

Friday, July 26, 2013 CPM 2013-12

MEMORANDUM FOR: Chief Human Capital Officers

FROM: Elaine Kaplan, Acting Director

Subject: 2013 Annual Review of Special Rates (Data Call)

This memorandum announces the U.S. Office of Personnel Management's (OPM's) 2013 annual review of existing special rates authorized under 5 U.S.C. 5305, for certain General Schedule (GS) employees. OPM authorizes higher rates of pay for specific occupations, grades, and locations to alleviate existing or likely significant recruitment or retention difficulties. Under 5 CFR 530.307(a), OPM conducts periodic reviews of existing special rates to see if they should be terminated, reduced, or increased based on recent staffing considerations.

This memorandum provides for a general review of special rates to support possible pay actions to take effect in January 2014. In conducting this review, we rely on agencies to review all special rate tables covering their employees following the attached instructions. You do not need to respond to this data call to request the default January 2014 pay adjustment for special rates, which is equal to the percentage adjustment in <u>GS base rates</u> in January 2014. However, you must respond to this data call if requesting (1) any January 2014 increase in special rates different from the default adjustment or (2) the reduction or termination of a special rate schedule to take effect in January 2014.

At present, the adjustment in GS base rates for January 2014 has not been finally approved. Under 5 U.S.C. 5303, the general increase in GS base rates in January 2014 would be 1.3 percent. However, the President is authorized to provide for alternative adjustments in GS base rates under 5 U.S.C. 5303 and in GS locality rates under 5 U.S.C. 5304a. The President's budget for fiscal year 2014 proposes a total pay increase of 1 percent—i.e., any across-the-board general increase in GS base rates combined with any locality pay increases (which could vary by locality pay area) would be limited to a 1-percent overall increase. The President has not yet exercised his alternative adjustment authorities or indicated how the 1 percent would be split between an increase in GS base rates and/or locality pay increases. The President would exercise his alternative plan authority for the GS base rates increase by August 31, 2013.

If responding to this data call, please submit all annual review materials requested in the attachment to this memorandum to OPM by October 4, 2013. When questions or problems arise, agency headquarters staff should contact OPM's special rates team at (202) 606-2838 or <u>pay-leave-policy@opm.gov</u>.

cc: Human Resources Directors