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# Congress of the United States

## House of Representatives

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### Opening Statement

#### Rep. Elijah E. Cummings, Ranking Member

### Full Committee Business Meeting

#### H.R. 3813, The Securing Annuities for Federal Employees Act of 2012

February 7, 2012

Thank you Mr. Chairman.

H.R. 3813 would make substantial changes to the Federal Employee Retirement System even though that system is fully funded.

This legislation is a solution in search of a problem, intended as far as I can see only to further reduce the take-home pay of middle-class American workers – employees who are already operating under a pay freeze.

Despite its title, H.R. 3813 will make retirees LESS secure than they are now.

H.R. 3813 would create great uncertainty among employees close to the age of 62 who are considering early retirement.

For decades, many of these employees have been relying on the promise of a FERS annuity supplement, which is currently available to those who retire before age 62 – before they are eligible for Social Security. But this legislation would eliminate those supplements.

The bill would also reduce the take-home pay of millions of middle-class American workers. If this legislation becomes law, Federal employees will see a 1.5 percent decrease in their take-home pay as a result of the bill's cuts to the government portion of their retirement payments.

The bill would also reduce retirement benefits for new employees who join the civil service. By switching from a "high-3" to a "high-5" and lowering the pension formula multiplier by almost 35 percent, this legislation would yield an annuity that is worth 40 percent less than current annuities.

Republicans argue that we should adopt this bill because it includes some of the same ideas proposed by President Obama. No. President Obama has called for shared sacrifice. He has called for everyone to do their part to address the nation's deficits. He has called for everyone to

step up, including people who make billions of dollars a year and yet are taxed at effective rates that are lower than their secretaries pay.

As a result of the pay freeze already in place, the families of middle-class Federal employees have contributed \$60 billion to deficit reduction. According to the Congressional Budget Office, H.R. 3813 would require them to sacrifice another \$40 billion over the next ten years.

Let me make this crystal clear: if this legislation is passed, middle-class Federal employees will take a \$100 billion hit at a time when millionaires and billionaires have not been asked to contribute one additional penny towards reducing the nation's debt.

How is this shared sacrifice? It isn't. This is sticking it to millions of middle-class American families who are struggling to make ends meet.

This legislation continues a disturbing assault on our Federal workers – an assault spearheaded by this Committee, which has previously marked up legislation that would dramatically and indiscriminately reduce the size of the Federal workforce, extend the probationary period for new hires, limit the use of official time, and reduce benefits for workers who are injured on the job.

We constantly hear rhetoric from the other side that Federal employees are valuable and their service is honored. But the actions of the Majority make one wonder how much they really believe that.

These employees protect our borders, safeguard our food supply, care for our wounded veterans, and support our warfighters. And this is how you treat them?

I strongly oppose this legislation, and I urge all of my colleagues to do the same.

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