



NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Affiliated with the International Association of Machinists and Aerospace Workers



NFFE News Release

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NFFE SUPPORTS BILL EXTENDING LOCALITY PAY TO FEDERAL WORKERS FROM ALASKA, HAWAII, AND U.S. TERRITORIES

Washington, DC - The National Federation of Federal Employees (NFFE), a national union representing 100,000 federal government workers, endorses the Non-Foreign Area Retirement Equity Act (S. 507), a bill to ensure pay and retirement equity for federal employees in Alaska, Hawaii, and the U.S. territories, by transitioning them into the federal locality pay system.

Under the current system, federal employees working outside of the contiguous 48 states receive yearly cost of living adjustments while their mainland counterparts receive locality pay. Whereas locality pay is factored in when calculating one's retirement annuity, COLA payments are left out of the equation. The result of this discrepancy is a significantly lower 'high 3,' and thus, retirement annuity, for employees working in Alaska, Hawaii, or a U.S. territory, than that enjoyed by employees in identical positions working within the contiguous 48 states.

"Workers in these areas are at a distinct disadvantage in being left out of the locality pay system, particularly when it comes to retirement," said Richard N. Brown, National President of the National Federation of Federal Employees. "This legislation will finally give these workers the same pay and benefits as their colleagues in the mainland U.S. These workers have waited long enough for fair treatment."

As a result of this discrepancy, federal employees working outside of the contiguous 48 states often seek to transfer to a locality pay area late in their careers. This makes it difficult for federal facilities in COLA areas to recruit and retain employees.

"It is ridiculous for federal workers who have spent their careers in these locations, to have to seek transfers to locality pay areas in the sunset of their careers just so they can get a fair retirement," said Brown. "It is unfair to the employees, and it is a huge burden on federal agencies that are forced to replace their fleeing talent. This legislation fixes it once and for all. It's a win-win for everyone."

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Established in 1917, the National Federation of Federal Employees is the oldest union representing civil service federal employees. NFFE currently represents 100,000 federal employees government-wide. NFFE is affiliated with the International Association of Machinists and Aerospace Workers.