



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

The Director

Monday, December 13, 2004

MEMORANDUM FOR: Heads Of Executive Departments And Agencies

FROM: KAY COLES JAMES, For The President's Pay Agent

Subject: Extension of Locality Payments to Non-General Schedule Employees

Section 5304(h) of title 5, United States Code, requires that extensions of locality pay to non-General Schedule (GS) categories of employees be renewed each year. The President's Pay Agent has decided to extend the 2005 locality-based comparability payments to the same Governmentwide and single-agency categories of employees that were authorized to receive the 2004 locality payments.

Under the statute, locality payments may not be extended to members of the Senior Executive Service and similar pay systems, employees paid under the critical pay authority, senior executives in temporary organizations, blue-collar employees, categories of positions paid Executive Schedule rates of pay, or any position that has a rate of basic pay higher than the rate for level IV of the Executive Schedule.

Locality payments will be extended to the Governmentwide categories shown in Attachment 1 with no further action required by any agency. Under the statute, locality payments may be extended to single-agency categories of employees only at the request of the head of an Executive agency. Attachment 2 shows single-agency categories currently receiving locality pay which will be extended locality pay in 2005 without any further action required by any agency, unless the head of an Executive agency requests that an extension not be re-approved.

Please contact Allan Hearne, of the Office of Personnel Management's Strategic Human Resources Policy Division, at (202) 606-2838 or by email at pay-performance-policy@opm.gov, by December 23, 2004, if you do not want locality payments extended in 2005 to a single-agency employee category in your agency for which such payments were previously authorized by the Pay Agent. Please note that a decision not to extend locality payments in 2005 to a category of employees means that those employees would no longer be entitled to any locality payment. All employees in a given locality pay area who receive locality payments in 2005 must receive the same percentage as received by GS employees in that area.

New requests for extending locality-based comparability payments to single-agency categories of non-GS employees should be submitted by the agency head or his or her designee to the following address by December 23, 2004, to ensure the extension takes effect beginning on the first day of the first pay period beginning on or after January 1, 2005:

*The Honorable Kay Coles James
Director
Office of Personnel Management
1900 E Street, NW.
Washington, DC 20415-0001*

In your request, please include the following information:

1. The legal authority under which the employees are paid;
2. The types of employees to be paid; and
3. The number of employees to be covered by the extension.

A copy of new requests for extending locality-based comparability payments to single-agency categories should also be sent to the OPM Human Capital Officer for your agency.

*For the President's Pay Agent:

Kay Coles James, Director
Office of Personnel Management*

Attachments:

Attachment 1

Attachment 2

cc: The Honorable Elaine L. Chao
Secretary of Labor
The Honorable Joshua B. Bolten
Director, Office of Management and Budget
Chief Human Capital Officers
Human Resources Directors

Attachment 1

LOCALITY PAY EXTENSIONS GOVERNMENTWIDE CATEGORIES OF NON-GENERAL
SCHEDULE EMPLOYEES

1. Administrative law judges (ALJs) paid under 5 U.S.C. 5372
2. Administrative appeals judges (AAJs) paid under 5 U.S.C. 5372b
3. Members of Boards of Contract Appeals (BCA) paid under 5 U.S.C. 5372a
4. Senior-level (SL) and scientific or professional (ST) positions paid under 5 U.S.C. 5376
5. Members of the Foreign Service paid under 22 U.S.C. 3963

Attachment 2