



The Washington Report

The Newsletter of the National Association of Police Organizations
Representing America's Finest

October 5, 2015

NAPO Submits Comments to IRS on Cadillac Tax

On September 30th, NAPO responded to the second IRS Notice (2015-52) regarding how the IRS will implement the 40% annual excise tax on taxpayers who are covered by high cost health insurance plans, so-called “Cadillac” health insurance plans. NAPO voiced our concerns that the adjustment for employees in high risk professions will not be applied to most public safety officers, whose job, by definition, is high risk.

Although the Affordable Care Act set higher thresholds for the excise tax for workers in high risk professions, such as public safety officers (\$11,850 for an individual and \$30,950 for a family), to qualify for the higher threshold amounts, the majority of members in the healthcare plan must work in high risk professions. Many public safety officers would not qualify for the higher threshold amounts, as they participate in general healthcare plans where the majority of participants do not work in high risk professions.

After completing a survey, NAPO confirmed that officers and their families across the country will be negatively impacted by the “Cadillac” health insurance plan tax. To illustrate this point, officers in our member groups, including the Phoenix Law Enforcement Association, Police Conference of New York State, Boston Police Patrolmen’s Association, Dade County (Miami), Florida Police Benevolent Association and the Postal Police Officers’ Association will be negatively impacted by the “Cadillac” health insurance plan tax. Members of the Sarasota Police Department (Florida), Waltham Police Department (Massachusetts), and Southold Town Police Department (New York) will also be negatively impacted by the tax. These public safety officers would not qualify for the higher threshold amounts, as they participate in health insurance plans where the majority of participants do not work in high risk professions. Even more, the aforementioned groups represent thousands of police officers across the nation, but only a fraction of the public safety officers who will be negatively impacted by the “Cadillac” health insurance plan tax.

NAPO made it clear to the IRS that setting higher thresholds for public safety officers will not adequately protect officers from the tax burden, as thousands of officers participate in plans that include a majority of employees who do not work in high risk professions. Therefore, Section 49801 of the Internal Revenue Code must be modified to ensure that all public safety officers are eligible for the higher threshold amounts, regardless of the composition of the officer’s healthcare plan. In addition, the Service’s guidance and interpretation of Section 49801 should reflect the clear intent of Congress that public safety officers should generally be excluded from the effects of this new tax, and that the higher dollar thresholds should be given effect to shield officers and their families, regardless of what other workers also participate in their applicable health care plans.

Such a determination would be consistent with the unquestioned Congressional intent that public safety officers be protected from the impact of this new tax.

If your membership will be impacted by the “Cadillac” Tax and you were not included in the list of affected members, please share your feedback to Andy Edmiston at aedmiston@napo.org. The more evidence we have on the widespread and detrimental impact of this tax, the stronger our argument against it is.

NAPO’s comments to the IRS on Notice 2015-52 can be found at the end of this *Washington Report*.

NAPO Meetings on Capitol Hill

On September 29th, NAPO met with **Senator Patrick Leahy’s (D-VT)** Judiciary Committee staff to discuss next steps on passing the Bulletproof Vest Partnership (BVP) Grant Program Reauthorization Act in the House, sentencing reform, and the status of our other legislative priorities.

The BVP Grant Program provides matching funds to state and local law enforcement departments to assist with efforts to purchase bulletproof vests for their officers. This legislation would reauthorize the highly successful BVP Grant Program and ensure that all of America’s law enforcement officers are provided with the life-saving protection they need. NAPO strongly believes the advancement of this legislation is essential to assist state and local law enforcement efforts to purchase bullet resistant vests for their officers.

The BVP Grant Program Reauthorization Act passed in the Senate by unanimous consent on May 6, 2015, and we are currently working to get the House Judiciary Committee to take up the bill. This is an important step towards final passage of the bill.

On sentencing reform, Senator Leahy joined Senators Chuck Grassley (R-IA), Dick Durbin (D-IL), John Cornyn (R-TX), Sheldon Whitehouse (D-RI), Mike Lee (R-UT), Lindsay Graham (R-SC), Chuck Schumer (D-NY) and Cory Booker (D-NJ) on October 1st to introduce the Sentencing Reform and Corrections Act of 2015. The aim of this criminal justice reform bill is to recalibrate prison sentences for certain drug offenders, target violent criminals, grant judges greater discretion at sentencing for lower-level drug crimes, and improve prisoner reentry programs. This legislation also includes the Eric Williams Correctional Officer Protection Act, which permits officers and Bureau of Prison employees to carry pepper spray.

NAPO is currently reviewing this legislation to ensure that the sentencing reform provisions do not strip law enforcement of a vital tool that is used to keep our communities safe. NAPO will stay engaged with this legislation and will keep our members updated on its status.

Senator Leahy continues to be very supportive of our legislative priorities, particularly the funding for state and local law enforcement, mental health treatment for offenders and training for law enforcement officers, the Social Security Fairness Act, and the James Zadroga 9/11 Health and Compensation Reauthorization Act.

If you have any questions about any these issues, please contact Andy Edmiston at aedmiston@napo.org.

Recommendations Released on Federally-Acquired Equipment for State and Local Law Enforcement Use

The Law Enforcement Equipment Working Group, established by President Obama’s January 16, 2015 Executive Order, Federal Support for Local Law Enforcement Equipment Acquisition, has issued new

recommendations regarding the appropriate use, acquisition, and transfer of controlled equipment by State, local, and Tribal law enforcement agencies. These recommendations took effect October 1, 2015. The Working Group lists NAPO as a stakeholder and while NAPO was contacted to provide comment, we do not agree with or endorse the recommendations of the Working Group.

Among the recommendations are the establishment of a federal government-wide prohibited equipment list and a federal government-wide controlled equipment list. The prohibited equipment list identifies categories of equipment that state and local law enforcement agencies will not be able to acquire via transfer from federal agencies or purchase using federal funds. Included on this list are: tracked armored vehicles, bayonets, grenade launchers, and large caliber weapons and ammunition.

The controlled equipment list includes equipment, such as wheeled armored or tactical vehicles, specialized firearms and ammunition, explosives and riot equipment, that state and local law enforcement agencies may obtain if they provide additional information, certifications, and assurances of the purpose of their use. It does not prohibit agencies from using non-federal funding to purchase this equipment.

Given the unfortunately high number of mass shootings that have occurred in 2015 alone and the fact that state and local law enforcement are the first line of defense, it is improper that the federal government is questioning the appropriateness of state and local agencies acquiring such equipment for the protection of their communities.

The recommendations in their entirety can be found at:
https://www.bja.gov/publications/LEEWG_Report_Final.pdf

Vote to Elect New House Speaker Postponed Until October 29th

On October 5th, out-going House Speaker John Boehner (R-OH) decided to postpone the election for his replacement until October 29th, one day before he leaves office. Majority Leader Kevin McCarthy (R-CA) is currently the heavy favorite to succeed Boehner, but he could face a tough race against Representative Jason Chaffetz (R-UT), who announced his bid for Speaker on October 4th.

The elections for the rest of the leadership team (Majority Leader and Majority Whip) will be set by the new Speaker, once elected.

NAPO continues to engage Congressional leadership to ensure our priorities remain at the top of the Congressional agenda. We will keep our members updated on all relevant issues.

Source: Mike DeBonis, "Boehner Sets Oct. 29 Floor Speaker Vote, Delays Other Leadership Elections", *The Washington Post*, October 5, 2015. http://www.washingtonpost.com/news/powerpost/wp/2015/10/05/boehner-sets-oct-29-floor-speaker-vote-delays-other-leadership-elections/?wpmm=1&wpisrc=nl_pmpol

NAPO's Sponsor/Cosponsor Spreadsheet

NAPO's "Sponsor/Cosponsor" spreadsheet is available at the following link: <http://www.napo.org/washington-report/sponsor-cosponsor-spreadsheet/>. The spreadsheet accompanies the latest "Legislative Positions" document, which is available at the following link: <http://www.napo.org/washington-report/legislative-priorities/>

The “Sponsor/Cosponsor” spreadsheet is a useful tool to check if your members of Congress have supported pieces of legislation that will impact our members. NAPO will update this spreadsheet regularly, and continue to ensure our voice is heard on Capitol Hill.

If you have any questions about any of the legislation that NAPO is currently working, please contact Andrea Edmiston at: aedmiston@napo.org

Please monitor NAPO’s website, www.napo.org, and Facebook page: National Association of Police Organizations, and follow us on Twitter at NAPOpolice for breaking news and updates.



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VIA EMAIL: Notice.comments@irs.counsel.treas.gov

RE: Notice 2015-52, Section IV. Employer Aggregation

On behalf of the National Association of Police Organizations (NAPO), I am writing in response to Notice 2015-52, regarding the excise tax on high cost employer-sponsored health coverage under Section 49801 of the Internal Revenue Code. Specifically, NAPO is concerned that the adjustment for employees in high risk professions will not be applied to most public safety officers, whose job, by definition, is high risk.

NAPO is a coalition of police unions and associations from across the United States that serves to advance the interests of America's law enforcement through legislative and legal advocacy, political action, and education. Founded in 1978, NAPO now represents more than 1,000 police units and associations, 241,000 sworn law enforcement officers, and more than 100,000 citizens who share a common dedication to fair and effective crime control and law enforcement.

Although Section 49801(b)(3)(C)(iv) sets higher thresholds for the excise tax for workers in high risk professions, such as public safety officers (\$11,850 for an individual and \$30,950 for a family), to qualify for the higher threshold amounts, the majority of members in the healthcare plan must work in high risk professions. **Many public safety officers would not qualify for the higher threshold amounts, as they participate in general healthcare plans where the majority of participants do not work in high risk professions.**

Setting higher thresholds for public safety officers thus will not adequately protect officers from the tax burden, as thousands of officers participate in plans that include a majority of employees who do not work in high risk professions.

Section 49801 of the Internal Revenue Code must be modified to ensure that all public safety officers are eligible for the higher threshold amounts, regardless of the composition of the officer's healthcare plan. In addition, the Service's guidance and interpretation of Section 49801 should reflect the clear intent of Congress that public safety officers should generally be excluded from the effects of this new tax, and that the higher dollar thresholds should be given effect to shield officers and their families, regardless of what other workers also participate in their applicable health care plans.

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Therefore, to be consistent with the unquestioned Congressional intent that public safety officers be protected from the impact of this new tax, Section 49801 must be amended to apply the higher threshold amounts to all public safety officers, even if the healthcare plan they participate in does not consist of a majority of employees working in high risk professions.

If NAPO can provide any additional information on our comments, please feel free to contact me at: (703) 549-0775.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Johnson", with a long horizontal flourish extending to the right.

William J. Johnson
Executive Director