

Federal Wage System (FWS) – FAQ

Why does the Federal Government conduct wage surveys? Public law requires that wages for Federal blue collar employees be set in accordance with local prevailing rates. This policy ensures equity between the rates paid by the Federal Government and those paid by local employers.

Is participation in FWS surveys mandatory? Participation is voluntary, however, private industry establishments are encouraged to participate.

Why can't data already amassed by the Bureau of Labor Statistics, the Chamber of Commerce, or others be used? There are several reasons for this. First, the types of jobs included in such surveys and the format in which data are presented are not compatible with our system. Second, while the Federal Government does not negotiate wages with the labor unions, labor does have a right under public law to participate in the collection and review of data prior to its use in determining a wage line. Thus the data we use must be collected with labor participation, a condition that does not apply to BLS and others when they collect their data.

How are companies selected for inclusion in FWS surveys? To be considered for inclusion a company must meet the specifications for the survey in terms of size, geographic location, and type of industry.

What sort of information is required for the survey? Data we seek falls into two general categories: (1) general information on the establishment, such as overtime, cost of living, and bonus pay provisions; and (2) for each job matched, a description of the duties and information on the number of employees, their rates of pay and their step rates.

How often are wage surveys conducted? FWS Wage Surveys are conducted annually. During the first year of the two-year survey cycle, firms are visited by a team of Data Collectors who obtain data on the firms' pay policies and specific information on company jobs comparable to our survey jobs. During the second year of the cycle, a phone contact is made to update the data obtained during the previous survey.

What kinds of businesses are surveyed? Five industries are included in all FWS surveys. These are manufacturing, transportation, public utilities, communications, and wholesale trade. Additional industries are added when necessary to represent additional major industries in an area.

What kind of jobs are you interested in? The survey includes only jobs typically associated with blue collar occupations that are commonly found in both industry and government. They cover a range of skill levels from janitors and laborers, to toolmakers and

electronics mechanics. Twenty-one blue collar jobs are surveyed. Additional jobs may be added if circumstances warrant.

How long will the interview last? The length of the interview will vary depending on such factors as the number of job matches found and the availability of data at the company. Interviews typically range from 15-30 minutes at small firms with readily available data to 30-60 minutes at large companies. The following year a telephone contact is made to update the rates reported the preceding year. This call will normally not exceed 15 minutes.

Why can't the data be collected by phone or simply extracted from the labor contract? The nature of the data we seek and the time required to obtain the data make a phone interview impractical. While in many cases a great deal of information can be obtained from labor contracts, some of the most critical information needed can only be obtained from company officials.

How will participating in this survey benefit a company? By participating in this survey a company will be helping to insure that the Federal Government is competing fairly in the labor market by paying rates which prevail in the local area. This not only protects the company's interests and guarantees Federal employees a fair wage, but also protects tax dollars. At the conclusion of the survey each participating company is given a summary of survey results. Although company identities are not divulged, the rates paid for various survey jobs in the area are reflected.

When can I expect a copy of the survey summary? The results of the survey will be mailed to participating companies as soon as the survey is complete and the results are tabulated. This process takes approximately 12 weeks.

How can I be sure that any information I give you will be kept confidential? All wage data is held in strict confidence. Any employee who violates this confidence is subject to disciplinary action by his employer and removal from wage survey functions. Information obtained on this survey will be used solely for pay setting determination and will not be passed on to other Government Agencies or other unauthorized persons.

How are wage areas defined? Wage areas are prescribed by the U.S. Office of Personnel Management which considers a number of factors such as commuting patterns, trading and commerce patterns, geographical features of the area, and Metropolitan Statistical Area definitions.

Why aren't fringe benefits included in your survey? Fringe benefits are adjusted separately. They are legislated by Congress based on periodic studies of private industry.

Considering the small amount of data obtained, why do you survey small companies? The size of the company is not always a good indicator of the amount of data that is available. An establishment which employs 100 people may provide more information than a corporate headquarters with over one thousand employees. Further, since a weighting

process is used as a part of the statistical sampling procedure, the resulting data may in the final analysis represent a far larger share of the data than one would at first be led to believe. It is important that both large and small companies be included to insure a properly balanced and representative survey.

What role do unions play in your survey? Public law requires that labor organizations be allowed to participate at all levels of the pay setting process. Both labor and management are represented on data collection teams and on each of the reviewing levels. While actual determinations of policy and wages rest with management, labor assists by pointing out problems and recommending solutions, recommending wage lines, etc.

Why do you continue to do wage surveys when Congress has capped the amount of increase that can be paid? The restrictions limit the maximum amount of increase that can be paid. By conducting wage surveys, we find that some areas are not entitled to the full amount allowed by the pay cap. Thus the revised FWS pay schedule could provide less than allowed by the cap at some or all grades. This results in a savings of tax dollars. Additionally, we must be in a position to revert to the full prevailing rate at whatever point in time controls are lifted.

More information on the Federal Wage System can be found on the Office of Personnel Management website at <http://www.opm.gov/oca/wage/index.asp>.