



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

The Director

Friday, January 1, 2021  
CPM 2021-03

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

FROM: MICHAEL J. RIGAS, ACTING DIRECTOR

Subject: 2020 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 17, 2020, [data call memorandum \(CPM 2020-13\)](#) for further information.)

Agencies were informed in the September 2020 data call memorandum that the default January 2021 adjustment for special rates would be equal to the January 2021 across-the-board adjustment for GS base rates. That memorandum also noted that the across-the-board adjustment for GS base rates would be 1.0 percent, as specified in the President's alternative plan for January 2021 pay adjustments, which is posted at [whitehouse.gov/briefings-statements/message-congress-2021-alternative-plan-pay-adjustments/](https://whitehouse.gov/briefings-statements/message-congress-2021-alternative-plan-pay-adjustments/).

Further, pursuant to OPM's instructions, each agency conducted a review of its special rate schedules. No agency requested a January 2021 adjustment for special rates different from the default amount. Accordingly, based on the 2020 annual review of special rates, I have determined that the January 2021 adjustment for existing special rates will be 1.0 percent. The effective date for January 2021 pay adjustments is the first day of the first applicable pay period beginning after January 1, 2021 (January 3, 2021, 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/srsrequest.aspx>. Additional information regarding the 2020 annual review and January 2021 special rates is provided below.

**Special Rates in Nonforeign Areas**

For the 2020 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 2020 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 1.0-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 \$172,500 in 2021. Some special rates for 2021 are capped at that EX-IV rate. [Attachment 2](#) lists capped special rates by table, grade, and step.

### **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. (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.) No agencies reported to OPM in response to the annual review that any special rate tables would no longer be necessary in 2021, and but for one exception discussed below no special rates authorized in 2020 will be exceeded by higher locality pay in January 2021.

On October 15, 2020, OPM published a final rule in the *Federal Register* on behalf of the President's Pay Agent establishing a new Des Moines-Ames-West Des Moines, IA, locality pay area and including Imperial County, CA, in the Los Angeles-Long Beach, CA, locality pay area as an area of application. Establishment of the new Des Moines locality pay area will not impact special rate tables because none of the locations comprising that new locality pay area will have 2021 GS locality rates of pay exceeding applicable 2021 special rates at the same grade and step.

Including Imperial County, CA, in the Los Angeles locality pay area will affect Table 983P because among the locations that table covers is El Centro, CA, which is in Imperial County, CA. In 2021, applicable locality pay for that county will increase from "Rest of U.S." locality pay to Los Angeles locality pay, and for El Centro applicable locality pay rates will exceed Table 983P pay rates at all grades and steps. Accordingly, El Centro will be removed from Table 983P and affected employees will receive the higher Los Angeles locality rate for their grade and step.

### **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 memorandum.

[Attachment 1 - 2021 Additional Adjustments for Special Rate Tables in Nonforeign Areas](#) (see 508-conformant PDF below)

[Attachment 2 - Capped Special Rates in 2021](#) (see 508-conformant PDF below)

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