



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

The Director

Wednesday, December 23, 2009

CPM 2009-24

MEMORANDUM FOR: Heads Of Executive Departments And Agencies

FROM: John Berry Director

Subject: 2009 Annual Review of Special Rates

The U.S. Office of Personnel Management (OPM) has completed the 2009 annual review of special rates authorized under 5 U.S.C. 5305. As a result, we will increase all title 5 special rate pay tables in tandem with the 1.5 percent across-the-board General Schedule (GS) base pay increase effective on the first day of the first applicable pay period beginning on or after January 1, 2010 (January 3, 2010). These pay increases will result in a corresponding adjustment in each employee's special rate, as provided by 5 CFR 530.321-322. In January 2010, 252 special rate tables will cover approximately 33,300 employees. Special rate tables for 2010 will be posted on the OPM website at opm.gov/oca/10tables/index.asp.

2009 Annual Review of Special Rates

OPM conducted the 2009 annual review of special rates under 5 CFR 530.307 to determine the amounts by which special rate pay tables will be adjusted in January 2010. In conducting the review, we relied on the reviews agencies conducted in response to OPM Compensation Policy Memorandum 2009-12 (which is posted on the Chief Human Capital Officers website at: www.chcoc.gov/Transmittals/TransmittalDetails.aspx?TransmittalID=2388).

Special Rates in Nonforeign Areas

The title 5 special rate tables listed in Attachment 1 are applicable in nonforeign areas. Employees who are paid from these pay tables are affected by subtitle B of title XIX of the National Defense Authorization Act (NDAA) for Fiscal Year 2010 (Public Law 111-84, October 28, 2009), the Non-Foreign Area Retirement Equity Assurance Act of 2009. The Act provides—

- A 3-year phase in of locality pay under 5 U.S.C. 5304 for employees in nonforeign areas identified in 5 CFR 591.205, and
- During the locality pay phase-in period, a minimum increase in special rates linked to the increase in locality pay.

In 2010, GS non-special rate employees in nonforeign areas will receive a locality payment of 4.72 percent, one third of the 14.16 percent locality pay percentage authorized for the Rest of U.S. locality pay area in 2010. OPM is computing the special rate for employees in nonforeign areas by—

1. applying a 1.5 percent general increase (based on OPM's special rate annual review), subject to the EX-IV statutory cap on special rates under 5 U.S.C. 5305(a)(1); and
2. adding an additional increase at each grade and step equal to the dollar increase in locality pay for a non-special rate employee at the same grade and step. (These additional increases or supplements are shown in Attachment 2.)

OPM is issuing additional information on this new law by separate memorandum.

Terminated Special Rate Tables and Special Rates

Under 5 U.S.C. 5305(h), an employee's entitlement to a special rate ends if the employee is entitled to a higher rate of basic pay, such as a locality rate of pay under 5 U.S.C. 5304. Certain special rate tables will terminate effective January 3, 2010, because higher locality rates apply at all steps of each covered grade. Attachment 3 lists the 10 special rate tables that have been terminated because higher locality rates apply at all steps of each covered grade.

In addition, some special rate tables will not entirely terminate, but will have one or more pay rates terminate when corresponding 2010 locality rates are higher. In such cases, the special rate tables will not show a special rate at the affected grades and steps. If a special rate is no longer shown at certain grades and steps, this means higher locality pay rates now apply. Also, in some special rate tables that cover multiple geographic areas, certain geographic areas will be removed from coverage because the 2010 locality rates in those areas are higher than the special rates at all grades and steps. The termination of special rates in these situations will not result in a loss of pay for covered employees because they will receive a higher locality rate.

Also, in order to implement the special rate provisions in the Non-Foreign Area Retirement Equity Assurance Act of 2009 of Public Law 111-84, OPM terminated one special rate table, modified the geographic coverage of one special rate table, and established four new special rate tables. These changes are shown in detail in Attachment 4.

Capped Special Rates

Under 5 U.S.C. 5305(a)(1), the maximum special rate is the rate payable for level IV of the Executive Schedule (\$155,500 in 2010). As a result, some GS-15 special pay rates for 2010 are capped. Capped special rate tables are listed in Attachment 5.

Additional Information

For additional information, agency Chief Human Capital Officers and/or Human Resources Directors should contact their assigned OPM Human Capital Officer. Employees should contact their agency human resources offices for assistance.

cc: Chief Human Capital Officers
Human Resources Directors

Attachments

- Attachment 1

- Attachment 2
- Attachment 3
- Attachment 4
- Attachment 5