



2018 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. Since 2011, federal pay has gone up by just 7.3%, leaving the inflation-adjusted value of federal wages and salaries 4.7% lower than it was seven years ago. AFGE is asking Congress for a federal pay raise of 3% for 2019 as a means of restoring federal employee living standards.
- Federal pay was adjusted by an overall average of 1.9% on January 1, 2018. However, the Trump administration delayed the establishment of four new localities that should have been on board this year: Burlington, Birmingham, Virginia Beach, and San Antonio.
- Both the GS (salaried) and the Federal Wage System (hourly) pay systems are supposed to adhere to a standard of "market comparability" in pay-setting. Federal pay is substantially below market rates and should be adjusted to make the government a competitive employer.
- The administration and some lawmakers have suggested creation of a new white collar pay system that allows managers and political appointees to decide whether and by how much to adjust each federal employee's pay.
- Such an approach inevitably results in politicization and discrimination in pay, just as it did during the George W. Bush era NSPS experiment at DoD. One crucial virtue of the GS system is its objectivity. Salaries are set for particular jobs, not individuals, so there is little discrimination in pay based on race, gender, or other non-merit factors.
- The only systemic problem with federal pay comes from a failure to fund market rates. So-called "pay for performance" schemes are just Trojan horses for redistribution of payroll from the bottom to the top and open the door to discrimination and politicization in pay.

Attacking the Civil Service **FAST FACTS**

- Under the slogan of “employee accountability” politicians are in a rush to undermine the civil service by reducing or eliminating due process and union representation for federal employees.
- The push to undermine the civil service is presented as an effort to rid the government of “poor performers,” or “wrongdoers.” Its rhetoric implies that current procedures just protect laziness, criminality, and incompetence. It pretends to be about “good government” when destroying the civil service makes “good government” impossible.
- Transparency, accountability, and protection from politicization are the rationales for civil service protections. If these protections are weakened, government will be less transparent, less accountable, and more of a spoils system than merit system.
- Last year, Congress passed a bill that drastically altered the right to appeal adverse actions and terminations at VA. It explicitly superseded our collective bargaining agreements, shortened timeframes to respond and lowered evidentiary standards managers must meet to justify their actions. There is now a bill pending that would apply the same rights reductions to DoL workers.
- 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.
- The campaign against the civil service, disguised as a campaign against bad federal employees, is actually an attack on the only system that guarantees accountability from federal agencies. Our civil service system protects both its employees and the public from the effects of politicization, corruption, and cronyism. These legal standards must be defended from those who would destroy our government’s ability to function as part of the 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.
- 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 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 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**

- The administration and leaders in the House and Senate are threatening to force FERS employees to pay 7% of salary for their annuities. In the private sector, 96% of workers with traditional pensions pay nothing for this benefit.
- Elimination of the FERS supplement is also on the table, as are eliminations of FERS COLAs, reductions in CSRS COLAs, as well as a change in the basis for annuity calculation from high 3 to high 5. These changes would apply to all current FERS employees.
- There are already 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. This cut offset \$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 entered the system in 2014. 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, Congress is now talking about having no FERS annuity at all for new hires.
- This race to the bottom on retirement benefits must end now. The effort to eliminate the FERS annuity for new hires must be resisted. 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, 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.
- 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.
- Imposing a hiring freeze or FTE caps on federal employees, the least expensive workforce the government employs, should not translate into hiring additional contractors. 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 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?



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