

Government Executive

Trump Budget Includes 1.9 Percent Pay Raise for Civilians, Retirement Cuts

By Erich Wagner

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The Trump administration on Tuesday formalized its proposals to grant civil servants a [1.9 percent pay raise](#) next year and to [cut federal employees' retirement benefits](#).

The [proposals](#) were part of President Trump's detailed fiscal 2018 budget request. Military members would receive a 2.1 percent increase under the plan, which Congress can override.

The 1.9 percent figure for the civilian raise would be slightly less than the 2.1 percent pay hike employees ultimately received this year, but more than the 1.6 percent increase Obama initially proposed.

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In contrast to the Obama administration, which said at the time of its 1.6 percent proposal that it regretted not being able to provide a bigger boost, officials in the Trump White House stressed how "generous" public employee compensation packages are.

Trump's fiscal 2018 budget proposal cited the recent [controversial report](#) from the Congressional Budget Office that concluded federal employees on average received 17 percent more in total compensation (pay and benefits combined) when compared with their private sector counterparts from 2011 through 2015.

"The federal government continues to offer a generous package of retirement benefits," the budget document stated "CBO found that on average the cost of benefits was 47 percent higher for federal civilian employees than for private sector employees, with the federal defined benefit pension plan ... being the most important contributing factor to cost differences."

The budget blueprint unveiled Tuesday also confirmed a number of proposed cuts to federal employee retirement programs, including the elimination of cost of living adjustments for Federal Employees Retirement System workers and a 0.5 percent reduction in COLAs for Civil Service Retirement System employees.

It also would require employees to increase their contributions to FERS by 1 percentage point each year for six years, at which point the government and employee contributions would be equal. Other requested changes included eliminating the supplement for FERS employees who retire before they reach Social Security eligibility at 62, as well as basing the value of retirement benefits on the highest five years of employees' earnings, instead of the current highest three years.

Office of Management and Budget Director Mick Mulvaney argued the changes were made to more closely align federal benefits with those offered by the private sector.

“For one program, we got rid of cost of living adjustment increases, but keep in mind, those folks will be participating in Social Security, which is cost-of-living adjusted,” Mulvaney said. “We thought these were common sense reforms to try to bring the federal government benefit programs closer to the private sector.”

Groups representing federal workers condemned the changes in retirement programs Tuesday.

“President Trump’s first full budget is nothing short of an egregious, unprecedented attack on federal employees and retirees,” said Richard Thissen, president of the National Active and Retired Federal Employees Association. “It goes far beyond previous attacks on the federal community by taking aim at the already-earned benefits of our nation’s public servants. This does not just change the rules of the game going forward; it breaks an implicit bargain by eroding the value of hard-earned pensions that were promised to federal employees in exchange for their service to this country.”

Federal Managers Association President Renee Johnson called the proposal a “slap in the face” to federal employees.

“Beyond hurting current and retired feds, the federal workforce is already facing momentous challenges in recruitment and retention,” she said. “Broken promises and further cutting of benefits will only make the task of attracting the best and the brightest even more difficult.”

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<http://www.govexec.com/pay-benefits/2017/05/trump-budget-includes-19-percent-pay-raise-civilians-retirement-cuts/138086/>