



# American Postal Workers Union, AFL-CIO

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## LEGISLATIVE PRIORITIES

115th Congress

### Paying More For Less: Attacks on Postal Retirement

As dedicated postal employees know, the promise for a career of hard work is the comfort of a dignified and secure retirement. At the bargaining table and in the halls of Congress, APWU has fought time and again to see that promise fulfilled for our members. Unfortunately, given the current legislative landscape, new obstacles are likely to emerge in the coming months and years between postal employees and our ability to achieve well-earned security in retirement.

Perhaps the greatest obstacle facing postal employees' retirements is the prospect of the outright elimination of our defined benefit pension plans. Such a move would downgrade FERS defined retirement benefits with a risky market-based 401(k). While some proposals are limited to new employees, others would cost current workers their guaranteed pension as well. APWU stands firmly against the drastic threat of eliminating guaranteed pension benefits – the budget must not continue to be balanced on the backs of postal and federal workers!

Postal and federal workers have already contributed enormously to deficit reduction – and now they want more. While budget after budget diminishes workers' livelihoods in the name of austerity, they ask nothing of the wealthiest Americans. Instead, the budgets advanced by anti-worker politicians preserve, protect, and expand big tax cuts for America's richest few.

### APWU Opposes Increased FERS Contributions

Recent congressional budget proposals have contained severe hardship for federal and postal employees. Among other harmful provisions, recent federal budget bills have called for significant increases in the amount federal and postal employees must pay towards their retirement plans.

- Under recent congressional proposals, up to 6% of a postal worker's wages would go towards retirement payments – reducing wages by thousands of dollars each year for the same benefits.
- In recent years, new employee contributions under FERS have risen from 0.8% all the way to 4.4%, with further increases under consideration.
- Hiking employee contributions with no increase in benefit is nothing more than a back-door pay cut.

### High 3 To High 5: Say "No!"

While congressional budgets seek to increase employee retirement contributions, other proposals would slash retirement benefits by "tweaking" the way the federal retirement system calculates annuities. Rather than averaging the highest three years of an employee's salary, there are proposals to instead average the five highest years.

- Inserting lower-paid years into the calculation, the net effect would be big cuts in how much federal and postal employees receive in retirement benefits.
- Over ten years, the Congressional Budget Office says such changes would take over \$3 billion out of the pockets of retired workers.

**The continued drumbeat of pay and benefit cuts disrespect the work of civil servants. We reject ugly attempts to turn 'public service' into dirty words and public servants into piggy banks. APWU stands strong with its sisters and brothers in the face of legislative attack.**