



American Postal Workers Union, AFL-CIO

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December 15, 2010

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The Honorable Nancy Pelosi, Speaker
U.S. House of Representatives
235 Cannon House Office Building
Washington, DC 20515

Dear Madam Speaker:

On behalf of the 220,000 members of the American Postal Workers Union, AFL-CIO, I urge you to consider an adjustment to the 'payroll tax holiday' currently proposed as an amendment to the "Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010." A necessary adjustment that treats senior postal and federal workers enrolled in the Civil Service Retirement System (CSRS) equitably with those enrolled in the Federal Employees Retirement System (FERS) is urgently needed.

As the House prepares for possible consideration of the recent tax cut compromise between the White House and Congressional leaders, the members of the American Postal Workers Union, AFL-CIO, would like you to be aware of the unfair and unequal impact that the proposed one-year Social Security payroll tax cut of 2% would have on postal and federal workers covered by different retirement systems.

As you may know, employees under the Federal Employees Retirement System (FERS) pay into and are covered by, Social Security. They pay the same 6.2% of salary as private sector workers and they would enjoy a 2% payroll tax cut. However, employees under the older Civil Service Retirement System (CSRS) are not covered by and do not pay into Social Security, but rather pay 7% of their salary toward their CSRS pension. Unless the tax cut plan includes a one year, 2% reduction for employee contributions to CSRS, more senior postal and federal workers will be penalized because the retirement plans they were automatically enrolled into upon the beginning of their employment is not included in the compromise.

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APWU believes this unequal treatment of postal and federal employees is unfair, and we urge the House to adopt a one-year, 2% reduction in employee contributions to CSRS, or similar remedy, and included in the payroll tax holiday provision of the tax cut compromise.

Sincerely,

A handwritten signature in black ink, appearing to read "Cliff Guffey". The signature is fluid and cursive, with a large initial "C" and a stylized "G".

Cliff Guffey
President

CG/lbb
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