



**NATIONAL FEDERATION OF FEDERAL EMPLOYEES,
IAMAW, AFL-CIO**



**NFFE-IAM Supports Federal Employee Pension Fairness Act of 2015
(H.R. 785)**

Position: **In recent years, federal employees have been subjected to increased pension contributions in the name of deficit reduction. At the end of 2013, Congress passed a budget that raised pension contribution levels for federal employees by 4.4% for employees hired after 2013. With the increased pension contributions coming at no added benefit, the maneuver was nothing more than a veiled \$6 billion pay cut. Congress has time and again attempted to balance the budget on the backs of federal employees. H.R. 785 would repeal these contribution hikes and restore the contribution levels to their normal state. NFFE-IAM strongly supports H.R. 785.**

The House Budget Resolution for FY14, authored by then-House Budget Committee Chairman Paul Ryan (R-WI), proposed an astronomical pension contribution rate increase of 5.5%. Employees under Federal Employees Retirement System (FERS) employees would have gone from paying 0.8% of their salary towards their pension to 6.3%. Additionally, employees under the Civil Service Retirement System (CSRS) would have gone from paying 7% of their salary towards their pension to 12.5%. The deep pension cuts proposed by Rep. Ryan were estimated to cost federal employees \$132 billion over ten years.

At the end of 2013, with the Senate version of the FY14 Budget Resolution introduced (which included no cuts to federal employees pay, pension or benefits), a reconciled budget was negotiated. During the negotiations, both House Budget Committee Chairman Ryan and Senate Budget Committee Chairwoman Sen. Patty Murray (D-WA) agreed to find a budget that repealed two years of sequestration to restore the budgets of most agencies. What they were not able to agree on were the offsets to accomplish that. The eventual agreement reached was to increase pension contributions for employees hired after 2013 to 4.4%, a move that would cost newly-hired federal employees \$6 billion.

While pension contributions have sat at 4.4% for new hires since 2014, House republicans have not relented in their attacks on federal employee pension contributions. In the most recent House Budget Resolution for FY16, Budget Committee Chairman Tom Price (R-GA) proposed raising employee contributions to 6.35% while phasing out defined benefit all together, as well as ending a social security supplement for young retirees.

These efforts to raise pension contribution rates at no added benefit have caused unrest in the morale of federal employees, and creates a tiered system that treats newly-hired federal employees as second class to their colleagues performing identical work hired only a year prior. H.R. 785 would seek to repair the damage caused by misguided pension contribution increases by restoring their original rates. NFFE-IAM strongly supports H.R. 785.