



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

The Director

Monday, June 18, 2001
CPM 2001-16

MEMORANDUM FOR: Human Resources Directors

FROM: Donald J. Winstead, Acting Associate Director

Subject: 2001 Annual Review of Special Salary Rates

The Office of Personnel Management (OPM) has completed the 2001 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 2002. Schedule adjustments result in corresponding adjustments in individual employees special rates, as provided by 5 CFR 530.307.

Effective in January 2002, there will be 422 special rate schedules covering approximately 142,500 employees. This excludes approximately 30,600 law enforcement officers covered by special rate table 491. The January 2002 draft special rate schedules are available on OPM's Internet Web site at: opm.gov/oca/payrates/index.htm.

In conducting the annual review, we rely on the reviews conducted by agencies employing special rate employees. (See CPM 2001-6, June 21, 2001.) Out of a total of 423 special rate schedules covered by the 2001 annual review, 408 schedules will be increased in tandem with the 3.6 percent increase in General Schedule rates, resulting in a 3.6 percent special rate increase for all covered employees. Fourteen special rate schedules will not be increased, and one special rate schedule will be terminated.

In the case of special rate table 544, which authorizes special rates for Department of Veterans Affairs (VA) clerical employees at grades GS-2 through GS-4 in Eastern Massachusetts, VA requested that special rates not be increased. Effective on the first day of the first pay period beginning on or after January 1, 2002, all of the affected employees will receive a locality rate that exceeds the corresponding special rate.

The Department of Justice requested that special rates not be increased for 13 authorizations that cover correctional officers because these employees are now receiving locality or geographic adjusted rates that exceed these special rates. The officers all receive locality payments or special geographic adjustments on top of the special statutory worldwide special rates for law enforcement officers at grades GS-3 through GS-10 under special rate table 491.

The U.S. Patent and Trademark Office requested that table 419, which authorizes special salary rates for GS-1224 patent examiners specializing in complex biotechnology at grades GS-11 and GS-12, not receive an increase in January 2002. By not increasing rates at these grades, those

affected employees will now receive the higher special rates at those grades that are received by all other GS-1224 patent examiners under table 576. This will allow termination of table 419 and placement of all patent examiners under table 576.

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 3.6 percent, some employees may see their locality rate surpass their special rate for the first time in January 2002. 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.

Thank you for your cooperation and assistance in conducting the 2001 annual review of special rates. For further information, please contact OPM's Pay and Leave Administration Division at (202) 606-2858 or by email at payleave@opm.gov.

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