



April 16, 2018

United States Congress
Washington, DC 20515

Dear Budget Committee Member,

On behalf of the Federal-Postal Coalition, which represents the interests of more than five million federal and postal employees and retirees across the country, I urge you to reject proposals contained in the Administration's fiscal year 2019 budget request that would adversely affect the postal and federal community.

There are numerous provisions contained in the budget request that would erode the basic financial security of middle-class federal and postal workers, retirees and their families who live and work in every community and congressional district. These proposals renege on the government's commitments to its current and former employees in exchange for their hard work over long careers. The budget's proposals, together and individually, would undermine our government's ability to recruit and retain an effective and well-qualified workforce to serve our nation's needs by slashing workers' take-home pay and undermining retiree income security. As federal and postal employees are covered by the same retirement and health care systems, we share common interest in opposing proposals that would target their earned benefits.

Combined, the proposals affecting federal and postal pay and retirement benefits would cost these individuals and their families more than \$192 billion over 10 years, and much more thereafter, as the losses would compound over time. The federal workforce has already contributed \$182 billion towards deficit reduction since 2011 through a three-year pay freeze, reduced pay increases, unpaid furlough days, and two increases in retirement contributions for new hires, without any additional benefit. These middle-class workers give their all to this nation every day when they go to work, and were the first to contribute when the nation was facing severe economic challenges. They should not be forced to sacrifice even more.

The budget's proposal to increase employee contributions towards retirement by approximately six percent, without any corresponding benefit increase, amounts to a substantial reduction in take-home pay for federal and postal employees. Simply, this is nothing more than a pay cut. Further reductions in take-home pay threaten these individuals' financial security and the government's ability to recruit and retain a skilled workforce to serve our country.

The budget also proposes to: eliminate cost-of-living adjustments (COLAs) for retirees covered by the Federal Employees Retirement System (FERS); reduce COLAs for retirees covered by the Civil Service Retirement System (CSRS); eliminate the FERS annuity supplement for new retirees; and alter the retirement calculation for new FERS retirees by basing pensions on the highest five years of salary rather than the highest three years. In exchange for years of hard work over long careers, our government made a commitment to middle-class federal and postal workers in the form of modest federal pensions in retirement. Those pensions are not gifts; they

were earned. Diminishing their value in any way for current employees and retirees fails to honor the commitments made to our public servants.

The proposals in the budget would undoubtedly make it harder to afford to retire, requiring employees to consider working longer, reducing government savings and delaying the career progression of younger employees prepared to take on greater responsibility. Further, none of the proposals to change retirement benefits make any allowance for employees subject to mandatory early retirement, such as law enforcement officers, air traffic controllers, and firefighters, who would be forced to accept significantly diminished financial security in retirement.

In addition, the budget proposes to reduce the government's contribution rate for individuals' health insurance, lowering the average government contribution by 2 percent. As Federal Employee Health Benefits Program (FEHBP) plan premiums have increased by 6-7 percent per year over the past few years, this is another financial hit on middle class federal workers that few, if any, can afford.

This is especially true when you add in the other changes proposed in the President's FY19 Budget Request. From reducing the amount of paid leave federal workers earn to eliminating the Public Service Loan Forgiveness program, the Administration is eliminating key recruitment and retention programs, forcing many highly qualified individuals with student loan debt or who depend on the federal leave program to care for family members to seek employment elsewhere. Furthermore, by proposing to cut benefits to federal workers who are injured on the job and become disabled, the president's budget could make it even more difficult to hire individuals in high-risk occupations, and could leave many injured civil servants and their families without enough to live on.

Targeting federal and postal employees through the budget process harms hard-working middle-class Americans in every congressional district. It also effectively attacks veterans, who make up one-third of the federal workforce, and our national security interests, as two-thirds of the federal workforce contributes to defending our homeland, supporting our military, or caring for our veterans.

Moreover, the Administration's budget request calls for \$44.49 billion in vaguely defined cuts and revenue changes for the United States Postal Service (USPS) over a decade. These, along with proposals to reduce the frequency of delivery (presumably eliminating Saturday delivery) and scale back door delivery, would cripple USPS operations.

Americans respect the work that the federal and postal employees carry out to keep us safe and provide crucial services: taking criminals off our streets and keeping them behind bars; supplying and preparing our military; caring for veterans; providing the intelligence and human resources to thwart terrorism; ensuring the safety of the food we eat; protecting our borders and our airways; providing Social Security benefits; delivering and processing our mail; and much, much more. This budget proposal disrespects these individuals and retirees, and the work they do – and have done – for this country. Therefore, we strongly urge you to reject these proposed changes to federal employee pay and retirement benefits in any legislative proposal.

Should you require any further information, please contact the Federal-Postal Coalition Chair, Kori Blalock Keller at kbkeller@nalc.org.

Sincerely,

American Postal Workers Union (APWU)
FAA Managers Association (FAAMA)
Federal Managers Association (FMA)
International Association of Fire Fighters (IAFF)
International Federation of Professional & Technical Engineers (IFPTE)
Laborers' International Union of North America (LiUNA)
National Active & Retired Federal Employees Association (NARFE)
National Air Traffic Controllers Association (NATCA)
National Association of Assistant United States Attorneys (NAAUSA)
National Association of Federal Veterinarians (NAFV)
National Association of Government Employees (NAGE)
National Association of Postal Supervisors (NAPS)
National Association of Letter Carriers (NALC)
National Council of Social Security Management Associations (NCSSMA)
National Education Association (NEA)
National Federation of Federal Employees (NFFE)
National Postal Mail Handlers Union (NPMHU)
National Rural Letter Carriers' Association (NRLCA)
National Treasury Employees Union (NTEU)
National Weather Service Employees Organization (NWSEO)
Patent Office Professional Association (POPA)
Professional Aviation Safety Specialists (PASS)
Professional Managers Association (PMA)
Senior Executives Association (SEA)
United Postmasters and Managers of America (UPMA)