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## **Newsletter for February 2018**

The good news, again, is that there are no changes in Social Security, Medicare, and civil service retirement in the immediate future. We will keep you informed as changes are proposed. Next week, the President's proposed budget for fiscal 2019 will be unveiled. There will probably be many ideas on cutting benefits across the board.

The Office of Personnel Management has asked the carriers for Federal Employees Health Benefits to include a "value" plan as well as their standard plans. These plans have high deductibles and limited coverage. They are priced much lower than standard plans. They are a good choice for young healthy families. They provide a Health Savings Account for members. Individuals can put up to \$2500 and families \$5000 to meet the cost of deductibles and co pays. HSAs differ from Flexible Spending Accounts because there is no time limit on when the money can be spent. These plans will cause the standard plans to go up in premiums substantially. If the healthier younger people are out, the payout percentage will be a lot more for the standard benefits. OPM is pushing for high deductible plans because they will pay less toward the value plans. OPM currently pays about 72% of the premiums.

President Trump wants to reward good performing government employees with bonuses and higher salaries. This was tried during the Reagan Administration and was a failure. Federal employees perform services that are hard to quantify. For example, are you going to punish the employee who takes extra time with an elderly person because

they didn't take as many interviews as others with easier to handle clients? He will also make it less cumbersome to fire employees who are not performing as well as others (by the Government's arbitrary standards. There will be less giving of opinions for fear of upsetting the bosses. There will be a Government-wide pool of money allocated to each department and agency for this purpose.

President Reagan went so far as offering bonuses to management personnel who cut their supply budgets. This led to a shortage of such vital things as paper.

Watch for the budget proposals coming next week.