



NATIONAL FEDERATION OF FEDERAL EMPLOYEES, IAMAW, AFL-CIO



NFFE-IAM Supports the Federal Retirement Fairness Act (H.R. 2478)

Position: Many Americans answer the call to serve on behalf of their country by serving in the federal government as a civil servant. Because the needs of the government change very quickly, it is in the regular course of duty that many workers are hired for seasonal or temporary terms of employment. These seasonal or temporary employees include wildland firefighters during fire season, park rangers during tourist season, civilian personnel to assist the military during special operations, programs and agencies during transitions, and so on.

Often these workers become permanent full-time federal employees, many with years of seasonal or temporary experience to their name but they have no way of counting that time toward retirement. Under the Federal Retirement Fairness Act, these workers have the option to ‘buy-back’ their time as a seasonal or temporary employee, paying the normal retirement contributions plus interest back to the government. Because the employee is paying (plus interest) for this time to count toward retirement, the burden to the taxpayer is minimal. NFFE strongly *supports* the bi-partisan Federal Retirement Fairness Act (H.R. 2478) cosponsored by Rep. Derek Kilmer (D-WA) and Rep. Tom Cole (R-OK).

Over the years, the federal government has used temporary hiring authority to quickly increase the size of its workforce and adapt to fluctuating or short-term requirements in areas such as acquisition and ship maintenance. Many of these dedicated temporary workers ultimately become permanent federal employees and contribute their life’s work to federal service.

Federal employees that began their career as temporary employees aren’t able to contribute the requisite number of years to draw full retirement benefits after 30 years of service. These dedicated workers then face a choice: leave the federal service without full retirement benefits or work longer than their peers to obtain their full retirement benefits. In places like the Puget Sound Naval Shipyard, where people work with their hands, this is a choice between two bad options: Retire without the security you thought you had or put your health at risk by working a few years longer than the rest of your peers in a physically-demanding job.

This has happened for as long as the modern federal service has existed. And, until 1989, federal employees who found themselves in this situation had the option buy back years of retirement contributions to allow for an “on-time” retirement. Unfortunately, that authority expired, leaving folks with no option to obtain full retirement benefits for the amount of years they worked, other than continuing to work past their conventional retirement date. That is simply not fair.

This problem can be solved with minimal burden to the taxpayer. The Retirement Fairness Act would provide federal employees with the ability to retire on time. Specifically, it would allow interested and eligible employees to make additional contributions to their retirement to compensate for the years they worked as temporary employees and did not pay into the federal retirement system. In order to minimize the burden on the taxpayer, the legislation would require payments to include a deposit of 1.3% percent of the base pay for each year and corresponding interest.

It is important that all federal employees have the freedom of choice to retire on time after their years of service if they have made the necessary contributions to do so. This bill simply ensures that all employees, regardless of their initial hiring status, are granted the same opportunity for the same amount of work.