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FEW Washington Legislative Update
March 15-31, 2021

<u>In Congress</u>

President Biden's $2.3 trillion infrastructure plan faces a contentious path on Capitol Hill, where several criticized the proposed corporate tax increases as a nonstarter and others began to jockey for their own demands.

Mr. Biden's plan would provide $621 billion for surface transportation, $400 billion for long-term care for elderly and disabled people under Medicaid and $300 billion for domestic manufacturing, along with hundreds of billions of dollars for other efforts. It also includes a series of tax increases on companies, including raising the corporate tax rate to 28 percent from 21 percent, that the White House said would cover the cost of the spending over 15 years.

While both parties have circled around passing a major infrastructure package for years, disagreement about the scope of such a bill and how to pay for it have stymied previous efforts. If the infrastructure plan passes without bipartisan support, its scope could be limited by Senate rules constraining what legislation can advance with a simple majority.

Unlike the $1.9 trillion coronavirus relief measure Mr. Biden recently signed into law, lawmakers don't face a looming deadline to pass this package. House Speaker Nancy Pelosi (D., Calif.) has set July 4 as a tentative goal for passing the bill, according to a person familiar with the matter, though she has indicated that timeline could slip until later in July. The White House said it would like the package to be passed by this summer.

FEW Washington Legislative Update – March 15-31, 2021
Tier I

Pay and Benefits:

The White House is expected to release a number of new spending and policy proposals in the time just ahead, although more waiting may lie ahead regarding the administration's views on federal employment pay and benefits issues.

The proposals with the greatest dollar impact likely will involve spending on infrastructure such as roads and bridges which could have a substantial impact on operations of agencies involved in overseeing such spending, including the potential need for increasing staff. Such a package further could contain provisions for updating federal office buildings, including initiatives promoting "green" policies such as energy savings.

Also expected soon are various domestic policy proposals along with a general outline of the administration's budget proposal for the fiscal year that starts in October—the so-called "skinny" budget that precedes the traditional detailed set of documents in a presidential transition year.

In the prior two transition years, such preliminary budgets did not address federal benefits policies. The Obama administration in 2009 did specify a proposed raise of 2 percent; the 2017 preliminary budget was silent on a raise (later the full budget proposed 1.9 percent for the following year).

In both of those years the full budget was issued in mid-May. The Biden administration has not projected a date except to say in a recent memo from OMB that it will be "later this spring."

Federal employee organizations are looking for that document to be much different than that of four years ago, which recommended a range of potential cuts to retirement benefits while seeking to have most employees pay more toward those benefits. Those proposals were repeated each following year under the former administration but never came close to enactment in Congress.

While the administration has not signaled a figure for a federal pay raise for 2022, leading Democrats on civil service issues are advocating for a 3.2 percent average boost including a variable locality component. During the campaign, Biden said in response to questionnaires from several employee organizations that he favors "consistent and regular pay increases necessary to ensure federal salaries remain competitive."

Biden also said then that he opposes "cuts in health insurance premiums or other critical employee benefits" and that he favors repealing the higher retirement contributions already applying to some FERS employees depending on when they were hired and that he would "work to eliminate" several Social Security offsets applying in the CSRS retirement program. *Sourced from FEDWeek,*

FEW Washington Legislative Update – March 15-31, 2021
Tier II

Retirement:

The IRS has issued a reminder of changes to law enacted in late 2019 and early 2020 affecting required minimum distributions, or RMDs, from retirement savings programs including the TSP. Key points include:

* "The Setting Every Community Up for Retirement Enhancement (SECURE) Act changed the age when individuals must begin taking withdrawals from their retirement accounts. Someone born on or before June 30, 1949, was required to start getting RMDs for the year they reached the age of 70½. However, under the SECURE Act, if a person's 70th birthday is July 1, 2019, or later, they do not have to take their first RMD until the year they reach age 72.

- "The Coronavirus, Aid, Relief and Economic Security (CARES) Act waived RMDs during 2020 so seniors and retirees, including beneficiaries with inherited accounts, were not required to take money out of IRAs and workplace retirement plans. The waiver included RMDs for individuals who turned age 70½ in 2019 and took their first RMD in 2020. Individuals who reached age 70½ before 2020 and were still employed, but terminated employment in 2020, would normally have a 2020 RMD due by April 1, 2021, from their workplace retirement plan. This RMD is also waived as part of the CARES Act relief."
- "Individuals who reached 70½ in 2019 or earlier, did not have an RMD due for 2020. For 2021, they will have an RMD due by Dec. 31, 2021. Individuals who did not reach age 70½ in 2019 will reach age 72 in 2021 will have their first RMD due by April 1, 2022, and their second RMD due by Dec. 31, 2022. To avoid having both amounts included in their income for the same year, the taxpayer can make the first withdrawal by Dec. 31, 2021, instead of waiting until April 1, 2022. After the first year, all RMDs must be made by Dec. 31."
- "Though the April 1 deadline for taking the first RMD is mandatory for all owners of traditional IRAs, participants in workplace retirement plans who are still working usually can, if their plan allows, wait until April 1 of the year after they retire to start receiving distributions from these plans. Individuals who reached age 70½ before 2020 and were still employed, but terminated employment in 2020, would normally have a 2020 RMD due by April 1, 2021 from their workplace retirement plan. This RMD is also waived as part of the CARES Act relief."
- "The CARES Act made it easier to access savings in IRAs and workplace retirement plans for those affected by the coronavirus. This relief provided favorable tax treatment for certain withdrawals from retirement plans and IRAs, including expanded loan options. Certain distributions made from Jan. 1, 2020, through Dec. 30, 2020, from IRAs or workplace retirement plans to qualified

distributions may be treated as coronavirus-related distributions. These distributions are not subject to the 10 percent additional tax on early distributions.

Taxes on coronavirus-related distributions are includible in taxable income: over a three-year period, one-third each year, or if elected, in the year you take the distribution. Coronavirus-related distributions may be repaid to an IRA or workplace retirement plan within three years."

- "An IRA owner or beneficiary who received an RMD in 2020 had the option of returning it to their account or other qualified plan to avoid paying taxes on that distribution. RMDs in 2020 that were not rolled over or repaid may be eligible to be treated as coronavirus-related distributions if the individual is a qualified individual. A 2020 RMD that otherwise qualifies as a coronavirus-related distribution may be repaid over a 3-year period or have the taxes due on the distribution spread over three years."

Sourced from FEDWeek.

FEW Washington Legislative Update – March 15-31, 2021
Tier III

United Nations Combatting COVID-19 Effect on Women:

Women's gains in society have been dealt a serious blow by the coronavirus pandemic. The World Economic Forum estimates that the fallout from the virus could add another generation to the fight for gender equality, a goal it now predicts to be more than 100 years off.

In the face of this crisis, the branch of the United Nations that deals specifically with women's rights, U.N. Women, has launched a campaign to accelerate the implementation of commitments made by countries during the historic Fourth World Conference on Women. It was at that 1995 gathering in Beijing that then-first lady Hillary Clinton said, "women's rights are human rights."

Having just wrapped up the launch of the campaign with a three day conference called "Generation Equality" in Mexico City, U.N. Women's Executive Director Phumzile Mlambo-Ngcuka spoke to CBS News' Haley Ott about the obstacles facing women today.

The transcript below has been edited for length and clarity.

CBS News: How has the COVID-19 pandemic set back the fight for gender equality around the world?

Phumzile Mlambo-Ngcuka: Well, it has set back women and girls significantly because this pandemic has been particularly harsh on those who have the least possibility to defend themselves. And women and girls fall very firmly in that category.

Two thirds of the jobs lost were lost by women, and it is because women tend to be in the lower bottom of the jobs hierarchy and their jobs are not protected in the main by the labor law. They do not have a means to bargain and they do not have benefits. If they are entrepreneurs, they are in the informal sector. They do not have savings, insurance. They cannot restructure their loan with their bankers.

And so, if you're hit, that's it. It's you and your little kiosk to move on. If you are in the private sector, as in a formal sector — waitressing, in the tourism industry — with the lockdown, you are gone. And the possibility that some of these jobs will not come back because of automation means that women are really exposed and they are not, in the majority, the ones with the digital skills that could make them move on to other jobs.

For girls, they are the majority of the school children who are not going back. And it's so devastating, because girls' education, as you probably know, has been one of the things we've been fighting for since Beijing. And we were making progress, not perfect, but we're keeping girls at school for longer. And now, to just have these girls just dropping out just like that in one year is quite devastating. And this is also because forced marriage increased in the pandemic, trafficking of girls increased, as well as FGM [female genital mutilation] in some communities. So, our work in addressing those harmful cultural practices has to go into first gear in order to make sure that we can retrieve the girls who have been married and take them back to school, we can track the girls who are trafficked and bring them back to their homes. And as you know, it is quite complex.

Many people have been pushed into poverty and extreme poverty during this pandemic, but it is disproportionately affecting women. Can you lay out what that means and what the steps might be to regain some of the ground that's been lost?

Forty-seven million women have been pushed into extreme poverty. And it's particularly worrying that the women in the ages between 24 and 35 are at highest risk. These are the women who have young children, are childbearing age, who have to make choices between unpaid care work and entering the labor market. And in many cases, they opt for caring for the family, and that becomes a step further into poverty for them.

Do you see that shift being lasting?

There is a danger that the increase of the burden of care at home will over-live the pandemic, which is why we need to take action, which is why we are talking about a care system. And which is why we are also engaging employers to make sure that they do not allow for fragmentation of the jobs in such a way that men are the ones who are in the office, and in the name of flexibility, which isn't a bad thing, you end up by default having the women who are the ones who opt to stay at home, who are maneuvered in the family dynamics to be the ones who stayed home and the men who are the ones who go to work. Because that means that we are going back to the days and times where a woman's place was at home and the man's place was in the office.

I think what we would just like to emphasize to governments, especially, is that it is important that the fiscal stimulus that they are announcing are gender-purposed, that they have a way of targeting women, because it is a significant capital outlay. After this pandemic, many countries will not have fiscal space for more significant expenditure. If women are missed right now, it's going to take a long time to get the women back in.

At the beginning of when the world started seeing lockdowns, there were concerns that there would be a rise in domestic violence and domestic abuse. And we are seeing reports of many more predominantly women calling for help to specialist services or to law enforcement. What has the pandemic meant for domestic abuse and what can and should the global community do to address that?

Certainly, it has meant an increase of domestic violence in particular, without actually also stopping violence that's just perpetrated by a stranger, most of which is rape, some of which happens in public spaces or at work, or harassment in general. We have issued an urgent call to governments indicating that this is a shadow pandemic that they have to deal with as much vigor as they do the health pandemic.

On a personal level, what has it been like for you in your role and as an activist to see what has happened for women in terms of gender equality this past year?

It's been devastating. But of course, as you know, as an activist, you can't be down for too long. It's important to fall forwards so that you get up and you take the next step.

Sourced from [CBS News](#).

FEW receives information from the following sources and contacts: Federal News Network, GovernmentExecutive, CNN, FedWeek, and CBS News.