



NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Affiliated with the International Association of Machinists and Aerospace Workers



NFFE News Release

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Gutting of Federal Workers' Retirement in Trump Budget Represents a 'Race to the Bottom' for All Americans

Washington, D.C. – Today, the National Federation of Federal Employees (NFFE) strongly condemns the first budget proposal from President Trump which decimates the retirement security for 2.1 million federal employees in a misguided attempt to draw down the federal deficit on the backs of working people while cutting taxes for millionaires and billionaires.

“President Trump campaigned on being a champion for working people and protecting people’s retirement. Now, in his first opportunity to make good on those promises, he is throwing working people under the bus and gutting their retirement. We believe this may be the single largest attack on a group of workers’ retirement in our nation’s history. These proposed pension cuts are unconscionable,” stated NFFE National President Randy Erwin. “I’m sorry, gutting middle-class federal employees’ retirement security to make way for billionaire tax cuts is not how you make America great again.”

The Trump budget proposal includes an elimination of cost of living adjustments (COLA) for FERS employees, a reduction of .5% in COLAs for CSRS employees, elimination of the FERS special retirement supplement for those who retire before they are social security eligible, lowering annuity calculations through a basis change from high 3 to high 5 of earning years, and it aims to force employees to contribute an additional 6.2% of their salary to the pension plan (phased in over the next six years) with no added pension benefit.

President Trump’s proposed cuts to pensions total at least \$148.9 billion over the next 10 years, approximately \$75,000 per federal employee. The federal government is the nation’s largest employer with 85% of federal employees living outside of the Washington, D.C. metropolitan area. These cuts would decimate the retirement security of residents and local economies in all 50 states and U.S. territories. These proposed cuts come on the heels of \$182 billion in deficit reduction that federal workers have endured in recent years through pension cuts and forced pay freezes.

“Federal employees have endured what was asked of them during austere times, but to destroy the retirement security of millions of Americans to make way for tax cuts for the super-wealthy is unacceptable,” Erwin continued. “Instead of using failing private sector retirement benefits as an excuse to slash federal sector benefits, President Trump should challenge both the private and public sectors to strengthen retirement. This awful pension proposal represents nothing more than a shameful race to the bottom for all Americans, not just federal employees.”

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Established in 1917, the National Federation of Federal Employees is the oldest union representing civil service federal employees. NFFE represents 110,000 federal employees in 35 departments and agencies government-wide. NFFE is affiliated with the International Association of Machinists and Aerospace Workers, AFL-CIO. For more information, go to www.nffe.org.