

§ 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

pilot project shall be in effect for a period not to exceed 2 years from November 21, 1996.

(b) *Purpose and establishment of committees.* To assist OPM in reviewing and improving the allowance program and to help OPM, affected agencies, and their employees better understand issues relating to the compensation of Federal employees in the allowance areas, OPM may establish one or more COLA partnership committees in the allowance areas and in the Washington, DC, area. Committees established under this section function at the discretion of OPM and may be disestablished at any time. A committee may represent agencies and employees in more than one allowance area and will meet from time to time as requested by OPM.

(c) *Composition of committees.* Each committee shall be composed of one or more representatives of Federal agencies and labor organizations. All committee members shall be current full-time Federal employees performing official business of the Federal Government and will serve at their agencies' and OPM's discretion. All non-OPM committee members shall be from the area represented by the committee. The representatives shall be selected as follows:

(1) *Agency representatives.* (i) OPM will identify the largest agencies (in terms of allowance recipients) in the area represented by the committee. For the Washington, DC, area committee, if established, OPM will identify the largest agencies in terms of allowance recipients in all of the allowance areas. OPM will invite up to four agencies each to designate a representative to serve on the committee. In areas where a Federal Executive Association (FEA) or Federal Executive Board (FEB) is located, OPM will invite the FEA or FEB to nominate an FEA or FEB member employed by an agency not otherwise represented on the committee, and OPM will select the nominee in consultation with the nominee's employing agency. In areas where there is no FEA or FEB, or where an FEA or EB declines to participate, OPM will invite one additional agency selected from among the other agencies in each committee area

to designate a representative to serve on the committee on a 1-year rotational basis. To select this agency, OPM will use sampling with probability proportional to the size of the agency. If mutually agreeable among the agencies, they may select representatives using other means and may rotate committee positions among agencies on other than a 1-year rotational basis.

(ii) OPM will appoint one or more of its employees to serve on each COLA partnership committee.

(2) *Employee representatives.* OPM will identify the largest labor organizations (in terms of allowance recipients) in the area represented by the committee. For the Washington, DC, area committee, if established, OPM will identify the largest labor organizations in terms of allowance recipients in all of the allowance areas. OPM will invite up to four labor organizations each to nominate a representative to serve on the committee. OPM will further invite one additional labor organization selected from among the other labor organizations in each committee area to nominate a representative to serve on the committee on a 1-year rotational basis. To select this labor organization, OPM will use sampling with probability proportional to the size of the labor organization. If mutually agreeable among the labor organizations, they may nominate representatives using other means and may rotate committee positions among labor organizations on other than a 1-year rotational basis. OPM will select committee members from among the nominees in consultation with the nominees' employing agencies.

(3) *Postal Service.* No committee shall have a representative from the United States Postal Service (USPS) unless USPS labor organizations have the opportunity to participate as provided by paragraph (g) of this section. No committee shall have more than one employee representative from USPS labor organizations.

(4) *Other members.* In consultation with the committee members, OPM may invite other current full-time Federal employees to serve on the committees. OPM will coordinate such invitations with the employing agencies.

Office of Personnel Management

Pt. 591, Subpt. B, App. A

(d) *Functions of committees.* COLA partnership committees may—

- (1) Advise and assist OPM in planning living-cost surveys;
- (2) Provide or arrange for observers for data collection during living-cost surveys;
- (3) Advise and assist OPM in the review of survey data;
- (4) Advise OPM on its administration of the COLA program, including survey methodology and other issues relating to the compensation of Federal employees in the allowance areas; and
- (5) Assist OPM in the dissemination of information to affected employees about the living-cost surveys and the COLA program.

(e) *Data collection observers.* In consultation with the committees, OPM will determine the number of observers required to accompany OPM officials during the collection of living-cost data. All observers shall be from the local area and shall be full-time Federal employees performing official business of the Federal Government. The committees will nominate observers, and OPM will select from among these nominations in consultation with the nominees' employing agencies.

(f) *Subcommittees.* In consultation with the committees, OPM may establish one or more subcommittees to advise the committee on issues relating to the allowance areas and survey areas within the geographic area represented by the committee. If such subcommittees are established, they shall be composed of up to two agency representatives and two employee rep-

resentatives from the local area, as well as one or more OPM representatives. OPM may, in consultation with the committee and subcommittee, invite additional Federal employees to serve on the subcommittee. Subcommittee agency and employee representatives shall be nominated and appointed in the same manner as committee members. All subcommittee members shall be current full-time Federal employees performing official business of the Federal Government.

(g) *Agency release of employees for committee/subcommittee activities.* Employers shall cooperate and release nominated employees for committee/subcommittee proceedings and activities unless the employers can demonstrate that exceptional circumstances directly related to the accomplishment of the work units' missions require their presence on their regular jobs. Employees serving as committee or subcommittee members are considered to be on official assignment to an interagency function, rather than on leave.

[61 FR 59177, Nov. 21, 1996]

APPENDIX A OF SUBPART B—PLACES AND RATES AT WHICH ALLOWANCES SHALL BE PAID

This appendix lists the places approved for a cost-of-living allowance and shows the authorized allowance rate for each. The allowance percentage rate shown is paid as a percentage of an employee's rate of basic pay. The rates are subject to change based on the results of future surveys.

Geographic coverage	Allowance Rate (percent)
State of Alaska:	
City of Anchorage and 80-kilometer (50-mile) radius by road	25.00
City of Fairbanks and 80-kilometer (50-mile) radius by road	25.00
City of Juneau and 80-kilometer (50-mile) radius by road	25.00
Rest of the State	25.00
State of Hawaii:	
City and County of Honolulu	25.00
County of Hawaii	16.50
County of Kauai	23.25
County of Maui and County of Kalawao	23.75
Territory of Guam and Commonwealth of the Northern Mariana Islands	25.00
Commonwealth of Puerto Rico	11.50
U.S. Virgin Islands	22.50

Pt. 591, Subpt. B, App. B

5 CFR Ch. I (1-1-02 Edition)

[66 FR 56752, Nov. 9, 2001]

APPENDIX B OF SUBPART B—PLACES AND RATES AT WHICH DIFFERENTIALS SHALL BE PAID

This appendix lists the places where a post differential has been approved and shows the differential rate to be paid to eligible employees. The differential percentage rate shown is paid as a percentage of an employee's rate of basic pay.

Geographic coverage	Percentage differential rate
American Samoa (including the island of Tutuila, the Manua Islands, and all other islands of the Samoa group east of longitude 171° west of Greenwich, together with Swains Island)	25.0
Johnston Island and Sand Island	25.0
Midway Islands	25.0
Territory of Guam and Commonwealth of the Northern Mariana Islands	20.0
Wake Island	25.0

[59 FR 53726, Oct. 26, 1994]

Subpart C—Allowance Based on Duty at Remote Worksites

AUTHORITY: 5 U.S.C. 5942; sec. 8, E.O. 11609, 3 CFR 1971-1975 Comp., p. 591; 5 U.S.C. 1104, Pub. L. 95-454, 92 Stat. 1120 and Sec. 3(5) of Pub. L. 95-454; 92 Stat. 1120.

SOURCE: 44 FR 55134, Sept. 25, 1979, unless otherwise noted.

§ 591.301 Purpose.

This subpart prescribes the regulations required by section 5942 of title 5, United States Code, for the payment of an allowance based on duty at remote worksites.

§ 591.302 Coverage.

(a) *Agencies.* This subpart applies to executive departments as defined in section 101 of title 5, United States Code, and to independent establishments as defined in section 104 of title 5, United States Code, but does not apply to Government corporations as defined in section 103 of title 5, United States Code.

(b) *Employee.* This subpart applies to each employee assigned to a permanent duty station at or within a designated remote duty post, except an employee who is a permanent or temporary resident at the remote duty post, and ex-

cept foreign nationals employed at remote duty posts in foreign countries.

§ 591.303 Responsibilities of agencies and the Office of Personnel Management.

(a) Each agency is responsible for:

(1) Establishing and subsequently adjusting, in accordance with the provisions of this subpart, an allowance for each remote duty post at which the agency has employees and which meets the criteria in paragraph (a)(1) of § 591.304, as restricted by paragraph (b) of § 591.304;

(2) Advising the Office of Personnel Management of each establishment or adjustment of an allowance under paragraph (a)(1) of this section, and of the basis for such establishment or adjustment;

(3) Submitting a recommendation to the Office of Personnel Management to establish or adjust an allowance for each remote duty post at which the agency has employees and which meets the criteria in paragraph (a)(2) or (a)(3) or paragraph (c) of § 591.304; and

(4) Advising the Office of Personnel Management in a timely manner of any changes in a duty post or commuting conditions or other factors that may affect an allowance that has been authorized by the Office of Personnel Management under paragraph (b) of this section.

(b) The Office of Personnel Management is responsible for:

(1) Establishing and subsequently adjusting, in accordance with the provisions of this subpart, an allowance for each remote duty post which does not meet the criteria in paragraph (a)(1) of § 591.304, but does meet the criteria in paragraph (a)(2) or (a)(3) or paragraph (c) of § 591.304;

(2) Reviewing each establishment or adjustment of an allowance by an agency under paragraph (a)(1) of this section to determine if such establishment or adjustment is in accordance with the provisions of this subpart; and

(3) Directing the termination or adjustment of any allowance determined by the Office to be not in accordance with the provisions of this subpart, which termination or adjustment shall be implemented by the agency without delay.