



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

The Director

Thursday, July 3, 2008
CPM 2008-10

MEMORANDUM FOR: Chief Human Capital Officers

FROM: Linda M. Springer, Director

Subject: 2008 Annual Review of Special Rates

This memorandum announces the 2008 annual review of special rates authorized under 5 U.S.C. 5305 and 5 CFR part 530, subpart C. The U.S. Office of Personnel Management (OPM) authorizes special rates for specific occupations, grades, and locations to alleviate existing or likely significant recruitment or retention difficulties. Under 5 CFR 530.307(a), OPM may, at any time, conduct general or targeted reviews of established special rates to determine whether they should be increased, decreased, or discontinued based on staffing considerations.

In conducting the annual review of special rates, we rely on the reviews conducted by agencies employing special rate employees. Attachment 1 provides detailed instructions for the 2008 annual review of special rates, including new instructions for submitting information to assist us in administering the special rates program. For this year's annual review, we are requesting agencies to—

- 1. Conduct a general review of special rate schedules to determine the special rate adjustments in January 2009.** Consistent with last year's annual review, all special rate schedules will be adjusted by the same percentage as the January 2009 General Schedule (GS) pay adjustment under 5 U.S.C. 5303 (or similar provision of law), unless an agency requests otherwise. For this general review, agencies must submit information to OPM only when requesting (1) an adjustment greater than or less than the January 2009 GS annual pay adjustment for a special rate schedule or (2) the reduction or termination of a special rate schedule. OPM will review agency submissions and make determinations regarding the appropriate adjustments. Attachment 2 provides an index of the current special rate schedules by agency.
- 2. Conduct a specific review of special rate schedules currently covering zero employees to determine if the schedules are needed.** As part of OPM's authority to administer special rates, we periodically perform housekeeping responsibilities to ensure special rate schedules are needed by agencies. For this year's annual review, we propose to terminate special rate schedules for which there are no longer any covered employees—i.e., zero population special rate schedules. Attachment 3 provides a list of zero population special rate schedules based on December 2007 Central Personnel Data File data. Please review these schedules carefully and, if necessary, consult with your agency's payroll provider to confirm no employees are covered by

the identified schedules. We plan to terminate zero population special rate schedules, unless an affected agency specifically requests otherwise.

3. Review a proposal to split each nationwide and worldwide special rate schedule into multiple special rate schedules with more specific geographic coverage. We propose to break each nationwide and worldwide special rate schedule into (1) a schedule covering the 48 contiguous states and the District of Columbia (2) schedules covering certain nonforeign areas, and, for worldwide schedules, (3) a schedule covering all foreign areas. These changes will allow OPM and agencies to use the special rate program to respond to staffing and labor market situations on a more localized basis. Attachment 4 provides our proposed breakout of the current nationwide and worldwide special rate schedules. We propose establishing a schedule only in those locations where there are covered employees (based on December 2007 Central Personnel Data File data). Please carefully review the coverage of the proposed new schedules to confirm your agency's employees currently covered by each nationwide and worldwide special rate schedule will continue to be covered under one of the proposed new schedules.

Agencies must submit all annual review materials requested in this memorandum to OPM by **October 10, 2008**. Agency headquarters should bring any problems encountered in implementing the annual review process to our attention as they arise. Please contact the Center for Pay and Leave Administration by telephone at (202) 606-2858, by fax at (202) 606-0824, or by email at pay-performance-policy@opm.gov.

cc: Human Resources Directors

Attachment 1: 2008 Annual Review Instructions

Attachment 2: Index To Title 5 Special Rate Tables By Agency

Attachment 3: Current Special Rate Schedules With Zero Populations

Attachment 4: Proposed Replacement of Worldwide and Nationwide Special Rate Schedules