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## **Kelley Calls on Senate Budget Committee to Reject Proposals Targeting Federal Workers**

**Washington, D.C.** —In a letter to every member of the Senate Budget Committee, the leader of the nation’s largest independent union of federal employees called on that key body to reject efforts to impose drastic cuts to the federal workforce, enact a further freeze on federal pay and take other similar steps that would harm the government’s ability to provide needed services.

President Colleen M. Kelley of the National Treasury Employees Union (NTEU) criticized the disproportionate impact such proposals would have on federal employees in the name of deficit reduction. “These types of cuts will produce small savings, but will have a large and harmful effect on the civil service of our country,” she wrote. She urged the Budget Committee to exclude such cuts from a Senate Budget Resolution.

The NTEU leader expressed particular concern about proposals to increase employee contributions to their pensions. “No one is going to get rich on their federal retirement, and what they do get is very much in line with the private sector,” she wrote.

She noted, with emphasis, that those under the Federal Employees Retirement System (FERS) have an average salary replacement rate of 36.5 percent, contrasted with the average replacement rate of 47.3 percent in the private sector.

Moreover, Kelley said, the FERS system is “financially-sound, 100 percent pre-funded, with no unfunded liability” and has recently been referred to as a model by pension experts. FERS was created 24 years ago to replace a defined benefit system that had a serious and growing unfunded liability problem similar to those faced by many state plans today.

“Our civil service is one of the best in the world,” Kelley told committee members, noting that NTEU members work every day to protect the nation’s borders, its transportation system, food supply, environment and more, but warned that “such a civil service will not survive if these cuts are instituted.”

The NTEU leader was writing specifically about proposals contained in H. Con. Res. 34, the budget resolution advanced by House Budget Committee Chairman Paul Ryan (R-Wis.), and the earlier recommendations of the deficit-reduction commission.

Kelley also warned about attempts to freeze or cut the size of the federal workforce and the impact that would have on delivering critical services. “Many of our federal agencies are already

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strapped in doing their important work with limited resources,” she wrote. For instance, in the 25-month period ending last October, she told senators, the number of claims pending a Social Security disability medical decision rose from some 556,000 to nearly 852,000, an increase of 53 percent among a particularly vulnerable part of the population.

Kelley offered these additional examples: Internal Revenue Service staffing has fallen from more than 114,000 in 1995 to process 205 million tax returns to just slightly more than 93,000 to process approximately 236 million much more complicated tax returns; and while the responsibilities of the Food and Drug Administration have expanded significantly, the number of inspectors has declined from 35,000 in 1978 to only 7,500 last year—despite recent food-borne illness scares involving tomatoes, lettuce, spinach and pet food.

The proposals impacting the federal workforce, including those that would change the Federal Employee Health Benefits Program into a voucher-style program and others that target federal retirement annuities, “give the false impression that it is the federal workforce which is driving the deficit,” she said. “That is patently false.”

Kelley added: “If the proposals suggested by the (deficit) commission are put in place, it will reduce the overall debt of the country by 2 percent. But it will lead to a huge exodus of experienced federal employees, roughly 40 percent of whom are eligible to retire.”

Separately, NTEU was one of the signers of a letter to Budget Committee Chairman Sen. Kent Conrad (D-N.D.) and Ranking Member Sen. Jeff Sessions (R-Ala.) on this subject from the Federal-Postal Coalition, a group of federal unions and organizations representing federal managers.

The coalition’s letter was critical of a variety of proposals, including those calling for an extended pay freeze, a 10 percent cut in the workforce, and requiring a significant increase in employee contributions to the Civil Service Retirement and Disability Fund. It called those proposals and others like them “unfair and unreasonable, even in the current budget atmosphere.”

The group’s letter also took aim at a proposal to change the current ‘high-3’ formula for calculating federal pensions to a ‘high-5’ formula, noting that “Congress already took aggressive action to reform the federal pension system to bring it in line with the private sector, and we oppose another change of this magnitude.”

NTEU is the largest independent federal union, representing 150,000 employees in 31 agencies and departments.