

Sent: Thu, 28 Aug 2003 15:20:06 -0400
From: "Besanceney, Brian R." </O=EOP/OU=FIRST ADMINISTRATIVE
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Subject: TALKING POINTS on Federal Pay Raise 8.28.03
[08.28Talking Points_Federal Pay Raise.pdf](#)

TALKING POINTS on FEDERAL PAY RAISE

August 28, 2003

- Yesterday's Administration action reiterated the President's budget proposal, released this February, that all federal civilian workers will receive a 2% total pay raise (1.5 percent as the

base pay increase and 0.5 percent as the locality pay increase). This increase comes on the heels of a 4.1% pay raise received in January.

- The action is required by August 31st to support the President's budget proposal and seek a change in the assumed pay increases that are set in law by the Federal Employee Pay Comparability Act of 1990 (FEPCA).
- In the absence of action by the President or Congress, current law would mandate the federal government to give many federal civilian employees a total average pay increase of 15.1 percent in January 2004, which would cost the federal government \$13 billion in fiscal year 2004 alone -- \$11 billion more than the President's FY 2004 budget.
- A 2% raise in these economic times with low inflation is appropriate and fair.
- For the FY 04 military pay raise, the President proposed a range of pay increases from 2.0 to 6.3% targeted by rank and years of service. This follows an average 4.7% pay increase in FY03 and an average 6.9% pay raise in FY02.
- In addition to this pay raise, the Administration also proposed a \$500M "Human Capital Performance Fund," which is a pool of funds to reward high-performing and most valuable federal workers with additional pay raises (not a one-time bonus system).
- The Administration's 2% pay raise versus a 4.1% pay raise would save taxpayers approximately \$2.1B in fiscal year 2004 and tens of billions more over the coming years.
- The Clinton Administration sought similar "alternative pay plans" 5 times to lower the statutory civilian pay raise, and President Clinton sought a hard freeze -- zero pay raise -- on federal civilian worker pay in 1994.
- There are approximately 1.8 million federal civilian workers who would be affected by this proposal should it become law.

Source: White House Office of Management and Budget
For more information on the President's initiatives, please visit www.whitehouse.gov

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