



NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Affiliated with the International Association of Machinists and Aerospace Workers



NFFE News Story

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THE INEQUALITY OF GS AND WG PAY SYSTEMS

As federal employees are just now recognizing the 1.3 percent pay adjustment authorized in the 2015 year-end government funding bill, this pay adjustment has two noteworthy differences from years past. First, 0.3 percent of the pay adjustment was distributed in the form of locality-adjusted percentages (to see your locality's adjustment, [click here](#)). Second, this year's pay adjustment was applied equitably to non-GS federal employees. Thanks to the advocacy of NFFE-IAM members and our allies on Capitol Hill, language was specifically included in the year-end government funding bill to apply the pay adjustments for GS and Wage Grade (WG) employees.



NFFE Local 1429, which includes WG employees at Letterkenny Army Depot, meets with Rep. Shuster

In recent years, employees under the Federal Wage System (FWS, known as WG employees) have required a separate act of Congress to receive the same pay adjustments to those provided to GS employees by the President. This is because the President lacks the authority to adjust WG salaries as he has with the GS system.

This has meant that for WG employees to recognize a yearly pay adjustment equal to that of the GS system, it requires a separate act of Congress. And in this alarmingly anti-federal employee environment that plagues the 114th Congress, earning equitable pay raises has been less than automatic. In years past, it has taken coordination between NFFE-IAM members, our allies in labor and our friends on Capitol Hill to navigate the path to WG pay adjustments.

While advocates were successful in securing equitable pay adjustments out of the gate for 2016, the annual fight to apply equitable pay adjustments for both WG and GS employees highlights a highly imperfect compensation system. As it currently stands, there are situations across the country where GS employees, generally on the outskirts of major metropolitan areas, are earning locality pay associated with regional metropolitan centers. Meanwhile, because WG employees derive pay adjustments from the separate Federal Wage System Wage Area, which are often smaller in size than GS locality boundaries, blue-collar employees receive a far inferior rate of pay as compared to GS employees at the same installation.

In short, GS workers in these locations are getting the high pay associated with a big city like Washington, DC or San Francisco, but the WG workers are not getting the same benefit. This discrepancy is unfair and it works almost exclusively to the detriment of the WG employee.

The current system is in need of reform. While there are many steps to take, the first step should be for Congress to pass H.R. 3492, the Locality Pay Equity Act. This bill, introduced by Rep. Matt Cartwright, D-Pa, would prevent the Office of Personnel Management (OPM) from drawing more than one Federal Wage System Wage Area within a given GS locality. This bill would ensure that WG and GS employees working shoulder-to-shoulder at the same federal installation have pay adjustments applied equitably. NFFE-IAM urged Rep. Cartwright to introduce this legislation and is actively working to move the legislation forward.

"The current pay system that treats our hard-working WG federal employees differently than the GS employees breeds contempt and is fundamentally unfair," said NFFE National Secretary-Treasurer Randy Erwin. "The current system treats WG workers in some places as second-class employees, and that should never be allowed. WG employees have the same costs of living as the GS employees and work side-by-side at the same installations. They deserve to be treated equitably. We need to fix this major flaw in the way WG employees are compensated."