

HANDS OFF OUR EARNED POSTAL PENSIONS!

Frequently Asked Questions

Question 1: Are current retirees impacted by the cuts to FERS?

Answer to Q1: The bill, as written, does NOT make any changes to the High-3 FERS annuity calculations for current retirees. If you are a retiree **currently receiving** the FERS annuity supplement, also called the “bridge payment,” the bill as written will NOT eliminate this supplement if signed into law. If you are a retiree who has not yet reached eligibility for the supplement, the bill as written places that supplement in jeopardy.

Question 2: If you are looking to retire soon or took the early out, called the VERA, will you be grandfathered into the current benefits?

Answer to Q2: Since the bill text is vague, it is currently unclear if retirees not **currently receiving** the FERS annuity supplement will receive the supplement, if this bill becomes law. Because the bill has not passed the House or Senate yet, we don’t know what the final law will say, when it will take effect, what cuts it will make to your retirement, or who it will apply to. This is why we must all fight against these cuts moving any further in Congress.

Question 3: Isn’t our pension part of our negotiated contract?

Answer to Q3: The contract promises that you’ll have a retirement plan, but it is the plan designed by Congress. Specifically, our contract states *“the provisions of Chapters 83 and 84 of Title 5 [of the] U.S. Code, and any amendments thereto, shall continue to apply to employees covered by this Agreement.”* It is important that you call your representatives before they make these harmful changes to our retirement plan.

Question 4: If I am already contributing 4.4% of my earnings to my retirement, how will the FERS increased contribution rate impact me?

Answer to Q4: First of all, active postal and federal employees who were hired in 2013 or before currently pay less than 4.4% of their paychecks into FERS. Employees hired in 2013 pay 3.1% of their earnings into FERS,

while employees hired in 2012 or before pay just 0.8% of their earnings into FERS. If these FERS cuts become law, all postal employees hired in 2013 or before will see a **direct pay cut**. Yes, they will see a **direct pay cut** since more of their earned wages will go toward their retirement plan. For those active employees hired in 2014 or after, you are **already paying** the 4.4% rate and therefore will NOT pay an increased contribution. Although this group is not seeing an increase this time, every time Congress makes a change to the FERS contribution rate, it opens the door to increasing the rate down the road. The increase to 4.4% happened just 12 years ago and we need to fight every attempt to increase contribution rates with nothing in return. As we always say, an injury to one is an injury to all, and those postal workers and federal employees who are currently paying the 0.8% or 3.1% contribution rate will see a pay cut if their rate jumps to 4.4%

Question 5: How could this happen?

Answer to Q5: Congress is currently working to extend and expand the president's 2017 tax cuts for the wealthiest Americans. These tax cuts will cost \$4.5 trillion dollars and the federal government must find the money to pay for them somewhere. The attacks on our FERS retirement plan are among many other programs being targeted to pay for these tax cuts, such as Medicaid. All of these individual spending cuts are written into legislation, then voted out of committee, and finally put together into one big bill. The House is hoping to vote on this one big bill by Memorial Day, and the Senate is looking to hold their vote by the Fourth of July.

Question 6: How can we fight back?

Answer to Q6: Since the one big bill has not been packaged together yet, there is still time to stop these FERS cuts from being added. We are asking each and every one of you to call your House representative and urge them to oppose these attacks on our postal pensions. The margins in Congress are slim, so it will not take many members to stop these attacks. We need your help to convince enough members of Congress to oppose any cuts to our pensions! For the most up-to-date information on our fight against these FERS cuts, visit our webpage at APWU.org. We will update the website as new information is released.