



# INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL ENGINEERS AFL-CIO & CLC

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October 12, 2011

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Dear Senators and Representatives,

As President of the International Federation of Professional and Technical Engineers (IFPTE), I am writing regarding your work on the Joint Select Committee on Deficit Reduction. While IFPTE sent you all a detailed letter back on September 1<sup>st</sup> detailing our union's concerns and views, another issue has come to our attention. That issue deals with the pensions for workers at the Tennessee Valley Authority (TVA).

We understand that the Office of Management and Budget (OMB) has shared a legislative recommendation that not only deals with FERS and CSRS pensions, but also with the defined pensions of TVA workers. Specifically, Title X of the legislation proposes to force TVA workers pay 1.2% percent into the TVA pension fund. This seems to be an effort by OMB to bundle TVA worker pension contributions in with those of most other Federal employees under either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS).

TVA is an independent federal entity, and is not funded at all by taxpayer dollars. As such, just about the entire TVA workforce does not participate in either CSRS or FERS. The only exceptions are the TVA Board of Directors, along with about 200 or so other TVA workers who transferred to TVA from other federal agencies without more than a three day break in service. In those cases the law requires them to stay in FERS or CSRS. Other than these handful of employees, the rest of the workers are under the TVA pension system, which is not funded with taxpayer dollars and has nothing to do with the national debt.

Right now the TVA pension is governed by a board, the TVARS Board of Directors, which is made up of both labor and management. The TVARS Board is the proper entity to decide when it is appropriate or not to increase employee contributions into the pension. While IFPTE opposes OMB's recommendation to your Joint Committee to increase FERS and CSRS pension contributions, we nonetheless understand that they have jurisdiction and standing to at least support such an increase. However, we do not feel that OMB can dictate to TVA how to run their pension system. After all it is not funded by taxpayer dollars and is governed by an independent board.

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For these reasons IFPTE asks you to reject the OMB proposal to increase employee contributions to the TVA pension fund. If such an increase is needed the TVARS board is the entity to make that determination.

On behalf of the members of IFPTE I thank you for your consideration. Should you or your staff have any questions, please contact IFPTE Legislative Director, Matt Biggs, at (202) 239-4880.

Sincerely,



Gregory J. Junemann,  
President

Cc: Hon. Barbara Boxer, Chair, Senate Environment and Public Works Committee

