

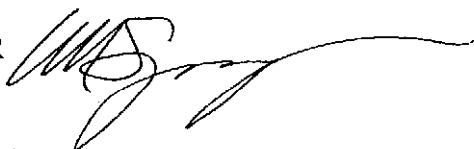


OFFICE OF THE DIRECTOR

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, DC 20415-1000

DEC 22 2005

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: LINDA M. SPRINGER
Director 

SUBJECT: 2005 Annual Review of Special Rates

The Office of Personnel Management (OPM) has completed the 2005 annual review of existing special rates authorized under 5 U.S.C. 5305. As a result of the 2005 annual review, 279 special rate schedules will be increased in tandem with the 2.1 percent across-the-board General Schedule base pay increase, effective on January 8, 2006. The 279 special rate schedules cover approximately 78,000 employees. To view the 2006 special rate schedules or to find an individual special rate schedule by occupation and agency on the Web, please use OPM's Web application located at <http://apps.opm.gov/ssr/tables/index.cfm>.

2005 Annual Review of Special Rates

The annual review, which is conducted in accordance with 5 CFR 530.307, determines the amounts by which special rate schedules will be adjusted in January 2006. In conducting the annual review, we rely on the reviews conducted by agencies employing special rate employees: (See CPM 2005-15, dated August 11, 2005 at <http://www.opm.gov/oca/compmemo/2005/2005-15.asp>.) Schedule adjustments result in corresponding adjustments in individual employees' special rates, as provided by 5 CFR 530.321-530.322.

Terminated Special Rate Schedules and Special Rates

The 2005 annual review of special rates resulted in the termination of 22 special rate schedules. The termination of these special rate schedules will not result in a loss in pay for covered employees. A more detailed listing of the 22 terminated special rate schedules is attached.

Under 5 U.S.C. 5305(h), an employee's entitlement to a special rate ends if the employee is entitled to a higher rate of basic pay, such as a locality rate under 5 U.S.C. 5304. On January 8, 2006, locality rates will increase by 2.25 to 5.62 percent (depending on location), while special rates are being increased by 2.1 percent. As a result, 14 special rate schedules will be terminated effective January 8, 2006, because higher locality rates apply at all steps of each covered grade.

Eight additional special rate schedules will be terminated effective January 8, 2006, because all affected employees are entitled to an equal or higher locality rate or because there are no employees in positions covered by the special rate schedule.

In addition, certain special rates are being terminated where the locality rate is now higher at all the steps of the grade or at certain steps of the grade. In some special rate schedules that cover multiple geographic areas or locality pay areas, certain geographic areas or locality pay areas are removed from coverage because the locality rates in those areas are higher than the special rates at all grades and steps. The termination of special rates will not result in a loss in pay for any covered employees, since all affected employees will continue to receive the higher locality rate to which they are otherwise entitled.

Capped Special Rates

Under 5 U.S.C. 5305(a)(1), the maximum special rate is the rate for level IV of the Executive Schedule (\$143,000 in 2006). As a result, effective on January 8, 2006, the payable special rates at the higher steps of grade GS-15 are capped at \$143,000 on special rate schedules 220 (Johnston Island), 565 and 566 (Department of Defense air traffic controllers), and 576 (selected Patent and Trademark Office employees involved in patent examination).

Information Technology (IT) Special Rates

We have amended IT special rate schedules 999A-999F to **delete** the former GS-334 Computer Specialist series designation. The IT special rate schedules will continue to cover the GS-854 Computer Engineer, GS-1550 Computer Scientist, and GS-2210 Information Technology Management occupational series. The job family position classification standard for administrative work in the Information Technology Group, GS- 2200, issued in May 2001, canceled the GS-334 Computer Specialist series. By January 2006, agencies should have completed their reclassification actions and classified affected IT positions in the appropriate series. Any employee whose position continues to be classified under the former GS-334 Computer Specialist series designation in January 2006 will not lose pay, but will be entitled to pay retention under 5 CFR 536.301(a)(8), except those who are not eligible for pay retention under 5 CFR 536.102(b), (c), or (e).

Changes in Locality Pay Area Definitions in 2006

The President's Pay Agent has approved the following changes in the locality pay areas effective on the first day of the first pay period beginning on or after January 1, 2006 (January 8, 2006):

- The Kansas City, St. Louis, and Orlando locality pay areas are merged with the "Rest of U.S." locality pay area;
- New locality pay areas are established for the Buffalo, Phoenix, and Raleigh metropolitan areas; and
- Fannin County, TX, is added to the Dallas-Fort Worth, TX, locality pay area.

As a result of these changes in locality pay areas, we have amended special rate schedules 980A (law enforcement security officers), 983A (police officers), and 999B (IT specialists) as follows:

- We have deleted the Kansas City, St. Louis, and Orlando locality pay areas from schedules 980A, 983A, and 999B. Employees who were in these locality pay areas will fall under the “Rest of U.S.” locality pay area coverage on schedules 980A and 999B.
- We have added St. Louis, MO, and Kansas City, MO, to schedule 983A. These are the only two locations within the Kansas City and St. Louis locality pay areas where police officers covered by schedule 983A are stationed.
- We have added the Buffalo, Phoenix, and Raleigh locality pay areas to schedule 999B. (Those areas are currently covered by schedule 999B because they are currently in the “Rest of U.S.” locality pay area, which schedule 999B covers.)
- We have also added the Phoenix locality pay area to schedule 983A.

IT employees stationed in Fannin County, TX, will be covered by schedule 999C, which covers the Dallas-Fort Worth, TX, locality pay area and which provides higher special rates than schedule 999B (which currently applies to them). Except for this situation, employees will not experience a change in their special rates as a result of the locality pay area changes described above. The new locality pay area definitions are available at <http://www.opm.gov/oca/payrates/index.asp>.

Additional Information

For additional information, agency Chief Human Capital Officers and/or Human Resources Directors should contact their assigned OPM Human Capital Officer. Employees should contact their agency human resources offices for assistance.

Thank you for your cooperation and assistance in conducting the 2005 annual review of special rates.

cc: Chief Human Capital Officers
Human Resources Directors

Attachment