

## INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL ENGINEERS AFL-CIO & CLC

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2017 IFPTE Issue Brief

115th Congress

## **Kev Issues of importance to Federal Workers in 2017**

IFPTE 2017 Legislative Request: IFPTE calls on House and Senate lawmakers to reject any attempts to diminish Federal Employee compensation and benefits. Over the past decade, America's federal public servants have lost more than 10% of the salary to inflation and have endured significant reductions to their benefits already. Any further erosion would undermine the government's ability to recruit and retain its fair share of the best and brightest talent and would seriously compromise government efficiency, productivity, safety, and national security.

## Summary - Federal Employee sacrifice in excess of \$150 billion

Since 2011 federal employees have sacrificed \$159 billion, mostly through years of pay freezes and pension cuts. Government employees have also experienced furlough days and job insecurity due to the 2013 government shutdown, threats of other shutdowns, and sequestration. Despite these large recent sacrifices, many legislative proposals before Congress continue to scapegoat them for budget deficits caused largely by sweetheart corporate tax loop holes, health-care profiteering, and the pilfering of tax dollars by the run-away corrupt outsourcing of federal functions to campaign donors.

## As the Congress begins to craft the FY18 appropriations, budget, and authorization bills, IFPTE urges lawmakers to consider the following legislative requests:

- 1. Support a fiscally responsible pay raise— After three consecutive years of pay freezes, followed by below-inflation COLAs, federal workers have seen their net incomes decrease by more than 10% with respect to inflation over the last eight years. The time for a reasonable pay increase is long overdue and IFPTE urges you to support a 3.2% pay increase as called for in the Federal Adjustment of Income Rates (FAIR) Act for 2018 (S. 255, HR 757).
- 2. Protect Federal employee pensions Congress has recently established an unfair four-tiered pension CSRS and three different FERS systems, calling for newly hired federal workers in 2013 and 2014 to pay more (3.1% and 4.4%, respectively) into FERS than established by President Reagan, with no corresponding benefit increase. Proposals for further cuts to federal pensions, including removing the defined benefit portion of FERS for non-vested and newly hired federal workers, are outrageous and would severely harm America as the best and brightest young talent will fly as it will not be able to shoulder the financial sacrifice. Taxpayers demand that the U.S. hire the best talent available and we will not be able to do so if we refuse to provide them with a competitive salary and compensation package.
- 3. Hands off the G Fund The proposed targeting of the TSP G Fund as a pay-for for other legislative priorities is outright theft, as all federal employees were promised by President Reagan that the TSP fund was their money in a lock box, immune from the shameful Congressional tradition of raiding of Social Security trust fund. Congress should not break Reagan's promise by expropriating the collective buying power of federal workers earned through years of hard work and dedication by millions of current and retired federal employees.
- 4. <u>Maintain the employee share of FEHB premiums</u> To balance the sacrifice made by accepting a below market federal salary, one of the few perks is that the government does pick up most of workers' healthcare premiums (as done by many competitive private-sector employers). Any effort to increase the employee contribution to FEHB would simply be another way of reducing their already sub-par salaries and should be rejected.
- 5. <u>Do not replace high-three with high-five</u> Changing this long-established policy is just another way of shortchanging federal employees from the pension they have already earned following rules set forth by President Reagan. IFPTE urges that this proposal be outright rejected.
- 6. Preserve the FERS annuity supplement Under a deal set up by President Reagan, federal workers helped bail out the Social Security system. In return for this (and for halving their pre-Reagan CSRS pension), federal employees were given a few small consolations within the FERS system, including the annuity supplement. IFPTE opposes any effort to reduce this.

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