacle right now appears to be timing - because it is an election year, the House and Senate are not scheduled to be in Washington very much between now and November.

6. In terms of the Long Term Care Premiums, will the new rates impact all current enrollees? As was mentioned, there are not many specifics available on the new premiums. Those enrolled after August 1, 2015 have already been charged with higher rates and it is not clear if they will be subject to even higher premiums when the new ones go into effect. All other current enrollees, except those age 80 and over, will be subject to the new premium rates.

7. Does the Department of Labor's new rule help individuals who may have received bad advice in the past? Unfortunately, it does not apply to advice given prior to the implementation date. If somebody received past advice that was bad, they should discuss what remedies they might have with an attorney. It depends on the situation and the status of the advisor, but the suitability standard may apply.

Upcoming Calls:

Below is the schedule for our upcoming calls.

Wednesday, May 11, at 9:30 a.m. EDT - Regions I and II
Wednesday, May 11, at 3:00 p.m. EDT - Regions VII, VIII and IX
Thursday, May 12, at 9:30 a.m. EDT - Regions III, IV and X
Thursday, May 12, at 10:30 a.m. EDT - Regions V and VI

Wednesday, June 15, at 9:30 a.m. EDT - Regions I and II
Wednesday, June 15, at 3:00 p.m. EDT - Regions VII, VIII and IX
Thursday, June 16, at 9:30 a.m. EDT - Regions III, IV and X
Thursday, June 16, at 10:30 a.m. EDT - Regions V and VI

Wednesday, July 13, at 9:30 a.m. EDT - Regions I and II
Wednesday, July 13, at 3:00 p.m. EDT - Regions VII, VIII and IX
Thursday, July 14, at 9:30 a.m. EDT - Regions III, IV and X
Thursday, July 14, at 10:30 a.m. EDT - Regions V and VI

Wednesday, August 10, at 9:30 a.m. EDT - Regions I and II
Wednesday, August 10, at 3:00 p.m. EDT - Regions VII, VIII and IX
Thursday, August 11, at 9:30 a.m. EDT - Regions III, IV and X
Thursday, August 11, at 10:30 a.m. EDT - Regions V and VI

To join the call:

Dial 1 (888) 550-5602 or +1 212-812-2800 and enter 3562 2858 (please remember that you save NARFE money when you use the 212 number).

For quick access and to see who is on the call, you can go to

<https://ccc.spiderphone.com/35622858>.

Thank you again for your continued work on behalf of NARFE and your continued participation in our regional PAH calls. Remember, these calls are open to any NARFE

members so you can forward the call information. If you have any questions or need anything, please do not hesitate to contact us.