



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

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The Director

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: LINDA M. SPRINGER 
Director

SUBJECT: Draft January 2008 Salary Tables

The U.S. Office of Personnel Management (OPM) is posting **draft** 2008 salary tables on OPM's Website at <http://www.opm.gov/oca/08tables/index.asp>. We anticipate the President will issue an Executive order later this year to implement the 2008 pay rates. We will issue a separate memorandum confirming the final 2008 salary tables after the President signs the Executive order.

Alternative Plan

Under the authority of 5 U.S.C. 5304a, the President has transmitted to Congress an alternative plan for locality pay adjustments affecting General Schedule (GS) employees in January 2008. (See Attachment 1.) The President's alternative plan results in an overall pay adjustment of 3.0 percent. Of the 3.0 percent average increase, 2.5 percent is allocated as an across-the-board increase for the General Schedule under 5 U.S.C. 5303. The alternative plan provides the remaining 0.5 percent as locality-based adjustments, under 5 U.S.C. 5304a.

2008 Salary Tables and Effective Date

We have posted **draft** 2008 salary tables on OPM's Website at <http://www.opm.gov/oca/08tables/index.asp>. The 2008 pay rates will become effective on the first day of the first applicable pay period beginning on or after January 1, 2008 (January 6, 2008) if no further action is taken by Congress.

Executive Schedule

Based on 5 U.S.C. 5318, Executive Schedule (EX) rates of pay will be increased by 2.5 percent (rounded to the nearest \$100) and will become effective on the first day of the first pay period beginning on or after January 1, 2008 (January 6, 2008). The draft EX salary table is on OPM's Website at <http://www.opm.gov/oca/08tables/indexSES.asp>.

Senior Executive Service

Under 5 U.S.C. 5382, the minimum rate of basic pay for the Senior Executive Service (SES) rate range will be adjusted to be consistent with the increase in the minimum rate of basic pay

for senior-level positions under 5 U.S.C. 5376 (\$114,468 in 2008). The applicable maximum rate of basic pay for the SES will be \$172,200 (EX-II) for SES members covered by a certified SES performance appraisal system and \$158,500 (EX-III) for SES members covered by an SES performance appraisal system that has not been certified. An SES member at the minimum rate of the SES rate range must receive a pay increase of 2.5 percent in January 2008, since an SES member may not receive less than the minimum rate of the SES rate range. An agency's determination to adjust the rate of basic pay for an SES member that is approved by the end of the first pay period in January 2008 (January 19, 2008) may be made effective as of the first day of the first pay period (January 6, 2008). Determinations to adjust SES pay that are approved after January 19, 2008, will become effective at the beginning of the next pay period following the approval. OPM's regulations for setting and adjusting SES pay are available at 5 CFR part 534, subpart D.

Post Employment Restrictions

Agencies are required to notify SES members and other individuals who are paid at a rate of basic pay equal to or greater than 86.5 percent of the rate for level II of the Executive Schedule (\$148,953 in 2008) that they are subject to certain post-employment restrictions in 18 U.S.C. 207(c). (See 18 U.S.C. 207(c)(2)(A)(ii).) OPM's regulations requiring notification of post-employment restrictions are available at 5 CFR part 730. Agencies may continue to use the sample notice OPM provided in its memorandum of January 6, 2004 (CPM 2004-01), to notify an SES member or other individual that he or she is subject to the post-employment restrictions in 18 U.S.C. 207(c). (Agencies will need to update the salary threshold and effective date, as appropriate.) The sample notice is available at http://www.opm.gov/oca/compmemo/2004/2004-01_attach1.asp

Aggregate Limitation on Pay

The aggregate limitation on pay for calendar year 2008 will be \$191,300 (equivalent to the rate for level I of the Executive Schedule). SES members and employees in senior-level and scientific or professional (SL/ST) positions who are covered by a certified performance appraisal system are subject to a higher aggregate limitation on pay—up to the Vice President's salary (\$221,100 in 2008). (See 5 U.S.C. 5307 and 5 CFR part 530, subpart B.) Information on obtaining certification of performance appraisal systems is available at <http://www.opm.gov/ses/certification.asp>.

Locality Pay Extensions

On November 2, 2007, the Director of OPM issued a memorandum on behalf of the President's Pay Agent (the Secretary of Labor and the Directors of the Office of Management and Budget (OMB) and OPM) that extends the GS locality payments to Administrative Law Judges, employees in SL/ST positions, and certain other non-GS categories of employees again in 2008. By law, Executive Schedule officials and SES members and employees in certain other equivalent pay systems are not authorized to receive locality payments.

Locality Rates

Attachment 2 provides a table showing the 2008 locality pay percentage and net percentage increase in each area (reflecting the combined effect of the 2.5 percent across-the-board base pay increase and the applicable increase in the locality pay percentage).

Locality Pay Areas in 2008

We do not anticipate any changes in locality pay areas effective on the first day of the first pay period beginning on or after January 1, 2008 (January 6, 2008). Locality pay area definitions are posted at <http://www.opm.gov/oca/08tables/locdef.asp>.

Note that locality pay area definitions are tied to Metropolitan Statistical Areas (MSAs) and Combined Statistical Areas (CSAs) identified by OMB and subject to change if OMB adds locations to MSAs or CSAs. If OMB adds locations to MSAs or CSAs affecting locality pay areas, the changes go into effect with the first pay period beginning on or after January 1 of the next calendar year. OPM will post any revisions to locality pay areas as a result of OMB actions as soon as possible after we are notified of the changes by OMB.

2007 Annual Review of Special Rates

We will issue a separate memorandum announcing the results of the 2007 annual review of special rates.

Questions

For additional information, agency Chief Human Capital Officers and/or Human Resources Directors should contact their assigned OPM Human Capital Officers. Employees should contact their agency human resources offices for assistance.

Attachments

cc: Chief Human Capital Officers
Human Resources Directors