

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT Washington, DC 20415

Wednesday, December 9, 1998 CPM 98-8

MEMORANDUM FOR: Human Resources Directors

FROM: Henry Romero Associate Director

Subject: 1998 Annual Review of Special Salary Rates

The Office of Personnel Management has completed the 1998 annual review of existing special salary rates authorized under 5 U.S.C. 5305. This annual review, which is conducted in accordance with 5 CFR 530.304, determines the amounts by which special rate schedules will be adjusted in January 1999. Schedule adjustments result in corresponding adjustments in individual employees' special rates, as provided by 5 CFR 530.307. In conducting the annual review, we rely on the reviews conducted by agencies employing special rate employees. (See CPM 98-3, June 11, 1998.)

Out of a total of 435 special rate schedules covered by the 1998 annual review, 430 schedules are being increased in tandem with the 3.1 percent increase in General Schedule rates, resulting in a 3.1 percent special rate increase for all covered employees. A total of four special rate schedules will be terminated because there are no longer any covered employees.

In the case of special rate table 0052, which authorizes special rates for Railroad Retirement Board (RRB) computer specialists in Chicago, RRB requested that special rates be increased by 3.1 percent at GS-9 and GS-11 and that no increase be given at GS-12. The GS-12 special rates under table 0052 are already below the regular GS-12 locality rates in Chicago; thus, a freeze on GS-12 special rates would not affect covered employees' payable rates of pay. This freeze will cause the GS-12 special rates under table 0052 to fall below the regular General Schedule rates of basic pay (excluding locality pay) in January 1999, thus resulting in termination of those GS-12 special rates at that time.

Locality payments are not paid on top of special rates. An employee is entitled to the higher of his or her special rate or locality rate of pay (or other pay entitlement). Since the net increase in locality-adjusted rates of pay exceeds 3.1 percent, some employees may see their locality rate surpass their special rate for the first time in January 1999. When this occurs, the special rate remains as an underlying entitlement that is used as the rate of basic pay for certain pay administration purposes for which locality rates cannot be used.

Effective in January 1999, there will be 431 special rate schedules covering approximately 136,000 positions (excluding approximately 29,900 law enforcement officers covered by table 0491, the rates for which are statutorily linked to the General Schedule). The 1999 special rate schedules may be found in the Special Rates file area/directory on our electronic bulletin board

system, OPM ONLINE (202-606-4800 via modem). The schedules show pay rates and coverage criteria (i.e., occupation, organization, and location).

If you are unable to access the bulletin board, computer disks containing the 1999 special salary rates are available for IBM-PC compatible systems. These disks are available by calling Ron Genua of our Pay and Leave Administration Division on (202) 606-2858.

Thank you for your cooperation and assistance in conducting the 1998 annual review of special rates.

Questions about this memorandum may be directed to our Pay and Leave Administration Division at (202) 606-2858; FAX: (202) 606-0824; or email payleave@opm.gov.

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