



National Federation of Federal Employees, IAMAW, AFL-CIO



NFFE-IAM Opposes Efforts to Slash Federal Workers' Retirement

Position: In recent years, federal employees have been under constant threat of cuts to their retirement security. Often, the rationale cited for these proposed cuts is that federal workers have overly-generous pensions. However, these claims are wholly unfounded. Federal workers enrolled in the Federal Employees Retirement System (FERS) receive an average pension benefit of just \$12,780 per year, not nearly enough to live on in one's retirement. NFFE-IAM strongly opposes these short-sighted and unfair proposals that place a disproportionate amount of our nation's debt burden on federal workers like VA nurses, U.S. Border Patrol agents, and USDA food inspectors.

In recent years, there have been numerous legislative proposals offered that aim to undermine federal workers' retirement security.

Several proposals have called for diverting a portion of federal workers' take-home pay toward their pension while offering no additional benefit in return. Whether you consider these proposals retirement cuts or a pay reductions, the result is same – federal workers once again would see their compensation slashed in order to compensate for a systemic budget problem they had no part in creating.

Other ideas for undermining federal retirement security call for manipulating the formula by which federal retirement annuities are calculated (such as moving from a so-called "high-three" to a "high-five" calculation) so that federal workers in the future would earn less in retirement for the same number of years of service. Once again, this would amount to nothing more than an unfair raid on federal workers' retirement security.

Another common proposal targeting federal employee pensions is to eliminate defined benefit pensions for new hires in the federal government altogether. This proposal is both unnecessary and extremely unfair. It's unnecessary because FERS retirees already receive a very modest pension benefit, an average of just \$12,780 per year. Despite the rhetoric about federal workers and their retirement benefits, there is little justification for further cuts to employee pensions based on this benefit level. It's unfair because it tells future generations that their service to the American people as federal employees is not as valued as previous generations, but future generations deserve to have a secure retirement, too.

Another common proposal is to change the method for measuring inflation used for Social Security and retirement cost-of-living payments, a method commonly referred to as "chained CPI." This harmful change would severely reduce benefits for our nation's seniors, especially retired federal employees.

NFFE-IAM strongly opposes all efforts to reduce the value of current or future federal employees' retirement security.