

will never return to work should not be covered indefinitely by FECA, a program that is designed to provide income for workers injured on the job until they recover and return to work. The senator points to hundreds of postal employees over the age of 70 who are still receiving FECA benefits, which are greater than retirement benefits provided by CSRS and FERS.

This aspect of the current legislation, however, is deeply flawed, and is not supported by the NPMHU. It makes no provision for the loss of regular retirement benefits under CSRS and FERS suffered by FECA recipients who are separated from the Postal Service. Remember, injured workers get no years-of-service credit over the period of their injuries once separated from service, and their annuities are based on their high-3 average salaries at the time of their injury, not at the time of regular retirement. Such employees also lose out on overtime, other premium pays, and the ability to work a second job or to earn a post-retirement livelihood from other employment.

This loss of retirement income is made worse for FECA recipients covered by FERS, because those employees are unable to participate in the Thrift Savings Plan or to accrue benefits under Social Security, which together make up a substantial portion of the retirement package earned by FERS employees.

Even with passage by the full Senate, the future of this legislation is far from clear. The House's companion bill—at this point only passed by the House Committee on Oversight and Government Reform—contains wholly unacceptable attacks on the Postal Service and collective bargaining by the NPMHU and other postal unions. These proposals, sponsored by Chairman Daryl Issa, who currently serves as chairman of the House Committee, are a display of partisan ideology over practical solutions. It therefore is not surprising that the House bill is designed to minimize and eventually privatize the Postal Service, while making it into a non-union entity.

“The House bill is a textbook example of bad legislation. Issa and the Republicans are trying to destroy collective bargaining for postal unions,” said National President John F. Hegarty.

There is no doubt that Issa rigidly adheres to a right-wing, partisan ideology, which aims to decrease the size of government by strangling the Postal Service. Rather than creating jobs, which the nation needs, Issa sees his role as putting up to 100,000 postal workers out of a job. Indeed, Issa has made clear that ultimately he wants to reduce the USPS by more than 200,000 employees.

So now the House must decide how it will respond to the passage of the Senate Bill. The NPMHU leadership and legislative department will continue to dissect and analyze the modified version of S. 1789, as adopted, and will continue to lobby members of the House to reject or significantly amend the components of H.R. 2309, all with the goal of promoting the provisions that serve the best interests of the NPMHU membership,



House Republicans Vote to Increase Pension Costs on Federal/Postal Employees

Following strict party lines, 218 Republicans in the House of Representatives voted in early May to pass H.R. 5652—the 2012 Sequester Replacement Reconciliation Act, which includes provisions that, if enacted into law, would impose an additional five percent payroll tax on postal/federal employees' retirement contributions. The final vote was 218-199, with all Democrats—joined by 16 Republicans—voting against.

The bill faces opposition by Senate Majority Leader Harry Reid (D-NV) and the entire Democratic-controlled Senate. Reid has shown no inclination to take up the House measure.

If passed, the increased contribution would be phased in over five years, first taking effect in January 2013. There would be no corresponding increase in retirement benefits.

“Another day, another Republican-led attack on postal and federal employees,” noted National President John F. Hegarty. “The NPMHU will continue to fight each and every one of these attacks, particularly in light of the tax reductions given to the wealthy 1%.”

Promoted by Representatives Darrell Issa (R-CA) and Paul Ryan (R-WI), the tax comes on the heels of increases already slated for new employees hired beginning January 1, 2012. It is estimated that, if enacted, this bill imposing an additional 5% contribution on employees would reduce take-home pay by more than \$200 each and every month for a mail handler who earns \$50,000 a year. The bill also would have other draconian results, as it would leave an estimated 1.8 million Americans without food stamps, cut Medicare by \$22.7 billion, and stop a program that helps homeowners facing foreclosure.

