

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

November 29, 2016

TO THE CONGRESS OF THE UNITED STATES:

I am transmitting an alternative plan for pay increases for civilian Federal employees covered by the General Schedule and certain other pay systems in January 2017. Title 5, United States Code, authorizes me to implement alternative pay plans for pay increases for civilian Federal employees covered by the General Schedule and certain other pay systems if, because of "national emergency or serious economic conditions affecting the general welfare," I view the adjustments that would otherwise take effect as inappropriate.

Civilian Federal employees made significant sacrifices as a result of the 3-year pay freeze that ended in January 2014. Since the pay freeze ended, annual adjustments for civilian Federal employees have also been lower than private sector pay increases and statutory formulas for adjustments to the General Schedule for 2014 through 2016. However, we must maintain efforts to keep our Nation on a sustainable fiscal course. This is an effort that continues to require tough choices under current economic conditions.

Under current law, locality pay increases averaging 28.49 percent and costing \$26 billion would go into effect in January 2017. Federal agency budgets cannot sustain such increases. In my August 31, 2016, alternative pay plan submission, I noted that the alternative plan for locality payments will be limited so that the total combined cost of the 1.0 percent across-the-board base pay increase and the varying locality pay increases will be 1.6 percent of basic payroll, consistent with the assumption in my 2017 Budget. Accordingly, I have determined that under the authority of section 5304a of title 5, United States Code, locality-based comparability payments for the locality pay areas established by the President's Pay Agent, in the amounts set forth in the attached table, shall become effective on the first day of the first applicable pay period beginning on or after January 1, 2017.

The locality-based comparability payments for the locality pay rates in the attached table are based on an allocation of 0.6 percent of payroll as indicated in my August 31, 2016, alternative pay plan for adjustments to the base General Schedule. These decisions will not materially affect our ability to attract and retain a well-qualified Federal workforce.

BARACK OBAMA

THE WHITE HOUSE,
November 29, 2016.

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