



UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, D.C. 20415

OFFICE OF THE DIRECTOR

APR 25 2005

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM:

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Acting Director

SUBJECT:

Changes in Special Rate Schedules

As a result of the amendments made by section 301 of the Federal Workforce Flexibility Act of 2004 (Public Law 108-411, October 30, 2004), the Office of Personnel Management (OPM) is changing a number of the special rate schedules established under 5 U.S.C. 5305. These changes are effective on May 1, 2005. Revised special rate tables are identified by a May 1, 2005, effective date.

Increased Maximum Special Rate

Under 5 U.S.C. 5305(a)(1), the maximum special rate that may be authorized is increased from the rate for level V of the Executive Schedule (\$131,400) to the rate for level IV of the Executive Schedule (\$140,300 in 2005). As a result, the payable special rates at the higher steps of grade GS-15 are increased on four special rate schedules—special rate tables 0220 (Johnston Island), 0565 and 0566 (Department of Defense air traffic controllers), and 0576 (selected Patent and Trademark Office employees involved in patent examination).

Termination of Special Rates

Under 5 U.S.C. 5305(h), an employee's entitlement to a special rate is eliminated if the employee is entitled to a higher rate of basic pay, such as a locality rate under 5 U.S.C. 5304. As a result, 103 special rate tables are terminated effective May 1, 2005, because higher locality rates apply at all steps of each grade covered. In addition, certain grades or steps of a grade are deleted from special rate schedules where locality pay is now higher at all the steps of the grade or at certain steps of the grade. In a number of special rate schedules that cover multiple geographic areas or locality pay areas, certain geographic areas or locality pay areas are removed from coverage because the locality rates in those areas are higher than the special rates at all grades and steps. As a result, a total of 217 special rate tables have been revised. **The termination of these special rates will not result in a loss in pay for any covered employees, since all affected employees will continue to receive the higher locality rate to which they are otherwise entitled.**

Other Schedule Adjustments

Three special rate schedules for certain clerical employees of the Department of Veterans Affairs (tables 0543, 0546, and 0552) are increased slightly at grades GS-2 and GS-3 so that these schedules use current General Schedule within-grade increases, consistent with other special rate schedules. These rate increases also are effective on May 1, 2005.

Additional Information

A complete listing of the current special rate tables is available on OPM's Web site at <http://www.opm.gov/oca/payrates/index.asp>.

To view all individual active special salary rate tables or to find an individual special salary rate table by occupation and agency on the web, please use OPM's web application located at: <http://apps.opm.gov/ssr/tables/index.cfm>. For additional guidance, agency Chief Human Capital Officers and Human Resources Directors may contact their assigned OPM Human Capital Officers. Employees should contact their human resources offices for assistance.

In the near future, OPM will issue interim regulations to implement changes in the pay administration rules and the special rates program made by section 301 of the Federal Workforce Flexibility Act of 2004.

cc: Chief Human Capital Officers
Human Resources Directors