

**GAO**

Fact Sheet to the Chairman of the Post  
Office and Civil Service Committee  
House of Representatives

February 1986

# FEDERAL WORKFORCE

## Effects of FY 1987 Budget Proposals on Take-Home Pay of Selected Federal Employees



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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

GENERAL GOVERNMENT  
DIVISION

February 20, 1986

B-221977

The Honorable William D. Ford  
Chairman, Committee on Post Office  
and Civil Service  
House of Representatives

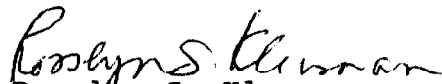
Dear Mr. Chairman:

Enclosed is a fact sheet which is provided in response to your February 3, 1986, request for information on how the take-home pay of selected federal employees would be affected by the fiscal year 1987 budget proposals calling for a 3-percent pay raise and a 2 percentage points increase in retirement contributions. Specifically, you wanted to know whether these increases would result in an increase or decrease in the take-home pay of employees at the GS-5, 9, 12, and senior executive level after giving consideration to those payroll deductions which vary by rates of pay. Also, as suggested by your office, we computed federal taxes assuming the employee was married with two dependent children, had no other income, and elected the standard tax deduction.

The fact sheet shows that the annual take-home pay of employees in grades 5 and 9 would increase \$43 and \$16 respectively. However, the grade 12 employee and the senior executive would have their annual take home pay cut \$63 and \$348 respectively.

As arranged with your office, we will send copies of this fact sheet to the Director, Office of Management and Budget; and to others who have an interest in this subject.

Sincerely yours,

  
Rosslyn S. Kleeman  
Associate Director

Effect on Take-Home Pay of 3% Pay Raise and 2% Increase  
in Retirement Contributions for Selected Federal Employees

	GS-5		GS-9		GS-12		ES-4	
	No changes	With increases	No changes	With increases	No changes	With increases	No changes	With increases
Annual salary <sup>a</sup>	\$16,310	\$16,799	\$24,712	\$25,453	\$35,835	\$36,910	\$68,700	\$70,761
Deductions:								
Retirement contributions	1,142	1,512	1,730	2,291	2,508	3,322	4,809	6,368
Life insurance premiums <sup>b</sup>	99	99	140	146	198	203	369	380
Medicare taxes	236	244	358	369	520	535	609	609
Federal income taxes <sup>c</sup>	603	666	1,879	2,014	4,237	4,512	15,237	16,020
State income taxes <sup>d</sup>	171	176	420	432	968	997	1,855	1,911
Total deductions	2,251	2,697	4,527	5,252	8,431	9,569	22,879	25,288
Net income	\$14,059	\$14,102	\$20,185	\$20,201	\$27,404	\$27,341	\$45,821	\$45,473

## Footnotes:

<sup>a</sup>5th step in each GS grade used.<sup>b</sup>Basic federal employees group life insurance.<sup>c</sup>Assumes married employee with two children, no other income, and elects standard deduction.<sup>d</sup>Composite rate applied to annual salary provided by Advisory Commission on Intergovernmental Relations (ACIR) - 1.05% for GS-5, 1.7% for GS-9, and 2.7% for GS 12 and ES-4.

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