

# NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Affiliated with the International Association of Machinists and Aerospace Workers, AFL-CIO  
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February 6, 2012

Dear Representative:

On behalf of the National Federation of Federal Employees (NFFE) and the 110,000 federal employees our union represents throughout the United States and abroad, I am writing to urge you to oppose H.R. 3813 when it comes to the House Oversight and Government Reform Committee for a vote.

H.R. 3813, a bill introduced by Representative Dennis Ross (R-FL), would require massive increases in contributions to pensions for current and future federal employees. At the same time, this bill would drastically reduce retirement benefits for current and future federal workers. This bill would make federal employees pay substantially more for a significantly smaller retirement, an unconscionable change considering the average annual pension benefit for FERS retirees, is just \$12,780 per year. Despite the best efforts of some to characterize this as a "bloated" pension, the fact is federal retirees receive a modest benefit for their service to the American people, and gutting this critical benefit will make it very difficult for federal agencies to recruit and retain the talented and skilled workforce necessary to carry out agency missions.

Among the pension cuts included in H.R. 3813 are:

1. A 1.5% contribution increase by current federal workers under CSRS and FERS;
2. The creation of a new, third tier federal employee pension system called Secure Annuity Employee (SAE), in which new hires with less than five years of previous federal experience would have to pay 4% of their wages into the FERS pension fund (workers currently pay 0.8%);
3. A change to the pension multiplier for current federal workers from 1.1% to 1% if they retire after age 62, resulting in a 9-10% benefit cut;
4. Calculating SAE pensions by averaging a workers highest five years of wage earnings, versus the current high-three, resulting in an approximate benefit cut of 5%; and,
5. Using the multiplier of .7% to calculate SAE pensions, resulting in a whopping 36% benefit cut compared to the current 1.1% multiplier.

The cuts to federal employee pensions included in H.R. 3813 are unwarranted and unfair considering the significant sacrifices that federal workers have already made to ease the burden of our national debt. Federal workers accepted a two-year pay freeze (for 2011 and 2012) which has been a great burden to federal employees and their families who are struggling just like everyone else in this tough economy. This sacrifice alone saved American taxpayers \$60 billion. Federal workers are also deeply impacted by major cuts that have been made to the federal budget – about \$2 trillion over the next decade. These cuts will undoubtedly lead to downsizing at federal agencies, and will likely lead to federal employee layoffs. Targeting this group of middle class Americans again – this time to strip federal workers of their retirement security – should be unthinkable to the members of this Committee.

Again, NFFE strongly urges you to oppose H.R. 3813.

For more information, please contact NFFE Legislative Director Randy Erwin (202-257-0948 or [rerwin@nffe.org](mailto:rerwin@nffe.org)).

Sincerely,



William R. Dougan  
National President

*We Work for America Every Day.*



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