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2023 FAST FACTS

FEDERAL PAY FAST FACTS

- It's time to restore the purchasing power of federal wages and salaries and market comparability of federal pay. When the law that created locality pay for salaried federal workers was passed 32 years ago (the Federal Pay Comparability Act or FEPCA, the pay gap was 25%; today it's still over 23% on average).
- AFGE supports The FAIR Act, bills introduced by Representative Gerry Connolly and Senator Brian Schatz (H.R. 536 and S.124) that provide a federal pay raise of **8.7% for 2024** as a means of both restoring federal employee living standards and making progress on closing part of the pay gap.
- The boundaries of local pay areas should be unified for the General Schedule and Federal Wage Systems. Pay area boundaries for both systems should be governed by commuting patterns which is the definition of a local labor market. Retaining old boundaries for hourly workers creates enormous inequities between the two pay systems. The ceiling on pay adjustments for hourly employees must be lifted so that prevailing rates can be paid for those in the skilled trades.
- Some groups posing as "good government" experts continue to push for a new white collar pay system that reallocates pay from the bottom of the scale in order to fund raises at the top, trying to recreate the vast pay inequities that prevail in the private sector.
- It would let supervisors and political appointees set the pay and pay raises by individual worker. Such an approach inevitably results in politicization and discrimination in pay. The GS system avoids discrimination by setting pay according to job duties, not the characteristics of individual workers.
- The only problem with federal pay comes from a failure to close the pay gap and fund market comparability rates. In an era of inflation and low unemployment, the federal government must meet the market and close the pay gap to recruit and retain a high-quality federal workforce.

ATTACKING THE CIVIL SERVICE FAST FACTS

- Under the slogan of “employee accountability” some politicians are pushing schemes that undermine the civil service by reducing or eliminating due process rights, open competition for jobs and union representation for federal employees. They want to make it easy to hire and easy to fire federal employees.
- On the hiring end are calls for “direct hiring” and “excepted service” hiring that avoid veterans’ preference and open competition.
- On the firing end is rhetoric about the difficulty of getting rid of “poor performers” and “wrongdoers.”
- Advocates of this kind of change wrap themselves in the banner of “good government” but the truth is that weakening or undermining the civil service makes “good government” impossible.
- Transparency, accountability, and protection from corruption and politicization are the rationales for civil service protections. These principles are the foundation of the merit system. If these protections are weakened, government will be less transparent, less accountable, and more of a spoils system than merit system.
- The 115th Congress passed a bill that drastically altered the right to appeal adverse actions and terminations at VA. It superseded CBAs, shortened adverse action timeframes and lowered evidentiary standards for managers. A DoD pilot limits all attorneys and cybersecurity workers to terms of two to eight years. Non-renewal of a term is a firing with no appeal right, and no accountability for corrupt personnel practices.
- Bills that target just one agency or one group of federal employees within an agency (even SES) do not mean that civil service protections for everyone else are safe. In each case, the bill is a first step toward undermining the apolitical civil service and expanding privatization of government work.

CRIPPLING THE UNION FAST FACTS

- Lawmakers whose goal is to get rid of workplace due process, cut pay, and reduce or eliminate health insurance and retirement benefits for federal workers, or just privatize everything must first eliminate the biggest obstacle in their path: federal employee unions.
- The fastest and most effective way to prevent our union from protecting federal employees either on the job or on Capitol Hill is to end official time for union representatives and prohibit the deduction of union dues from employees' paychecks.
- Current law provides official time to federal employee union representatives in order to carry out their duty of fair representation. In the federal government, when employees vote for union representation, the union has a legal obligation to provide representation to every single member of the work unit. But union membership is entirely voluntary, and over half of those who enjoy the benefits of the union choose not to pay dues.
- The government allows elected representatives to use "official time," paid at the elected representative's regular salary rate, to provide representational services. If not for official time, it would be impossible for the union to carry out its legal duties to all.
- The only federal employees who pay union dues are those who choose to do so. Each federal employee in a work unit that has voted for union representation chooses whether to join the union or not. Those who choose to join and pay dues authorize payment straight from their paycheck, just like they do for the TSP, the CFC, FEHBP, FSAs, or supplemental vision and dental plans.
- The effort to prohibit just one item from the list of permissible deductions, union dues, is union-busting in its crudest form. Ending official time and/or dues deduction would spell the end of workplace representation, due process and federal unions' ability to protect their members' jobs, pay and benefits.

FEDERAL RETIREMENT FAST FACTS

- Some politicians are threatening to withhold support for raising the debt ceiling unless cuts to Social Security, Medicare, Medicaid and other government programs are part of a “deal.”
- The last time extremists held the government hostage, they obtained as ransom cost-shifting in FERS so that today, federal employees hired after 2013 pay more for their retirement. There must be no repeat of using federal retirement benefits to appease the extremists.
- Even apart from the debt ceiling threats, lawmakers have called for the elimination of the FERS supplement and reductions in both FERS and CSRS COLAs, as well as a change in the basis for annuity calculations from a high 3 to high 5 calculation.
- There are already three tiers under the Federal Employees Retirement System (FERS). **Tier One**, hired before 2013, pays 0.8% of salary for their pension, along with 6.2% of salary for Social Security. This totals 7% of salary, the same amount federal employees paid for the Civil Service Retirement System (CSRS) that FERS replaced. **Tier Two**, applying to those hired in 2013, pays 3.1% of salary for their pension, along with 6.2% of salary for Social Security. **Tier Three** is for those who entered the system in 2014 and after. They pay 4.4% of salary for their pension and 6.2% of salary for Social Security, 3.6 percentage points more than **Tier One** and 1.3 percentage points more than **Tier Two**. As unjustified as these increases are, House Republicans have proposed having no FERS annuity at all for new hires.
- The Administration and Congress should not only resist any effort to cut social insurance programs, but also retract the retirement cuts affecting those hired after 2012. The federal government should neither follow nor accelerate declining living standards for this generation or the next.

FIGHTING PRIVATIZATION FAST FACTS

- Congress should continue the moratorium on the use of OMB Circular A-76 until OMB rewrites it to correct its many flaws, especially those that burden in-house cost calculations with double counting and other disadvantages in the cost comparison process.
- The moratorium should also continue until agencies comply with Congress's mandate that they inventory their service contracts so that the numbers and costs associated with the contractor workforce become known for purposes of budget planning and learning how much inherently governmental work has been improperly outsourced.
- Agencies should manage their in-house workforces by budgets and workloads—rather than arbitrary constraints, like caps, freezes, and cuts. If agencies have work to do and money to pay for that work, then they should be allowed to use federal employees if that would be consistent with law, cost, and policy.
- Hiring freezes and/or arbitrary constraints on the number of civilian federal employees force managers to use contractors, even when they cost more or the work is inherently governmental.
- If the Congress wants to reduce the cost of the federal government's overall workforce, it should decide which functions should no longer be performed and then reduce the relevant in-house and contractor workforces accordingly. Federal employees are the least expensive workforce the government employs. Replacing cost-effective federal employees with expensive contractors is a waste of taxpayer dollars.
- It is widely acknowledged that contractors cost more, particularly for long-term services; consequently, the quickest way for the Congress to reduce the cost of the federal government's overall workforce is to replace contractors with more cost-efficient federal employees.

NO CONCESSIONS TO DEBT CEILING EXTORTIONISTS **FAST FACTS**

- Congress must raise the debt ceiling on U.S. Treasury securities without strings attached. Some Members of Congress have announced that they will not support an increase in the debt ceiling without reductions in Social Security, Medicare, and Medicaid. The White House says it will not negotiate such an arrangement. **AFGE strongly supports the administration's refusal to negotiate on this matter.**
- Congress knows we need new debt whenever they approve laws that cost money or affect tax revenues. Most of the lawmakers threatening to extort Social Security, Medicare and Medicaid have voted for bills that require the issuance of new debt, showing their hypocrisy along with their irresponsibility and indifference to the consequences their actions would have for Americans.
- Actual default on debt payments and other obligations would have an enormous adverse effect on the world economy. Among other calamities, the default would raise interest rates via downgrade of America's credit rating, leading to the waste trillions of dollars over decades in needlessly high borrowing costs.
- Paying some bills and not others is not an option for avoiding this crisis. The Treasury can't "prioritize" payments; all authorized payments are on equal legal footing. Without raising the ceiling, \$1 trillion would need to be cut from approved agency budgets.
- The debt limit must be cleanly raised to avoid default and ensure the continuation of funding for the government and critical programs like Social Security, Medicare, veterans benefits and the U.S. military. And no negotiation that puts these programs, or any aspect of federal employee compensation at risk should be considered.



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