

Richard G. Thissen
National President



Jon Dowie
National Secretary/Treasurer

June 7, 2017

United States Senate Committee on the Budget
624 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Enzi, Ranking Member Sanders and members of the Senate Budget Committee:

On behalf of the National Active and Retired Federal Employees Association (NARFE), I write to share our strident opposition to President Trump's first budget request to Congress. Specifically, we urge you to reject the president's proposals with respect to federal civil service retirement benefits, as they would inflict permanent harm on devoted public servants and current retirees, and will undermine this nation's efforts to attract the best and the brightest to federal employment in service to every American.

President Trump's Fiscal Year 2018 Budget is an unprecedented attack on federal employees and retirees. It goes far beyond previous attacks on the federal community by taking aim at the already-earned benefits of our nation's public servants and retirees, to the tune of \$149 billion. The president's proposals do not just change the rules of the game going forward; they break an implicit bargain by eroding the value of hard-earned pensions that were promised to federal employees in exchange for their service to this country.

This country needs a quality and experienced civil service to ensure the faithful execution of our laws and the delivery of services critical to hardworking taxpayers. Arbitrarily decreasing benefits will likely lead to an exodus of experienced employees, which will threaten the very safety of our nation.

While this budget proposal contains some positive proposals for federal workers – notably, a 1.9 percent pay raise and six weeks of paid parental leave – overall, it is unconscionable in its treatment of the federal community. The president purports to defend earned retirement benefits, such as Social Security, yet current federal annuitants are singled out for a decrease in their cost-of-living adjustments (COLAs), which allow retirees living on fixed incomes to avoid having their annuities eroded in retirement.

NARFE specifically objects to the following fiscal year 2018 budget proposals and urges the Committee on the Budget to reject:

- Eliminating COLAs for current and future Federal Employees Retirement System (FERS) retirees.
- Reducing COLAs for Civil Service Retirement System (CSRS) retirees by 0.5 percent.
- Increasing the payroll deduction for FERS employees by 1 percent each year for the next six years, without any corresponding benefit increase. This is nothing more than a tax on federal employees of \$71.2 billion over the next 10 years, and more thereafter.

National Active and Retired Federal Employees Association

www.NARFE.org | 606 N. Washington Street, Alexandria, VA 22314 | **phone** 703-838-7760 | **fax** 703-838-7785

- Eliminating the FERS Annuity Supplement for new retirees starting in FY18, which would harm our public servants subject to a mandatory retirement age, such as law enforcement officers, firefighters and air traffic controllers.
- Basing federal pensions on the average of the highest five years of salary instead of the highest three.

NARFE estimates that limiting COLAs for CSRS retirees and eliminating them for FERS retirees would reduce drastically earned retirement benefits to the tune of hundreds of thousands of dollars over one's retirement years. The COLA proposals would save \$41.8 billion over 10 years, and vastly more thereafter – at a cost of lost income and quality of life for federal retirees.

As the committee crafts its budget resolution for fiscal year 2018, NARFE urges you to reject these misguided proposals and develop a budget blueprint that serves the needs of our country and its citizens. We ask that you work to ensure the security of our nation and delivery of critical government services to every American taxpayer by a talented and dedicated federal civil service that goes beyond the call of duty every day in service to this nation.

Thank you for your consideration of NARFE's views. Should you have any questions or wish to discuss this further, please contact Legislative Director Jessica Klement at jklement@narfe.org.

Sincerely,

A handwritten signature in black ink that reads "Richard Thissen". The signature is written in a cursive, flowing style.

Richard Thissen
National President