

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT Washington, DC 20415

CPM 2025-18 December 18, 2025

Memorandum for Heads of Executive Departments and Agencies

From: Scott Kupor

Director

Subject: **January 2026 Pay Adjustments**

The President has signed an Executive order to implement the January 2026 pay adjustments. Pursuant to the President's alternative plan issued under 5 U.S.C. 5303(b) and 5304a on August 28, 2025, the Executive order authorizes a 1.0 percent across-the-board increase for statutory pay systems and provides that locality percentages will remain at 2025 levels. This memorandum reviews relevant portions of the Executive order.

The pay adjustment guidance in this memorandum does not apply to senior political officials who have been covered by a pay freeze. We will issue separate guidance regarding this pay freeze.

New 2026 Salary Tables and Effective Date

We have posted the <u>2026 salary tables</u> on OPM's website. The 2026 pay schedules are effective the first day of the first applicable pay period beginning on or after January 1, 2026 (January 11, 2026, based on the standard biweekly payroll cycle).

The General Schedule and Other Statutory Pay Systems

The Executive order provides an across-the-board increase of 1.0 percent in the rates of basic pay for the statutory pay systems—the General Schedule (GS), the Foreign Service schedule, and certain schedules for the Veterans Health Administration of the U.S. Department of Veterans Affairs. Special base rates for law enforcement officers at GS grades 3 through 10 are also increased by 1.0 percent. (These law enforcement officers are assigned the "GL" pay plan code.) Special base rates for wildland firefighters are also increased by 1.0 percent. (These wildland firefighters are assigned the "GW" pay plan code.)

Executive Schedule

Under <u>5 U.S.C. 5318</u>, the official Executive Schedule (EX) rates of pay are increased by 1.0 percent (rounded to the nearest \$100). The <u>official EX salary table</u> is available on OPM's website. The official EX rates of pay are used in establishing pay limitations for

employees and pay systems unaffected by any pay freeze for certain senior political officials.

Senior Executive Service

Under <u>5 U.S.C. 5382</u>, the minimum rate of basic pay for the Senior Executive Service (SES) rate range is adjusted to be consistent with the increase in the minimum rate of basic pay for senior-level positions under <u>5 U.S.C. 5376</u> (\$151,661 in 2026). The applicable maximum rate of basic pay for the SES is \$228,000 (EX-II) for SES members covered by an SES performance appraisal system certified pursuant to <u>5 U.S.C. 5307(d)</u> and \$209,600 (EX-III) for SES members covered by an SES performance appraisal system that has not been certified. An SES member with a pay rate below the minimum rate of the new SES rate range must receive a pay increase effective January 11, 2026, that brings the SES member's rate to at least the new minimum rate because an SES member may not receive less than the minimum rate of the SES rate range.

Other SES pay adjustments must generally be made based on individual performance, contribution to the agency's performance, or both, as determined under a rigorous performance management system, pursuant to <u>5 U.S.C. 5382</u>. An agency's determination to adjust the rate of basic pay for an SES member that is approved by the end of the first pay period in January 2026 (January 24, 2026) may be made effective as of the first day of that first pay period (January 11, 2026). Determinations to adjust SES pay that are approved after January 24, 2026, will become effective at the beginning of the next pay period following the approval. OPM's regulations for setting and adjusting SES pay are available at <u>5 CFR part 534</u>, <u>subpart D</u>.

Senior-Level and Scientific and Professional Positions

The minimum rate of basic pay for the senior-level (SL) and scientific and professional (ST) rate range is increased by 1.0 percent, which is the amount of the base GS increase, and is \$151,661 in 2026. An SL or ST employee with a pay rate below the minimum rate of the new SL/ST rate range must receive a pay increase effective January 11, 2026, that brings the employee's rate to at least the new minimum rate because an SL or ST employee may not receive less than the minimum rate of the SL/ST rate range. The applicable maximum rate of basic pay is \$228,000 (EX-II) for SL or ST employees covered by a certified SL/ST performance appraisal system and \$209,600 (EX-III) for SL or ST employees covered by an SL/ST performance appraisal system that has not been certified.

As provided in <u>5 U.S.C. 5376(b)(2)</u> and <u>5 CFR 534.507(a)(1)</u>, effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under <u>5 U.S.C. 5303</u> in the rates of basic pay under the General Schedule, the head of an agency must adjust an SL/ST employee's rate of basic

pay by an amount the agency head considers appropriate (including a zero adjustment), subject to the regulations in 5 CFR 534.507, and the agency's written procedures. Therefore, each agency must make an appropriate adjustment in each SL/ST employee's rate of basic pay because the General Schedule is being adjusted the first day of the first pay period beginning on or after January 1, 2026. The adjustment of an SL/ST employee's pay rate under 5 CFR 534.507(a)(1) must be made effective on the first day of the first pay period beginning on or after January 1, 2026 (January 11, 2026, based on the standard biweekly payroll cycle). An agency's determination to adjust the rate of basic pay for an SL or ST employee that is approved by the end of the first pay period in January 2026 (January 24, 2026) may be made effective as of the first day of that first pay period (January 11, 2026). Determinations to adjust SL/ST pay that are approved after January 24, 2026, will become effective at the beginning of the next pay period following the approval. OPM's regulations for setting and adjusting SL/ST pay are available at 5 CFR part 534, subpart E.

Post-Employment Restrictions

Agencies are required to notify SES members, SL and ST employees, and other individuals who are paid at a rate of basic pay equal to or greater than 86.5 percent of the rate for EX-II ($228,000 \times .865 = 197,220 \text{ in } 2026$) that they are subject to certain post-employment restrictions in 18 U.S.C. 207(c)(2)(A)(ii). OPM's regulations requiring notification of post-employment restrictions are available at 5 CFR part 730. Agencies may continue to use the sample notice OPM provided in its memorandum of January 6, 2004 (CPM 2004-01), to notify SES members, SL or ST employees, or other individuals that they are subject to the post-employment restrictions in 18 U.S.C. 207(c). (Agencies will need to update the pay system, salary threshold, and effective date, as appropriate.)

Aggregate Limitation on Pay

The aggregate limitation on pay for calendar year 2026 is \$253,100 (equivalent to the rate for EX-I). SES members and employees in SL/ST positions who are covered by a certified performance appraisal system are subject to a higher aggregate limitation on pay of the Vice President's salary (\$292,300 in 2026). (See <u>5 U.S.C. 5307</u> and <u>5 CFR part 530, subpart B.</u>)

Administrative Law Judges

The Executive order reflects a decision by the President to increase the rates of basic pay for administrative law judges (ALJs) by 1.0 percent, rounded to the nearest \$100). The rate of basic pay for AL-1 is \$197,200 (equivalent to the rate for EX-IV). The rate of basic pay for AL-2 is \$192,400. The rates of basic pay for AL-3/A through 3/F range from \$131,700 to \$182,400. The new ALJ salary table is available on OPM's website.

Administrative Appeals Judges

Under <u>5 U.S.C. 5372b</u>, the rates of basic pay for administrative appeals judge (AAJ) positions must be set at a rate not less than the minimum rate of basic pay for level AL-3 and not more than the maximum rate of basic pay for level AL-3 of the ALJ pay system established under <u>5 U.S.C. 5372</u>. At <u>5 CFR 534.603</u>, OPM's regulations link the structure of the AAJ pay system directly to the structure for level AL-3 of the ALJ pay system. The AAJ pay system includes six rates of basic pay—AA-1, 2, 3, 4, 5, and 6. These rates correspond to the rates of basic pay for AL-3/A, B, C, D, E, and F of the ALJ pay system. The <u>new AAJ salary table</u> is available on OPM's website.

Locality Payments

The President's Executive order reflects the amounts of the 2026 locality payments for GS employees. The applicable locality payments are unchanged from 2025 levels for 2026. GS locality rates are limited by law to the rate for EX-IV (which is increased by 1.0 percent). (See <u>5 U.S.C. 5304(g)(1)</u> and the "Executive Schedule" section, above.) The <u>2026 locality pay tables</u> for the General Schedule are available on OPM's website. <u>Locality pay area definitions</u>, which will remain the same in January 2026 as in 2025, are available on OPM's website.

Locality Pay Extensions

On December 9, 2025, OPM issued a memorandum on behalf of the President's Pay Agent (the Secretary of Labor and the Directors of the U.S. Office of Management and Budget and OPM) that continues GS locality payments for ALJs and certain other non-GS employee categories in 2026. The <u>memo</u> is available on OPM's website.

Locality Pay for Domestic Employees Teleworking Overseas

Section 9717 of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (Public Law 117-263, December 23, 2022) authorizes certain employees working overseas under a Domestic Employee Teleworking Overseas (DETO) agreement to receive a special locality payment calculated as the lesser of (1) the amount of locality pay the employee would have been paid under 5 U.S.C. 5304 or 5304a if the employee's official duty station had not been changed to an overseas location under the applicable DETO agreement or (2) the amount of overseas locality pay the employee would be paid if the employee were an eligible member of the Foreign Service (which, under current law, is two-thirds of the locality pay authorized for a duty station within the District of Columbia). We have updated the fact sheet on Domestic Employees Teleworking Overseas (DETO) – Locality Pay to include 2026 rates.

Cost-of-Living Allowance Rates for Nonforeign Areas

As provided under the Nonforeign Area Retirement Equity Assurance Act of 2009 (subtitle B of title XIX of the National Defense Authorization Act for Fiscal Year 2010

(Public Law 111-84, October 28, 2009)), employees in nonforeign areas entitled to cost-of-living allowances (COLAs) have corresponding reductions in their COLAs when locality rates increase. The locality and COLA rates in each COLA area are available at https://www.opm.gov/policy-data-oversight/pay-leave/pay-systems/nonforeign-areas/.

Special Rates

We are issuing a separate memorandum announcing the results of OPM's annual review of special rates and a 1.0-percent across-the-board increase for special rate tables in January 2026. OPM is also establishing new special rate tables effective in January 2026 for certain law enforcement personnel, as directed in the President's alternative pay plan. Covered law enforcement positions will receive the 1.0-percent across-the-board increase and an additional increase of approximately 2.8 percent so that they will receive a 3.8 percent total increase in January 2026. (OPM is using its special rate authority to implement that additional increase and has posted a "2026 Special Rates for Certain Law Enforcement Personnel" document on its website that provides more information on this topic.) We will issue a separate memorandum regarding these new special rates.

Prevailing Rate Pay Adjustments

We are issuing a separate memorandum on pay adjustments for certain prevailing rate (wage) employees.

2026 Premium Pay Caps

Under <u>5 U.S.C. 5547(a)</u> and <u>5 CFR 550.105</u>, GS and other covered employees may receive certain types of premium pay in a biweekly pay period only to the extent that the sum of basic pay and such premium pay for the pay period does not exceed the greater of the biweekly rate payable for (1) GS-15, step 10 (including any applicable locality payment or special rate supplement), or (2) the rate payable for EX-V (\$184,900 in 2026). In certain emergency or mission-critical situations, an agency may apply an annual premium pay cap instead of a biweekly premium pay cap, subject to the conditions prescribed in law and regulation. (See <u>5 U.S.C. 5547(b)</u> and <u>5 CFR 550.106–550.107</u>.) We have posted the <u>2026 biweekly premium pay caps fact sheet</u> on OPM's website.

Adjusting Retained Rates

Certain employees are entitled to retained rates above the applicable rate range under 5 U.S.C. 5363 and 5 CFR part 536. As provided in 5 U.S.C. 5363(b)(2)(B) and 5 CFR 536.305, when the maximum rate of the highest applicable rate range for an employee's position of record is increased while the employee is receiving a retained rate, the employee is entitled to 50 percent of the amount of the increase in that

maximum rate. An <u>example of adjusting a retained rate</u> can be found in the fact sheet on OPM's website.

Pay Administration

We have updated examples of pay computations to reflect the pay adjustment for GS employees:

Examples of January 2026 Pay Computations

How to Compute Rates of Pay

How to Compute Fair Labor Standards Act Overtime Pay

Questions

Agency headquarters-level human resources offices may contact OPM at paypolicy@opm.gov. Employees should contact their agency human resources offices for assistance.

cc: Chief Human Capital Officers (CHCOs), Deputy CHCOs, and Human Resources Directors