

# Project 2025 and postal retirees



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**A**s the director of retirees, I have an obligation to address legislative proposals relating to retirement. This article will explore the retirement provisions of Project 2025<sup>1</sup>, a proposed presidential transition project should the next president be Republican, overseen by the Heritage Foundation (a conservative think tank). Of course, what you do with this information is entirely up to you. We all vote based on different reasons and have different perspectives on the world, but I would recommend placing a strong emphasis on the pocketbook. It's hard to focus on social and public policy issues

when you can't afford housing, medical care, and especially food and other basic necessities into retirement.

The relevant retirement section of Project 2025 starts by stating:

Career civil servants enjoy retirement benefits that are nearly unheard of in the private sector. Federal employees retire earlier (normally at age 55 after 30 years), enjoy richer pension annuities, and receive automatic cost-of-living adjustments based on the areas in which they retire.

For those who have been planning and studying for their retirement, these claims should raise some eyebrows. The first item is the reference to age 55. One would be eligible at age 55 under the Civil Service Retirement System (CSRS), but this retirement system stopped taking new participants more than 40 years ago. Under the Federal Employees Retirement System (FERS), you would have had to be born before 1948 (76 years ago now) to qualify at age 55. So, in either case, nobody is retiring at age 55 these days.

The project also claims that we enjoy richer pension annuities. They might be right about this one. With the decline of unions over the last several decades, we've also had a decline in pension benefits for the general population, which makes us stand out. But when I see this, I don't think it's federal employees that have a problem; I think it's the general population who has a problem. The answer is to make pensions more common, not attack those who still have hope of a retirement with dignity.

Furthermore, COLAs don't typically start until age 62 for FERS annuitants. And even at age 62 and beyond, the COLA

is reduced compared to actual inflation. If the change in inflation, as measured by the consumer price index (CPI), is 0 to 2 percent, the COLA will be the same. If the CPI is 2 to 3 percent, the COLA is always reduced to 2.0 percent. If the CPI is 3 percent or greater, the COLA will be the CPI minus 1 percent. I think that all retirees should have full COLAs and I don't see a reason for these reduced COLAs or, even worse, none at all. If retirees lose purchasing power year after year from inflation, they will eventually face financial hardships.

Project 2025 goes on to claim how the move from CSRS to FERS was beneficial because it cut the government's per capita share of the cost from 44.3 percent of CSRS payroll to only 20.2 percent of FERS payroll. Fortunately, this claim shows some misunderstanding of the two systems. When FERS was created, it was intended to be on par with CSRS. Although the pension was reduced, FERS employees gained Social Security and matching contributions for the Thrift Savings Plan (TSP) up to 5 percent. While their statistics appear to discount employer contributions to Social Security and the TSP, it shows that their goal is to move the cost of retirement from the employer to the employee.

The section regarding federal benefits concludes by stating: "Although the government pension system has become more like private pension systems, it still remains much more generous, and *other means might be considered in the future to move it even closer to private plans.*" If it wasn't clear before, the idea is to reduce our benefits to that of the general public.

**Let's shift gears and review how the general public is doing when it comes to retirement.** In a recent nationwide survey<sup>2</sup> of working age Americans, 79 percent agree that the nation faces a retirement savings crisis. Let that sink in. Nearly 4 out of 5 workers think that the idea of retirement or financial security in your old age is on the verge of a crisis. Meanwhile, the same survey finds that 82 percent believe it should be easier to get a pension, so they are independent and self-reliant in retirement. If a vast majority of Americans think this way, it makes me wonder whom Project 2025 is representing when it wants to tear down the pensions of letter carriers who serve their country through thick and thin.

I encourage everyone to vote and participate in our democracy, no matter whom you vote for. Federal retirement benefits might be only a small component in most people's decision, but it can be a costly and life-altering one that I advise everyone to seriously consider.

<sup>1</sup> [https://static.project2025.org/2025\\_MandateForLeadership\\_FULL.pdf](https://static.project2025.org/2025_MandateForLeadership_FULL.pdf)

<sup>2</sup> <https://www.nirsonline.org/wp-content/uploads/2024/02/FINAL-2024-Public-Opinion-Research.pdf>