

Type of deduction	How to Compute the deduction
(d) Federal income tax withholdings .....	<p>Compute the deduction based on adjusted gross back pay (gross back pay less the offset for outside earnings under § 550.805(e)(1), but before adding interest) less any part of back pay not subject to income tax deductions, such as non-foreign area cost-of-living allowances and contributions to the Thrift Savings Plan that are deducted from the pay of the employee. The deduction may be reduced dollar-for-dollar by the amount of any Federal income taxes withheld from erroneous payments made in the same calendar year as the back pay award, but only if—</p> <p>(1) Those erroneous payments were actually recovered by the Government by offsetting the back pay award as provided in § 550.805(e)(2); and</p> <p>(2) Those withheld taxes have not already been repaid to the employee.</p> <p>Note: Additional Federal income tax withholdings from the interest portion of the back pay award may be required by the Internal Revenue Service in certain specific circumstances.</p>

[64 FR 69179, Dec. 10, 1999]

**Subpart I—Pay for Duty Involving Physical Hardship or Hazard**

AUTHORITY: 5 U.S.C. 5545(d), 5548(b).

**§ 550.901 Purpose.**

This subpart prescribes the regulations required by sections 5545(d) and 5548(b) of title 5, United States Code, for the payment of differentials for duty involving unusual physical hardship or hazard to employees.

[56 FR 20344, May 3, 1991]

**§ 550.902 Definitions.**

In this subpart: *Agency* has the meaning given that term in 5 U.S.C. 5102(a)(1).

*Duty involving physical hardship* means duty that may not in itself be hazardous, but causes extreme physical discomfort or distress and is not adequately alleviated by protective or mechanical devices, such as duty involving exposure to extreme temperatures for a long period of time, arduous physical exertion, or exposure to fumes, dust, or noise that causes nausea, skin, eye, ear, or nose irritation.

*Employee* means an employee covered by the General Schedule (i.e., covered by chapter 51 and subchapter III of chapter 53 of title 5, United States Code).

*Hazardous duty* means duty performed under circumstances in which an accident could result in serious injury or death, such as duty performed

on a high structure where protective facilities are not used or on an open structure where adverse conditions such as darkness, lightning, steady rain, or high wind velocity exist.

*Hazard pay differential* means additional pay for the performance of hazardous duty or duty involving physical hardship.

*Head of an agency* means the head of an agency or an official who has been delegated the authority to act for the head of the agency in the matter concerned.

[56 FR 20344, May 3, 1991, as amended at 59 FR 33416, June 29, 1994; 64 FR 69179, Dec. 10, 1999]

**§ 550.903 Establishment of hazard pay differentials.**

(a) A schedule of hazard pay differentials, the hazardous duties or duties involving physical hardship for which they are payable, and the period during which they are payable is set out as appendix A to this subpart and incorporated in and made a part of this section.

(b) Amendments to appendix A of this subpart may be made by OPM on its own motion or at the request of the head of an agency (or authorized designee). The head of an agency (or authorized designee) may recommend the rate of hazard pay differential to be established and must submit, with its request for an amendment, information about the hazardous duty or duty involving physical hardship showing—

- (1) The nature of the duty;