



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

The Director

Thursday, December 26, 2019
CPM 2019-25

MEMORANDUM FOR: HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: DALE CABANISS, DIRECTOR

Subject: January 2020 Pay Adjustments

The President has signed an Executive order to implement the January 2020 pay adjustments. (See [Attachment 1](#).) Consistent with the Consolidated Appropriations Act, 2020, the Executive order authorizes a 2.6-percent across-the-board increase for statutory pay systems and locality pay increases costing approximately 0.5 percent of basic payroll, reflecting an overall average pay increase of 3.1 percent for 2020. This memorandum reviews relevant portions of the Executive order.

The pay adjustment guidance in this memorandum does not apply to senior political officials that have been covered by a modified pay freeze. The Act continues the pay freeze for such officials. We will issue separate guidance regarding the pay freeze for certain senior political officials.

New 2020 Salary Tables and Effective Date

We have posted the new 2020 salary tables on OPM's website at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/>. The 2020 pay schedules are effective the first day of the first applicable pay period beginning on or after January 1, 2020 (January 5, 2020, based on the standard biweekly payroll cycle).

The General Schedule and Other Statutory Pay Systems

The Executive order provides an across-the-board increase of 2.6 percent in the rates of basic pay for the statutory pay systems—the General Schedule (GS), the Foreign Service schedule, and certain schedules for the Veterans Health Administration of the U.S. Department of Veterans Affairs. Special base rates for law enforcement officers at GS grades 3 through 10 are also increased by 2.6 percent. (These law enforcement officers are assigned the “GL” pay plan code.)

Executive Schedule

Under 5 U.S.C. 5318, the official Executive Schedule (EX) rates of pay are increased by 2.6 percent (rounded to the nearest \$100). The official EX salary table is available on OPM's website at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2020/executive-senior-level/>. The official EX rates of pay are used in establishing pay limitations for employees and pay systems unaffected by the pay freeze for certain senior political officials.

Senior Executive Service

Under 5 U.S.C. 5382, the minimum rate of basic pay for the Senior Executive Service (SES) rate range is adjusted to be consistent with the increase in the minimum rate of basic pay for senior-level positions under 5 U.S.C. 5376 (\$131,239 in 2020). The applicable maximum rate of basic pay for the SES is \$197,300 (EX-II) for SES members covered by an SES performance appraisal system certified pursuant to 5 U.S.C. 5307(d) and \$181,500 (EX-III) for SES members covered by an SES performance appraisal system that has not been certified. An SES member with a pay rate below the minimum rate of the new SES rate range must receive a pay increase effective January 5, 2020, that brings the SES member's rate to at least the new minimum rate because an SES member may not receive less than the minimum rate of the SES rate range.

Other SES pay adjustments must generally be made based on individual performance, contribution to the agency's performance, or both, as determined under a rigorous performance management system, pursuant to 5 U.S.C. 5382. An agency's determination to adjust the rate of basic pay for an SES member that is approved by the end of the first pay period in January 2020 (January 18, 2020) may be made effective as of the first day of that first pay period (January 5, 2020). Determinations to adjust SES pay that are approved after January 18, 2020, will become effective at the beginning of the next pay period following the approval. OPM's regulations for setting and adjusting SES pay are available at 5 CFR part 534, subpart D.

Senior-Level and Scientific and Professional Positions

The minimum rate of basic pay for the senior-level (SL) and scientific and professional (ST) rate range is increased by 2.6 percent (\$131,239 in 2020), which is the amount of the GS increase. An SL or ST employee with a pay rate below the minimum rate of the new SL/ST rate range must receive a pay increase effective January 5, 2020, that brings the employee's rate to at least the new minimum rate because an SL or ST employee may not receive less than the minimum rate of the SL/ST rate range. The applicable maximum rate of basic pay is \$197,300 (EX-II) for SL or ST employees covered by a certified SL/ST performance appraisal system and \$181,500 (EX-III) for SL or ST employees covered by an SL/ST performance appraisal system that has not been certified.

As provided in 5 U.S.C. 5376(b)(2) and 5 CFR 534.507(a)(1), effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under 5 U.S.C. 5303 in the rates of basic pay under the General Schedule, the head of an agency must adjust an SL/ST employee's rate of basic pay by an amount he or she considers appropriate (including a zero adjustment), subject to the regulations in 5 CFR 534.507, and the agency's written procedures. Therefore, each agency must make an appropriate adjustment in each SL/ST employee's rate of basic pay because the General Schedule is being adjusted the first day of the first pay period beginning on or after January 1, 2020. The adjustment of an SL/ST employee's pay rate under 5 CFR 534.507(a)(1) must be made effective on the first day of the first pay period beginning on or after January 1, 2020 (January 5, 2020, based on the standard biweekly payroll cycle).

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 (\$197,300 x 86.5 percent = \$170,665 in 2020) that they are subject to certain post-employment restrictions in 18 U.S.C. 207(c)(2)(A)(ii). 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, an SL or ST employee, 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, as appropriate.) The sample notice is available at archive.opm.gov/oca/compmemo/2004/2004-01_attach1.asp.

Aggregate Limitation on Pay

The aggregate limitation on pay for calendar year 2020 is \$219,200 (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 (\$253,300 in 2020). (See 5 U.S.C. 5307 and 5 CFR part 530, subpart B.)

Administrative Law Judges

The Executive order reflects a decision by the President to increase the rates of basic pay for administrative law judges (ALJs) by 2.6 percent, rounded to the nearest \$100. The rate of basic pay for AL-1 is \$170,800 (equivalent to the rate for EX-IV). The rate of basic pay for AL-2 is \$166,500. The rates of basic pay for AL-3/A through 3/F range from \$114,000 to \$157,800. The new ALJ salary table is available on OPM's website at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2020/executive-senior-level/>.

Administrative Appeals Judges

Under 5 U.S.C. 5372b, the rates of basic pay for administrative appeals judge (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 established under 5 U.S.C. 5372. At 5 CFR 534.603, OPM's regulations link the structure of the AAJ pay system directly to the structure 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 new AAJ salary table is available on OPM's website at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2020/executive-senior-level/>.

Locality Payments

The President's Executive order reflects the amounts of the new locality payments for GS employees. Attachment 2 provides a table showing the 2020 locality pay percentage and total percentage increase in each locality pay area (reflecting the combined effect of the 2.6 percent across-the-board increase and the applicable increase in the locality pay percentage). Attachment 3 provides a chart showing an example of how the 2020 locality rate and total

increase are computed for an employee in the Rest of U.S. locality pay area. GS locality rates are limited to the rate for EX-IV. (See 5 U.S.C. 5304(g)(1) and the “Executive Schedule” section, above.) The 2020 locality pay tables for the General Schedule are available at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2020/general-schedule/>.

Locality Pay Extensions

On November 19, 2019, OPM issued a memorandum on behalf of the President’s Pay Agent (the Secretary of Labor and the Directors of the U.S. Office of Management and Budget and OPM) that continues GS locality payments for ALJs and certain other non-GS employee categories in 2020. The memo is available at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2019/continuation-of-locality-payments-for-non-general-schedule-employees-november-19-2019.pdf>.

Cost-of-Living Allowance Rates for Nonforeign Areas

As provided under the Nonforeign Area Retirement Equity Assurance Act of 2009 (subtitle B of title XIX of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84, October 28, 2009)), employees in nonforeign areas entitled to cost-of-living allowances (COLAs) have corresponding reductions in their COLAs when locality rates increase. The locality and COLA rates in each COLA area are available at <https://www.opm.gov/policy-data-oversight/pay-leave/pay-systems/nonforeign-areas/>.

Special Rates

We are issuing a separate memorandum announcing the results of OPM’s annual review of special rates and the 2020 special rate adjustments.

Prevailing Rate Pay Adjustments

We are issuing a separate memorandum on pay adjustments for certain prevailing rate (wage) employees.

2020 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 (\$160,100 in 2020). 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.) We have posted the 2020 biweekly premium pay caps fact sheet on OPM’s website at <https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/#url=Biweekly-Pay-Caps>.

We will notify agencies separately about any reauthorization of the premium pay cap that may be applied to certain civilian employees working in certain overseas locations. See [CPM 2019-09](#) for information regarding this authority for calendar year 2019.

Adjusting Retained Rates

Certain employees are entitled to retained rates above the applicable rate range under 5 U.S.C. 5363 and 5 CFR part 536. As provided in 5 U.S.C. 5363(b)(2)(B) and 5 CFR 536.305, when the maximum rate of the highest applicable rate range for an employee's position of record is increased while the employee is receiving a retained rate, the employee is entitled to 50 percent of the amount of the increase in that maximum rate. An example of adjusting a retained rate can be found in the fact sheet at [opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/January-2020-pay-examples](#).

Pay Administration

We have updated examples of pay computations to reflect the pay adjustment for GS employees:

Examples of January 2020 Pay Computations – See [opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/January-2020-pay-examples/](#).

How to Compute Rates of Pay - See

<https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/how-to-compute-rates-of-pay/>.

How to Compute Fair Labor Standards Act Overtime Pay - See

<https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/how-to-compute-flsa-overtime-pay/>.

Questions

Agency headquarters-level human resources offices may contact OPM at pay-leave-policy@opm.gov. Employees should contact their agency human resources offices for assistance.

Attachment 1 – [Executive Order](#)

Attachment 2 – Locality Increases 2020 (see 508-comformant PDF below)

Attachment 3 – 2020 GS Pay Chart (see 508-comformant PDF below)

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