

(WASHINGTON) – Earlier this week U.S. Rep. Mike Coffman (R-CO), introduced bi-partisan legislation along with U.S. Rep. Jared Polis (D-CO) aimed at putting an end to the pension plan currently available to members of Congress.

“I continue to believe that during these challenging economic times Congress must be willing to share in the sacrifice required by all Americans and lead by example,” said Coffman. “Congress needs to set an example for the country and I believe that ending our pension plan would be a good start.”

Currently, the defined-benefit Congressional pension plan gives federal lawmakers, who have served at least five years, an annual payment equal to a percentage of their salary (currently \$174,000) and requires an annual contribution. The exact amounts differ depending on when a Member started service and when they retire, due to various pieces of legislation adjusting the programs over the years.

“Members of Congress shouldn’t get pensions in perpetuity at a time when American families are struggling and the nation’s deficit is far too high,” said Polis. “I am pleased to again work with Congressman Coffman on common sense legislation that will help balance the budget by eliminating wasteful spending.”

While the legislation would prohibit current or future members from receiving any credits for additional years of service it would honor any retirement benefits already accrued before his bill takes effect. Members of Congress are still required to pay into Social Security and can also participate in the Federal Thrift Savings Plan (401k) which is available to all federal employees.

“Our nation’s financial house is a mess. It makes no sense for congress to continue to reward itself, using taxpayer dollars, with a defined benefit plan when the much of the country has moved to a defined contribution plan like a 401K,” said Coffman. “We need to end this perk.”

###

Published January 24, 2013

□