



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

The Director

JAN 4 2008

**MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES**

**FROM:** LINDA M. SPRINGER   
Director

**SUBJECT:** 2007 Annual Review of Special Rates

The U.S. Office of Personnel Management (OPM) has completed the 2007 annual review of existing special rates authorized under 5 U.S.C. 5305. As a result, 248 special rate schedules will be increased in tandem with the 2.5 percent across-the-board General Schedule base pay increase effective on the first day of the first applicable pay period beginning on or after January 1, 2008 (January 6, 2008). The 248 special rate schedules cover approximately 47,000 employees. To view the 2008 special rate schedules or to find an individual special rate schedule by occupation and agency, please use OPM's Web application located at <http://apps.opm.gov/ssr/tables/index.cfm>.

**2007 Annual Review of Special Rates**

The annual review, which is conducted under 5 CFR 530.307, determines the amounts by which special rate schedules will be adjusted in January 2008. In conducting the annual review, we rely on the reviews conducted by agencies employing special rate employees. (See Memorandum for Chief Human Capital Officers, July 9, 2007, at <http://www.opm.gov/oca/compmemo/2007/2007-05.asp>.) Schedule adjustments result in a corresponding adjustment in each employee's special rate, as provided by 5 CFR 530.321-322.

**Terminated Special Rate Schedules and Special Rates**

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. The 2008 locality rates will increase by 2.84 to 4.49 percent (depending on location), while special rates are being increased by 2.5 percent. As a result, five special rate schedules will be terminated effective January 6, 2008, because higher locality rates apply at all steps of each covered grade. The termination of these special rates will not result in a loss of pay for covered employees. A listing of the five terminated special rate schedules is attached.

In addition, certain special rates will be terminated where the 2008 locality rates are higher at certain or all the steps of a grade. In some special rate schedules that cover multiple geographic areas or locality pay areas, certain geographic areas or locality pay areas will be 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 because 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 payable for level IV of the Executive Schedule (\$149,000 in 2008). As a result, effective in 2008, the payable special rates at the higher steps of grade GS-15 are capped at \$149,000 on special rate schedules 565 and 566 (Department of Defense air traffic controllers) and 576 (selected Patent and Trademark Office employees involved in patent examination).

### **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 2007 annual review of special rates.

cc: Chief Human Capital Officers  
Human Resources Directors

Attachment

**TERMINATED SPECIAL RATE SCHEDULES**

Table 275	Burlington and Camden, NJ, consumer safety specialist
Table 300	Atlanta, GA, psychologist
Table 402	Multi locations in NJ and PA, pharmacists
Table 405	Washington, DC locality pay area, medical records technician
Table 446	Atlantic, Camden, and Cumberland counties, NJ, internal revenue agent