

*Commonwealth of the Northern Mariana Islands (CNMI)* means the Commonwealth of the Northern Mariana Islands, which is part of the Guam/CNMI COLA area.

*Consumer Expenditure Survey (CES)* means the BLS survey of consumers and their expenditures.

*Consumer Price Index (CPI)* means the BLS survey of the change of consumer prices over time.

*Cost-of-living allowance (COLA)* means an allowance that the Office of Personnel Management (OPM) establishes under 5 U.S.C. 5941 at a location in a nonforeign area where living costs are substantially higher than in the Washington, DC, area.

*Cost-of-living allowance area* means a geographic area for which OPM has authorized a COLA. COLA areas are listed in § 591.207.

*Detailed Expenditure Category (DEC)* means the lowest level of expenditure shown in tabulated nationwide CES data.

*Major Expenditure Group (MEG)* means one of the nine major groups into which OPM categorizes expenditures. These categories are food, shelter and utilities, clothing, transportation, household furnishings and supplies, medical, education and communication, recreation, and miscellaneous.

*Nonforeign area* means one of the areas listed in § 591.205.

*Office of Personnel Management (OPM)* means the Office of Personnel Management.

*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. For an employee who is authorized to receive relocation allowances under 5 U.S.C. 5737 in connection with an extended assignment, the temporary duty station associated with that assignment is the employee's official duty station. *Exception:* A new duty station assignment that is followed within 3 working days by a reduction in force that results in the employee's separation before the employee is required to report for duty at the new location is not an official duty station.

*Post differential* means an allowance OPM establishes under 5 U.S.C. 5941 at

a location in a nonforeign area where conditions of environment differ substantially from conditions of environment in the contiguous United States and warrant its payment as a recruitment incentive.

*Post differential area* means a geographic area for which OPM authorizes a post differential. Post differential areas are listed in § 591.231.

*Primary Expenditure Group (PEG)* means one of approximately 40 expenditure groups into which OPM categorizes expenditures. A PEG is the first level of categorization under the MEG.

*Rate of basic pay* means the rate of pay fixed by statute for the position held by an individual before any deductions and exclusive of additional pay of any kind, such as overtime pay, night differential, extra pay for work on holidays, or other allowances and differentials. For firefighters covered by 5 U.S.C. 5545b (as provided in § 550.1305(b) of this chapter), straight-time pay for regular overtime hours is basic pay.

*Washington, DC, area* or *DC area* means the District of Columbia; Montgomery County, MD; Prince Georges County, MD; Arlington County, VA; Fairfax County, VA; Prince William County, VA; and the independent cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, Virginia; and in the context of certain survey items, includes additional geographic locations beyond these jurisdictions.

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#### COST-OF-LIVING ALLOWANCES AND POST DIFFERENTIALS

#### § 591.202 Why does the Government pay COLAs?

The Government pays COLAs as additional compensation to certain civilian Federal employees in specified nonforeign areas in consideration of higher living costs in the local area compared with living costs in the Washington, DC, area.