

# Federal Employee Performance and Accountability Act

Sponsored by Senator Marsha Blackburn (TN)

**Background:** Unlike the private sector, the federal government does not have a performance-based pay structure for its employees. Seventy percent of federal employees are paid according to the General Schedule pay scale, which has 15 grades. Today, federal employees receive two automatic pay increases regardless of productivity and output: this includes both an annual pay adjustment based on average wage growth and an increase in pay as employees move up the 10 steps of each grade of the General Schedule, according solely to seniority. The only way an employer can block these pay increases is through Performance Improvement Plans, which are a bureaucratic nightmare. Congress is long overdue to establish a performance pay structure that will bolster government efficiency by incentivizing high performance among federal employees.

**Summary:** The Federal Employee Performance and Accountability Act would:

1. Implement a 5-year pilot program across various federal agencies establishing a performance-based pay structure for certain federal employees to enhance productivity, accountability, and employee satisfaction in public service.
2. Establish certain annual performance metrics tailored to core agency functions and public service delivery, including productivity, quality, and timeliness.
3. Create a three-tiered salary adjustment system based on employees meeting performance standards to incentivize high performance, disincentive low performance, and establish a bonus system and certain non-monetary benefits for high-performing employees such as telework options and flexible scheduling.
4. Exempt agencies from the pilot program if agency heads believe employee participation could pose risks to national security or public safety.
5. Direct the Comptroller General and Director of the Office of Management and Budget to submit an annual report to Congress on the impact of the program on productivity and other metrics.