



## ***Benefits Administration Letter***

Number 10 - 102

Date: April 9, 2010

### **Subject: Non-foreign Area Retirement Equity Assurance (NAREA)**

**Purpose:** The purpose of this Benefits Administration Letter (BAL) is to provide general guidance concerning the Non-foreign Area Retirement Equity Assurance (NAREA) provision of the National Defense Authorization Act for Fiscal Year 2010, Public Law 111-84, signed on October 28, 2009.

**Background:** Approximately 41,000 federal employees working outside the contiguous 48 states receive Cost of Living Allowances (COLAs), which compensate for the higher cost of living. Federal employees working within the contiguous United States, however, receive locality-based comparability payments (locality pay). The difference between COLAs and locality pay is that COLAs are not subject to federal income or payroll taxes. Locality Pay is taxed. COLAs are not included in basic pay for the calculation of retirement benefits while locality pay is included. Therefore, individuals receiving COLAs are at a disadvantage at retirement.

Under NAREA, employees working in non-foreign areas will start receiving locality pay in lieu of COLAs. The transition from COLAs to locality pay is being phased in over a three-year period beginning in 2010. In 2010, NAREA set locality pay at the Rest of U.S. (RUS) locality pay rate for all the non-foreign areas. Under the three-year phase in requirement, in 2010, employees in all the non-foreign areas are receiving 4.72% locality pay (one-third the 14.16% locality pay for RUS). The COLA they receive is reduced by 65% of the locality pay received. By 2012, employees working in non-foreign areas will be receiving the full locality pay.

Employees who separate for immediate retirement between January 3, 2010, and December 31, 2012, are permitted under NAREA to elect to credit a portion of their COLA in 2010 and 2011 as basic pay for retirement purposes. The employees must pay retirement deductions on the portion of the COLA that is being credited as basic pay, and the employing agency must pay employer contributions on the "basic pay" portion of the COLA. For 2010, the portion of the COLA that may be credited as basic pay for retirement purposes equals the difference between the basic pay plus locality rate for RUS and the basic pay plus locality rate for employees in the non-foreign area.

Employees who want to elect to credit a portion of their COLA as basic pay for retirement must submit their election to their employing agency at the time they separate for retirement. Agency benefits staff should ensure that all eligible employees are advised of this election opportunity before they retire and should provide those employees with annuity estimates showing the effect the higher basic pay rates would have on the annuity.

If the employee submits an election to credit the COLA as basic pay, the agency must process the election. Steps for processing the election are listed in the “Agency Responsibilities” section below. Information relating to the employee’s deposit should be documented on a supplemental Individual Retirement Record (IRR).

If the employee’s election has not been processed before the employee’s retirement application package is ready to be sent to OPM, the agency should not delay forwarding the application package to OPM. Agencies should include a flag (attachment 1) with the retirement application package and mark the box “Supplemental IRR is Forthcoming.” If the processing of the election is completed before the application package is ready to be sent to OPM, the agency should attach the flag and mark the “Supplemental IRR Attached” box, and include the Supplemental IRR with the application package that is forwarded to OPM.

**General Guidance for Agencies:** The following is general guidance for the NAREA provision. Please use this guidance in determining an employee’s eligibility to elect to make a deposit to receive retirement credit as if they have received the full locality pay.

Eligibility to make deposit (employee must meet all of the following requirements):

- Employee works outside the contiguous 48 states in a non foreign area defined in 5 CFR 591.205;
- Employee separates from service for retirement from 01/03/2010 through 12/31/2012
  - An employee who resigns with title to a deferred annuity **is not** “separated from service by reason of retirement,” but has simply resigned. Accordingly, such individuals do not qualify.
  - An employee who retires on a FERS MRA+10 (minimum retirement age with 10 years of service) but elects to delay commencement of annuity payments, **is** “separated from service by reason of retirement” and thus entitled to make the election.
- Employee receives phased in locality pay

Agency Responsibilities:

- Provide the employee with two retirement benefit estimates
  - One with the deposit paid and full locality pay used for determining the high-3 average salary
  - One without the deposit paid and the phased in locality pay used for determining the high-3 average salary
- Accept completed deposit application as election to make the deposit
- Request signed statement of decision electing NOT to make the deposit
- Compute the employee deposit amount
- Compute the agency contribution amount
- Notify the employee of the amount due and where to send the payment
- Accept payment(s) from employee
- Submit employee deposit and agency contribution funds to OPM
- Submit the employee retirement package with Flag (Attachment 1) attached to the top of the package

### Employee Responsibilities:

- Elect to make a deposit under NAREA at retirement (This election cannot be made by an employee that is still employed.)
- Complete the Application to Make Deposit or Redeposit, SF 2803 (CSRS) or SF 3108 (FERS). Show the dates (01/03/2010 through the date of separation for retirement or through 12/31/2011, whichever is earlier) covered by the deposit in the space in the middle of the form then add this statement to the application, **“I elect to pay the deposit necessary to obtain credit for the full Locality Pay rate under NAREA in computing my retirement benefits. I understand that the entire deposit must be paid to my agency at separation for retirement and if I do not complete the deposit at that time, the full Locality Pay rate will not be used to compute my annuity.”**
- Submit the application to their current agency
- Pay the deposit to the agency upon receiving the amount due

### Deposit Formula:

- An employee will pay into the fund an amount equal to the difference between:
  - The employee contribution that would have been deducted and withheld from their pay if the full RUS Locality pay had been used and
  - The employee contributions that were actually deducted and withheld
- Plus interest as outlined under Section 8334(e) in title 5, United States Code
- The agency will also submit their share into the fund
  - CSRS agency share contributions are the same as the employee
  - FERS agency share contributions can be found in BAL 07-304 (<http://www.opm.gov/retire/pubs/bals/2007/07-304.pdf>)
  - Agency shares are subject to change. Changes are announced through a notice in the Federal Register. BALs, also, are issued to announce the changes.

The worksheet provided in Attachment 2 provides the formula for calculating the additional deduction/contribution required for the employee and agency deposits. Tables A-1 and A-2 provide the hourly difference between the full locality pay and the partial locality needed for the worksheet calculation. Actual examples for CSRS and FERS calculations of the deposit due by the employee and the agency are provided in Attachments 3 and 4.

**Table A-1:** 2010 Salary Table-GS that provides the dollar difference for the year and hourly between a 14.16% locality rate and the phased in 4.72%

**Table A-2:** 2010 Salary Table for LEOs and Special Rate Tables 612H and 612P that provides the dollar difference for the year and hourly between a 14.16% locality rate and the phased in 4.72%

Agencies with their own pay authorities, such as FAA, VA and DOD would have to calculate the deposit based on the difference between their 2010 salary tables with the 4.72% locality pay and the full locality pay of 14.16%.

Interest for NAREA deposits accrues **annually** and is charged at the variable interest rate, compounded annually on December 31 of each year. The variable interest rate for 2010 is 3.125%. For employees, retiring in 2010, if the full amount is paid prior to December 31, 2010, there will be no interest due.

Employees retiring in 2011 and 2012 will be required to pay interest. Additional guidance will be provided for the interest formula in a later BAL.

Submission of funds to OPM

- Prepare a Supplemental Individual Retirement Record (IRR) (SF 2806-CSRS or SF 3100-FERS).
- Post the deposit amount paid as contributions
- Post the **full** Locality Pay (14.16%) salary in the service history portion of the Supplemental IRR as this salary will now be used in the computation of the retirement benefits
- Note the following on the Supplemental IRR, **“NAREA Deposit, New Pay rates and Additional Contributions for retirement benefit processing”** (See Attachment 4-CSRS and Attachment 5-FERS)

We have provided this explanation of NAREA for processing elections to make the deposit and receive retirement credit as if they have received the full locality pay for 2010. If you have additional questions or need clarification, please contact Sharon Appel at (724) 794-2005 ext 3127 or by email at Sharon.Appel@opm.gov. Additional information for computing the deposits for retirements occurring in 2011 and 2012 will be provided later this year.

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Retirement and Benefits

# NAREA Case

(Non-foreign Area Retirement Equity Assurance)

Employee has elected to make the deposit to receive retirement credit as if they had received the full locality pay

- Supplemental IRR Attached
- Supplemental IRR is forthcoming

Attachment 2: **Employee Name:** \_\_\_\_\_

**Retirement Plan:** \_\_\_\_\_

**Employee Retirement Deductions for Pay Year:** \_\_\_\_\_

A Period	B Grade/ Step	C Difference in Hourly rate from Table A	D Times 80 hours	E Difference in Pay per Pay Period	F Times Employee Deduction rate	G Difference in Employee Deductions per Pay Period	H Times Number of Pay Periods	I Additional Employee Deductions Owed
J. Total for Year								
K. Additional Interest Owed								
L. Total Employee Deductions and Interest								

**Agency Contributions for Pay Year:** \_\_\_\_\_

A Period	B Grade/ Step	C Difference in Hourly rate from Table A	D Times 80 hours	E Difference in Pay per Pay Period	F Times Agency Contribution Rate	G Difference in Employee Deductions per Pay Period	H Times Number of Pay Periods	I Additional Agency Contributions Owed
Total for Year								

## Attachment 3- CSRS and FERS Examples

### ***CSRS Example***

Robert Abbott retired on August 3, 2010, and submitted an application to pay the deposit to receive credit for a portion of his COLA for retirement purposes. Robert worked in Alaska at the GS 10-1 level from May 10, 2009 to May 8, 2010, and then at the GS 10-2 level from May 9, 2010, to August 3, 2010. Beginning January 3, 2010, he started receiving a portion of the RUS locality pay and his basic pay rate with locality pay was \$47,931. On May 9, 2010, his basic pay rate with locality pay was increased because of a within grade increase to \$49,529. He also continued to receive a reduced COLA throughout 2010. By electing to pay a deposit for a portion of his COLA, the GS 10-1 rate for RUS (\$52,252) and the GS 10-2 rate for RUS (\$53,994) will be used in the computation of his high-3 average pay in lieu of the \$47,931 and \$49,529 basic pay rates. The deposit he must pay for this benefit and the additional contribution his agency must pay for his election can be computed on the attached worksheet as follows:

#### Employee Deductions for Pay Year 2010

- Enter the period Mr. Abbott worked under the GS 10-1 rate while receiving the phased-in locality pay – January 3, 2010, to May 8, 2010 – and the grade and step in Columns A and B.
- Enter the hourly rate listed for a GS 10-1 from Table A-1 in Column C. This rate represents the difference between the hourly rate, including locality pay, for a GS 10/1 in RUS and the hour rate, including locality pay, for a GS 10/1 in Alaska. Had Mr. Abbott been receiving basic pay at the higher salary rates for law enforcement officers, the hourly rate from Table A-2 would have been used.
- Enter the amount of hours Mr. Abbott worked per pay period in Column D. Mr. Abbott’s work schedule was full-time and worked 80 hours a pay period.
- Multiply the value in Column C by the value in Column D and enter the result in Column E. This result is the difference between the basic pay Mr. Abbott would receive by including a portion of his COLA as basic pay and the basic pay without the COLA credit, on a pay period basis.
- Enter the appropriate retirement deduction rate for Mr. Abbott in Column F. Mr Abbott is covered under CSRS (retirement plan 1) and the deduction rate is 7 percent.
- Multiply the value in Column E by the value in Column F and enter the result in Column G. The result equals the additional deductions per pay period that Mr. Abbott must pay to credit a portion of his COLA as basic pay.
- Enter the number of pay periods Mr. Abbott worked at the GS 10-1 pay rate in Column H.
- Multiply the value in Column G by the value in Column H and enter the result in Column I. The result equals the additional deductions Mr. Abbott owes for the period of time he worked at the GS 10-1 rate.

- Repeat these steps for each additional pay rate the employee is paid during the period of the deposit. For Mr. Abbott, he had just one additional pay rate. Two separate entries are shown for that additional rate. One entry covers the amount of complete pay periods Mr. Abbott worked at the GS 10-2 rate between May 9, 2010 and July 31, 2010. The second entry captures the information for the pay period in which he retired. A separate entry was made for that final pay period because Mr. Abbott did not work a complete pay period. His August 3, 2010 retirement occurred on the second day of the pay period and he only worked 16 hours during that pay period.
- Total all the values in Column I and enter the result in Row J.
- If interest were required a separate calculation would be needed to compute the interest and the result would be entered in Row K. In this example, no interest is owed because Mr. Abbott pays the deposit before December 31, 2010.
- Enter the total employee deductions and interest the employee must pay for crediting a portion of his COLA as basic pay in Row L.

#### Agency Contributions for Pay Year 2010

The steps for computing the amount of agency contributions the agency must pay to the Civil Service Retirement and Disability Fund if the employee elects to credit a portion of the COLA as basic pay are the same as the steps used in computing the amount the employee must pay as described above. There are two differences however, between the agency contributions calculation and the employee deduction calculation. First, the agency does not have to pay interest. Second, the agency contribution rate for the retirement plan in Column F may differ from the employee deduction rate used in computing the amount of the employee deposit. The agency contribution rate for employees covered under CSRS (retirement plan code 1) and CSRS Offset (retirement plan code C) is 7 percent. The agency contribution rate for law enforcement officers covered under CSRS-Special (retirement plan code 6) or CSRS Offset-Special (retirement plan code E) is 7.5 percent.

#### ***FERS Example***

Alexander Richman retired on August 3, 2010, and submitted an application to pay the deposit to receive credit for a portion of his COLA for retirement purposes. Mr. Richman worked in Hawaii at the GS 10-1 level from May 10, 2009 to May 8, 2010, and then at the GS 10-2 level from May 9, 2010, to August 31, 2010. Beginning January 3, 2010, he started receiving a portion of the RUS locality pay and his basic pay rate with locality pay was \$47,931. On May 9, 2010, his basic pay rate with locality pay was increased because of a within grade increase to \$49,529. He also continued to receive a reduced COLA throughout 2010. By electing to pay a deposit for a portion of his COLA, the GS 10-1 rate for RUS (\$52,252) and the GS 10-2 rate for RUS (\$53,994) will be used in the computation of his high-3 average pay in lieu of the \$47,931 and \$49,529 basic pay rates. The deposit he must pay for this benefit and the additional contribution his agency must pay for his election can be computed on the attached worksheet as follows:

#### Employee Deductions for Pay Year 2010



- Enter the period Mr. Richman worked under the GS 10-1 rate while receiving the phased-in locality pay – January 3, 2010, to May 8, 2010 – and the grade and step in Columns A and B.
- Enter the hourly rate listed for a GS 10-1 from Table A-1 in Column C. This rate represents the difference between the hourly rate, including locality pay, for a GS 10/1 in RUS and the hour rate, including locality pay, for a GS 10/1 in Alaska. Had Mr. Richman been receiving basic pay at the higher salary rates for law enforcement officers, the hourly rate from Table A-2 would have been used.
- Enter the amount of hours Mr. Richman worked per pay period in Column D. Mr. Richman’s work schedule was full-time and worked 80 hours a pay period.
- Multiply the value in Column C by the value in Column D and enter the result in Column E. This result is the difference between the basic pay Mr. Richman would receive by including a portion of his COLA as basic pay and the basic pay without the COLA credit, on a pay period basis.
- Enter the appropriate retirement deduction rate for Mr. Richman in Column F. Mr Richman is covered under FERS (retirement plan K) and the deduction rate is 0.8 percent.
- Multiply the value in Column E by the value in Column F and enter the result in Column G. The result equals the additional deductions per pay period that Mr. Richman must pay to credit a portion of his COLA as basic pay.
- Enter the number of pay periods Mr. Richman worked at the GS 10-1 pay rate in Column H.
- Multiply the value in Column G by the value in Column H and enter the result in Column I. The result equals the additional deductions Mr. Richman owes for the period of time he worked at the GS 10-1 rate.
- Repeat these steps for each additional pay rate the employee is paid during the period of the deposit. For Mr. Richman, he had just one additional pay rate. Two separate entries are shown for that additional rate. One entry covers the amount of complete pay periods Mr. Richman worked at the GS 10-2 rate between May 9, 2010 and August 28, 2010. The second entry captures the information for the pay period in which he retired. A separate entry was made for that final pay period because Mr. Richman did not work a complete pay period. His August 31, 2010, retirement occurred on the second day of the pay period and he only worked 16 hours during that pay period.
- Total all the values in Column I and enter the result in Row J.
- If interest were required a separate calculation would be needed to compute the interest and the result would be entered in Row K. In this example, no interest is owed because Mr. Richman pays the deposit before December 31, 2010.
- Enter the total employee deductions and interest the employee must pay for crediting a portion of his COLA as basic pay in Row L.

#### Agency Contributions for Pay Year 2010

The steps for computing the amount of agency contributions the agency must pay to the Civil Service Retirement and Disability Fund if the employee elects to credit a portion of the COLA as basic pay are the same as the steps used in computing the amount the employee must pay as described above. There are two differences however, between the agency contributions calculation and the

employee deduction calculation. First, the agency does not have to pay interest. Second, the agency contribution rate for the retirement plan in Column F will differ from the employee deduction rate used in computing the amount of the employee deposit. The current agency contribution rate for employees covered under FERS (retirement plan code K) is 11.2 percent. The current agency contribution rate for law enforcement officers covered under FERS-Special (retirement plan code M) is 24.9percent. The current agency contribution rate for all FERS employees can be found in BAL 07-304, (<http://www.opm.gov/retire/pubs/bals/2007/07-304.pdf>).

Employee Name: Robert Abbott

Retirement Plan: CSRS (1)

Employee Deductions for Pay Year: 2010

A Period	B Grade/ Step	C Difference in Hourly rate from Table A	D Times 80 hours	E Difference in Pay per Pay Period	F Times Employee Deduction rate	G Difference in Employee Deductions per Pay Period	H Times Number of Pay Periods	I Additional Employee Deductions Owed
01/03/2010 to 5/08/2010	10/1	\$2.07	x 80 =	\$165.60	x 7% =	\$11.59	9	\$104.31
5/09/2010 to 7/31/2010	10/2	\$2.14	x 80 =	\$171.20	x 7% =	\$11.98	6	\$71.88
8/1/2010 to 8/3/2010	10/2	\$2.14	x 16* =	\$34.24	x 7%	\$2.40	1	\$2.40
<b>J. Total for Year</b>								\$178.59
<b>K. Additional Interest Owed:</b>								\$0.00
<b>L. Total Employee Deductions and Interest:</b>								\$178.59

\*Employee worked 16 hours in final pay period

Agency Contributions for Pay Year: 2010

A Period	B Grade/ Step	C Difference in Hourly rate from Table A	D Times 80 hours	E Difference in Pay per Pay Period	F Times Agency Contribution Rate	G Difference in Employee Deductions per Pay Period	H Times Number of Pay Periods	I Additional Agency Contributions Owed
01/03/2010 to 5/08/2010	10/1	\$2.07	x 80 =	\$165.60	x 7% =	\$11.59	9	\$104.31
5/09/2010 to 7/31/2010	10/2	\$2.14	x 80 =	\$171.20	x 7% =	\$11.98	6	\$71.88
8/1/2010 to 8/3/2010	10/2	\$2.14	x 16* =	\$34.24	x 7%	\$2.40	1	\$2.40
Total for Year								\$178.59

Employee Name: Alexander Richman

Retirement Plan: FERS (K)

Employee Deductions for Pay Year: 2010

A Period	B Grade/ Step	C Difference in Hourly rate from Table A	D Times 80 hours	E Difference in Pay per Pay Period	F Times Employee Deduction rate	G Difference in Employee Deductions per Pay Period	H Times Number of Pay Periods	I Additional Employee Deductions Owed
01/03/2010 to 5/08/2010	10/1	\$2.07	x 80 =	\$165.60	x 0.8% =	\$1.32	9	\$11.88
5/09/2010 to 8/28/2010	10/2	\$2.14	x 80 =	\$171.20	x 0.8% =	\$1.37	6	\$8.22
8/29/2010 to 8/31/2010	10/2	\$2.14	x 16* =	\$34.24	x 0.8%	\$2.40	1	\$0.27
<b>J. Total for Year</b>								\$20.37
<b>K. Additional Interest Owed:</b>								\$0.00
<b>L. Total Employee Deductions and Interest:</b>								\$20.37

\*Employee worked 16 hours in final pay period

Agency Contributions for Pay Year: 2010

A Period	B Grade/ Step	C Difference in Hourly rate from Table A	D Times 80 hours	E Difference in Pay per Pay Period	F Times Agency Contribution Rate	G Difference in Employee Deductions per Pay Period	H Times Number of Pay Periods	I Additional Agency Contributions Owed
01/03/2010 to 5/08/2010	10/1	\$2.07	x 80 =	\$165.60	x 11.2% =	\$18.55	9	\$166.95
5/09/2010 to 8/28/2010	10/2	\$2.14	x 80 =	\$171.20	x 11.2% =	\$19.17	6	\$115.02
8/29/2010 to 8/31/2010	10/2	\$2.14	x 16* =	\$34.24	x 11.2%	\$3.83	1	\$3.83
Total for Year								\$285.80

**TABLE A-1**

Table A-1 reflects the differences in the 2010 hourly rates between one-third of the Rest of US (RUS) locality pay rate and the full RUS rate. This table is derived from the hourly salary rates located in the following tables:

- Salary Table 2010-RUS Incorporating the 1.50% General Schedule Increase and a Locality Payment of 14.16% for the Locality Area of Rest of U.S  
([http://www.opm.gov/oca/10tables/html/RUS\\_h.asp](http://www.opm.gov/oca/10tables/html/RUS_h.asp))
- Salary Table 2010-AK Incorporating the 1.50% General Schedule Increase and a Locality Payment of 4.72% for the State of Alaska  
([http://www.opm.gov/oca/10tables/html/ak\\_h.asp](http://www.opm.gov/oca/10tables/html/ak_h.asp))
- Salary Table 2010-HI Incorporating the 1.50% General Schedule Increase and a Locality Payment of 4.72% for the State of Hawaii  
([http://www.opm.gov/oca/10tables/html/hi\\_h.asp](http://www.opm.gov/oca/10tables/html/hi_h.asp))
- Salary Table 2010-ON Incorporating the 1.50% General Schedule Increase and a Locality Payment of 4.72% for other Nonforeign Areas as Defined in 5 CFR Part 591  
([http://www.opm.gov/oca/10tables/html/on\\_h.asp](http://www.opm.gov/oca/10tables/html/on_h.asp))

<b>Table A-1 - Difference Between 2010-RUS Hourly Rates (With Locality Payment of 14.16%) and 2010-AK/HI/ON Hourly Rates (With Locality Payment of 4.72%)</b>										
<b>GS</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>	<b>Step 9</b>	<b>Step 10</b>
<b>1</b>	0.81	0.83	0.86	0.89	0.91	0.92	0.95	0.98	0.98	1.01
<b>2</b>	0.91	0.93	0.95	0.98	0.99	1.03	1.05	1.08	1.11	1.14
<b>3</b>	0.99	1.02	1.05	1.09	1.12	1.15	1.19	1.21	1.25	1.28
<b>4</b>	1.11	1.15	1.19	1.22	1.26	1.30	1.33	1.37	1.41	1.44
<b>5</b>	1.24	1.29	1.32	1.36	1.40	1.44	1.48	1.53	1.57	1.61
<b>6</b>	1.39	1.43	1.47	1.52	1.57	1.61	1.66	1.71	1.75	1.80
<b>7</b>	1.54	1.59	1.64	1.69	1.75	1.80	1.85	1.89	1.94	1.99
<b>8</b>	1.70	1.76	1.82	1.87	1.93	1.98	2.04	2.10	2.15	2.21
<b>9</b>	1.88	1.94	2.00	2.07	2.14	2.19	2.26	2.32	2.39	2.44
<b>10</b>	2.07	2.14	2.21	2.28	2.35	2.41	2.49	2.55	2.62	2.69
<b>11</b>	2.28	2.35	2.43	2.50	2.57	2.65	2.73	2.80	2.88	2.96
<b>12</b>	2.73	2.82	2.91	3.00	3.09	3.18	3.27	3.36	3.45	3.54
<b>13</b>	3.25	3.35	3.46	3.57	3.67	3.78	3.89	3.99	4.11	4.22
<b>14</b>	3.83	3.95	4.09	4.21	4.35	4.47	4.60	4.73	4.85	4.98
<b>15</b>	4.51	4.65	4.81	4.96	5.10	5.26	5.41	5.55	5.71	5.86

**TABLE A-2**

Table A-2 reflects the differences in the 2010 hourly rates between one-third of the Rest of US (RUS) locality pay rate (LEO) and the full RUS rate for law enforcement officers (LEO). This table is derived from the hourly salary rates located in the following tables:

- Salary Table 2010-RUS (LEO) Incorporating the 1.50% General Schedule Increase and a Locality Payment of 14.16% for the Locality Area of Rest of U.S.  
([http://www.opm.gov/oca/10tables/html/RUS\\_leo\\_h.asp](http://www.opm.gov/oca/10tables/html/RUS_leo_h.asp))
- Salary Table 2010-AK (LEO) Incorporating the 1.50% General Schedule Increase and a Locality Payment of 4.72% for the State of Alaska  
([http://www.opm.gov/oca/10tables/html/ak\\_leo\\_h.asp](http://www.opm.gov/oca/10tables/html/ak_leo_h.asp))
- Salary Table 2010-HI (LEO) Incorporating the 1.50% General Schedule Increase and a Locality Payment of 4.72% for the State of Hawaii  
([http://www.opm.gov/oca/10tables/html/hi\\_leo\\_h.asp](http://www.opm.gov/oca/10tables/html/hi_leo_h.asp))
- Salary Table 2010-ON (LEO) Incorporating the 1.50% General Schedule Increase and a Locality Payment of 4.72% for other Nonforeign Areas as Defined in 5 CFR Part 591  
([http://www.opm.gov/oca/10tables/html/on\\_leo\\_h.asp](http://www.opm.gov/oca/10tables/html/on_leo_h.asp))

<b>Table A-2 - Difference Between 2010-RUS (LEO) Hourly Rates (With Locality Payment of 14.16%) and 2010-AK/HI/ON (LEO) Hourly Rates (With Locality Payment of 4.72%)</b>										
<b>GS</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>	<b>Step 9</b>	<b>Step 10</b>
<b>1</b>	0.81	0.83	0.86	0.89	0.91	0.92	0.95	0.98	0.98	1.01
<b>2</b>	0.91	0.93	0.95	0.98	0.99	1.03	1.05	1.08	1.11	1.14
<b>3</b>	1.19	1.21	1.25	1.28	1.32	1.35	1.39	1.41	1.45	1.48
<b>4</b>	1.33	1.37	1.41	1.44	1.48	1.52	1.55	1.59	1.63	1.66
<b>5</b>	1.53	1.57	1.61	1.65	1.69	1.73	1.77	1.82	1.86	1.90
<b>6</b>	1.61	1.66	1.71	1.75	1.80	1.84	1.89	1.93	1.98	2.03
<b>7</b>	1.75	1.80	1.85	1.89	1.94	1.99	2.04	2.1	2.15	2.20
<b>8</b>	1.82	1.87	1.93	1.98	2.04	2.10	2.15	2.21	2.27	2.33
<b>9</b>	1.94	2.00	2.07	2.14	2.19	2.26	2.32	2.39	2.44	2.51
<b>10</b>	2.14	2.21	2.28	2.35	2.41	2.49	2.55	2.62	2.69	2.76
<b>11</b>	2.28	2.35	2.43	2.50	2.57	2.65	2.73	2.80	2.88	2.96
<b>12</b>	2.73	2.82	2.91	3.00	3.09	3.18	3.27	3.36	3.45	3.54
<b>13</b>	3.25	3.35	3.46	3.57	3.67	3.78	3.89	3.99	4.11	4.22
<b>14</b>	3.83	3.95	4.09	4.21	4.35	4.47	4.60	4.73	4.85	4.98
<b>15</b>	4.51	4.65	4.81	4.96	5.10	5.26	5.41	5.55	5.71	5.86

**Attachment 4- CSRS Supplemental IRR example**

**SUPPLEMENTAL**

LAST NAME	FIRST NAME	MIDDLE NAME	Date of Birth			Social Security Number			Agency	Payroll Office	Location	Payroll Office No		
1. <b>ABBOTT, Robert</b> 2 3 4  (RECORD EACH NAME CHANGE-STRIKE OUT PREVIOUS NAME)			Monthly	Day	Year									
			<b>CSRS</b>											

Service History					FISCAL RECORD			
Effective Date	Action	Base Pay	Do Not Use	Remarks	Year	Calendar Year Salary Deductions	Accumulated Salary Deductions	Remarks
1	2	3		4	5	6	7	8
01/03/10	Pay adjustment	GS 10/1 \$52252		<b>NAREA DEPOSIT</b>	<b>2010</b>	<b>\$178.59</b>	<b>\$178.59</b>	
05/06/10	WIGI	GS 10/2 \$53994		<b>New pay rates and</b>				
08/03/10	Retirement			<b>additional contributions</b>				
				<b>for retirement benefits</b>				
				<b>processing</b>				
					<b>Deductions and Service History Certified Correct</b>			
						<i>Agency Official</i>		
						<i>Agency Office</i>		

Standard Form 2806 Previous edition usable

**INDIVIDUAL RETIREMENT RECORD**  
(Civil Service Retirement System)

U.S. OFFICE OF PERSONNEL MANAGEMENT  
F.P.M. SUPPLEMENT 831-1

**Attachment 5- FERS Supplemental IRR Example**

Retirement and Benefits  
*Quality Benefits for the Federal Family*

**SUPPLEMENTAL**

LAST NAME	FIRST NAME	MIDDLE NAME	Date of Birth			Social Security Number			Agency	Payroll Office	Location	Payroll Office No
			Monthly	Day	Year							
1. RICHMAN, Alexander												
2			<b>FERS</b>									
3												
4												
(RECORD EACH NAME CHANGE-STRIKE OUT PREVIOUS NAME)												

Service History						FISCAL RECORD			
Effective Date	Action	Base Pay		Do Not Use	Remarks	Year	Calendar Year Salary Deductions	Accumulated Salary Deductions	Remarks
1	2	3			4	5	6	7	8
01/03/10	Pay Adjustment	GS 10/1	\$52252		<b>NAREA DEPOSIT</b>	<b>2010</b>	<b>\$20.37</b>	<b>\$20.37</b>	
05/06/10	WIGI	GS 10/2	\$53994		<b>New Pay Rates and</b>				
08/03/10	Retirement				<b>Addtl Contributions</b>				
					<b>for Retirement Benefit</b>				
					<b>Processing</b>				
						<b>Deductions and Service History Certified Correct</b>			
							<i>Agency Official</i>		
							<i>Agency Office</i>		

Register of Separations Number (SF 3103)

U.S. Office of Personnel Management  
5 CFR 841

**INDIVIDUAL RETIREMENT RECORD**  
(Federal Employees Retirement System)

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