

# FEDERAL-POSTAL COALITION

December 7, 2011

The Honorable John Boehner  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Nancy Pelosi  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Speaker Boehner and Minority Leader Pelosi:

On behalf of the 4.6 million federal and postal workers and annuitants represented by the national member organizations of the Federal-Postal Coalition, we urge you to reject federal pay freezes and staffing reductions to finance the extension of a reduction in the Social Security payroll tax. Last week the Senate refrained from using federal pay freezes and federal staffing reductions to finance a payroll tax reduction when it defeated the Republican proposal, S. 1931, by a 20-78 vote.

Federal employees are already in the second year of a congressionally-mandated pay freeze. Like other Americans, they have suffered from rising health care costs. Their housing values and financial assets have gone down, and they face all of the same challenges as other middle-class families in these difficult economic times, including spouses and grown children without jobs.

Federal employees have worked diligently to serve the American people over the past year despite the repeated prospect of government shutdowns. We urge you to avoid singling out this small group of workers to pay for a tax cut for all other workers. Additionally we urge you to provide a tax credit equal to the payroll tax reduction to the 600,000 Americans, mostly older employees, who in the past have not been eligible for any payroll tax reduction because they pay into a federal retirement system that does not provide Social Security benefits.

Federal employees are already facing the loss of their jobs based on funding cuts mandated in the debt ceiling agreement. Their agencies are already facing difficulty in delivering the services the American public needs and wants. Reducing the size of the federal workforce will only exacerbate these problems, especially in critical service areas, including law enforcement, public health, national defense, and the delivery of care and benefits to veterans, the elderly and the disabled. Moreover, in many areas, government agencies collect revenues that help to pay their operational costs. Staffing reductions likely will reduce those revenues.

A key purpose of the payroll tax holiday is to stimulate the economy and encourage discretionary spending. Freezing federal pay and cutting federal jobs to offset a payroll tax reduction will only undermine those aims and hinder our economic recovery.

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We urge you to oppose offsets to the payroll tax holiday extension that fall on federal employees. We also urge you provide a tax credit equal to the payroll tax holiday to those workers who do not participate in Social Security. Thank you for your consideration of our views.

Sincerely,

American Federation of Government Employees  
American Federation of State, County and Municipal Employees  
American Foreign Service Association  
Federally Employed Women  
Federal Managers Association  
International Association of Fire Fighters  
International Association of Machinists and Aerospace Workers  
International Federation of Professional and Technical Engineers  
Laborers' International Union of North America  
National Active and Retired Federal Employees Association  
National Air Traffic Controllers Association  
National Association of Assistant United States Attorneys  
National Association of Government Employees  
National Association of Letter Carriers  
National Association of Postal Supervisors  
National Association of Postmasters of the U.S.  
National Council of Social Security Management Associations  
National Federation of Federal Employees  
National League of Postmasters  
National Postal Mail Handlers Union  
National Rural Letter Carriers Association  
National Treasury Employees Union  
Organization of Professional Employees of the U.S. Department of Agriculture  
Professional Aviation Safety Specialists  
Professional Managers Association  
Senior Executives Association

## **Staff Contact:**

**Bruce Moyer**, Chairman of the Federal-Postal Coalition  
E-mail: [brumoyer@verizon.net](mailto:brumoyer@verizon.net). Phone: 301-452-1111