

NFFE News



NFFE President Erwin: Federal Employees Will Fall Further Behind with Proposed Pay Adjustment for 2025

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Today, the National Federation of Federal Employees (NFFE) is responding to the President’s Fiscal Year 2025 budget proposal released in part earlier this week. The budget proposal includes a paltry two percent cost of living increase to annual federal pay levels for Fiscal Year 2025, notably lower than inflation rates over the past three years. The budget proposal also cites changes to federal workforce policy, including meaningful modifications to the failing Wage Grade (prevailing rate) System that no longer keeps up with private sector pay.

“NFFE has been grateful for the favorable pay raises that President Biden has offered federal employees since taking office,” said NFFE National President Randy Erwin. “However, federal employees and their families are still recovering from devastating inflation rates of 4.7% in 2021, 8% in 2022, and 4.1% in 2023. The federal pay gap ballooned in recent years and now stands at 27.5%. A two percent increase for FY 2025 is a pay cut on top of three years of massive pay cuts already banked.

“The Federal Salary Council, even with its limitations on recognizing real-time pay trends, recommended close to 5% to the President’s Pay Agent for FY 2025, and NFFE continues to support the 7.4% increase in the Fair Adjustment of Income Rates (FAIR) Act to make some progress on reigning in the widening pay gap that is crushing recruitment and retention.

“NFFE is very pleased to see that the Biden administration recognized the antiquated and failing Wage Grade System (WGS) that was designed after World War II. The WGS lacks a geographic perspective that no longer applies to a modern workforce, nor can WGS articulate how trades have advanced, some to full-on professions, that now require formal education, professional certificates, licensing, continuing education, and more just to meet minimum industry standards and technological advancements.

“With that said, I am encouraged by the Biden administration’s call to lift the caps on the current wage schedules and modify how rates are adjusted each year, including aligning Wage Grade and General Schedule locality pay areas. Both of these modifications to the WGS are critical to its future success.

“This year is incredibly critical for American democracy, and especially so for the federal service,” continued Erwin. “It is no secret that should a new administration win the White House, the attacks on federal employees will be immediate and devastating. In addition to preserving merit principles and prohibited personnel practices, and outlawing dangerous schemes like Schedule F, the federal workforce will need help attracting and retaining the best workforce it can, and this starts with a legitimate pay increase that accurately adjusts for inflation.”

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