

NTEU Bargaining Update

FDIC Compensation

October 27, 2011

Compensation Bargaining Begins

NTEU Fighting Cutbacks, Pressing to Maintain Current Program

NTEU is once again at the bargaining table working to ensure that FDIC employees continue to receive a fair and reasonable pay increase that reflects their performance and extraordinary efforts in dealing with the nation's financial crisis. While most federal employees' pay and benefits are set by law, the FDIC has statutory authority to determine compensation for its employees, subject to collective bargaining with NTEU.



The FDIC and NTEU bargaining teams met for four days last week to discuss proposed changes to the compensation agreement dealing with the Performance Management and Recognition (PMR) Program

(including employee annual pay increases) and the locality pay program.

The FDIC and NTEU took sharply different approaches in their initial proposals. In recognition of the years of progress made toward making the PMR more equitable, NTEU generally proposed maintaining the current program with minor modifications and improvements.

FDIC management, on the other hand, has proposed severe funding cuts for the PMR program. Citing the federal pay freeze for General Schedule (GS) employees, the FDIC initially proposed reducing funding for employee pay increases under PMR to 1.5 percent in 2012. This figure is roughly equivalent to the average annual amount of within-grade increases that GS employees continue to receive. Management has also proposed no increases in locality pay in 2012 and 2013, freezing rates at their current levels.

During bargaining, NTEU and the FDIC shared open exchanges about their respective concerns that resulted in progress being made in narrowing differences in positions. Still, we are not yet close to an agreement. NTEU strongly believes that any progress made toward making PMR a fair, transparent and credible pay-for-performance system will be lost if the program is not adequately funded.

A History of NTEU Gains

Since beginning negotiations on pay and benefits almost 20 years ago, NTEU has worked hard to protect employee interests. Here is just some of what we have won:

- better employee pay increases and a fairer pay-for-performance system
- higher agency contributions to your health insurance plans
- half the premiums of what other federal employees pay for the exact same insurance plans
- significantly better retirement plans than those offered by other federal agencies because of the additional FDIC Savings Plan
- the Frequent Travel Lodging Stipend program, which provides bonuses to employees who spend more than 50 nights a year on the road to help offset the burden of frequent travel

Although it does not cover the FDIC, management nonetheless has cited the federal pay freeze in its proposal to reduce funding for FDIC employee pay increases, despite the fact that restricting pay increases for FDIC employees and reducing the FDIC's budget will have no impact on the budget deficit or the federal debt, which were the reasons for instituting the federal pay freeze in the first place.

NTEU has also pushed for continued funding of locality pay increases, honoring the commitment reflected in the 2010 compensation agreement to close the locality pay gaps that had grown during the term of the prior agreement. The banking industry is returning to health and posting significant profits, FDIC employees are working hard to deal with increased workloads and the skills of FDIC employees are in high demand. NTEU is sending a strong message that now is not the time to cut back on employee compensation.

Visit the Members section of NTEU.org to learn more about compensation and term bargaining at the FDIC.

... to ensure that every federal employee is treated with dignity and respect.