



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

The Director

Thursday, December 27, 2012  
CPM 2012-14

**MEMORANDUM FOR: Heads Of Executive Departments And Agencies**

FROM: John Berry, Director

Subject: 2012 Annual Review of Special Rates (Results)

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**NOTE:** The plan announced in CPM 2012-14 to increase title 5 special pay rates by 0.5 percent, the amount of the base General Schedule (GS) increase shown in Executive Order 13635, has been canceled along with the base GS increase. See **CPM 2013-06**, "Cancellation of April 2013 pay Adjustments for Special Rates," for details.

The Office of Personnel Management (OPM) conducts an annual review of special rates established under 5 U.S.C. 5305 to determine the disposition of special rate schedules when General Schedule (GS) pay is adjusted under 5 U.S.C. 5303. Based on OPM's annual review, special rate tables may be terminated, decreased, or increased. (See OPM's data call memorandum (CPM 2012-06) for further information.)

As a result of the 2012 annual review of special rates, I have approved a 0.5 percent increase for all title 5 special rate tables equal to the 0.5 percent increase in GS base rates. Both the increase in GS base rates and special rates will be effective on the first day of the first applicable pay period beginning after March 27, 2013 (April 7, 2013). Prior to the effective date, OPM will post all 254 title 5 special rate tables on the OPM website at <http://apps.opm.gov/SpecialRates/index.aspx>, where 2012 and earlier special rate tables can now be accessed. These title 5 special rate tables currently cover about 41,000 employees.

**Amount of 2013 Pay Adjustments**

In OPM's July 24 data call memorandum, the anticipated increase in GS base rates in January 2013 was 1.2 percent, absent any other action. However, the amount of the 2013 increase in GS base rates was reduced to 0.5 percent in the President's [alternative plan](#) issued under 5 U.S.C. 5303(b) on August 21, 2012. Further, the effective date of the 2013 increase in GS base rates is affected by section 114 of Public Law 112-175, which deferred the increase until the first day of the first applicable pay period beginning after March 27, 2013 (April 7, 2013).

## **Results of 2012 Annual Review**

Pursuant to OPM's instructions, each agency conducted a review of its special rates schedules. Special rates were to be adjusted at the same time and in the same amount as the General Schedule, unless an agency requested (1) an adjustment for a special rate schedule different from any 2013 increase in GS base rates or (2) the reduction or termination of a special rate schedule. We received no such requests, so OPM will increase all title 5 special rate pay tables in tandem with the 0.5 percent across-the-board GS base rate increase effective on the first day of the first applicable pay period beginning after March 27, 2013 (April 7, 2013).

### **Terminated Special Rates**

Special rates are terminated based on OPM's annual review of special rates when covered agencies report to OPM that applicable special rates are no longer necessary, or when GS locality rates of pay exceed special rates at the same grade and step. Agencies did not request termination of any special rate tables. Since locality pay percentages will not increase in 2013 (see President's [alternative plan](#)), no GS locality rate will surpass a special rate in 2013 at the same grade and step. Therefore, no special rates will be terminated as a result of the 2012 annual review.

### **Special Rates in Nonforeign Areas**

For the annual review, we analyzed agency reports submitted in response to our special data call for nonforeign areas detailed in CPM 2011-22. Based on these reports and accompanying market and staffing data, we will not reduce the additional adjustments made to special rates in nonforeign areas under the Nonforeign Areas Retirement Equity Assurance Act of 2009 (NAREAA) at this time, nor will we establish separate, lower special rates for newly hired employees in nonforeign areas. Nonforeign area special rates will be increased in nonforeign areas by 0.5 percent effective on the first day of the first pay period beginning after March 27, 2013 (April 7, 2013), consistent with the 0.5 percent increase in GS base rates and other special rates. As with all special rates, special rates in nonforeign areas will be reexamined yearly as part of the overall annual review. The NAREAA additional adjustments for 2013 are shown in Attachment 2.

### **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 (EX-IV). (The EX-IV rate, currently \$155,500, will be increased to \$156,300 effective the first day of the first pay period after March 27, 2013, (April 7, 2013). As a result, some GS-14 and GS-15 special pay rates for 2013 are capped. See Attachment 1 for a list of capped special rates.

### **Additional Information**

Agency headquarters-level human resources offices may contact Pay and Leave at OPM at [pay-leave-policy@opm.gov](mailto:pay-leave-policy@opm.gov). For general information on Federal pay, leave, and work scheduling policies, please visit <http://www.opm.gov/oca/index.asp>. Employees should contact their agency human resources office for further information on the 2012 Annual Review of Special Rates, and

agency field offices should contact their headquarters-level agency human resources office. We will return or forward requests from individual employees to their agency human resources office.

Attachment 1 - Capped Special Rates in 2013

Attachment 2 - NAREAA Additional Adjustments in 2013

cc: Chief Human Capital Officers  
Human Resources Directors

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