

AUGUST 31, 1976

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has decided not to submit an "alternative plan" on Federal Pay.

The President will make the decision on federal pay prior to October 1. There were three recommendations including:

- A. The recommendation of the "Pay Agent" -- the Director of OMB and the Chairman of the Civil Service Commission, which calls for an average increase of 4.83%.
- B. The recommendation is that of the Federal Employees Pay Council -- made up of a group of union leaders, which would permit an across-the-board pay increase of 8.2%;
- C. The recommendation of the President's Advisory Committee on Federal Pay -- a committee of pay experts from the private sector, which has not been made public.

A total of 1.9 million white collar workers and approximately 2 million military personnel will be covered by the President's decision. Blue collar workers have their pay established by a separate system.

The 4.83% pay hike recommended by the Pay Agent would cost about \$2.5 billion, \$160 million more than currently provided in the Budget. The 8.2% pay hike recommended by the Federal Employees Pay Council would cost \$1.5 billion more.

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