

Office of Personnel Management

§ 531.606

(30) Seattle-Tacoma-Bremerton, WA—consisting of the Seattle-Tacoma-Bremerton, WA CMSA;

(31) Washington-Baltimore, DC-MD-VA-WV—consisting of the Washington-Baltimore, DC-MD-VA-WV CMSA, plus St. Mary's County, MD; and

(32) Rest of U.S.—consisting of those portions of the 48 contiguous States not located in another locality pay area.

[58 FR 69174, Dec. 30, 1993, as amended at 59 FR 67605, Dec. 30, 1994; 61 FR 40950, Aug. 7, 1996; 61 FR 42939, Aug. 19, 1996; 62 FR 65312, Dec. 12, 1997; 65 FR 75154, Dec. 1, 2000]

§ 531.604 Determining locality rates of pay.

(a) To determine the locality rate of pay payable to an employee, the applicable scheduled annual rate of pay shall be increased by the percentage authorized by the President for the locality pay area in which the employee's official duty station is located.

(b) Except as provided in paragraph (c) of this section, locality rates of pay may not exceed the rate of basic pay payable for level IV of the Executive Schedule.

(c)(1) Locality rates of pay approved by the President (or designee) for employees in a category of positions described in 5 U.S.C. 5304(h)(1)(A)-(E) may not exceed the rate for level III of the Executive Schedule.

(2) Locality rates of pay approved by the President (or designee) for employees in a category of positions described in 5 U.S.C. 5304(h)(1)(F) may not exceed—

(i) The rate for level IV of the Executive Schedule, when the maximum scheduled annual rate of pay (excluding any retained rate) for such positions is less than or equal to the maximum payable scheduled annual rate of pay for GS-15; or

(ii) The rate for level III of the Executive Schedule, when the maximum scheduled annual rate of pay (excluding any retained rate) for such positions exceeds the maximum payable scheduled annual rate of pay for GS-15, but is not more than the rate for level IV of the Executive Schedule.

(3) If application of paragraph (c)(2) of this section would otherwise reduce an employee's existing locality rate of

pay, the employee's locality rate of pay will be capped at the higher of—

(i) The amount of his or her locality rate of pay on the day before paragraph (c)(2) of this section is applied, or

(ii) The rate for level IV of the Executive Schedule.

(d) Paragraph (c) of this section does not apply to experts and consultants appointed under 5 U.S.C. 3109 if the pay for those experts and consultants is limited to the highest rate payable under 5 U.S.C. 5332 (i.e., the unadjusted maximum GS-15 rate). Pay limitations for such experts and consultants must be determined in accordance with § 304.105 of this chapter.

[58 FR 69174, Dec. 30, 1993, as amended at 66 FR 67070, Dec. 28, 2001]

§ 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.

§ 531.607

5 CFR Ch. I (1–1–02 Edition)

(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 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.