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## Newsletter for July 2018

June has been a bad month for Social Security beneficiaries and Civil Service employees and retirees. I recently told people that I wasn't worried about legislation that would change Social Security, Medicare and Civil Service. The reason I said that was, I believed, only a minimal amount of legislative days before the mid-term elections. Normally, Congress goes home for the entire month of August. The President asked Congress to give up that vacation. They will stay in session during August to fully fulfill the President's wish list.

If passed, legislation would cut the COLA for Social Security to an agreed upon COLA each year or the COLA will automatically be cut in half. Since 1984, the COLA has been based on the Consumer Price Index. The CPI is measured from October 1st of the previous year to September 30$^{th}$. This year, with 8 full months of the CPI counted, the increase for calendar year in the books, the increase for 2019 is 2.6%. That would be the biggest increase in 10 years.

The proposals also raise the retirement age for future beneficiaries to 68 or 69 and abolish the premium amount for delaying collecting at full retirement age.

Medicare would limit home health benefits. It would also raise copayments for both doctor and hospital visits.

Federal employees, under the FERS system, would see the value of their benefits diminished. FERS employees hired before 2013 would see

the deduction raised from .8% to 6.8% in a series of 1% increases for 6 years. The people hired in 2013 pay 3.1% toward their retirement. The people hired post 2013 pay 4.3%. All would rise to 6.8%. This wipes out the match of 5% in the TSP. The COLA for Federal retirees is set by the same rules as the Social Security COLA. To add to this list is the computing of retirement benefits from the average of the 3 highest years to 5 years.

I will keep you posted.