

**§ 591.210 Payment of allowances and differentials.**

(a) Allowances and differentials under this subpart are payable to an employee whose official duty station is in a nonforeign area for which an allowance or differential is authorized.

(b) Payment of an allowance or differential will begin on the effective date of the change in the employee's official duty station to a duty station within the allowance or differential area or on the effective date of the appointment in the case of local recruitment. An employee who is detailed for temporary duty in a nonforeign area (i.e., the employee's official duty station is outside the nonforeign area) is eligible for a differential, but not an allowance, except that payment of a differential shall not begin until after 42 consecutive calendar days of temporary duty in the differential area. Payment of an allowance or differential will cease—

(1) On separation;

(2) On the effective date of assignment or transfer to a new official duty station outside the allowance or differential area; or

(3) On the ending date of a detail, in the case of an employee on detail to temporary duty in a differential area.

(c)(1) Except as provided in paragraph (b)(2) of this section, allowances and differentials shall be calculated and paid as a percentage of an employee's hourly rate of basic pay, including a retained rate of pay under 5 U.S.C. 3594(c) or 5363, for those hours for which the employee receives basic pay, including all periods of paid leave, detail, or travel status outside the allowance or differential area.

(2) Payment of a differential during periods of paid leave or travel outside the differential area continues for the first 42 consecutive calendar days of the absence. Payment of allowances and differentials while absent from the post continues only if the employee returns to duty status in the area, unless the agency determines that—

(i) It is in the public interest not to return the employee to the duty station; or

(ii) The employee's failure to return to the duty station was due to compelling personal reasons or to cir-

cumstances over which the employee had no control.

(d) An employee assigned to an official duty station for which both an allowance and a differential are authorized under this subpart and eligible for both will receive the full amount of the allowance, plus so much of the differential as will not cause the combined total of allowance and differential to exceed 25 percent of the hourly rate of basic pay.

(e)(1) An allowance or a differential is not part of an employee's rate of basic pay for the purpose of computing entitlements to overtime pay, retirement, life insurance, or any other additional pay, allowance, or differential under title 5, United States Code.

(2) An allowance or differential is included in an employee's regular rate of pay for computing overtime pay entitlement under the Fair Labor Standards Act of 1938, as amended.

(f) Payment of an allowance or a differential is not an equivalent increase in pay within the meaning of 5 U.S.C. 5335.

[55 FR 1373, Jan. 16, 1990, as amended at 59 FR 66635, Dec. 28, 1994; 60 FR 46750, Sept. 8, 1995; 62 FR 25425, May 9, 1997; 62 FR 63631, Dec. 2, 1997; 64 FR 36775, July 8, 1999]

**§ 591.211 Periodic review.**

In accordance with Executive Order 10000, OPM reviews from time to time the places designated, the rates fixed, and the regulations in this subpart that are prescribed for payment of allowances and differentials. This review is to make warranted changes to ensure that payments under this subpart will continue only during the continuation of conditions justifying payment of allowances and differentials and will not in any instance exceed the amount justified. However, the rate of such additional compensation may be reduced gradually.

[66 FR 56752, Nov. 9, 2001]

**§ 591.212 COLA Partnership Pilot Project.**

(a) *Purpose and duration of COLA Partnership Pilot Project.* The COLA Partnership Pilot Project is designed to assess the efficacy of a plan to increase agency and employee involvement in the allowance program. The