



## UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

The Director

Friday, October 31, 1997

CPM 97-11

### MEMORANDUM FOR: Other Stakeholders

FROM: Donald J. Winstead, Assistant Director for Compensation Policy

Subject: Treasury and General Government Appropriations Act, 1998

This is to inform you of several compensation provisions resulting from the enactment of the Treasury and General Government Appropriations Act, 1998 (Public Law 105-61, October 10, 1997, 111 Stat. 1272). Unless otherwise noted below, these provisions became effective on Friday, October 10, 1997. (A continuing resolution kept the provisions of the previous fiscal year's appropriations act in force through October 9, 1997.)

- 
- Sunday Premium Pay
  - Nonforeign Area Cost-Of-Living Allowance
  - Physicians Comparability Allowance
  - Federal Wage System Schedule Adjustments
  - Executive Schedule Pay Adjustment
  - Other Provisions
  - Questions

---

### Sunday Premium Pay

Section 636 of the Act provides for a permanent restriction on the payment of Sunday premium pay for all employees Governmentwide who are paid from appropriated funds and who do not actually perform work on Sunday, including General Schedule and prevailing rate (wage) employees. (Under the 1997 Treasury/Postal appropriations act, the restriction on payment of Sunday premium pay was limited to employees in agencies whose funding was provided by the 1997 act.) Section 636 provides that the restriction applies to "any appropriation contained in this Act or any other Act for any fiscal year unless such employee actually performed work during the time corresponding to such premium pay." This provision has the effect of prohibiting the payment of Sunday premium pay to employees during any period when no work is performed, including holidays and periods of paid leave, excused absence with pay, compensatory time off, credit hours, or time off as an incentive or performance award.

The Office of Personnel Management will revise the current regulation in 5 CFR 550.171 which provides for payment of Sunday premium pay during periods of paid leave or excused absence. That regulation is superseded as of October 10, 1997, by section 636 of the 1998 Act and can no longer be used as authority to pay Sunday premium pay to employees during periods of paid leave or excused absence. In addition, OPM will revise its guidance on Sunday premium pay and periods of paid leave in the Operating Manuals for the Federal Wage System.

Section 636 of the Act does not ban the payment of night differential for periods when employees do not actually perform work. Therefore, effective on October 10, 1997, agencies whose appropriations are provided by the Treasury and General Government Appropriations Act, 1998, are no longer covered by an appropriations restriction on the payment of night pay differential. However, a limitation on the payment of night pay differential for more than 7 hours during periods of paid leave remains in effect for General Schedule and similar employees Governmentwide under 5 U.S.C. 5545(a).

### **Nonforeign Area Cost-Of-Living Allowance**

Section 515 of the Act extends by 2 years the bar on reducing nonforeign area cost-of-living allowances (COLAs) and the due date for the Office of Personnel Management's (OPM's) report to Congress on the COLA program. The due date for OPM's report is now March 1, 2000, and the bar on reductions remains in effect through December 31, 2000. This extension will allow OPM to include in its report the results of joint research currently being conducted under a memorandum of understanding between the Government and plaintiffs in various COLA-related lawsuits.

### **Physicians Comparability Allowance**

Section 517 of the Act amends 5 U.S.C. 5948 to extend the authority to enter into physicians comparability allowance (PCA) service agreements until September 30, 2000, and provides that no PCA service agreement may cover a period of service beyond September 30, 2002. The amendments made by section 517 became effective on October 10, 1997, the date of enactment of the Act. The previous authority to enter into service agreements expired on September 30, 1997, but existing agreements remained in effect under the continuing resolution as long as they covered a period of service that extended until October 10, 1997. (See 5 U.S.C. 5948(d).)

### **Federal Wage System Schedule Adjustments**

Section 614 of the Act places a limitation on pay increases for prevailing rate (wage) employees for fiscal year 1998. Wage schedules for wage employees are issued at various times during the year depending on the date a new wage survey begins in each individual wage area. Pay increases for wage employees will not exceed 2.88 percent, the sum of the General Schedule across-the-board percentage adjustment (2.3 percent) and the difference between the overall average percentage locality payments for General Schedule employees in fiscal year 1997 and fiscal year 1998 (0.58 percent). The issuance of certain wage schedules with effective dates in the early part of October has been delayed because the appropriations act was not signed until October 10, 1997. Any wage increases on such delayed schedules will be paid retroactively to the normal adjustment date for the wage area affected.

### **Executive Schedule Pay Adjustment**

The 1998 appropriations Act does not provide for a freeze of Executive Schedule rates of pay. Therefore, the annual rates of pay for the Executive Schedule will be adjusted in January 1998 in accordance with 5 U.S.C. 5318. (The rate of pay for each of the five pay levels will be increased by 2.3 percent and rounded to the nearest 100 dollars.) The President is expected to issue an Executive order later this year to implement the following 1998 Executive Schedule rates of pay:

<b>Executive Schedule</b>	<b>Annual Salary</b>
Level I	\$151,800
Level II	\$136,700
Level III	\$125,900
Level IV	\$118,400
Level V	\$110,700

### **Other Provisions**

The Act also contains provisions on overtime pay and other premium pay for officers in the United States Customs Service, pay for police officers of the Bureau of Engraving and Printing and the Bureau of the Mint, and pay for officers and members of the United States Secret Service Uniformed Division. Questions about these provisions should be directed to officials of the affected agencies.

### **Questions**

Except as noted above, questions about the changes described in this memorandum may be directed to OPM's Pay and Leave Administration Division at (202) 606-2858; FAX: (202) 606-0824; or email at [payleave@opm.gov](mailto:payleave@opm.gov).