



NATIONAL FEDERATION OF FEDERAL EMPLOYEES, IAMAW, AFL-CIO



NFFE-IAM Supports the Locality Pay Equity Act (H.R. 6422 / S. 3308, 118th)

Position: NFFE-IAM seeks to pass the Locality Pay Equity Act to align the locality pay areas under the antiquated Federal Wage System pay areas to match the General Schedule pay areas.

Fixing Wage Inequality for Federal Blue-Collar Workers

Federal blue-collar pay is governed by the **Federal Wage System (FWS)**, a “prevailing rate” structure meant to align wages with those in the private skilled trades. But the system has **never been allowed to function as intended**. Instead, annual adjustments are capped at the average increase given to white-collar federal employees under the General Schedule (GS).

By law, FWS wages are supposed to match 100% of market rates, unlike GS wages, which target 95% of market comparability. Yet in practice, FWS workers are shortchanged.

The GS system uses Bureau of Labor Statistics (BLS) data to measure pay gaps, while FWS relies on local surveys conducted by union and agency representatives. These surveys are barred from using local building trades’ union wage scales—limiting the accuracy of the data.

For the past 20 years, Congress has equalized annual raises between salaried and hourly workers by ensuring both receive the same adjustment within each GS locality. However, this only fixes one part of the problem.

GS locality boundaries are based on commuting patterns, accurately reflecting local labor markets. FWS wage areas, by contrast, were drawn in the 1950s, based primarily on the location of military bases.

As a result, many GS localities now contain several FWS wage areas, creating pay disparities for workers doing the same job in the same place. For example, salaried workers at Tobyhanna Army Depot in Monroe County, PA, fall under the New York City locality—consistent with commuting data. However, hourly workers are classified as separate wage groups, despite working side-by-side and commuting the same routes.

This pay disparity is unfair and outdated. The Locality Pay Equity Act would fix this, ensuring that all federal workers in the same local labor market—whether hourly or salaried—are treated equally.