



NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Affiliated with the International Association of Machinists & Aerospace Workers, AFL-CIO

NFFE-Supported Legislation to Address Inequalities in the Outdated Federal Wage Grade Prevailing Rate System - 116th Congress

H.R. 5399 / S. 3015: Locality Pay Equity Act of 2019

Rep. Cartwright (D-8-PA); Reps. Cole (R-OK), Brownley (D-CA), Wild (D-PA)
Sen. Casey (PA)

To amend title 5, United States Code, to limit the number of local wage areas [to one] allowable within a General Schedule pay locality.

(6) the Office of Personnel Management shall define not more than 1 local wage area within a pay locality, except that this paragraph shall not apply to the pay locality designated as Rest of United States.

H.R. 3506: To ensure that the percentage increase in rates of basic pay for prevailing wage employees shall be equal to the percentage increase received by other Federal employees in the same pay locality, and for other purposes.

Rep. Cartwright (8-PA)

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Why this is important:

The Federal pay system currently used to determine Wage Grade (WG) employee hourly and annual wages is outdated in terms of its geographic boundaries, and it is inadequate as a structure to determine local market and economic conditions.

H.R. 5399/S. 3015 matches WG locality areas to GS locality areas. This is an important change because WG locality areas were designed in the 1950s and are woefully out of date. GS locality pay areas change consistently as requested by the Federal Salary Council and the President's Pay Agent and therefore, more accurately reflect regional market and economic conditions.

H.R. 3506 simply mandates what the Congress has done manually for two decades by matching WG system annual increases to GS system annual increases. Each year, to address the well-recognized discrepancies within the WG pay system, the Congress directs, through its annual appropriations bills, parity for annual WG system increases to match the General Schedule (GS). This bill simply makes this annual appropriation ritual permanent.