

Federal Fire Fighter Retirement Cuts

The IAFF opposes any further reductions in the federal employee pension plan and retiree benefits.

BACKGROUND

For nearly two decades, federal fire fighters have endured multiple pay freezes, furloughs, government shutdowns and increases in employee pension contributions. Over the past seven years alone, cuts to federal workers' pay and benefits have totaled nearly \$320 billion. Although federal employees continue to see reductions to their benefits year after year, elected officials continue to cut workers' benefits for other priorities.

Federal employee pension and retirement benefits have come under heightened attacks by some legislators. In early February, the president released his Fiscal Year 2021 budget proposal, which included significant cuts to the Federal Employee Retirement System (FERS), the defined benefit plan for federal employers that became mandatory in 1987. The proposal contains reforms that are harmful to federal fire fighters, including:

- Eliminating the FERS defined benefit plan for new employees
- Increasing contributions to the currently fully funded FERS plan by existing employees
- Changing the basis for benefits from an average of high three years to an average of high five years

- Eliminating the retirement annuity supplement currently paid to federal fire fighters
- Eliminating retiree health benefits for new employees
- Slowing the pace of seniority-based pay raises by 50 percent
- Reducing the employer-paid share of health insurance premiums

Some of these proposals were included in the Fiscal Year 2018 House budget proposal; however, that proposal was never approved by the full House of Representatives.

If enacted, the cuts proposed in the president's budget would undermine the ability of federal fire fighters to meet their families' financial needs in retirement. Due to the strenuous nature of their profession, federal fire fighters are statutorily mandated to retire at age 57. Their early retirement age necessitates careful planning for retirement; as such, federal fire fighters depend on the reliable retirement benefits provided by FERS.