



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

The Director

Friday, September 23, 2016  
CPM 2016-14

**MEMORANDUM FOR: CHIEF HUMAN CAPITAL OFFICERS**

FROM: BETH F. COBERT, ACTING DIRECTOR

Subject: New Back Pay Interest Calculator

The U.S. Office of Personnel Management (OPM) is pleased to announce the release of a new back pay interest calculator to assist agencies with the computation of back pay awards and interest payments. The new calculator can be found at <https://www.opm.gov/policy-data-oversight/pay-leave/back-pay-calculator/>.

The new back pay interest calculator will assist agency human resources, payroll, and finance offices and Shared Service Centers in calculating back pay interest for Federal employees as provided in 5 U.S.C. 5596 and 5 CFR part 550, subpart H. The payment of back pay, interest, and reasonable attorney fees are awarded for the purpose of making an employee financially whole when the employee is found by an appropriate authority to have been affected by an unjustified or unwarranted personnel action that resulted in the withdrawal, reduction, or denial of all or part of the pay, allowances, and differentials otherwise due to the employee.

The new user-friendly calculator is web based and includes full step-by-step help instructions. The calculator will allow users to—

- Calculate back pay and interest awards, using automatically updated Internal Revenue Service quarterly interest rates.
- Offset the back pay award by any outside earnings during the back pay period.
- Save a back pay case to a local computer and upload and edit an existing case from a local computer.
- Print a summary report of the completed calculations from a case.

We have also issued guidance in a new back pay fact sheet that includes links to the new back pay calculator and a list of back pay interest rates. See <https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/f...>

**Additional Information**

Agency headquarters-level human resources offices may contact OPM at [pay-leave-policy@opm.gov](mailto:pay-leave-policy@opm.gov). Employees should contact their agency human resources office for further information on this memo.

cc: Deputy Chief Human Capital Officers and Human Resources Directors