



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

The Director

Friday, December 19, 2014
CPM 2014-18

MEMORANDUM FOR: DEPARTMENT AND AGENCY HEADS

FROM: Katherine Archuleta Director

Subject: 2014 Annual Review of Special Rates (Results)

The U.S. 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 \(CPM 2014-10\)](#) for further information.)

As a result of the 2014 annual review of special rates, I have approved a 1-percent increase for all title 5 special rate tables equal to the 1-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 January 1, 2015 (January 11, 2015, based on the standard payroll cycle). Prior to the effective date, OPM will post all 263 title 5 special rate tables on the OPM website at <http://apps.opm.gov/SpecialRates/index.aspx>, where 2014 and earlier special rate tables can now be accessed. These title 5 special rate tables cover about 39,000 employees.

Amount of 2015 Pay Adjustments

In OPM's August 4, 2014, data call memorandum, the anticipated increase in GS base rates in January 2015 was 1.3 percent, absent any other action. However, the amount of the 2015 increase in GS base rates was reduced to 1 percent in the President's [alternative plan](#) issued under 5 U.S.C. 5303(b) on August 29, 2014.

Results of 2014 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 2015 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 1-percent across-the-board GS base rate increase effective on the first day of the first applicable pay period beginning after January 1, 2015 (January 11, 2015, based on the standard payroll cycle.)

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. Locality pay percentages will not increase in 2015 (see the President's [alternative plan](#)), so no GS locality rates will exceed special rates in 2015 at the same grade and step. Therefore, no special rates will be terminated based on the annual review results.

Special Rates in Nonforeign Areas

For the 2014 annual review, we reminded agencies of the results of our analysis of special rates in nonforeign areas during the 2012 annual review, and that special rates in nonforeign areas would be reexamined yearly as part of our overall annual review of special rates. During the 2014 annual review, no agencies requested termination of special rates or a pay adjustment different from the 1-percent base GS increase for special rates in nonforeign areas. Accordingly, special rates in nonforeign areas will receive a 1-percent increase and will include the Nonforeign Area Retirement Equity Assurance Act of 2009 (NAREAA) additional adjustments shown in Attachment 1.

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 will be increased to \$158,700 effective the first day of the first pay period after January 1, 2015.) Because of the EX-IV cap, some GS-14 and GS-15 special pay rates for 2015 are capped. See Attachment 2 for a list of capped special rates.

Additional Information

Agency headquarters-level human resources offices may contact OPM at pay-leave-policy@opm.gov. Employees should contact their agency human resources office for further information on this memo.

cc: Chief Human Capital Officers
Human Resources Directors