

AN ALTERNATIVE PLAN FOR PAY ADJUSTMENTS FOR  
CIVILIAN FEDERAL EMPLOYEES COVERED BY THE  
GENERAL SCHEDULE

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COMMUNICATION

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

AN ALTERNATIVE PLAN FOR PAY ADJUSTMENTS FOR CIVILIAN  
FEDERAL EMPLOYEES COVERED BY THE GENERAL SCHEDULE  
AND CERTAIN OTHER PAY SYSTEMS IN JANUARY 2019, PUR-  
SUANT TO 5 U.S.C. 5303(b)(1)(A); PUBLIC LAW 89-554, SEC.  
5303(b)(1)(A) (AS AMENDED BY PUBLIC LAW 101-509, SEC. 529);  
(104 STAT 1430) AND 5 U.S.C. 5304a(a); PUBLIC LAW 101-509,  
TITLE I, SEC. 101(a)(1); (104 STAT. 1436)



AUGUST 31, 2018.—Referred to the Committee on Oversight and  
Government Reform and ordered to be printed

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THE WHITE HOUSE,  
*Washington, August 30, 2018.*

Hon. PAUL D. RYAN,  
*Speaker of the House of Representatives,*  
*Washington, DC.*

DEAR MR. SPEAKER: I am transmitting an alternative plan for pay adjustments for civilian Federal employees covered by the General Schedule and certain other pay systems in January 2019.

Title 5, United States Code, authorizes me to implement alternative plans for pay adjustments 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 increases that would otherwise take effect as inappropriate.

Under current law, locality pay increases averaging 25.70 percent, costing \$25 billion, would go into effect in January 2019, in addition to a 2.1 percent across-the-board increase for the base General Schedule. We must maintain efforts to put our Nation on a fiscally sustainable course, and Federal agency budgets cannot sustain such increases. Accordingly, I have determined that it is appropriate to exercise my authority to set alternative across-the-board and locality pay adjustments for 2019 pursuant to 5 U.S.C. 5303(b) and 5304a.

Specifically, I have determined that for 2019, both across-the-board pay increases and locality pay increases will be set at zero. These alternative pay plan decisions will not materially affect our ability to attract and retain a well-qualified Federal workforce.

As noted in my Budget for Fiscal Year 2019, the cost of employing the Federal workforce is significant. In light of our Nation’s fiscal situation, Federal employee pay must be performance-based, and aligned strategically toward recruiting, retaining, and rewarding high-performing Federal employees and those with critical skill sets. Across-the-board pay increases and locality pay increases, in particular, have long-term fixed costs, yet fail to address existing pay disparities or target mission critical recruitment and retention goals.

The adjustments described above shall take effect on the first day of the first applicable pay period beginning on or after January 1, 2019.

Sincerely,

DONALD J. TRUMP.

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