

NFFE News



NFFE Work on Federal Salary Council Leads to Proposed Rule to Help 62,000 Federal Employees

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On Monday, July 9th, the Office of Personnel Management (OPM) issued a series of proposed regulations affecting approximately 62,000 General Schedule (GS) employees across the country. These regulations establish four new locality pay areas, make changes to the definitions of existing locality pay areas, and make minor clarifications to the names of two locality pay areas.



OPM has decided to establish four new metropolitan areas with pay gaps averaging more than 10 percent above that of the pay area known as “Rest of U.S.”

As a member of the Federal Salary Council (FSC)—the advisory body on GS federal pay areas—NFFE voted last March to add four new areas, amend two areas, and expects to consider additional changes soon. The locality pay area system is used for federal employees to appropriately account for cost-of-living expenses that likely pose a challenge for those living in larger metropolitan areas. The boundaries of these areas are based on extensive statistical analyses, and consider factors such as labor market and commuting patterns, practices of similar employers in the area, and comparison of GS and non-federal pay rates for the same levels of work in each locality pay area.

Based on the recommendations of the FSC, OPM has decided to establish four new metropolitan areas with pay gaps averaging more than 10 percent above that of the pay area known as “Rest of U.S.”. These areas will be known as Birmingham-Hoover-Talladega, AL; Burlington-South Burlington, VT; San Antonio-New Braunfels-Pearsall, TX; and Virginia Beach-Norfolk, VA-NC. The proposal also adds McKinley County, NM to the Albuquerque-Santa Fe- Las Vegas, NM, locality pay area and San Luis Obispo County to the Los Angeles-Long Beach, CA, locality pay area, and changes the names of two locality pay areas for clarification. Locality pay rates for the new areas will ultimately be set by the President after the regulations go into effect.

“NFFE is proud to have recommended these changes to the pay areas which helps our members and improves the local economies in which they live and work,” said NFFE National President Randy Erwin. “These changes will help slightly to minimize the 32% federal-private pay gap, and it will support agencies that desperately seek options to improve recruiting and retention efforts. Responsible pay area designations are critical not just for the financial wellness of federal families but also for the economic strength of communities across the country.”

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