

FEDERAL EMPLOYEE DEFICIT REDUCTION CONTRIBUTIONS

Since 2011, the federal community has contributed more than \$120 billion toward deficit reduction. Federal employee pay scales were frozen in 2010 by President Obama (and supported by Congress) for two years (P.L. 112-10). Congress froze salaries a third year as part of the fiscal year (FY) 2013 funding package (P.L. 113-6). As such, federal employees did not receive a pay raise in 2011, 2012 and 2013. Over 10 years, the three-year freeze will save \$98 billion.

As part of the deal to extend the payroll tax holiday and unemployment insurance (P.L. 112-96), federal employees hired in 2013 pay more toward their retirement, without any corresponding increase in benefits. These employees pay 2.3 percent more than those hired before January 1, 2013. This provision, at a savings of \$15 billion over 10 years, was used to offset the cost of extending unemployment insurance.

In 2013, more than 750,000 federal employees were furloughed as a result of sequestration cuts. This cost federal employees over \$1 billion in lost wages in 2013 alone.

Retirement contributions from federal employees were increased again in the Murray/Ryan budget agreement, which laid out a budget framework for FY14 and FY15 (P.L. 113-67). Employees hired in 2014 and beyond now pay 3.6 percent more toward their retirement than those hired before January 1, 2013, without any corresponding increase in benefits. This will save \$6 billion over 10 years.

 Fed-Check	
SEVERAL	CHECK NUMBER
GUESTS	4.6 million feds & retirees
2011 + 2012 + 2013 federal pay freeze	\$98 billion
Increased retirement contributions for federal employees hired in 2013	\$15 billion
Lost wages due to sequestration-related furloughs	\$1 billion
Increased retirement contributions for federal employees hired in 2014 and beyond	\$6 billion
Thank You	TOTAL \$120 billion
BT-6000	