

may not exceed the rate of basic pay payable for level IV of the Executive Schedule.

(c) The locality rates of pay approved by the President for an employee in a position described in 5 U.S.C. 5304(h)(1) (A)–(E), or in a position under 5 U.S.C. 5304(h)(1)(F) which the President or his designee may determine, may not exceed the rate of basic pay payable for level III of the Executive Schedule.

§ 531.605 Computation of hourly, daily, weekly, and biweekly locality rates of pay.

When it is necessary to convert an annual locality rate of pay to an hourly, daily, weekly, or biweekly rate, the following methods apply:

(a) To derive an hourly rate, divide the annual locality rate of pay by 2,087 and round to the nearest cent, counting one-half cent and over as the next higher cent;

(b) To derive a daily rate, multiply the hourly rate by the number of daily hours of service required by the employee's basic daily tour of duty;

(c) To derive a weekly or biweekly rate, multiply the hourly rate by 40 or 80, as the case may be.

§ 531.606 Administration of locality rates of pay.

(a) An employee shall receive the greatest of—

(1) His or her rate of basic pay, including any applicable special salary rate established under 5 U.S.C. 5305 or similar provision of law or special rate for law enforcement officers under section 403 of FEPCA;

(2) A *continued rate of pay* under subpart G of this part;

(3) A “special law enforcement adjusted rate of pay” under subpart C of this part, where applicable, including a “special law enforcement adjusted rate of pay” continued under § 531.307; or

(4) A locality rate of pay under this subpart, where applicable.

(b) A locality rate of pay is considered basic pay for the purpose of computing—

(1) Retirement deductions and benefits under chapters 83 or 84 of title 5, U.S. Code;

(2) Life insurance premiums and benefits under parts 870, 871, 872, and 873 of this chapter;

(3) Premium pay under subparts A and I of part 550 of this chapter (including the computation of limitations on premium pay under 5 U.S.C. 5547, overtime pay under 5 U.S.C. 5542(a), compensatory time off under 5 U.S.C. 5543, and standby duty pay under 5 U.S.C. 5545(c)(1));

(4) Severance pay under subpart G of part 550 of this chapter;

(5) Advances in pay under subpart B of part 550 of this chapter; and

(6) Basic pay that a career appointee in the Senior Executive Service elects to continue while serving under certain Presidential appointments, as provided by 5 U.S.C. 3392(c)(1) and § 317.801 of this chapter.

(c) When an employee's official duty station is changed to a different locality pay area, the employee's entitlement to the locality rate of pay for the new locality pay area begins on the effective date of the change in official duty station.

(d) A locality rate of pay is paid only for those hours for which an employee is in a pay status.

(e) A locality rate of pay shall be adjusted as of the effective date of any change in the applicable scheduled annual rate of pay.

(f) Except as provided in paragraph (g) of this section, entitlement to a locality rate of pay established for a locality pay area under this subpart terminates on the date—

(1) An employee's official duty station is no longer in the locality pay area;

(2) An employee is no longer in a position covered by this subpart;

(3) An employee separates from Federal service; or

(4) An employee's special salary rate under 5 U.S.C. 5305 or similar provision of law (other than section 403 of FEPCA) exceeds his or her locality rate of pay.

(g) In the event of a change in the geographic coverage of a locality pay area (as a result of a change made by OMB in the definition of an MSA or CMSA or as a result of a change made by the President's Pay Agent in the definition of a locality pay area), the

§ 531.607

5 CFR Ch. I (1-1-01 Edition)

effective date of the change in an employee's entitlement to a locality rate of pay under this subpart shall be the first day of the first applicable pay period beginning on or after the date on which the change in geographic coverage is made effective.

(h) Payment of, or an increase in, a locality rate of pay is not an equivalent increase in pay within the meaning of section 5335 of title 5, United States Code.

(i) A locality rate of pay is included in an employee's "total remuneration," as defined in 5 CFR 551.511(b), and "straight time rate of pay," as defined in 5 CFR 551.512(b), for the purpose of computations under the Fair Labor Standards Act of 1938, as amended.

(j) Reduction or termination of a locality rate of pay under paragraph (f) of this section is not an adverse action for the purpose of subpart D of part 752 of this chapter or an action under 5 CFR 930.214.

(k) When an employee's locality rate of pay under this subpart is greater than any applicable special salary rate under 5 U.S.C. 5305 or similar provision of law (other than section 403 of FEPCA), the payment of the rate resulting from the comparison required by paragraph (a) of this section is deemed to have reduced the locality rate of pay payable under 5 U.S.C. 5304, as authorized by 5 U.S.C. 5305(g)(1).

[58 FR 69174, Dec. 30, 1993, as amended at 61 FR 3541, Feb. 1, 1996; 64 FR 36771, July 8, 1999; 64 FR 69173, Dec. 10, 1999]

§ 531.607 Reports.

The Office of Personnel Management may require agencies to report pertinent information concerning the administration of payments under this subpart.

Subpart G—Continued Rates of Pay

SOURCE: 61 FR 3541, Feb. 1, 1996, unless otherwise noted.

§ 531.701 Definitions.

In this subpart:

Continued rate of pay means a rate of pay first established in January 1994

for an employee who previously received an interim geographic adjustment on top of a worldwide or nationwide special rate authorized under 5 U.S.C. 5305.

Employee means an employee in a position in whom subchapter III of chapter 53 of title 5, United States Code applies, whose official duty station is located in an interim geographic adjustment area and who is receiving a continued rate of pay.

General Schedule means the basic pay schedule established under 5 U.S.C. 5332.

Interim geographic adjustment area means one of the following Consolidated Metropolitan Statistical Areas (CMSA's), as defined by the Office of Management and Budget (OMB), that was an interim geographic adjustment area when continued rates of pay first became applicable in January 1994:

- (1) New York-Northern New Jersey-Long Island, NY-NJ-CT-PA;
- (2) Los Angeles-Riverside-Orange County, CA; or
- (3) San Francisco-Oakland-San Jose, CA.

Official duty station means the duty station for an employee's position of record as indicated on his or her most recent notification of personnel action.

§ 531.702 Computation of hourly, daily, weekly, and biweekly continued rates of pay.

When it is necessary to convert a continued rate of pay from an annual rate to an hourly, daily, weekly, or biweekly rate, the following methods apply:

(a) To derive an hourly rate, divided the continued rate by 2,087 and round to the nearest cent, counting one-half cent and over as a whole cent;

(b) To derive a daily rate, multiply the hourly rate by the number of daily hours of service required by the employee's basic daily tour of duty;

(c) To derive a weekly or biweekly rate, multiply the hourly rate by 40 or 80, as the case may be.

§ 531.703 Administration of continued rates of pay.

(a) An employee shall receive the greatest of—