

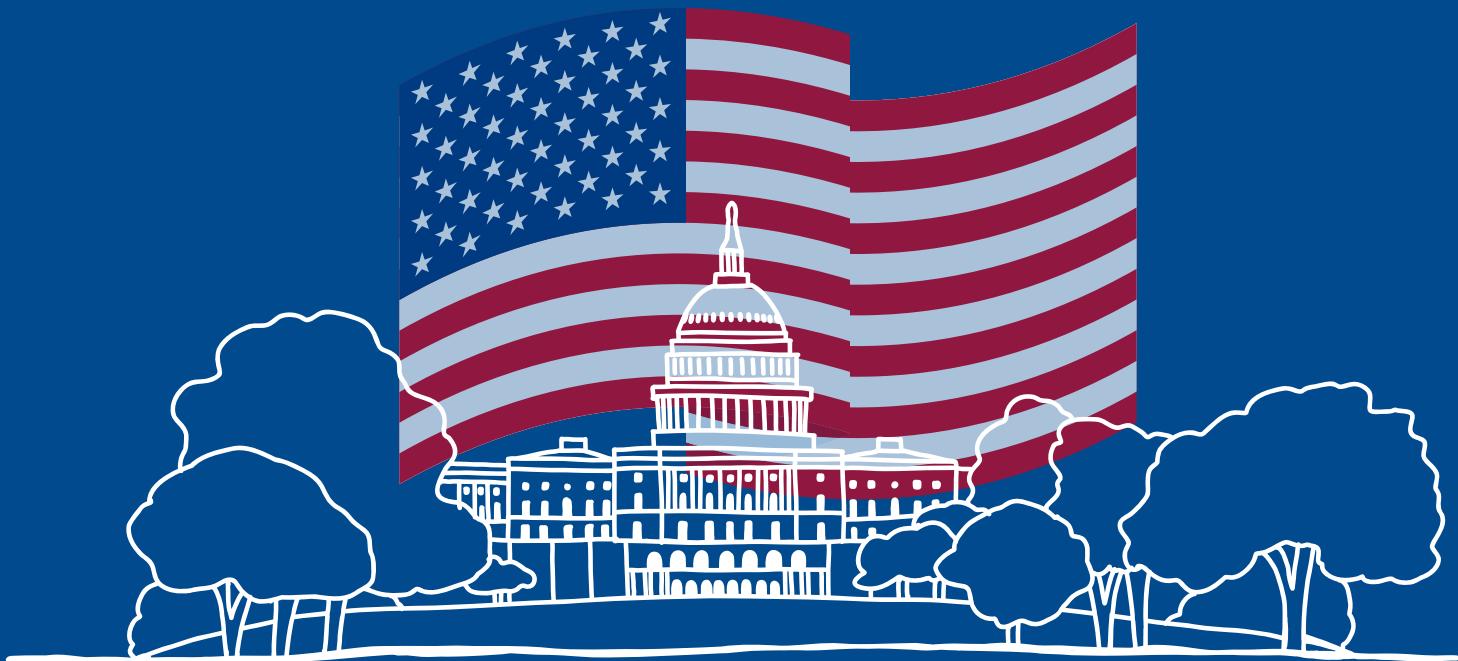
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Building To Win: Strength, Strategy & Solidarity

AFGE LEGISLATIVE CONFERENCE

February 8-10, 2026



2026 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. Congress created locality pay for salaried workers 36 years ago in order to close what was then a 25% pay gap; today that gap has barely budged.
- AFGE supports a federal employee pay raise. AFGE is working with Representative Walkinshaw (D-VA) and Senator Schatz (D-HI) to reintroduce legislation that, if enacted, would provide a federal pay raise of 4.1% for 2027 as a means of both restoring federal employee living standards and making progress on closing part of the pay gap.
- The ceiling on pay adjustments for hourly employees must be lifted so that prevailing rates can be paid for those in the skilled trades. Recruitment and retention of this workforce is crucial for defense readiness and lifting the cap on blue collar pay adjustments is the best way to achieve this goal.
- The enormous pay gap for both salaried and hourly workers 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 inadequate 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 real 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 where most Americans face serious affordability challenges, 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 eliminates due process protections against corruption and politicization for these positions. Loyalty tests will be implicit, not explicit as people in Career/Policy positions are required to (zealously) carry out Trump’s political agenda or be terminated with no right of appeal.
- Candidates for federal jobs are now required to describe their favorite Trump administration executive order(s). Promises not to use the answers in hiring decisions are preposterous. Combined with an order that prohibits fired probationary workers from appeals to the MSPB in all but the most egregious cases, this is a clear violation of the merit system.
- Many federal supervisors complain about the difficulty of firing for poor performance or misconduct. Rather than train these supervisors to utilize their copious authority for such actions, the administration’s policies take 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. When Congress allows these protections to be weakened or eliminated, government becomes less transparent, less accountable, and more of a spoils system than merit system.

CRIPPLING THE UNION FAST FACTS

- The Trump administration has used the pretext of national security to deny more than one million federal employees of their right to union representation.
- Lawmakers must strengthen statutory language providing for union recognition and collective bargaining rights so that a national security exemption cannot be used cynically as a method of union-busting.
- Those whose goal is getting rid of workplace due process, cutting pay, and reducing or eliminating health insurance and retirement benefits for federal workers, or privatization must first eliminate the biggest obstacle in their path: federal employee unions. The administration is bent on accomplishing this and Congress must intervene to strengthen union protections.
- 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 must be able to authorize payment straight from their paycheck, just like they do for the TSP, the CFC, FEHBP, FSAs, or supplemental vision and dental plans.

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 ineligibles. 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.

DEFENDING FEDERAL JOBS AND FIGHTING PRIVATIZATION

FAST FACTS

- Elon Musk's DOGE resulted in a reduction of more than 300,000 federal jobs. Given the administration's insistence that only one in four federal employees who leave federal employment be replaced, it is inevitable that there will be a push to outsource government's work to private contractors. Simultaneously, the administration is deregulating the government's procurement system in ways that guarantee that outsourcing will continue to be far more costly and unaccountable than in-house government performance.
- The current regulatory framework for government procurement emphasizes lowest cost, which is an impediment to profit maximization. As such, the administration has moved toward "best value" which is euphemism for awarding contracts that value contractor profits over fiscal prudence.
- 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. Lawmakers must make sure that minimizing federal employee headcount does not result in outsourcing and privatization that serves the interests of political donors rather than taxpayers.
- Arbitrary ceilings on the number of federal employees force agencies to outsource even when outsourcing is costlier and the work is inherently governmental.
- This is especially true for the Department of Veterans Affairs where outsourced care is both more expensive and of lower quality than in-house care at Veterans hospitals and clinics.
- Federal employees are the least expensive workforce the government employs. Replacing cost-effective federal employees with expensive contractors is a waste of money



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