

ALTERNATIVE PLAN FOR PAY ADJUSTMENTS

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, AND FOR MEMBERS OF
THE ARMED FORCES IN JANUARY 2027, PURSUANT 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)(1); PUBLIC LAW 101-509, TITLE I, SEC. 101(a)(1); (104
STAT. 1436)



AUGUST 27, 2026.—Referred jointly to the Committees on Oversight and
Government Reform and Armed Services, and ordered to be printed

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THE WHITE HOUSE,
Washington, August 26, 2026.

Hon. MIKE JOHNSON,
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, and for members of the Armed Forces in January 2027.

I have determined that for 2027, base pay and locality pay for civilian Federal employees will not change from the 2026 rates.

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.

We must maintain efforts to put our Nation on a fiscally sustainable course; Federal agency budgets cannot sustain such irresponsible increases. Accordingly, I have determined that it is appropriate to exercise my authority to set alternative pay adjustments for 2027 pursuant to 5 U.S.C. 5303(b) and 5 U.S.C. 5304a.

Without this alternative pay plan, under current law, beginning in January 2027, locality pay for the civilian workforce would automatically increase by an average of 20.6 percent, costing \$26 billion in the first year alone. This change would go into effect in January 2027 along with an additional 3.1 percent across-the-board increase for the base General Schedule. Such a large raise for Federal employees while most Americans still struggle with the consequences of the Biden Administration's giant inflation spree is unacceptable and would be unfair. I have therefore decided to set at zero the pay adjustment to be made for the 2027 pay year pursuant to 5 U.S.C. 5303(b) and 5 U.S.C. 5304a. This decision will maintain fiscal responsibility without harming the Government's ability to recruit and retain well qualified employees.

Separately, to increase recruitment and retention in critical law enforcement roles, at my direction the Office of Personnel Management shall use its statutory authority to increase 2027 compensation for law enforcement personnel by 3.8 percent. That change is part of a separate process from the establishment of this alternative pay plan under 5 U.S.C. 5303(b) and 5 U.S.C. 5304a.

I strongly support the members of our Armed Forces, who are the greatest fighting force in the world and the defenders of American freedom. We must work to rebuild our military's readiness and capabilities by supporting our service members and their families.

Accordingly, I have determined it is appropriate to exercise my authority under section 1009(e) of title 37, United States Code, to

set the 2027 monthly basic pay increase for members of the Armed Forces at 7.0 percent for grades E1 to E5, 6.0 percent for grades E6 to O3, and 5.0 percent for grades O4 and above, subject to the caps established by 37 U.S.C. 203. This decision is consistent with my Fiscal Year 2027 Budget, and is required to support the Federal Government's ability to attract and retain well-qualified members for the Department of War and the United States Coast Guard. The adjustments described shall take effect on January 1, 2027.

Uniformed service members who do not serve in the Armed Forces also provide significant service to our national defense. Effective January 1, 2027, monthly basic pay for these service members shall be increased by 3.6 percent, as determined pursuant to 37 U.S.C. 1009(c).

Sincerely,

DONALD J. TRUMP.

