

2016

FAST FACTS

**American Federation of
Government Employees,
AFL-CIO (AFGE)**



Federal Pay FAST FACTS

- It's time to restore the purchasing power of federal wages and salaries. In six years, federal pay has gone up by just 3.3% while prices went up by 6.5%. Employee premiums for FEHBP have risen by 20%. The Great Recession is over, the deficit is at its lowest level since 2008. AFGE is asking Congress for a federal pay raise of **5.3% for 2017** as a means of restoring federal employee living standards.
- Federal employees paid under the General Schedule (GS) system received a base salary increase of 1% on January 1, 2016. Locality rates rose for the first time in six years, but by an average of just 0.3%. Blue Collar federal workers received the same meager raises.
- Both the GS and the Federal Wage System (blue collar) pay systems are supposed to adhere to a standard of "market comparability" in pay-setting. Politics are not supposed to play any role in determining federal pay. Yet Congress and the administration continue to underpay federal workers. There are no more excuses for ignoring market data. Federal pay is falling further behind the private sector and a substantial catch-up raise in 2017 is a market imperative.
- By law, base salaries *should have been* adjusted by a total of 7.2% since 2013, *before locality adjustments*. Supplemental locality adjustments should have been in the double digits. BLS and the Federal Salary Council measure the average gap between what the private sector and state and local government pay for jobs similar to those performed by federal workers at roughly 35%, although it varies widely by locality.
- Congress and the administration must work to undo austerity's damage to federal employee living standards and be aggressive in closing pay gaps. Federal employees contributed \$182 billion to reduce the deficit, and sacrificing the living standards of middle class workers cannot continue.
- Federal employees deserve 5.3% in 2017. Market data justify 5.3%, the law supports 5.3%, and the government can well afford 5.3%.

Attacking Civil Service Protections

FAST FACTS

- In the VA, there have been bills to make it easier to fire federal employees by curtailing notice and appeal rights, keeping reprimands in personnel files permanently, retroactive bonus and pension claw-backs, lengthened probation, at-will employment, and a complete ban on official time. We've fought them all back...for now.
- In DoD, Congress established mandatory two-year probationary periods so new employees will go twice as long without civil service protections, even though there is no evidence that one-year probationary periods ever interfered with efficiency or mission. Also in DoD, performance ratings will now outweigh seniority and veterans' status in determining vulnerability to Reductions in Force (RIF).
- DoD's "Force of the Future" civilian proposals are an exact replica of NSPS. They're preparing legislation now to make it easier to fire their favorite bogymen – "poor performers." Next up is the GS pay and classification system with broad management discretion and "pay for performance." Collective bargaining rights are also in their sights.
- The House marked up government-wide bills last month that would make all new employees probationary for two years, and require reprimands to remain in personnel files permanently.
- Legislation is also pending that overturns an FLRA decision requiring bargaining on matters managers identify as relating to IT security and greatly restricts the length of time employees can be on administrative leave related to personnel matters.
- These bills are all direct attacks on a system that guarantees accountability from federal agencies. Our civil service system protects both employees and the public from the effects of politicization, corruption, and cronyism. These legal standards must be defended from right wing zealots who would destroy our government's ability to function as part of their war against federal worker rights.

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.
- Official time is provided 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 workers it represents.
- 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 an electronic payment straight from their paycheck, just like they do for the TSP, the CBC, 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*

- There are now three tiers under the Federal Employees Retirement System (FERS).
- **Tier One** is for those who entered the system from its inception in 1986 through 2012. They pay 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** is for those who entered the system in calendar year 2013. They pay 3.1% of salary for their pension, along with 6.2% of salary for Social Security. Why do they pay 2.3% more than the generation that preceded them? Congress decided to force them to pay \$15 billion for the extension of unemployment insurance benefits. Although this was a temporary expense, it was a permanent cut to these employees' compensation.
- **Tier Three** is for those who enter the system beginning in January, 2014. They will pay 4.4% of salary for their pension, along with 6.2% of salary for Social Security. Why do they pay 3.6 percentage points more than **Tier One** and 1.3 percentage points more than **Tier Two**? This gratuitous kick in the teeth to federal employees was and is unjustifiable, just a convenient way to offset and extend the pain of sequestration to the next generation.
- The direct cuts to federal employee retirement benefits total \$21 billion. The cuts to the federal pay that are directly linked to further reductions in retirement benefits are an additional \$161 billion for a total of \$182 billion out of federal employee compensation.
- This race to the bottom on retirement benefits must end now. The cuts to those hired in 2013, 2014 and beyond must be repealed. The federal government should neither follow nor accelerate declining living standards for this generation or the next.

Sourcing

FAST FACTS

- 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 to be done, then they should be allowed to use federal employees if that would be consistent with law, cost, and policy.
- 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.
- Arbitrary cuts in the size of the in-house workforce, e.g., cutting the number of federal employees by one-third, are irrational and gutless.
- 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.
- 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 substitute more cost-efficient federal employees. But can the executive and legislative branches square that fact with their mania for imposing arbitrary constraints on the size of in-house workforces?