August 30, 2013

Dear Mr. Speaker: (Dear Mr. President:)

I am transmitting an alternative plan for pay increases for civilian Federal employees covered by the General Schedule (GS) and certain other pay systems for 2014.

Civilian Federal employees have already made significant sacrifices as a result of a three-year pay freeze. As our country continues to recover from serious economic conditions affecting the general welfare, however, we must maintain efforts to keep our Nation on a sustainable fiscal course.

Accordingly, I have determined that it is appropriate to exercise my statutory alternative plan authority under 5 U.S.C. 5303(b) and 5304a to set alternative 2014 across-the-board and locality pay adjustments. Specifically, I have determined that for 2014, across-the-board pay increases will be 1.0 percent, and the current locality pay percentages shown in Schedule 9 of Executive Order 13641 of April 5, 2013, will remain at their 2013 levels. This decision will not materially affect the Federal Government's ability to attract and retain a well-qualified Federal workforce.

The adjustments described above shall take effect on the first applicable pay period beginning on or after January 1, 2014.

Sincerely,

BARACK OBAMA

# # #