

February 6, 2012

Dear Member of Congress:

On behalf of the over 200,000 managers and supervisors in the federal government whose interests are represented by the Federal Managers Association (FMA), I strongly urge you to vote against the Securing Annuities for Federal Employees Act (H.R. 3813) when it is considered by the Oversight and Government Reform Committee tomorrow. This legislation disproportionately places an inequitable burden on federal employees under the false pretense that their pay and benefits are far greater than their private sector counterparts. In reality, most federal employees are middle-class citizens struggling financially during these tough economic times just like other Americans.

Civil servants have already made a \$60 billion financial contribution to try to rectify the nation's deficit at a time when, like their private sector counterparts, they are facing rising health care costs, increases in general living expenses, and are supporting spouses and children who are under- or unemployed. We at FMA understand the demands placed on our economy and the current state of our fiscal crisis, and federal managers accepted the two-year pay freeze as a shared sacrifice in the collective effort to pare down our mounting debt. Our unprecedented deficit was not borne out of rising and exorbitant federal employee salaries, however, and this legislation is yet another attempt to place disproportionate focus on federal employee benefits under the guise of deficit reduction.

FMA specifically opposes language in the legislation that calls for changes to the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). Under the legislation, active federal employees would contribute an additional 1.5 percent to their retirement plans, an immediate decrease in the take home pay of two million hard working Americans. While Congress is simultaneously debating how to put *more* money into the paychecks of American citizens, it is incomprehensible that the same rationale does not apply to federal employees.

We are also concerned with a less publicized provision in the bill, the elimination of the FERS annuity supplement. When FERS was first established, the annuity supplement was a crucial component in the transition from CSRS to a less generous defined benefit pension under FERS, and many CSRS employees transitioned to FERS for this reason. As FERS retirees do not have access to their Social Security benefits until the age of 62, the annuity supplement provides an important pension offset from what they would have received under CSRS. In essence, eliminating the annuity supplement for retirees amounts to eliminating one of the legs in the "three-legged stool" of federal retirement.

What is even more alarming is that this provision would apply to FERS employees under age 62 who accept a buyout or early out from their agency. In this time of budget and workforce cuts, many federal agencies, and the Department of Defense in particular, are offering employees buyouts to retire early in order to comply with budget restrictions appropriated by Congress. By eliminating the annuity supplement, you effectively remove the incentive for employees to leave service early, and make it even more difficult for agencies to operate efficiently in this challenging budget climate. If the Committee is serious about pursuing elimination of this promised benefit, we urge you to do so prospectively for new hires, like other provisions in the bill.

Federal workers are responsible for protecting our borders, providing care for our veterans, and assisting our troops abroad. Yet they are unfairly painted as scapegoats for the nation's deficit and budget crisis. This legislation not only places further blame on federal workers, but also puts greater strain on the federal workforce which is already struggling to do more with less. At a time when more is being asked of our government, the American public deserves an engaged and efficient workforce; not one Members of Congress paint as the source of our country's economic problems.

I respectfully urge you to vote "no" on H.R. 3813. Thank you for your time and consideration of our views. Should you have any questions or concerns, please contact FMA's Government Affairs Director Jessica Klement at [jklement@fedmanagers.org](mailto:jklement@fedmanagers.org) or 703-683-8700.

Sincerely,



Patricia Niehaus  
National President