



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

The Director

Thursday, December 26, 2019
CPM 2019-27

MEMORANDUM FOR: HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: DALE CABANISS, DIRECTOR

Subject: 2019 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 September 5, 2019, [data call memorandum \(CPM 2019-19\)](#) for further information.)

Agencies were informed in the September 2019 data call memorandum that the default January 2020 adjustment for special rates would be equal to the January 2020 across-the-board adjustment for GS base rates. That memorandum also noted that the across-the-board adjustment for GS base rates would be 2.6 percent, as prescribed under 5 U.S.C. 5303(a). (See the President's alternative pay plan for January 2020 pay adjustments, which is posted at whitehouse.gov/briefings-statements/text-letter-speaker-house-representatives-president-senate-12/.)

Further, pursuant to OPM's instructions, each agency conducted a review of its special rate schedules. Only one agency requested a January 2020 adjustment for special rates different from the default amount (for additional details see the section "Adjustments Different from the Default GS Adjustment" below). Accordingly, based on the 2019 annual review of special rates, I have determined that the January 2020 adjustment for existing special rates will be 2.6 percent. The effective date for January 2020 pay adjustments is the first day of the first applicable pay period beginning after January 1, 2020 (January 5, 2020, based on the standard biweekly payroll cycle).

Please note that agencies having existing or likely staffing problems can submit special rate requests any time throughout a calendar year. Information on how agencies can make special rate requests is posted on the OPM website at <https://apps.opm.gov/SpecialRates/2020/srsrequest.aspx>. Additional information regarding the 2019 annual review and January 2020 special rates is provided below.

Special Rates in Nonforeign Areas

For the 2019 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 2019 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 the 2.6-percent increase. Also, special rate tables currently receiving Nonforeign Area Retirement Equity Assurance Act of 2009 (NAREAA) additional adjustments will receive the 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), which is \$170,800 in 2020. Some special rates for 2020 are capped at that EX-IV rate. Attachment 2 lists capped special rates by table, grade, and step.

Adjustments Different from the Default GS Adjustment

As noted above, only one agency requested an adjustment different from the default amount. Specifically, the Department of Justice (DOJ) requested that, in addition to the 2.6 percent default adjustment, OPM increase the special rate supplement for Special Rate Table 0622, which covers approximately 13 Bureau of Prisons pharmacist positions, from 22 percent to 26 percent at both grades covered by that special rate table. OPM has approved that request based on recruitment and retention challenges DOJ reported for the 13 pharmacist positions.

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 applicable GS locality rates of pay exceed special rates at the same grade and step due to increases in locality pay. (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.) Eight special rate tables will terminate effective January 5, 2020, because higher locality rates apply at all steps of each covered grade due to January 2020 increases in locality pay percentages. Those eight special rate tables are Tables 0039, 0133, 0202, 0223, 0252, 0302, 0304, and 0334.

In addition, some special rate tables that will not entirely terminate will have one or more pay rates that terminate because applicable 2020 locality rates of pay are higher due to January 2020 increases in locality pay percentages. In such cases, the special rate tables will not show a special rate at 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 2020 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.

The Department of Energy (DOE) requested that Special Rate Table 0708 be terminated in January 2020. DOE is the only agency covered by that table. OPM approves the request, and Special Rate Table 0708 is terminated effective January 5, 2020. Pay retention provisions under 5 U.S.C. 5363 and 5 CFR part 536 will apply to affected employees (except for any temporary and term employees).

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 memorandum.

Attachment 1 - 2020 Additional Adjustments for Special Rate Tables in Nonforeign Areas (see 508-conformant PDF below)

Attachment 2 - Capped Special Rates in 2020 (see 508-conformant PDF below)

cc: Chief Human Capital Officers (CHCOs), Deputy CHCOs, and Human Resources Directors