



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

The Director

Wednesday, December 21, 2011
CPM 2011-21

MEMORANDUM FOR: Heads Of Executive Departments And Agencies

FROM: John Berry, Director

Subject: Executive Order for 2012 Pay Schedules

The President has signed an Executive order containing the 2012 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 2012 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 2012 pay rates for the civilian employee pay schedules covered by the order are not adjusted and remain at 2010/2011 levels. The President also issued a separate memorandum on December 22, 2010, asking agencies to forgo increases to pay schedules set by administrative discretion in 2011 and 2012. The U.S. Office of Personnel Management's (OPM's) detailed guidance on implementing the pay freeze statute and President's directive at <https://www.chcoc.gov/content/freeze-pay-adjustments-federal-civilian-employees> continues to apply in 2012.

2012 Salary Tables and Effective Date

We have posted the 2012 salary tables on OPM's Website at www.opm.gov/oca/12tables/index.asp. The 2012 pay rates will become effective on the first day of the first applicable pay period beginning on or after January 1, 2012 (i.e., January 1, 2012 for most employees).

The General Schedule and Other Statutory Pay Systems

The President's Executive order contains the 2012 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 2012 and remain at 2010/2011 levels.

Executive Schedule

The 2012 Executive Schedule (EX) rates of pay remain at the 2010/2011 levels. The EX salary table is available on OPM's Website at www.opm.gov/oca/12tables/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 2012. 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 2012. 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. (Note: For administratively determined pay systems for which the maximum rate of basic pay is linked to the maximum rate for SL/ST employees under 5 U.S.C. 5376, see section 2(d)(3) of Public Law 110-372 and related OPM guidance in [CPM 2009-06](#), April 2, 2009.)

Administrative Law Judges

The rates of basic pay for administrative law judges (ALJs) under 5 U.S.C. 5372 will not increase in 2012. The rate of basic pay for AL-1 will remain at \$155,500, the rate of basic pay for AL-2 will remain at \$151,800, and 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/12tables/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 2012. 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/12tables/indexSES.asp.

Locality Payments

Except for employees in nonforeign areas, the 2012 locality payments are the same as the payments that applied in 2010/2011. [Attachment 2](#) provides a table showing the 2012 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 the full

applicable locality rate in January 2012. Employees in nonforeign areas entitled to cost-of-living allowances (COLAs) (i.e., Alaska, Hawaii, and other nonforeign areas as defined in 5 CFR 591.207) have corresponding reductions in their COLAs when locality rates increase. The locality rates and COLA rates for 2012 in each COLA area are provided at opm.gov/oca/comptables/SpecRates2012/COLAandLocChart.asp.

Special handling is required for certain grandfathered GS employees stationed in Alaska whose locality-adjusted rate will reach the EX-IV locality rate cap in January 2012 as a result of locality pay adjustments made in conjunction with COLA reductions. See [Attachment 3](#) for instructions and examples.

Retained Rate Adjustments in Nonforeign Areas

On December 27, 2010, OPM issued a memorandum providing special rules for adjusting retained rates for employees in nonforeign areas at <https://www.chcoc.gov/content/retained-rate-adjustments-nonforeign-areas>. Agencies must apply these rules in adjusting retained rates for employees in nonforeign areas on January 1, 2012.

Continuation of Locality Payments for Non-GS Employees

On October 28, 2011, 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 continues GS locality payments for ALJs and certain other non-GS employee categories in 2012. 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 certain grandfathered SES, SL, and ST employees stationed in a nonforeign area on January 2, 2010.) Except for employees in nonforeign areas, the locality payments continued for non-GS employees have not been increased in 2012. The memo is available at opm.gov/flsa/oca/11tables/Extend_2012.pdf.

Locality Pay Areas in 2012

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, 2012 (i.e., January 1, 2012 for most employees). Locality pay area definitions are posted at www.opm.gov/oca/12tables/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. Under OPM's current regulations, 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.

2011 Annual Review of Special Rates

We are issuing a separate memorandum announcing the results of the 2011 annual review of special rates, including the 2012 special rate schedule adjustments for employees in nonforeign areas.

Aggregate Limitation on Pay

Because the Executive Schedule will not be adjusted in 2012, the aggregate limitation on pay under 5 U.S.C. 5307 will also remain at the 2010/2011 levels. The aggregate limitation on pay for calendar year 2012 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 2012, the same level as in 2010/2011). (See 5 U.S.C. 5307 and 5 CFR part 530, subpart B.) Information on obtaining certification of performance appraisal systems is available at www.opm.gov/ses/performance/certification.asp.

2012 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 2012, the same as in 2010 and 2011). 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 premium pay caps for 2012 will remain at the 2010/2011 levels, except the caps will increase for employees in nonforeign areas. We have posted the biweekly premium pay caps on OPM's Website at opm.gov/oca/pay/html/12GSCap.asp.

We will notify agencies separately about any reauthorization for 2012 of the premium pay cap that may be applied to certain employees who perform work while in certain overseas locations. See [CPM 2011-03](#) for information regarding this authority for calendar year 2011.

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 (\$179,700 x 86.5 percent = \$155,441 in 2012) 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 is the same as 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

Agency headquarters-level human resources offices may contact Pay and Leave at OPM at pay-leave-policy@opm.gov. Employees should contact their agency human resources or payroll office for further information on the 2012 pay schedules and agency field offices should contact their appropriate headquarters-level agency human resources office. Requests from individual employees will be returned or forwarded to the appropriate agency human resources office. For general information on Federal pay, leave, and work scheduling policies, please visit <http://www.opm.gov/oca/index.asp>.

cc: Chief Human Capital Officers
Human Resources Directors