



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

The Director

Friday, January 1, 2021
CPM 2021-01

MEMORANDUM FOR: HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: MICHAEL J. RIGAS, ACTING DIRECTOR

Subject: January 2021 Pay Adjustments

The President has signed an Executive order to implement the January 2021 pay adjustments. (See [Attachment](#).) Pursuant to the President's alternative plan issued under [5 U.S.C. 5303\(b\)](#) and [5304a](#) on February 10, 2020, the Executive order authorizes a 1.0 percent across-the-board increase for statutory pay systems and provides that locality percentages will remain at 2020 levels. 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 pay freeze. We will issue separate guidance regarding whether this pay freeze will be continued or terminated.

New 2021 Salary Tables and Effective Date

We have posted the new 2021 salary tables on OPM's website at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/>. The 2021 pay schedules are effective the first day of the first applicable pay period beginning on or after January 1, 2021 (January 3, 2021, 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 1.0 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 1.0 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 1.0 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/2021/executive-senior-level/>. The official EX rates of pay are used in establishing pay limitations for employees and pay systems unaffected by any 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](#) (\$132,552 in 2021). The applicable maximum rate of basic pay for the SES is \$199,300 (EX-II) for SES members covered by an SES performance appraisal system certified pursuant to [5 U.S.C. 5307\(d\)](#) and \$183,300 (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 3, 2021, 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 2021 (January 16, 2021) may be made effective as of the first day of that first pay period (January 3, 2021). Determinations to adjust SES pay that are approved after January 16, 2021, 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 1.0 percent, which is the amount of the base GS increase, and is \$132,552 in 2021. 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 3, 2021, 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 \$199,300 (EX-II) for SL or ST employees covered by a certified SL/ST performance appraisal system and \$183,300 (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, 2021. 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, 2021 (January 3, 2021, 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 (\$199,300 x 86.5 percent = \$172,395 in 2021) 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 <https://www.chcoc.gov/content/notification-changes-post-employment-restrictions-coverage-members-senior-executive-service>.

Aggregate Limitation on Pay

The aggregate limitation on pay for calendar year 2021 is \$221,400 (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 (\$255,800 in 2021). (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 1.0 percent, rounded to the nearest \$100. The rate of basic pay for AL-1 is \$172,500 (equivalent to the rate for EX-IV). The rate of basic pay for AL-2 is \$168,200. The rates of basic pay for AL-3/A through 3/F range from \$115,100 to \$159,400. The new ALJ salary table is available on OPM's website at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2021/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/2021/executive-senior-level/>.

Locality Pay Areas

On October 15, 2020, OPM published a final rule in the Federal Register on behalf of the President's Pay Agent establishing a new Des Moines-Ames-West Des Moines, IA, locality pay area and to include Imperial County, CA, in the Los Angeles-Long Beach, CA, locality pay area as an area of application. The changes are applicable the first day of the first applicable pay period beginning on or after January 1, 2021 (January 3, 2021, based on the standard biweekly payroll cycle). The final rule can be found at <https://www.federalregister.gov/documents/2020/10/15/2020-22320/general-schedule-locality-pay-areas>. Locality pay area definitions are available at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2021/locality-pay-area-definitions/>.

Locality Payments

The Executive order reflects the amounts of the 2021 locality payments implemented by the President under his alternative pay plan authority. The applicable locality payments are unchanged from 2020 levels for 2021. The "Rest of U.S." locality pay percentage, which will remain the same in 2021 as in 2020, will apply in 2021 for the new Des Moines-Ames-West Des Moines, IA, locality pay area. The Los Angeles-Long Beach, CA, locality pay percentage, which will remain the same in 2021 as in 2020, will apply in 2021 for Imperial County, CA. The 2021 locality pay tables for the General Schedule are available at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2021/general-schedule/>.

Locality Pay Extensions

On November 27, 2020, 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 2021. The memo is available at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2020/extension-of-locality-pay-memo-for-non-gs-employees-2021.pdf>.

Cost-of-Living Allowance Rates for Nonforeign Areas

The cost-of-living allowances (COLAs) and locality percentages for employees in nonforeign areas will remain at 2020 levels in 2021. 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 2021 special rate adjustments.

Prevailing Rate Pay Adjustments

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

2021 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 (\$161,700 in 2021). 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 2021 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 2020-06](#) for information regarding this authority for calendar year 2020.

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 in can be found in the fact sheet at [opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/January-2021-pay-examples](https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/January-2021-pay-examples).

Pay Administration

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

Examples of January 2021 Pay Computations – See [opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/January-2021-pay-examples/](https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/January-2021-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

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