



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

The Director

Friday, December 22, 2017  
CPM 2017-19

**MEMORANDUM FOR: HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES**

FROM: KATHLEEN M. McGETTIGAN, ACTING DIRECTOR

Subject: 2017 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 \(CPM 2017-07\)](#) for further information.)

Based on the 2017 annual review of GS special rates, I have approved a 1.4-percent increase in January 2018 for all title 5 special rate tables equal to the 1.4-percent increase in GS base rates. Both the increased GS base rates and the increased GS special rates will be effective on the first day of the first applicable pay period beginning on or after January 1, 2018 (January 7, 2018, based on the standard payroll cycle). All 307 title 5 special rate tables can be found on the OPM website at <http://apps.opm.gov/SpecialRates/index.aspx>. These special rates cover about 39,000 employees.

**Amount of 2018 Pay Adjustments**

In OPM's August 8, 2017, data call memorandum, the anticipated increase in GS base rates in January 2018 was 1.9 percent, absent any other action. However, the amount of the 2018 increase in GS base rates was reduced to 1.4 percent in the President's *alternative plan* issued under the authority of 5 U.S.C. 5303(b) on August 31, 2017.

**Results of 2017 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 base General Schedule, unless an agency requested (1) an adjustment for a special rate schedule different from any 2018 increase in GS base rates or (2) the reduction or termination of a special rate schedule.

No agency requested that a special rate schedule receive an adjustment different from the base GS adjustment, and OPM received only one agency request to terminate a special rate table. (Further information on that requested termination is provided below in the "Terminated Special Rates" section.) OPM will increase all title 5 special rate pay tables in tandem with the 1.4-percent across-the-board GS base rate increase effective on the first day of the first applicable

pay period beginning after January 1, 2018 (January 7, 2018, based on the standard payroll cycle).

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

For the 2017 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 2017 annual review, no agencies requested termination of special rates or a pay adjustment different from the base GS increase for positions in nonforeign areas. Accordingly, special rates in nonforeign areas will receive a 1.4-percent increase and will include the Nonforeign Area Retirement Equity Assurance Act of 2009 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 \$164,200 effective the first day of the first pay period in January 2018.) Because of the EX-IV limitation, some GS-14 and GS-15 special pay rates for 2018 are capped. Attachment 2 lists capped special rates.

### **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 due to increases in locality pay percentages. As explained below, the four special rate tables listed in Attachment 3 will terminate on the first day of the first applicable pay period in January 2018.

The U.S. Department of Agriculture (USDA) reported that Special Rate Table 0707, which covers only USDA, is no longer warranted. USDA requested termination of Table 0707 and also requested that USDA be removed from the agency coverage of Special Rate Table 0706. USDA requested these changes fully aware that terminating special rates triggers pay retention provisions for employees covered by the special rates (except for any temporary and term employees). OPM approves the request, and Special Rate Table 0707 will be terminated and USDA will be removed from the location coverage of Special Rate Table 0706 effective at the beginning of January 7, 2018.

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. Three special rate tables will terminate effective January 7, 2018, because higher locality rates due to increases in locality pay percentages apply at all steps of each covered grade. Those three special rate tables are Special Rate Tables 0368, 0378, and 0567.

In addition, some special rate tables will have one or more pay rates that terminate when applicable 2018 locality rates of pay are higher due to January 2018 increases in locality pay percentages. In such cases, the special rate tables will not show a special rate at the affected grades and steps because higher locality pay rates apply. Also, for some special rate tables that cover multiple locations, certain locations will be removed from coverage because the 2018

locality rates in those locations are higher than the special rates at all grades and steps. 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 of pay.

### **Additional Information**

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

Attachment 1 - 2018 Additional Adjustments for Special Rate Tables in Nonforeign Areas (see 508-compliant PDF below)

Attachment 2 - Capped Special Rates in 2018 (see 508-compliant PDF below)

Attachment 3 - Special Rate Tables Terminated in 2018 (see 508-compliant PDF below)

cc: Chief Human Capital Officers, and Human Resources Directors