



July 15, 2015

United States Senate  
Washington, D.C. 20510

Dear Senator:

On behalf of the nearly five million Americans – federal and postal workers and annuitants – represented by the national member organizations of the Federal-Postal Coalition, we write with grave concerns over reports that legislation to extend transportation funding will contain cuts in federal retirement benefits to finance the measure. We implore you to oppose any such efforts. This is bad policy, particularly on the heels of a data breach exposing highly personal and sensitive information for millions of federal employees, retirees, their families and friends.

The rumored cuts would come by way of reducing the rate of return on the Thrift Savings Plan (TSP) G Fund – a matter proposed in the House Budget Resolution (see page 69 of the House Committee Report) but ultimately dropped by budget conferees due to the proposal's unworkability, unfairness and likely unrealized cost savings. The change would cut an estimated \$32 billion in retirement funds from the safest TSP investment option available to fund our country's transportation needs.

The substantive reasons for opposing this change are significant and have been summarized by the Federal Retirement Thrift Investment Board (attached), including the effect of such a move on employee investment behavior and civilian and military retiree financial security. Not only is this bad policy and should be rejected on its merit, it has no place in a transportation bill. Should the modest retirement benefits of federal civilian employees and uniformed military personnel and retirees be substantially reduced, to the tune of \$32 billion, to fund a highway bill? Absolutely not.

Make no mistake: Every nickel redirected from the rate of return on the TSP G Fund to finance the highway bill would be money out of the pocket of a retired federal employee or veteran. Any change in the G Fund interest rate will effectively remove the only safe harbor in the TSP and have a chilling effect on the structural integrity of a plan that has provided a stable path to financial security in retirement for uniformed and civilian personnel alike. Members of Congress should know better than to weaken the foundation of the system.

In the past five years alone, federal employees contributed more than \$159 billion toward deficit reduction. These are hardworking Americans who had their pay frozen for three years and who lost \$1 billion in take-home pay in 2013 alone as a result of sequestration-related furloughs. In the past weeks, these same dedicated public servants learned that their personal identities and financial resources were compromised in cyberattacks, causing further anxiety. We find it shameful that Congress, particularly in this environment, would take even more from the nation's civilian and military heroes.



We urge you to reject any proposal that takes from our nation's civil servants, military personnel and retirees to finance unrelated measures. Thank you for your time and consideration of our views.

Sincerely,

American Federation of Government Employees  
American Federation of State, County and Municipal Employees  
American Foreign Service Association  
American Postal Workers Union  
FAA Managers Association  
Federal Managers Association  
Federally Employed Women  
International Association of Fire Fighters  
Laborers' International Union of North America  
National Active and Retired Federal Employees Association  
National Association of Assistant United States Attorneys  
National Association of Federal Veterinarians  
National Association of Government Employees  
National Association of Letter Carriers  
National Association of Postal Supervisors  
National Association of Postmasters of the US  
National Council of Social Security Management Associations  
National Federation of Federal Employees  
National League of Postmasters  
National Postal Mail Handlers Union  
National Rural Letter Carriers' Association  
National Treasury Employees Union  
National Weather Service Employees Organization  
Organization of Professional Employees at the U.S. Dept. of Agriculture  
Patent Office Professional Association  
Professional Aviation Safety Specialists  
Professional Managers Association  
Senior Executives Association

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