



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

The Director

CPM 2024-13
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Memorandum for Heads of Executive Departments and Agencies

From: Robert H. Shriver, III
Acting Director

Subject: Advancing Pay Equity: Pay Gap Data Analysis Guidance and Request for Reports on Independent Pay Systems

Pay equity is a priority for advancing diversity, equity, inclusion, and accessibility (DEIA) in the Federal workforce as outlined in [Executive Order \(EO\) 14035](#), [EO 14069](#), and the [Governmentwide Strategic Plan to Advance DEIA in the Federal Workforce](#). Among the Federal civilian workforce, on average, women are paid a little more than 94 cents for every dollar a man makes, which translates into a gender pay gap of 5.6 percent, an improvement from when it was about 25 percent in 1992. The national gender pay gap is 16 percent, almost triple the pay gap in the Federal Government. When we compare average salary of women and men in various racial-ethnic groups to the average salary of White males in the Government, we find larger pay gaps that also need to be addressed. (Read [OPM's Governmentwide Gender and Racial/Ethnic Pay Gap Analysis Summary](#).)

To advance pay equity in Governmentwide pay systems, earlier this year we issued a [final rule](#) prohibiting consideration of non-Federal prior salary history when setting initial pay for Federal employees. We don't want agencies to perpetuate gender pay discrimination that occurred outside of Government when hiring people into Government jobs. But our work is not finished, and we need to do more.

This memorandum (1) summarizes pay equity provisions in EO 14035 and the Governmentwide Strategic Plan, (2) provides instructions to agencies with independent administrative pay authority for reviewing and revising their pay policies, as necessary, to advance pay equity, and (3) provides instructions for sharing information on such reviews with OPM for inclusion in a report to the President required by EO 14035. The memorandum also provides guidance for agencies to use to conduct their own gender and racial pay gap analysis, to supplement the work that OPM has already done on government-wide pay systems.

Pay equity provisions in EO 14035

Section 12(a) of the EO requires the OPM Director to review Governmentwide regulations and guidance and, as appropriate and consistent with applicable law, consider prohibiting the use of an applicant's salary history when setting pay for a Federal employee.

In response to section 12(a), OPM issued [final regulations](#) on January 30, 2024 (89 FR 5737). Under the final regulations, agencies are not able to use non-Federal salary history, which could vary between equally qualified candidates, to set pay for individuals newly appointed to the Federal civil service. Agencies are also required to have policies for using Federal salary history to set pay for employees with previous civilian service in the Federal Government.

Section 12(b) of the EO requires the head of each agency that administers a pay system other than one established under title 5 of the United States Code to review the agency's regulations and guidance and, as appropriate and consistent with applicable law, revise compensation practices in order to address any pay inequities and advance equal pay. The EO states that agencies should report to OPM any revisions to compensation practices made to implement this direction. Consistent with the intent of section 12(b), OPM expects that any agency that administers an independent pay system that is authorized under title 5 will also comply with the above requirements.

Section 12(c) requires the OPM Director to submit a report to the President describing any changes to Governmentwide and agency-specific compensation practices recommended and adopted under EO 14035.

Pay equity provisions in the Governmentwide Strategic Plan to Advance DEIA in the Federal Workforce

The Governmentwide Strategic Plan lays out a DEIA roadmap for agency action, including an equity roadmap. The equity roadmap states that the Federal Government is responsible for taking steps to ensure fair outcomes and access to services. Examples of such steps include regularly conducting pay equity audits to assess whether similarly situated individuals are equitably compensated for similar work, establishing policies that do not rely solely on prior salary history to set pay, and establishing a process to communicate salary bands for job applicants.

Independent pay system analysis

To satisfy section 12(b) of EO 14035, agencies with independent pay systems must review their regulations and guidance governing each of these systems and, as appropriate and consistent with applicable law, revise compensation practices to address any pay inequities and advance equal pay. If your agency administers an independent pay system (whether authorized outside or under title 5, United States Code), complete the review as described in Attachment 1. Email the certification form it contains as well as a list of the independent pay systems and an executive summary to paypolicy@opm.gov within 90 days of this memorandum. If your agency does not administer an independent pay system, please provide a response to confirm that is the case.

In determining whether revisions are necessary, agencies may consider whether to adopt the policies in OPM's final pay equity regulations for Governmentwide pay systems. OPM also recommends that agencies conduct a pay gap data analysis of such systems (as described below).

Conducting pay gap data analysis

OPM recommends that agencies conduct their own pay gap data analysis similar to that conducted by OPM on a Governmentwide basis. The purpose of this analysis is to:

1. Identify areas where potential gender-related and racial/ethnic-related pay disparities exist within your agency (if any);
2. Determine if there are identifiable reasons for any disparities;
3. Provide a basis for the development of targeted strategies to reduce any gender-related and racial/ethnic-related pay disparities; and
4. Track to see whether strategies to advance DEIA reduce any gender-related and racial/ethnic-related pay disparities over time.

OPM recommends that agencies develop a plan for conducting ongoing data analysis related to gender and racial/ethnic pay equality on a regular and recurring basis to remain focused on addressing this important issue and to measure progress in closing any gender and racial/ethnic pay gaps. Agencies may include results from their analysis in any updates to their DEIA strategic plans under section 4 of EO 14035.

Attachment 2 describes OPM's Governmentwide data analysis process and can serve as

a guide for your agency to use while conducting your own analysis. We encourage you to fine-tune your analysis to best capture the demographics of your agency.

Additional information

For additional information on conducting the independent pay system analysis or pay gap data analysis, agency headquarters-level human resources offices may contact OPM at paypolicy@opm.gov. For additional information on DEIA, agency DEIA offices may contact OPM at askDEIA@opm.gov. Employees should contact their agency human resources offices for assistance.

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

Attachments