

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT Washington, DC 20415

Monday, December 27, 2010 CPM 2010-20

MEMORANDUM FOR: Heads Of Executive Departments And Agencies

FROM: John Berry, Director

Subject: Executive Order for 2011 Pay Schedules

On December 22, 2010, the President signed an Executive order containing the 2011 pay schedules for certain Federal civilian employees. (See Attachment 1.) This memorandum reviews relevant portions of the Executive order and provides general information on the 2011 pay rates. Pursuant to section 147 of the Continuing Appropriations Act, 2011 (Pub. L. 111-242), as amended by section 1(a) of the Continuing Appropriations and Surface Transportation Extensions Act, 2011 (Pub. L. 111-322, December 22, 2010), the Executive order provides that the 2011 pay rates for the civilian employee pay schedules covered by the order are not adjusted and remain at 2010 levels. The President also issued a separate memorandum on December 22, 2010, asking agencies to forgo increases to pay schedules and rates set by administrative discretion. The U.S. Office of Personnel Management (OPM) will issue more detailed guidance on implementing the pay freeze in the near future.

2011 Salary Tables and Effective Date

We have posted the 2011 salary tables on OPM's Website at www.opm.gov/oca/11tables/index.asp. The 2011 pay rates will become effective on the first day of the first applicable pay period beginning on or after January 1, 2011 (i.e., January 2, 2011 for most employees).

The General Schedule and Other Statutory Pay Systems

The President's Executive order contains the 2011 rates of basic pay for the statutory pay systems--the General Schedule (GS), Foreign Service schedule, and certain schedules of the Veterans Health Administration of the Department of Veterans Affairs. The rates of basic pay for these systems will not be increased in 2011 and remain at 2010 levels. This includes the special base rates for GS law enforcement officers (GL) at GS grades 3 through 10.

Executive Schedule

The 2011 Executive Schedule (EX) rates of pay remain at the 2010 levels. The EX salary table is available on OPM's Website at www.opm.gov/oca/11tables/indexSES.asp.

Senior Executive Service

The minimum rate of basic pay for the Senior Executive Service (SES) rate range under 5 U.S.C. 5382 will remain at \$119,554 in 2011. The applicable maximum rate of basic pay for the SES will continue to be \$179,700 (EX-II) for SES members covered by a certified SES performance appraisal system and \$165,300 (EX-III) for SES members covered by an SES performance appraisal system that has not been certified.

Senior-Level and Scientific and Professional Positions

The minimum rate of basic pay for senior-level (SL) and scientific and professional (ST) positions under 5 U.S.C. 5376 will remain at \$119,554 in 2011. The applicable maximum rate of basic pay will continue to be \$179,700 (EX-II) for SL and ST employees covered by a certified SL/ST performance appraisal system and \$165,300 (EX-III) for SL and ST employees covered by an SL/ST performance appraisal system that has not been certified.

Administrative Law Judges

The rates of basic pay for administrative law judges (ALJs) under 5 U.S.C. 5372 will not increase in 2011. The rate of basic pay for AL-1 will remain at \$155,500 (equivalent to the rate for EX-IV). The rate of basic pay for AL-2 will remain at \$151,800. The rates of basic pay for AL-3/A through 3/F will continue to range from \$103,900 to \$143,700. The ALJ salary table is available on OPM's Website at www.opm.gov/oca/11tables/indexSES.asp.

Administrative Appeals Judges

The rates of basic pay for administrative appeals judges (AAJs) under 5 U.S.C. 5372b will not increase in 2011. The rates of basic pay for AAJ positions must be set at a rate not less than the minimum rate of basic pay for level AL-3 and not more than the maximum rate of basic pay for level AL-3 of the ALJ pay system. The AAJ pay system includes six rates of basic pay—AA-1, 2, 3, 4, 5, and 6. These rates correspond to the rates of basic pay for AL-3/A, B, C, D, E, and F of the ALJ pay system. The AAJ salary table is available on OPM's Website at www.opm.gov/oca/11tables/indexSES.asp.

Locality Payments

The Executive order also contains the amounts of the GS locality payments under 5 U.S.C. 5304 for 2011, as reflected in the President's alternative plan issued on November 30, 2010. (See opm.gov/oca/2011_alt_plan_opm_version_of_wh.pdf.) Except for employees in nonforeign areas, the 2011 locality payments are the same as the payments that applied in 2010. Attachment 2 provides a table showing the 2011 locality pay percentages.

Cost-of-Living Allowance Rates for Nonforeign Areas

As provided under the Nonforeign Area Retirement Equity Assurance Act of 2009 (NAREAA) (subtitle B of title XIX of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84, October 28, 2009)), the locality rate for each nonforeign area will be set at two-thirds of the applicable locality rate in January 2011 and the full applicable locality rate in

January 2012. Employees in nonforeign areas have corresponding reductions in their cost-of-living allowances (COLAs) when locality rates increase. The nonforeign areas are identified in 5 CFR 591.205. The COLA areas within those nonforeign areas are defined in 5 CFR 591.207. The locality rates and COLA rates for 2011 in each COLA area are provided in the table below:

COLA Areas2011 Locality Rates (%)2011 COLA Rates (%)Anchorage, Alaska16.46%10.56%Fairbanks, Alaska16.4610.56Juneau, Alaska16.4610.56Other Alaska16.4612.28City and County of Honolulu, Hawaii11.0116.07County of Hawaii, Hawaii11.019.76County of Kauai, Hawaii11.0116.07County of Maui (including Kalawao County), Hawaii11.0116.07Puerto Rico9.447.18U.S. Virgin Islands9.4417.23Guam & Commonwealth of the Northern Mariana Islands9.4417.23Other Possessions9.440

For additional information on NAREAA, including its application to SES, SL, and ST employees, see CPM 2009-27.

Locality Pay Extensions

On December 13, 2010, the Director of OPM issued a memorandum on behalf of the President's Pay Agent (the Secretary of Labor and the Directors of the Office of Management and Budget (OMB) and OPM) that extends GS locality payments to ALJs and certain other non-GS employee categories again in 2011. By law, EX officials, SES members, employees in SL/ST positions, and employees in certain other equivalent pay systems are not authorized to receive locality payments. (Note: An exception applies to SES, SL, and ST employees stationed in a nonforeign area on January 2, 2010.) Except for employees in nonforeign areas, the locality payments for non-GS employees approved for a locality pay extension have not been increased in 2011.

Locality Pay Areas in 2011

We do not anticipate any changes in existing locality pay areas effective on the first day of the first applicable pay period beginning on or after January 1, 2011 (January 2, 2011). Locality pay area definitions are posted at www.opm.gov/oca/11tables/locdef.asp.

Note that locality pay area definitions are tied to Metropolitan Statistical Areas (MSAs) and Combined Statistical Areas (CSAs) identified by OMB and are subject to change if OMB adds locations to MSAs or CSAs. If OMB adds locations to MSAs or CSAs affecting locality pay areas, the changes go into effect with the first pay period beginning on or after January 1 of the next calendar year. OPM will post any revisions to locality pay areas as a result of OMB actions as soon as possible after we are notified of the changes by OMB.

2010 Annual Review of Special Rates

We are issuing a separate memorandum announcing the results of the 2010 annual review of special rates.

Aggregate Limitation on Pay

Because the Executive Schedule will not be adjusted in 2011, the aggregate limitation on pay under 5 U.S.C. 5307 will also remain at the 2010 level. The aggregate limitation on pay for calendar year 2011 will continue to be \$199,700 (equivalent to the rate for EX-I). SES members and employees in SL/ST positions who are covered by a certified performance appraisal system are subject to a higher aggregate limitation on pay of the Vice President's salary (\$230,700 in 2011, the same level as in 2010). (See 5 U.S.C. 5307 and 5 CFR part 530, subpart B.) Information on obtaining certification of performance appraisal systems is available at opm.gov/ses/performance/certification.asp.

2011 Premium Pay Caps

Under 5 U.S.C. 5547(a) and 5 CFR 550.105, GS and other covered employees may receive certain types of premium pay in a biweekly pay period only to the extent that the sum of basic pay and such premium pay for the pay period does not exceed the greater of the biweekly rate payable for (1) GS-15, step 10 (including any applicable locality payment or special rate supplement), or (2) the rate payable for EX-V (\$145,700 in 2011, the same as in 2010). In certain emergency or mission-critical situations, an agency may apply an annual premium pay cap instead of a biweekly premium pay cap, subject to the conditions prescribed in law and regulation. (See 5 U.S.C. 5547(b) and 5 CFR 550.106–550.107.) The biweekly premium pay caps for 2011 will remain at the 2010 levels, except the cap will increase for employees in Alaska where the GS-15, step 10, locality rate has been increased in 2011 to a rate greater than EX-V. We have posted the biweekly premium pay caps on OPM's Website at opm.gov/oca/pay/html/11GSCap.asp.

Section 1106 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84, October 28, 2009), as amended by section 1(a) of the Continuing Appropriations and Surface Transportation Extensions Act, 2011 (Pub. L. 111-322, December 22, 2010), provides for the head of an agency to waive the premium pay cap provisions under 5 U.S.C. 5547 for certain civilian employees who perform work while in an overseas location that (1) is in the area of responsibility of the United States Central Command (CENTCOM) or (2) was formerly in the CENTCOM area of responsibility but has been moved to the area of responsibility of the Commander of the United States Africa Command (AFRICOM). The waiver authority has been extended through the earlier of March 4, 2011, or the date of enactment of the National Defense Authorization Act for Fiscal Year 2011. Section 1106 also provides that the aggregate limitation on pay under 5 U.S.C. 5307 will not apply to an employee if the employee is granted a waiver of the normally applicable premium pay limitations.

Post Employment Restrictions

Agencies are required to notify SES members, SL and ST employees, and other individuals who are paid at a rate of basic pay equal to or greater than 86.5 percent of the rate for EX-II (\$155,441 in 2011) that they are subject to certain post-employment restrictions in 18 U.S.C. 207(c). (See 18 U.S.C. 207(c)(2)(A)(ii).) This salary threshold will not increase in 2011. OPM's regulations requiring notification of post-employment restrictions are available at 5 CFR part 730. Agencies may continue to use the sample notice OPM provided in its memorandum of

January 6, 2004 (CPM 2004-01), to notify an SES member, SL and ST employees, or other individual that he or she is subject to the post-employment restrictions in 18 U.S.C. 207(c). (Agencies will need to update the pay system, salary threshold, and effective date in the sample notice, as appropriate.) The sample notice is available at opm.gov/oca/compmemo/2004/2004-01_attach1.asp.

Questions

For additional information, agency Chief Human Capital Officers and/or Human Resources Directors should contact OPM's Employee Services at (202) 606-2858 or <u>pay-performance-policy@opm.gov</u>. Employees should contact their agency human resources offices for assistance.

Attachment 1

Attachment 2

cc: Chief Human Capital Officers Human Resources Directors