



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

The Director

Thursday, March 28, 2019  
CPM 2019-13

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

FROM: MARGARET M. WEICHERT, ACTING DIRECTOR

Subject: Update to 2018 Annual Review of Special Rates

The U.S. Office of Personnel Management (OPM) is issuing an update to its December 28, 2018, Annual Review of Special Rates (Results) memorandum, [Compensation Policy Memorandum \(CPM\) 2018-21](#). An update is necessary because—

1. As explained in CPM 2018-21, OPM determined during its 2018 annual review of special rates that all existing special rate tables would receive the same January 2019 adjustment as for the base General Schedule (GS);
2. On December 28, 2018, OPM issued January 2019 special rate tables based on GS base rates not receiving an increase in January 2019, as provided in Executive Order (EO) 13856;
3. Subsequently, the President signed an additional pay EO implementing a retroactive pay adjustment for January 2019, as required by the Consolidated Appropriations Act, 2019; and
4. That EO authorizes a 1.4 percent across-the-board base GS increase.

OPM has updated the 2019 special rate tables to include the 1.4 percent increase in GS base rates. This update also reflects cases of special rates being superseded by higher applicable locality rates of pay resulting from the retroactive January 2019 locality pay increases. (The EO authorizes locality pay increases costing approximately 0.5 percent of basic payroll, as required by the Consolidated Appropriations Act, 2019.)

The updated 2019 special rate tables are posted on the OPM website at <https://apps.opm.gov/SpecialRates/Index.aspx> and are effective as of the first day of the first applicable pay period beginning on or after January 1, 2019 (January 6, 2019, based on the standard biweekly payroll cycle).

**Special Rates in Nonforeign Areas**

As explained in CPM 2018-21, for the 2018 annual review OPM reminded agencies of the results of our analysis of special rates in nonforeign areas during the 2012 annual review, and that special rates in nonforeign areas would be reexamined yearly as part of our overall annual review of special rates. During the 2018 annual review, no agencies requested termination of special rates or a pay adjustment different from the base GS increase for positions in nonforeign

areas. Accordingly, special rates in nonforeign areas will continue to include Nonforeign Area Retirement Equity Assurance Act of 2009 (NAREAA) additional adjustments. NAREAA additional adjustments including the 1.4-percent base GS increase are shown in Attachment 1.

### **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 (EX-IV), which is \$166,500 in 2019. Because of the EX-IV limitation, some GS-13, GS-14, and GS-15 special rates for 2019 are capped. Attachment 2 lists capped special rates.

### **Terminated Special Rates**

As explained in CPM 2018-21, special rates are terminated based on OPM's annual review of special rates when covered agencies report to OPM that applicable special rates are no longer necessary or when GS locality rates of pay exceed special rates at the same grade and step due to increases in locality pay percentages. (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 of pay under 5 U.S.C. 5304.) No agencies requested that a special rate table be entirely terminated in January 2019.

Note that, due to increases in applicable locality pay, six special rate tables will terminate effective on the first day of the first applicable pay period in January 2019. Those six tables are Special Rate Tables 0011, 0198, 0354, 0605, 0611, and 0627.

In addition, some special rate tables will have one or more pay rates that terminate when applicable 2019 locality rates of pay are higher due to January 2019 increases in locality pay percentages. In such cases, the special rate tables will not show a special rate at the affected grades and steps because higher locality pay rates apply. Also, for some special rate tables that cover multiple locations, certain locations will be removed from coverage because the 2019 locality rates in those locations are higher than the special rates at all grades and steps. Termination of special rates in these situations will not result in a loss of pay for covered employees because they will receive a higher locality rate of pay.

### **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 memorandum.

Attachment 1 - 2019 Additional Adjustments for Special Rate Tables in Nonforeign Areas (see 508-conformant PDF below)

Attachment 2 - Capped Special Rates in 2019 (see 508-conformant PDF below)

cc: Chief Human Capital Officers (CHCOs), Deputy CHCOs, and Human Resources Directors