



NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Affiliated with the International Association of Machinists and Aerospace Workers



NFFE News Release

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Gutting of Federal Workers' Pay and Retirement in Trump Budget a 'Race to the Bottom' for All Americans

Washington, D.C. – Today, the National Federation of Federal Employees (NFFE) strongly condemns the fiscal year 2020 budget proposal from President Trump that decimates pay and retirement security for 2.1 million federal workers in a misguided attempt to lower the federal deficit on the backs of working people after passing deficit-exploding tax cuts for millionaires and billionaires.

“President Trump again sacrifices the middle-class families on behalf of the wealthy through his proposed pay freeze and needless cuts to earned benefits for federal workers,” stated Randy Erwin, NFFE national president. “We saw during the 35-day shutdown earlier this year that many federal workers live paycheck to paycheck. To freeze pay and cut earned benefits while charging employees more for less is unconscionable.”

The Trump budget proposal includes an elimination of cost of living adjustments (COLA) for FERS employees, a reduction of .5% in COLAs for CSRS employees, and elimination of the FERS special retirement supplement for those who retire before they are eligible for social security. In addition, it proposes lowering annuity calculations through a basis change from high three to high five of earning years, and it aims to increase employee contributions to retirement plans with no added benefits.

As in previous budgets, Trump has proposed cuts to pensions totaling at least \$148.9 billion over the next 10 years, which equates to approximately \$75,000 per federal employee. As the nation’s largest employer with 85% of its workforce located outside of the Washington, D.C. metropolitan area, these cuts would decimate the pay and retirement security of residents in local economies across the country. In recent years, federal workers have already endured more than \$182 billion in financial losses because of pay freezes and cuts to earned benefits.

“Federal employees have endured what was asked of them during austere times, but to destroy the pay and retirement security of millions of Americans to make way for tax cuts for the super-wealthy is unacceptable,” Erwin continued. “Instead of using failing private sector retirement benefits as an excuse to slash federal sector benefits, President Trump should challenge both the private and public sectors to strengthen pay and retirement. This horrific budget proposal represents nothing more than a shameful race to the bottom for all Americans, not just federal employees.”

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Established in 1917, the National Federation of Federal Employees is the oldest union representing civil service federal employees. NFFE represents 110,000 federal employees in 35 departments and agencies government-wide. NFFE is affiliated with the International Association of Machinists and Aerospace Workers, AFL-CIO. For more information, go to www.nffe.org.