Federal Managers Association

June 27, 2011

The Honorable Joseph Biden
Vice President of the United States
Eisenhower Executive Office Building
1650 Pennsylvania Ave. NW Room 276
Washington, D.C. 20501

Dear Vice President Biden:

On behalf of the over 200,000 managers and supervisors currently serving our nation in the federal government and whose interests are represented by the Federal Managers Association (FMA), I respectfully request that you reject proposals that would make substantive changes to the federal pension system as you craft a compromise with congressional leaders to decrease our national debt. Our unprecedented deficit was not borne out of rising and exorbitant federal employee pay and benefits, and taking steps to reverse our government's spending should not be unduly shouldered by our nation's civil servants.

This past November, the President called upon federal workers to help right the nation's fiscal ship by imposing a congressionally-supported two-year federal pay freeze. Federal employees understand that our country finds itself mired in economic uncertainty, and like all Americans, FMA members believe that shared sacrifice is necessary to restore our economic standing. Similar to their private sector counterparts, federal workers are confronting rising health care costs and general living expenses, and many are responsible for supporting their families on a single paycheck. Unfortunately, the past six months have revealed many lawmakers' insatiable appetites when it comes to targeting federal workers' compensation as a means to reduce the nation's debt.

Of chief concern to FMA is any proposal requiring federal employees to contribute a larger percentage of their paychecks toward their retirement fund, a program that is fiscally sound. Both the National Commission on Fiscal Responsibility and Reform and the House-passed Fiscal Year 2012 Budget Resolution (H.Con.Res. 34) endorsed increasing civil servants' pension contributions by over five percent. If this proposal is ultimately approved, federal employees will face a corresponding pay cut the moment the measure takes effect. This will prove financially devastating to federal families, many of which are facing the same challenges as other Americans, particularly given the current pay freeze.

Congress established the Federal Employees Retirement System (FERS) retirement system in 1986 to bring federal pensions in line with those provided in the private sector, incorporating Social Security into the federal retirement system and lessening the reliance on the Civil Service Retirement and Disability Fund (CSRDF). By law, FERS benefits are fully funded by employee and agency contributions and interest earned through CSRDF deposits. Requiring civil servants to increase their contributions to this financially sound retirement system serves as nothing less than a poorly disguised pay cut for these individuals.

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We also cannot ignore the damaging effect imposing a significant pension contribution increase will have on employee morale and recruiting/retention rates. We need a top-notch, fully engaged federal workforce to effectively address the myriad challenges facing budget-strapped federal agencies and the increased demand for government services. Supporting unbalanced cuts to federal employees' pay and benefits severely detracts from this objective.

The federal government's greatest assets are the men and women who devote themselves to serving the interests of the American public. As you continue to debate how best to steer this country towards prosperity, I urge you to recognize the invaluable work performed by civil servants and the damaging effects passage of further pay cuts entails.

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 or (703) 683-8700.

Sincerely,

Patricia Niehaus
National President