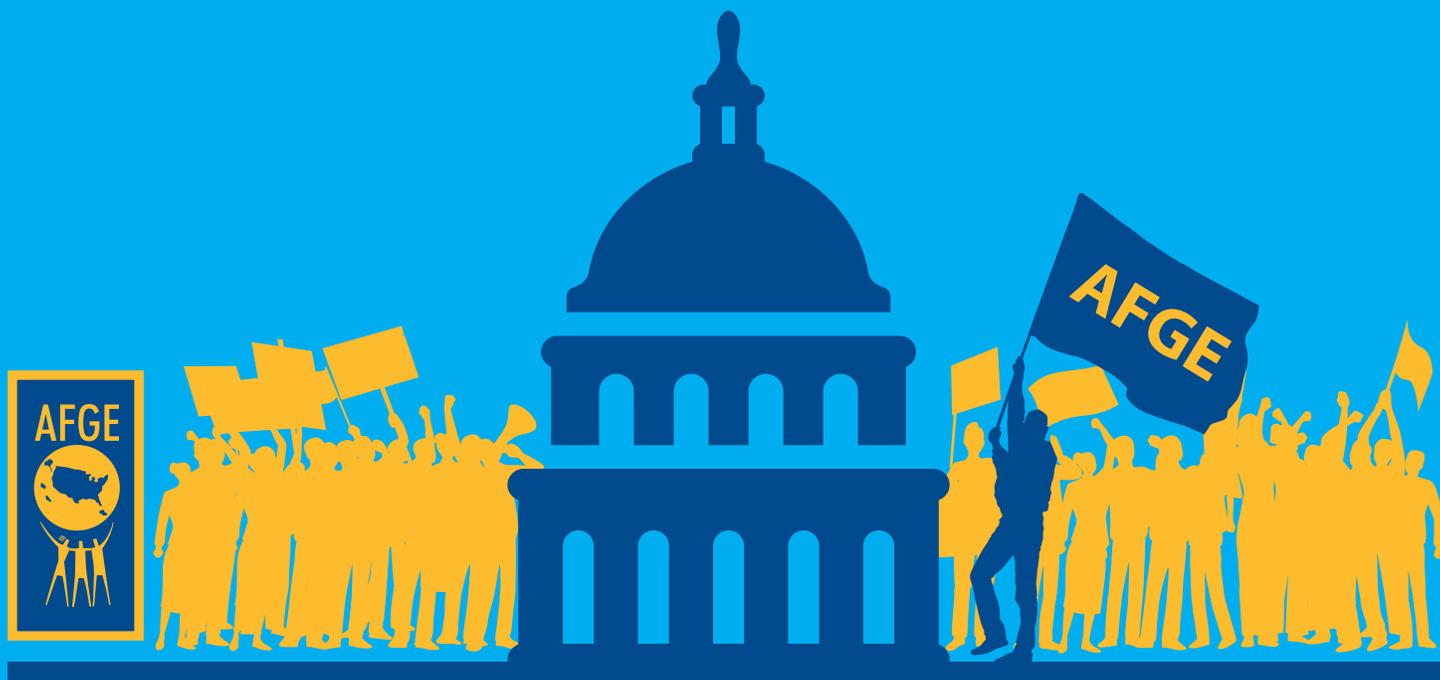


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JUSTICE TAKES ACTION: STANDING UP FOR OUR RIGHTS

2025 FAST FACTS

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO

FEDERAL PAY FAST FACTS

- It's time to restore the purchasing power of federal wages and salaries and market comparability of federal pay. When FEPCA created locality pay for salaried federal workers 33 years ago, the pay gap was 25%; today it's still roughly 24% on average, due to inadequate locality pay supplements through the decades.
- AFGE supports The FAIR Act, bills introduced by Representative Gerry Connolly and Senator Brian Schatz (H.R. 493 and S. 126) that provide a federal pay raise of 4.3% for 2026 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. The ceiling on pay adjustments for hourly employees must be lifted so that prevailing rates can be paid for those in the skilled trades.
- The enormous pay gap has led to a vast increase in the number of agencies obtaining authority to use excepted service hiring so that they can bypass the competitive service and the low pay in the GS system. There is also an effort to apply excepted service hiring and a pay-banding system for the cyber workforce nationwide.
- Pay-banding is an invitation to politicization and discrimination in awarding pay increases and starting salaries. It would let supervisors and political appointees set the pay and pay raises by individual worker. The GS system avoids discrimination by setting pay according to job duties, not the characteristics of individual workers.
- The only problem with federal pay is failure to close the pay gap and fund salaries and wages at rates comparable to the market. In an era of inflation and low unemployment, the federal government must meet the market and close pay gaps to recruit and retain a high-quality federal workforce.

ATTACKING THE CIVIL SERVICE FAST FACTS

- On his first day in office, President Trump re-issued an executive order to reclassify thousands of jobs in the competitive service to a new “Policy/Career” excepted service category. This was previously called Schedule F.
- This new excepted service category would eliminate due process protections against corruption and politicization for these positions. Although there would be no explicit loyalty test, these positions are meant to carry out Trump’s political agenda or the employee will be terminated with no right of appeal.
- On hiring, there is an emphasis on assessment of skill rather than certifications, and on the firing end is rhetoric about the difficulty of getting rid of “poor performers” or those accused of misconduct.
- Trump cites the very low percentage of federal supervisors who say they’re able to fire for poor performance or misconduct. Rather than train these supervisors to utilize their copious authority for such actions, the administration supports taking away the right to appeal these inept supervisors’ actions.
- Advocates of this kind of civil service reform 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.
- Bills that target just one agency or one group of federal employees within an agency (such as the cyber workforce) do not mean that civil service protections for everyone else are safe. In each case, these bills are a first step toward undermining the apolitical civil service, inviting politicization, and increasing 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. Official time allows the union to carry out its legal duties to all those in a bargaining unit.
- Union membership in the federal government is entirely voluntary. Everyone in a represented unit 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 AND HEALTH INSURANCE FAST FACTS

- Lawmakers have resurrected proposals to make substantial changes in the statutory retirement and healthcare benefits for federal employees.
- Proposals include: change the annuity formula for FERS from High 3 to High 5, end the FERS supplemental, raise mandatory contributions to 4.4% of salary for everyone, and charge new “at will” hires 4.4% for FERS and up to 20% of salary for those who choose to have due process rights.
- Proposals for FEHBP include changing the percentage of premium formula to a cash voucher and audit the program to expel ineligible. The voucher system would shift costs from the government to employees and retirees.
- These cost-saving measures would constitute an enormous reduction in overall compensation for federal employees at a time when wages and salaries are already an average of 25% below market nationwide.
- Federal employee retirement is already fully funded. In fact, it is the fully funded federal employee retirement trust fund that is routinely utilized to pay the government’s bills when the debt ceiling is danger of being breached.
- There is no justification for reduction of federal employee retirement or health insurance benefits other than to offset new tax cuts for wealthy individuals and corporations.
- Federal employees have shouldered more of the burden of fiscal austerity than any other group of Americans. Congress should strongly oppose any effort to reduce federal retirement or health insurance benefits to cut the deficit or for any other reason unrelated to federal employment.

DOGE: DEFENDING FEDERAL JOBS AND FIGHTING PRIVATIZATION

FAST FACTS

- Elon Musk's DOGE effort claims to be about deregulation and saving \$2 trillion, but it is far more likely to be about privatization.
- DOGE will not only propose to outsource the government's work to private contractors, it will also propose to deregulate the government's procurement system.
- The current regulatory framework for government procurement emphasizes lowest cost, which is an impediment to profit maximization.
- OMB Circular A-76, which Congress has placed under a moratorium because of its accounting flaws and because agencies have failed to compile inventories of their service contracts so that their costs can be integrated into annual budget requests.
- However, if a new push for widespread outsourcing results from DOGE, it will be important for agencies to compare the costs of in-house performance to outsourcing so that the government does not spend money unnecessarily just to be able to say the number of federal jobs has declined.
- Arbitrary ceilings on the number of federal employees force agencies to outsource even when outsourcing is costlier and the work is inherently governmental.
- If DOGE wants to reduce the cost of carrying out the government's work, it should consider in-sourcing because federal employees are the least expensive workforce the government employs. Replacing cost-effective federal employees with expensive contractors is a waste of money.

