



NATIONAL FEDERATION OF FEDERAL EMPLOYEES,  
IAMAW, AFL-CIO



NFFE-IAM Opposes Further Cuts to Federal Employees' Retirement Security; and Supports the *Federal Employee Pension Fairness Act*

**Position:** In a shocking affront to working Americans, the White House budget proposal for FY 2020 *again* requests devastating cuts to federal employee retirement, including cuts to the annuities of current retirees. Without any meaningful fiscal logic, the Administration proposes the elimination of COLAs, a 6% increase in retirement contributions without an annuity increase, elimination of the FERS social security supplement, lower annuities based on 'High 5' calculations, lowering the rate of return on the TSP G Fund, and increasing FEHBP employee contributions (on top of the current average annual premium increase of 6.5%). Together, these cuts will take \$200 to \$300 billion more from federal employees, retirees, and their families over the next ten years. NFFE-IAM strongly *opposes* these measures.

Congress has established a four-tiered pension for federal employees – CSRS and 3 different FERS systems. This means workers hired in 2013 unfairly pay 2.3% more than original FERS employees, and those hired in/after 2014 pay 3.6% more. These increases in employee contributions come with no increase in retirement benefits. In addition, past Administration budgets have attempted to cut pensions, including doing away with the FERS defined benefit altogether for new hires. **NFFE-IAM urges support for the *Federal Employee Pension Fairness Act*** (bill number pending), sponsored by Maryland Representative Anthony Brown in the last Congress to bring federal pension contributions back to pre-2012 levels for all employees.

There are numerous provisions contained in the budget request that would erode the basic financial security of middle-class federal workers, retirees, and their families who live and work in virtually every community and congressional district. These proposals renege on the government's commitments to its current and former employees in exchange for their hard work over long careers. The proposals in the budget would undoubtedly make it harder (if not impossible) for federal employees to have a secure retirement. Federal workers would in effect be required to work for more years, reducing government savings and delaying the career progression of younger employees. In addition, these proposals would undermine our government's ability to recruit and retain an effective and well-qualified workforce to serve our nation's needs by slashing workers' take-home pay and undermining retirement security.

Federal employees have consistently been the target of political attacks from lawmakers seeking to cut government spending at the expense of those who allow the government to function properly. They have been an easy scapegoat for legislators, already having lost \$200 billion in earnings due to pay freezes, pension cuts, and other methods. They have been punished for economic problems they did not create, and singling them out for further pain and sacrifice is not only wrong, but detrimental to the effectiveness and competitiveness of the federal workforce.

Congress must stop this 'race to the bottom' for working Americans. NFFE-IAM *strongly opposes* any further cuts to federal employees' retirement security.