GOVERNMENT MANAGERS COALITION

• FAAMA • FMA • NCSSMA • PMA • SEA •

December 6, 2011

Dear Senator:

As you debate extending the payroll tax holiday beyond its current expiration date of December 31, the undersigned organizations would like to bring your attention to an entire segment of this country's federal workers who have been excluded from the current payroll tax holiday. Members of our organizations are covered by both the Civil Service Retirement System (CSRS) and the Federal Employee Retirement System (FERS). On behalf of our CSRS members who are still working in the federal government, we respectfully request you consider their inclusion in any future extension of the current payroll tax holiday. To our knowledge, there has been no discussion of rectifying their current exclusion as part of an extension of the payroll tax holiday.

Our members certainly appreciate the efforts to provide continued relief to hardworking Americans and to create another boost for the economy. However, as the current proposals are written, they would again exclude those federal workers covered by CSRS from receiving the same relief that will be given to millions of Americans, including FERS employees. Because federal employees covered by CSRS do not pay into Social Security, they will not receive the payroll tax deduction. These workers sit alongside their FERS-covered counterparts, yet will not receive equal benefits under an otherwise fair and equitable piece of legislation. Excluding certain Americans does not provide full economic relief.

Like their FERS-covered counterparts and their private sector counterparts, many of our CSRS members have been hit hard during the current recession. They have faced rising health care costs and a multiyear pay freeze. If Congress determines it is advantageous to provide Social Security recipients with an extended payroll tax break, we encourage you to provide the same financial relief to federal workers participating in the CSRS pension system as well.

We strongly urge you to consider alternate proposals that would include CSRS employees in the extension of the current payroll tax holiday. One such proposal, initially suggested when the current payroll tax holiday was debated, would provide CSRS employees with a comparable reduction to their payments into the Civil Service Retirement and Disability Fund. This seems to be both a reasonable and equitable solution.

Thank you for your time and attention to our views. Should you require additional information, please contact Rachel Emmons of the National Council of Social Security Management Associations at rachele@greystone-group.com.

Sincerely,

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DAVID S. CONLEY President FAA Managers Association

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THOMAS R. BURGER Executive Director Professional Managers Association

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PATRICIA J. NIEHAUS President Federal Managers Association

STEVE CLIFTON

President National Council of Social Security Management Associations

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CAROL A. BONOSARO President Senior Executives Association