

# Extending Pay Freeze Puts Heavy Financial Burden On Middle Income Federal Employees

## Impact of Proposed One Year Extension of Federal Pay Freeze

The existing two year pay freeze is already forcing middle income federal employees to contribute \$60 billion towards deficit reduction. Extending the pay freeze will force additional, and often unaffordable, sacrifices while the wealthiest sacrifice nothing.

	2010	2011 <sup>1</sup>	2012 <sup>2</sup>	2013 <sup>3</sup>
<b>GS-5</b>				
Three Year Frozen Salary	\$31,315	\$31,315	\$31,315	\$31,315
Salaries if no freeze		\$31,910	\$32,580	\$33,297
Salary Loss Each Year		\$595	\$1,265	\$1,982
<b>Total Salary Loss Over Three Years</b>				<b>\$3,842</b>
<b>GS-7</b>				
Three Year Frozen Salary	\$38,790	\$38,790	\$38,790	\$38,790
Salaries if no freeze		\$39,527	\$40,357	\$41,245
Salary Loss Each Year		\$737	\$1,567	\$2,455
<b>Total Salary Loss Over Three Years</b>				<b>\$4,759</b>
<b>GS-9</b>				
Three Year Frozen Salary	\$47,448	\$47,448	\$47,448	\$47,448
Salaries if no freeze		\$48,350	\$49,365	\$50,451
Employers Lost Each Year		\$902	\$1,917	\$3,003
<b>Total Salary Loss Over Three Years</b>				<b>\$5,822</b>

Under the Federal Employees Pay Comparability Act (FEPCA), federal salaries are supposed to be adjusted each year by the change in the Bureau of Labor Statistics's Employment Cost Index (ECI) minus one half percentage point. In addition, federal salaries are adjusted on a regional basis to close the gaps between federal and private sector pay that are measured locally. In the past, a one percent adjustment has been added to the ECI-based adjustment to help close this gap.

<sup>1</sup>FEPCA raise would have averaged 1.9%.

<sup>2</sup>FEPCA raise would have averaged 2.1%.

<sup>3</sup>FEPCA raise would have averaged 2.2%.

