



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

The Director

June 10, 2008

MEMORANDUM FOR CHIEF HUMAN CAPITAL OFFICERS

FROM: LINDA M. SPRINGER
DIRECTOR

A handwritten signature in blue ink, appearing to read "LMS", written over the printed name of Linda M. Springer.

SUBJECT: Consistent Compensation for Federal Civilians in Combat Zones

As the President's advisor on human capital issues for the Federal civilian workforce, the U.S. Office of Personnel Management (OPM) strongly urges Federal agencies to become informed of and take full advantage of the various compensation authorities available to civilian employees working in combat zones (i.e., Iraq and Afghanistan). For example, section 1603 of Public Law 109-234, June 15, 2006, grants Federal agencies discretion regarding the application of certain Foreign Service Act allowances, benefits, gratuities, and other compensation and leave flexibilities to their employees. This discretionary authority creates the potential for disparate treatment of civilian employees serving side-by-side in combat zones. We urge you to make every effort to eliminate any disparities or inconsistencies by considering and applying all available flexibilities to the maximum extent allowed and appropriate.

OPM is committed to ensuring that Federal agencies have the human resources authorities they need to attract and retain an effective civilian workforce deployed to combat zones in support of military operations. We are concerned that not all employees in combat zones have access to the same compensation, either by lack of statutory authority or as a result of the discretionary and inconsistent application of available authorities. While the Administration and Congress continue to work on statutory changes to provide a more standardized approach, we strongly urge agencies to become familiar with the various compensation authorities for civilian employees who serve on duty in a combat zone. We encourage you to review your agency's use of these authorities to ensure they are being applied consistently to all eligible employees.

Below is a brief list of some of the major authorities currently available to agencies that may help attract and retain Federal civilians in a combat zone.

- The National Defense Authorization Act for FY 2008 (NDAA) provides for a higher annual maximum limitation on premium pay. (See section 1101 of Public Law 110-181, January 28, 2008, and OPM's Memorandum for Heads of Executive Departments and Agencies, CPM 2008-04, February 1, 2008.)

- The Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006, allows agencies not otherwise covered by the Foreign Service Act to pay a death gratuity and certain allowances and benefits. (See section 1603 of Public Law 109-234, June 15, 2006.)
- The Department of State Standardized Regulations (DSSR) provide a number of important compensation entitlements, such as danger pay and hardship differentials.
- OPM regulations give agencies the discretionary authority to provide recruitment, relocation, and retention incentive payments (of as much as 25 to 100 percent of basic pay, in some cases) to address difficulties in recruiting or retaining employees in combat zones. (See 5 CFR part 575, subparts A, B, and C.)
- Under the administration of the Department of Labor's Office of Workers' Compensation Programs (OWCP), the United States is authorized to pay up to \$100,000 to the survivor of "an employee who dies of injuries incurred in connection with the employee's service with an Armed Force in a contingency operation." (See 5 U.S.C. 8102a, as amended by section 1105 of the NDAA.)
- Agencies have the ability to offer time off awards. (See 5 U.S.C. 4502(e).)
- Agencies have the authority under the DSSR to provide travel benefits for rest and recuperation equivalent to one trip every 6 months and after 90 days in the country.
- Agencies have the authority to grant administrative leave (i.e., excused absence with pay and without charge to leave). For example, the Department of State has established a policy that permits its employees to receive up to 20 days of administrative leave (for a 1-year tour) per calendar year for use on authorized rest and recuperation breaks.

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 office for assistance.

cc: Human Resources Directors