

# United States Senate

WASHINGTON, DC 20510

July 26, 2017

The Honorable Mitch McConnell  
Senate Majority Leader  
The Capitol S-230  
Washington, DC 20510

The Honorable Chuck Schumer  
Senate Minority Leader  
The Capitol S-221  
Washington, DC 20510

Dear Leader McConnell and Leader Schumer:

We write to you today regarding proposed changes to federal employee retirement benefits included in President Trump's FY18 Budget Request. These proposed changes, if enacted, would significantly harm the retirement plans that our federal employees have made over the course of decades in public service. In addition, they would further hamper the federal government's ability to recruit and retain the best and brightest talent, particularly when we are concerned about brain drain in critical areas of our civilian workforce.

Since 2010, federal workers have been singled out to shoulder more than their fair share of the burden in budget negotiations. As the cost of living has risen and outpaced federal salary increases, our federal workers have contributed billions to deficit reduction through several years of pay freezes and increased employee retirement contributions with no additional benefits in return. On top of that, in 2013, over 750,000 federal employees were furloughed due to sequestration, costing over \$1 billion in lost wages in that year alone.

Yet, the President's Fiscal Year 2018 budget proposal calls for an additional \$149 billion in cuts from federal employees and retirees. The President's budget includes proposals to again increase Federal Employee Retirement System (FERS) contributions from employees, a change that would result in increased out-of-pocket payments of about 6 percent for most workers, with no additional benefit upon retirement. It is important to remember that the FERS system is the result of a bipartisan effort to modernize retirement for federal employees, and is by law, required to be fully-funded. Congress has already increased required contributions for new employees twice since 2010, despite a lack of solvency concerns related to FERS.

The budget also calls for eliminating the FERS supplement for employees who retire beginning in 2018. This important supplement is paid to our federal employees only until they are eligible for Social Security benefits and its elimination would force individuals to consider working longer and penalize those who by law are required to retire early due to the physical demands of their jobs, including law enforcement officers, Customs and Border Protection Officers, firefighters, and air traffic controllers. Additionally, starting in 2018 the budget would require basing retirement on the average of the highest 5 years of salary instead of the current 3 for retirement calculations, including for employees who have served the federal government for

decades, and have made significant financial decisions based upon the benefits promised to them when hired and throughout their careers.

Finally, the President's budget eliminates the cost-of-living adjustments (COLAs) for all current and future FERS retirees, and reduces COLAs for Civil Service Retirement System (CSRS) retirees, threatening the value of their pensions by guaranteeing that they fail to keep up with inflation. Together these drastic cuts would significantly alter the living conditions of current retirees and the retirement plans of future retirees. We feel strongly that Congress should not accept or set this standard.

We have heard from our constituents – federal employees from across agencies, and employees and retirees from across the country, about the impact these changes would have on their current retirement plans and income security. According to a 2015 study from the Government Accountability Office, 55 percent of all U.S. households age 55-64 have less than \$25,000 in retirement savings. It is clear that the U.S. is facing a retirement crisis, and we urge you to oppose any proposal that affects the ability of our federal employees to maintain their financial plans for their retirement as well as their standard of living following their service to the government.

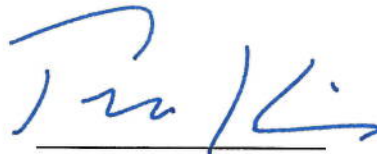
Furthermore, nearly one-third of permanent career federal employees will be eligible to retire by 2019. Given that fact, we should dedicate our attention to recruiting and training the next generation of workers to replace those who are approaching retirement. Instead, these cuts would decimate the federal government's ability to compete for the talent to fill mission critical needs at our nation's agencies and to serve taxpayers effectively.

While our fiscal situation requires serious solutions, we strongly believe that these solutions should not disproportionately impact current or retired federal employees, and that our public servants should be able to expect certainty in being able to provide for their families, regardless of the political gamesmanship that too often impedes thoughtful policy debate. As such, we would urge you to oppose efforts to include these drastic cuts in legislation considered by the Senate or to balance the budget on the backs of federal employees.

Sincerely,



Mark R. Warner  
United States Senator



Tim Kaine  
United States Senator



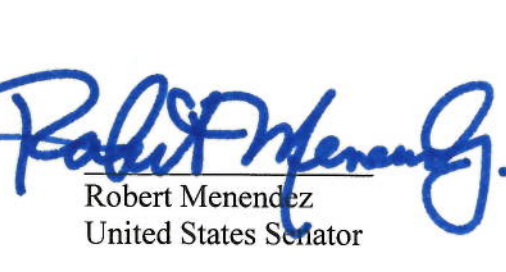
Thomas R. Carper  
United States Senator

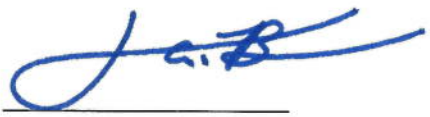


Sherrod Brown  
United States Senator

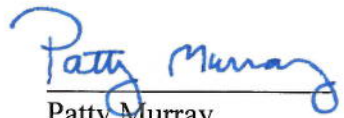


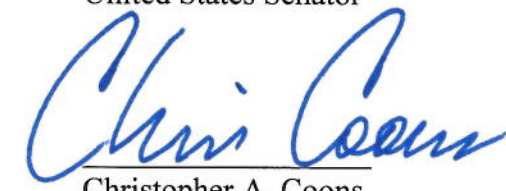
  
Elizabeth Warren  
United States Senator


  
Robert Menendez  
United States Senator


  
Cory A. Booker  
United States Senator


  
Brian Schatz  
United States Senator

  
Patty Murray  
United States Senator

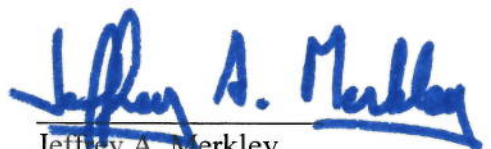
  
Christopher A. Coons  
United States Senator

  
Bernard Sanders  
United States Senator


  
Edward J. Markey  
United States Senator

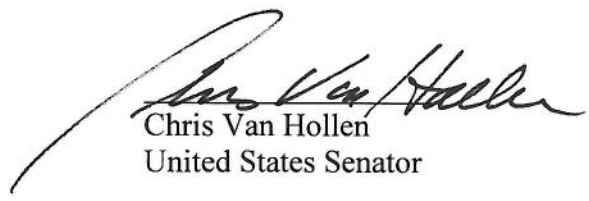
  
Benjamin L. Cardin  
United States Senator

  
Mazie K. Hirono  
United States Senator

  
Jeffrey A. Merkley  
United States Senator

  
Tom Udall  
United States Senator

  
Martin Heinrich  
United States Senator

  
Chris Van Hollen  
United States Senator