



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

The Director

August 10, 2006

FROM: NANCY H. KICHAK ASSOCIATE DIRECTOR STRATEGIC HUMAN RESOURCES POLICY

Subject: Nonforeign Area COLA Rate Changes

This memorandum announces the changes in nonforeign area cost-of-living allowance (COLA) rates. On August 2, 2006, the Office of Personnel Management (OPM) published in the Federal Register at 71 FR 43897 a final rule that changed COLA rates in eight COLA areas. COLA rates remain unchanged in three COLA areas. The changes are effective the first day of the first pay period beginning 30 days on or after the publication date. For most agencies, the effective date will be September 3, 2006. The following table shows the current and new COLA rates.

**COLA Rates**

Allowance Area/Category	Old Rates	New Rates
Puerto Rico	11.5%	10.5%
U.S. Virgin Islands	22.5%	23.0%
Anchorage, Alaska	25.0%	24.0%
Fairbanks, Alaska	25.0%	24.0%
Juneau, Alaska	25.0%	24.0%
Rest of the State of Alaska	25.0%	25.0%
Honolulu County, Hawaii	25.0%	25.0%
Hawaii County, Hawaii	16.5%	17.0%
Kauai County, Hawaii	23.25%	25.0%
Maui County, Hawaii	23.75%	25.0%
Guam and the Northern Mariana Islands	25.0%	25.0%

The new COLA rates are based on surveys OPM conducted in 2002, 2003, and 2004, using a new methodology adopted pursuant to the settlement of Caraballo, et al. v. United States, No. 1997-0027 (D.V.I.), August 17, 2000. If you have any questions concerning the rate changes or the COLA program, contact Kurt Springmann, COLA Team, by phone at 202-606-2838, by facsimile at 202-606-4264, or by email at [cola@opm.gov](mailto:cola@opm.gov).