

# Compensation

## Pay

Employees in a TDY status will continue to receive their basic pay and locality pay, special rate supplement or local market supplement (whichever is applicable) for their permanent duty station.

Employees are required to participate in the DoD Direct Deposit/Electronic Fund Transfer of Pay (DD/EFT) program.

Salaries are not tax free and salary deductions do not change while on deployment.

Danger Pay and Post (Hardship) Differential Pay are typically paid biweekly with regular salary. Payments are computed as a percentage of an employee's basic pay excluding allowances, differentials, or other additional compensation.

- Exception: Locality pay, special rate supplements, and local market supplements are considered basic pay in computing danger pay and post differentials for employees in a TDY status.

# Overseas Allowances

## Cost of Living Allowances (COLA)

The cost-of-living allowances are those allowances that are designed to reimburse employees for certain excess costs that they incur as a result of their employment overseas. This group includes the Post Allowance (more commonly referred to as the COLA), Foreign Transfer Allowance, Home Service Transfer Allowance, Separate Maintenance Allowance, Education Allowance, and Educational Travel. Cost-of-living allowances are not considered a part of taxable income.

**Note:** *With the exception of a Separate Maintenance Allowance (SMA), only employees who are deployed to Iraq, Afghanistan, and Pakistan **from an overseas post** will be eligible for some of the allowances listed below.*

### Post Allowance:

**Current Rates:** [Post \(Cost of Living\) Allowance \(DSSR 220\)](#)

**Taxable Status:** *Non-Taxable*

**Reference(s):** *Department of State Standardized Regulations (DSSR) 220*

Post Allowance is a cost-of-living allowance granted to full-time employees officially stationed in a foreign area where the cost of living, exclusive of quarters costs, is substantially higher than in Washington, D.C.

- Employees deployed on TDY will continue to receive their Post Allowance for 30 days after leaving their country of assignment. On the 31<sup>st</sup> day, it will terminate.
  - *Exception: Employees whose family members remain in country of assignment will still receive the post allowance minus the employee's portion.*
- Employees on TCS from an overseas post will lose their Post Allowance the day they commence travel to their new duty station.
- The post allowance rate is determined by the classification of the employee's post, his/her salary, family size, and the applicable annual rate prescribed in Section 229.1 of the DSSR.

### Living Quarters Allowance (LQA):

**Current Rates:** [Annual Living Quarters Allowance In U.S. Dollars \(DSSR 130\)](#)

**Taxable Status:** *Non-Taxable*

**References:** *DSSR 132.2(c), 5 U.S.C. 5923, DoD 1400.25-M (Subchapter 1250)*

A quarters allowance granted by the employing activity, as a recruitment incentive, to reimburse eligible employees for the annual cost of suitable and adequate living quarters for the employee and his/her family at a foreign post, whenever government housing is not provided.

Employees assigned to contingency locations via TDY are not eligible for LQA. However,

- Employees on TDY from an overseas duty station who received LQA prior to their deployment will continue to receive the LQA for their post of assignment, providing the employee maintains and continues to pay for his/her quarters at the post.
- LQA rates are established by the Department of State. A maximum LQA is established for each post abroad based on the employee's
  - Grade
  - Quarters group
  - Family size
- TCS employees may be eligible to receive a Separate Maintenance Allowance instead of LQA while deployed.
- LQA payment is paid biweekly.
- The LQA Formula is:
  - $\text{Annual LQA Rate} / \# \text{ of days in calendar year} = \text{XX} * 14 \text{ (biweekly rate)}$

**Separate Maintenance Allowance (SMA):**

**Current Rates:** [Separate Maintenance Allowance \(DSSR 260\)](#)

**Taxable Status:** *Non-Taxable*

**References:** *DSSR 260*

Allowance provides employees additional pay to cover expense of maintaining family members elsewhere than at the employee's foreign post of assignment. Employees deployed to contingency locations as a change of station assignment may be eligible for a SMA. Employees on TDY orders are not eligible for SMA.

There are three types of SMA: Involuntary (ISMA), Voluntary (VSMA), and Transitional (TSMA):

- ISMA may be granted when family members are prohibited from residing at the foreign post.
- VSMA may be granted when family members may go to a foreign post but elect not to for personal reasons.
- TSMA may be granted to an employee whose family members temporarily occupy commercial quarters following the termination of an evacuation or in connection with an unaccompanied assignment.
- If family members are not allowed to accompany an employee to contingency locations, SMA is considered involuntary.
- Involuntary separate maintenance allowance" (ISMA) may be granted because of dangerous, notably unhealthful, or excessively adverse living conditions at the

employee's post of assignment in a foreign area, or for the convenience of the Government

- *Dependent children, including sisters and brothers, must be under age 21 or incapable of self-support, unless they are attending secondary school (i.e., grades 9-12).*
- Circumstances not warranting SMA are listed in DSSR 263.
- ISMA is effective the first day of separation, provided that Form SF-1190 has been submitted.
- TCS employees may be eligible for SMA
  - *Exception: Employee is receiving LQA from home station*
- TDY is a duty at one or more locations away from the Permanent Duty Station (PDS). The PDS has not changed and the employee is not eligible for SMA.

**\*Important Note:** If TCS employee receives SMA for a dependent child under the age of 18 and the child did not move to post with employee, then child is not eligible for an educational travel allowance.

#### NonForeign Area COLA:

**Current Rates:** [Non Foreign Per Diem Rates](#)

**Taxable Status:** *Non-Taxable*

**References:** [OPM Non Foreign Areas](#)

The National Defense Authorization Act (NDAA) for Fiscal Year 2010 (Public Law 111-84, October 28, 2009) transitions the nonforeign area cost-of-living allowance (COLA) authorized under 5 U.S.C. 5941(a)(1) to locality pay authorized under 5 U.S.C. 5304 in the nonforeign areas as listed in 5 CFR 591.205.

#### Per Diem:

**Taxable Status:** *Non-Taxable*

**References:** *Per Diem, JTR, par. 4050-A1*

- Per Diem is designed to offset lodging and meals and incidental expenses (M&IE) costs incurred while performing travel, and/or TDY away from the PDS.
- The Department of State Office of Allowances establishes per diem rates for foreign areas
  - [Foreign Area Per Diem Rates](#)
- The General Services Administration establishes per diem rates in the continental United States (CONUS)
  - [CONUS Per Diem Rates](#)

- The Department of Defense establishes per diem rates for non-foreign locations outside of the continental United States, such as Alaska, Hawaii, or Guam
  - [Non Foreign Area Per Diem Rates](#)
- Per Diem is typically paid to an employee when they return from their deployment upon settlement of a travel voucher.

## Danger Pay Allowance

Danger Pay Allowance provides civilian employees additional compensation of up to 35 percent above basic pay for service in foreign locations where conditions of civil insurrection, civil war, terrorism or wartime conditions exist. These conditions do not include acts characterized chiefly as economic crime.

### Danger Pay:

**Current Rates:** [Danger Pay Allowance \(DSSR 650\)](#)

**Taxable Status:** *Taxable*

**References:** *DSSR 650, 5 U.S.C. 5928*

- Danger pay is calculated as a percentage of basic pay and is paid only for regular duty hours.
- A locality rate, special rate supplement, or local market supplement is considered to be an employee's rate of basic pay for the purpose of computing danger pay allowances for employees on TDY in contingency locations.
- Neither overtime pay and other, premium pay nor other allowances are factored into the calculation of danger pay.
- Employees on detail at a danger pay post may be granted danger pay allowance at the prescribed rate for all days of detail at such post.
  - *Exception: Days of absence from the post in a post or area not designated for the danger pay allowance.*
- Detail is defined as at least four (4) cumulative hours in one day and is considered an entire day.
- Danger pay allowance commences on the date of designation by the Secretary of State for employees present at the post on assignment or detail, and on the date of arrival at post for subsequently assigned or detailed employees or for employees returning to post after temporary absence.
- The danger pay allowance terminates as of the close of business on the day the designation is removed by the Secretary of State, or the day the employee departs the post for any reason for a post or country/area not designated for the danger pay allowance.

- If an employee leaves the country for which Danger Pay is authorized, an updated SF-1190 indicating the period of time outside the specific country must be submitted. Danger Pay will resume once the employee returns and any discrepancies with the dates on the SF-1190 will be rectified.
- Due to periodic review, *Danger Pay is subject to change WITHOUT notice.*

Formula Example:

$50 \text{ (Hourly Rate)} \times .35 \text{ (35\% Danger Pay Rate)} = \$17.5$

$\$17.5 \times 80 \text{ (biweekly hours)}$

$=\$1400 \text{ (additional compensation for danger pay)}$

## Post (Hardship) Differential

Post Differential provides additional compensation to employees for service in foreign areas where environmental living conditions differ substantially from those in the continental United States.

Post (Hardship) Differential (TDY):

**Current Rates:** [Post \(Hardship\) Differential Rates](#)

**Taxable Status:** *Taxable*

**References:** *DSSR 500*

- A post differential is calculated as a percentage of basic pay and is paid only for regular duty hours.
- A locality rate, special rate supplement, or local market supplement is considered to be an employee's rate of basic pay for the purpose of computing post differentials for employees on TDY in contingency locations.
- Neither overtime pay and other premium pay, nor other allowances, are factored into the calculation of post differentials.
- When Differential Starts:
  - Temporary Change of Station: Employees on TCS receive the differential on the date of arrival at post.
  - Temporarily assigned to a post: An employee on detail (TDY) must spend 42 cumulative days at one or more differential locations without returning to his/her non-differential permanent post of assignment to receive a post differential. Differential is paid starting on day 43.

- Temporarily assigned to footnote 'n' post: Both Afghanistan (effective 12/16/2001) and Iraq (effective 3/23/03) - (DSSR 920) are designated as footnote 'n' posts. An employee on TDY must serve
- 42 consecutive calendar days on detail in Afghanistan or Iraq to be granted the post differential for the days served, beginning with the first day of the detail.
- When the employee returns to his/her foreign post of assignment, TDY differential terminates and foreign post of assignment differential (of zero) restarts. If an employee is TDY from the U.S. and the employee returns to the U.S. for the convenience of the government and does not stay longer than 14 consecutive days (up to 30 days which can be for leave if TDY is to a footnote "n" post), then the 42-day eligibility period is not considered interrupted and does not need to be restarted with a further TDY to a foreign differential or non-differential area.
- If the employee has reached the 42 day eligibility for TDY differential and transits the US en route to another differential TDY location, then there are two scenarios.
  - Scenario 1: Has not been TDY to a footnote "n" post; remains in the US 14 consecutive days or less; and the transit in the US is for the convenience of the government - differential ELIGIBILITY continues BUT no differential is paid during period in US. When the employee arrives at the next TDY differential post, there is no need to restart the 42-day eligibility period.
  - Scenario 2: Has been TDY to a footnote "n" post for 42 consecutive days or longer; remains in the US for 30 days or less and may include leave - ELIGIBILITY continues AND differential is paid during period in US. When the employee arrives at the next TDY differential post, there is no need to restart the 42-day eligibility period.
- If the employee remains in the U.S. more than 14 days (scenario 1 above), or more than 30 days (scenario 2 above), the employee on TDY will be required to meet the 42-day eligibility requirement on return to a hardship differential post.
- Once eligibility stops, the employee must spend 42 cumulative days on TDY at one or more differential locations in order to become eligible again for post hardship differential on TDY. Note: days would need to be consecutive for the footnote "n" post qualifier."

Post (Hardship) Differential (TCS):

**Current Rates:** [Post \(Hardship\) Differential Rates \(DSSR 500\)](#)

**Taxable Status:** *Taxable*

**References:** *DSSR 500*

- Differential begins the day the employee arrives at post under assignment orders.
- Differential continues while employee is at post.
- For an employee without family remaining at post who leaves post under official travel orders to go to US (e.g. medical evacuation, training, consultations, etc.), differential stops the day he/she departs post. NOTE: An exception exists for footnote "n" posts: differential may continue for up to 30 days when the employee is in the United States.
- For an employee with or without family members remaining at post who leaves post for "leave" (including R&R) in US, differential stops the day he/she leaves post for the US (unless s/he is assigned to a footnote "n" post; then the post hardship differential can continue for up to 30 days while employee is in the US (DSSR 532b)). But if the employee (not assigned to a footnote "n" post) spends some days in a foreign non-differential area en route to leave in the US, then the differential stops on the day of arrival in the US.
- For an employee without family members who leaves post for "leave" (including R&R) or orders to a non-differential post in a foreign location, differential stops after 42 days.
- When an employee returns to his/her foreign post of assignment, if differential was stopped, it restarts.
- If an employee with family leaves post under official travel orders to go to the US (e.g. medical evacuation, training, consultations, etc.) and leaves family members at the foreign post of assignment, differential continues for 42 days.
- If an employee with family members remaining at the foreign post of assignment leaves post for "leave" (including R&R) in foreign location, differential stops after 42 days, whether family remains at post or not.
- If an employee leaves a foreign post of assignment on travel orders to another hardship differential post, then the employee keeps his/her own post's differential rate for 42 days; on day 43 he/she begins to get the differential rate for the TDY post.
- Due to periodic review, *Post Differential is subject to change WITHOUT notice.*



## Hazardous Duty Pay (HDP)/Environmental Differential Pay (EDP)

Hazardous Duty Pay (HDP):

**Current Rates:** [Hazardous Duty Pay](#)

**Taxable Status:** *Taxable*

**References:** 5 CFR, Subpart I, §550.901 - §550.907

Hazardous Duty Pay (HDP) is additional pay for white-collar (GS and equivalent) employees who are assigned duties involving unusual physical hardship or hazard.

- Hazardous duty means a duty performed under circumstances in which an accident could result in serious injury or death.
- Physical hardship means a duty that may not in itself be hazardous, but causes extreme physical discomfort or distress and is not alleviated by protective or mechanical devices.
- Appendix A of 5 CFR part 550, subpart I, describes the hazardous work situations for which differentials are payable, the conditions for payments, and the rates which range from 4 percent to 25 percent.
- Payment is authorized when the category exists and the hazard or hardship has not been taken into account in the classification of the position.
- If the hazardous duty has been taken into account in the classification of the position, an agency may authorize payment only when the actual circumstances of the specific hazard or physical hardship has changed from those in the position description and, when using knowledge, skills, and abilities required for the position, the employee cannot control the hazard or physical hardship; thus, the risk cannot be reduced to a “less than significant level.”
- When HDP is authorized, the differential is paid for all of the hours in which the employee is in a pay status on the day in which the duty is performed.
- The amount of HDP is determined by multiplying the percentage rate authorized for the exposure by the employee’s hourly rate of pay. That amount is then multiplied by the number of HDP hours to be paid.
- An employee may receive HDP during overtime hours because the employee is in a pay status during overtime hours. However, the HDP is computed on the employee’s hourly rate of basic pay, not the hourly overtime rate.
- If an employee performs a hazardous duty for 1 hour and then takes annual leave for the 7 remaining hours in a workday, then the employee is paid HDP for the entire 8 hour workday.

- Hazard pay differential is:
  - In addition to any additional pay or allowances,(e.g. Danger pay may be paid concurrently with HDP),
  - Not part of basic pay for any Title 5 purpose,
  - Part of total remuneration for FLSA purposes,
  - Not included in the biweekly maximum limitation on premium pay.
- HDP may not be paid to an employee who undertakes to perform a hazardous duty on his or her own, without proper authorization, either expressed or implied.(5 CFR 550.904(a)).
- Hazard pay differentials are not payable to employees in occupations or jobs in which unusual physical risk is an inherent characteristic of the occupation or job, such as police officer, emergency medical technician, and test pilot.

## Hazardous Duty Pay (HDP)/Environmental Differential Pay (EDP)

Environmental Differential Pay (EDP):

**Current Rates:** [Environmental Differential Pay](#)

**Taxable Status:** *Taxable*

**References:** *5 CFR, Subpart I, §532.511*

An environmental differential is payable when a prevailing rate employee (WG, WL, WS) is exposed to a working condition or hazard for which an EDP category exists.

- Appendix A of 5 CFR Part 532, subpart E describes situations for which differentials are payable, actual exposure and hours in a pay status, and the environmental differential pay rates.
- EDP is paid for exposure to hazards, physical hardships, or working conditions of an unusually severe nature that cannot be eliminated or significantly reduced by preventive measures, including the use of safety equipment and protective clothing.
- EDP –two basis for payment
  - When actually exposed
    - Minimum of 1 hour, then in 15 minute increments
    - Entitlement begins when first exposed, ends 1 hour later on or, if longer, at the end of quarter hour exposure terminates
  - Hours in a pay status
    - Paid for all hours on the day on which exposed, including overtime hours.
- Only one differential may be authorized for a particular period of work. Pay is based on the highest differential authorized.
- To determine the amount of EDP, multiply the appropriate EDP rate by the basic hourly rate for WG-10, step 2 on the wage schedule applicable to the employee. Then, multiply that amount by the number of EDP hours to be paid.

- EDP is
  - Basic pay for all premium pay, retirement and life insurance purposes
  - part of total remuneration for FLSA purposes
  - May be paid concurrently with danger pay.

**\*Important Note:** Management is responsible for determining whether the HDP/EDP as an additional pay is warranted.

## Applying for Allowances, Differentials and Danger Pay

Employees MUST use SF-1190, “Foreign Allowances Application, Grant and Report” to apply for ALL allowances, Differentials and Danger Pay.

Link: [SF-1190](#)

- Employees should follow their component’s guidelines for submission of the SF-1190.
- The prescribed timeframes for document submissions is intended to help prevent overpayment/indebtedness situations
  - In order to include the required signatures, your documents must be either mailed, faxed or, scanned prior to forwarding (via email or other available mail service) to your servicing CPOC or HRO at PDS

**\*Important Note:** Your Supervisor MUST sign the SF-1190, block #22, Approving/Reviewing Official.

**\*\* Important Note:** If expected duration of deployment is 30 days or less, payment may not commence due to administrative time constraints. Payment will be made after you return and submit the required documentation.

<b>Event for Submission of SF-1190 &amp; Foreign Location Record</b>	<b>Authentication</b> Documents must be signed by you <i>and</i> :	<b>Timeframe of Submission</b>
Arrival in foreign location	Your Supervisor in Foreign Location	Upon arrival and NLT 1 week
Changes in foreign duty location, if any	Your Supervisor in Foreign Location	Upon arrival and NLT 2 weeks
Interim Final (to terminate entitlements and avoid overpayment)	None	Upon return to your permanent duty station NLT 1 week
Final Package	Your Supervisor at Permanent Duty Station	Within 4 weeks after arrival to your Permanent Duty Station

## Work schedules

Work schedules:

**References:** [OPM Guidance on Work Schedules](#)

- Work schedules are determined by the local (deployed) commander and may include up to 7 days.
- Tour of duty Middle East schedule is typically Sunday-Thursday, 40 hours per week.
- Tour of duty Middle East schedule for SES employees may require individuals to work more than 40 hours per week with no additional compensation or time-off.
- Employees should follow the timekeeping procedures of their respective component.
- Individuals are encouraged to submit time and attendance information to expeditionary supervisors via e-mail and "cc" the home duty station supervisor, timekeeper and/or payroll representative.
  - Expeditionary supervisors will "reply to all", concurring or noting required changes; notifying all concerned of pertinent action.
  - The home duty station supervisor/POC will enter approved time into pay system.
    - NOTE: supervisory approval is MANDATORY, not optional

## Premium Pay

**Taxable Status:** *Taxable*

**References:** *5 CFR, Subpart I, Subchapter B, Part 550, Subpart A- Premium Pay*

Employees receive additional compensation for time worked outside of their regular shift, such as overtime, and for time worked at night, on holidays, and on Sundays.

Premium Pay is a taxable benefit. Premium Pay is computed by using Adjusted Rate of Pay (basic pay + locality pay or local market supplement).

Under the waiver authority, a covered employee may receive premium pay in calendar year 2014 to the extent such premium pay would not cause the employee's aggregate amount of basic pay and premium pay payable in calendar year 2014 to exceed \$233,000.

See the [Pay Limitation Waiver 2017](#), notwithstanding 5 U.S.C. 5547 (Section 1101 of Public Law 110-417 for GS employees and 10 U.S.C 1601 – 1605 for DCIPS employees.)

Note: Iraq is deemed to meet the eligibility requirements for the increased premium pay cap ([Continuation of Stabilization of Iraq 2014 letter](#))

This waiver authority applies to Department of Defense (DoD) employees who:

- (1) Perform work while in an overseas location that is
  - a. In the area of responsibility of the Commander of the United States central command (USCENTCOM), or
  - b. An overseas location that was formerly in the area of responsibility of the USCENTCOM Commander, but has been moved to the area of responsibility of the Commander of the United States Africa Command (USAFRICOM);
- (2) Are subject to the provisions section 5547 of Title 5 U.S.C., or a similar limitation otherwise established;
- (3) Are assigned to an overseas location in the USCENTCOM or the USAFRICOM areas of responsibility specified at Appendix A ([Pay Limitation Waiver 2017](#)) for at least 42 consecutive calendar days; and
- (4) Perform work in direct support of, or directly related to the response to a national emergency declared by the President or a military operation, including a contingency operation as defined in section 101(a)(3) of Title 10 U.S.C.

***Members of the Senior Executive Service (SES) are excluded from premium pay***

§550.103 Definitions: **Rate of basic pay** means the rate of pay fixed by law or administrative action for the position held by an employee, including any applicable locality payment under 5 CFR part 531, subpart F; special rate supplement under 5 CFR part 530, subpart C; or similar payment or supplement under other legal authority, before any deductions and exclusive of additional pay of any other kind.

Overtime

**Taxable Status:** *Taxable*

**References:** *5 CFR, Subpart I, Subchapter B, Part 550, Subpart A, §550.111 and 5 U.S.C. 5544(a)*

**Link:** [550.111 Overtime Pay](#)

**OPM Link:** [OPM Fact Sheet: Overtime Pay, Title 5](#)

The overtime rate of pay is determined by the Fair Labor Standards Act (FLSA) designation.

While TDY or TCS, FLSA nonexempt employees are subject to the Foreign Exemption. Therefore, ALL employees assigned overseas for full workweeks are EXEMPT.

For most FLSA exempt employees covered by Title 5 overtime pay, overtime work means work in excess of 8 hours in a day or 40 hours in an administrative workweek.

Overtime work must be officially ordered or approved, **and** work must be performed.

The overtime hourly rate for a GS exempt employee is based on an employee's rate of basic pay, which includes any applicable locality payment or special rate supplement.

For employees with rates of basic pay equal to or less than the rate of basic pay for GS-10, step 1, the overtime hourly rate is the employee's hourly rate of basic pay multiplied by 1.5.

For employees with rates of basic pay greater than the basic pay for GS-10, step 1, the overtime hourly rate is the greater of-

- The hourly rate of basic pay for GS-10, step 1, multiplied by 1.5, or
- The employee's hourly rate of basic pay.
- The overtime rate for FWS exempt employees is 1.5 times an employee's hourly rate. There is no cap on an employee's overtime rate.

**Note: Senior Executive Service (SES) employees are not eligible for overtime pay.**

General Schedule:

- **If employee's rate of basic pay is less than rate of basic pay for GS-10, step 1**

Multiply hourly rate of basic pay by 1.5

$$\$24.15 \times 1.5 = \mathbf{\$36.23}$$

- **If employee's rate of basic pay is more than rate of basic pay for GS-10, step 1 use**

- The greater of (1) GS-10, step 1, hourly rate of basic pay multiplied by 1.5

**OR**

- The employee's hourly rate of basic pay. (5 CFR §550.113)

**GS-10, step 1 = \$55,512**

$$\$55,512 / 2,087 \text{ hours} = \$26.60$$

$$\$26.60 \times 1.5 = \mathbf{\$39.90}$$

**GS-14, step 1 = \$102,721**

$$\$102,721 / 2,087 \text{ hours} = \mathbf{\$49.22}$$

Night Differential

**Taxable Status:** *Taxable*

**References:** 5 CFR, Subpart I, Subchapter B, Part 550, Subpart A, §550.111

**Link:** [550.121 Night Differential Pay](#)

For GS Employees:

**References:** 5 CFR, Subpart I, Subchapter B, Part 550, Subpart A, §550.121

**OPM Link:** [OPM Fact Sheet: Night Differential Pay for GS Employees, Title 5](#)

Night pay is a differential paid to employees for regularly schedule work performed at night.

- Computed as 10 percent of rate of basic pay
- Generally, night work must be performed between the hours of 6:00 p.m. and 6:00 a.m.
- Night pay is paid in addition to overtime, Sunday , or holiday premium pay
- Night pay is NOT a basic pay for any purpose
- Employee is entitled to night pay when excused from night work on a holiday or another non-workday (does not apply to AWS non-workdays)
- For posts located outside the United States, the head of an activity may designate a time after 6 p.m. and before 6 a.m. as the beginning and end, respectively, of night work to accommodate the customary hours of business in the locality.

Multiply hourly rate of basic pay by 10%. (5 CFR 550.121)

**GS-9, step 1 = \$50,408**

$\$50,408 / 2,087 \text{ hours} = \$24.15$

$\$24.15 \times 0.10 = \mathbf{\$2.42}$

#### [For Federal Wage System/Prevailing Rate employees](#)

**References:** 5 CFR, Subpart I, Subchapter B, Part 532, Subpart E, §532.505

**OPM Link:** [OPM Fact Sheet: Night Differential Pay for Federal Wage System Employees, Title 5](#)

- Payment for a majority of hours worked during a regularly schedule nonovertime shift occur in either of these two shifts:

Shift Hours	Night Shift Differential
3:00 p.m. to midnight	7½ percent differential
11:00 p.m. to 8:00 a.m.	10 percent differential

- “Majority of hours” means a number of whole hours greater than one-half (including meal breaks), e.g., 5 hours of a scheduled 8 hour shift
- The night shift differential is paid for the entire shift when the majority of hours fall within the specified periods.

*5 CFR §550.122 - Night pay differential is in addition to overtime, Sunday, or holiday pay and it is not included in the rate of basic pay used to compute the overtime, Sunday, or holiday pay.*

## Sunday Pay

**Taxable Status:** *Taxable*

**References:** 5 CFR, Subpart I, Subchapter B, Part 550, Subpart A, §550.171

**Link:** [550.171 Pay for Sunday Work](#)

**OPM Link:** [OPM Fact Sheet: Sunday Premium Pay](#)

An employee is entitled to 25 percent of his or her rate of basic pay for work performed during a regularly scheduled basic 8-hour tour of duty that begins or ends on a Sunday.

- An employee is entitled to Sunday premium pay equal to 25 percent of his or her rate of basic pay for each hour of Sunday work.
- Sunday work consists of nonovertime work during an employee's regularly scheduled basic tour of duty (not to exceed 8 hours) that begins or ends on a Sunday. Notwithstanding the normal 8-hour limit, for an employee on a compressed work schedule, all nonovertime hours in the employee's regularly scheduled daily tour of duty beginning or ending on a Sunday constitutes Sunday work.
- Sunday premium pay is NOT paid for overtime hours of work.

Multiply hourly rate of basic pay by 25% (5 CFR 550.171)

**GS-9, step 1 = \$50,408**

$\$50,408 / 2,087 \text{ hours} = \$24.15$

$\$24.15 \times 0.25 = \mathbf{\$6.04}$

*5 CFR §550.172 - Premium pay for Sunday work is in addition to premium pay for holiday work, overtime pay, or night pay differential and is not included in the rate of basic pay used to compute the pay for holiday work, overtime pay, or night pay differential*

## Holiday Pay

**Taxable Status:** *Taxable*

**References:** 5 CFR, Subpart I, Subchapter B, Part 550, Subpart A, §550.131

**Link:** [550.131 Pay for Holiday Work](#)

**OPM Link:** [OPM Fact Sheet: Federal Holidays - Work Schedules and Pay](#)

- "Holiday Work" means nonovertime work performed by employees during their regularly schedule daily tour of duty on a holiday (see 5 CFR §550.103)
- Computed as 2 x basic rate of pay for each hour of holiday work, not to exceed 8 hours (or the daily tour for a compressed workschedule).
- An employee is entitled to pay for overtime work on a holiday at the SAME rate as for overtime work on other days (See Premium Pay: Overtime)
- Multiply hourly rate of basic pay by number of nonovertime hours worked on holiday (not to exceed 8 hours or the number of nonovertime hours of a compressed work schedule). (5 CFR 550.131 and 5 CFR 610.407)



**GS-9, step 1 = \$50,408**  
\$50,408 / 2,087 hours = \$24.15  
\$24.15 x 8 hours = **\$193.20**

*5 CFR §550.132 - Premium pay for holiday work is in addition to overtime pay or night pay differential, or premium pay for Sunday work and is not included in the rate of basic pay used to compute the overtime pay or night pay differential or premium pay for Sunday work.*

## Aggregate Pay

**References:** 5 CFR, Subpart I, Subchapter B, Part 530, Subpart B, §530.201 - §530.205

**Link:** [530.201 Subpart B - Aggregate Limitation on Pay](#)

**OPM Link:** [OPM Fact Sheet: Aggregate Limitation on Pay](#)

**Memo:** [Calendar Year 2017 Waiver of Annual Pay Limitations for Certain Employees](#)

**E.O. 13303:** [Continuation of the National Emergency with Respect to the Stabilization of Iraq](#)

A limit under Title 5, United States Code, on the total amount of allowances, differentials, bonuses, awards, or other similar payments an employee may receive in a calendar year, when combined with the employee's basic pay. Payments in excess of the aggregate limitation on pay (other than basic pay) must be deferred and are generally paid as a lump-sum payment at the beginning of the following calendar year.

The aggregate limitation on pay will NOT apply to GS or DCIPS employees for calendar year 2014 (1101 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2014 (Public Law 113-66, December 26, 2013) for GS employees and sections 1601 – 1603 of Title 10, U.S.C. for DCIPS employees.

All GS or DCIPS employees assigned to Iraq or Afghanistan for at least 42 days are deemed to meet the eligibility requirements for the increased premium pay cap and no further determination regarding these employees is required.

- For employees who are serving in the area on January 1, 2014, the 42 consecutive days may include days served in 2013
- The 42 consecutive days also may include days served in Afghanistan in 2015
- Employees in Iraq will continue to be covered by the higher pay limitations (see E.O. 13303: Continuation of the National Emergency with Respect to the Stabilization of Iraq)

All GS or DCIPS employees assigned to Iraq or Afghanistan will receive payments immediately rather than having such payments deferred.

When the aggregate limitation on pay under 5 U.S.C. 5307 is applied, Payments in excess of the aggregate limitation on pay (other than basic pay) must be deferred and are generally paid as a lump-sum payment at the beginning of the following calendar year.

Under the following conditions an agency must pay any amount that was deferred because it was in excess of the applicable aggregate limitation, regardless of the calendar year limitation—

- If an employee dies, the agency must pay the entire excess amount as part of the settlement of accounts.

- If an employee separates from the Federal service, the employing agency must pay the entire excess amount following a 30-day break in service.

Aggregate compensation means the total of-

- Basic pay received as an executive branch employee or as a General Schedule employee in the legislative or judicial branch;
- Continuation of pay under 5 U.S.C. 8118;
- Danger pay allowances under 5 U.S.C. 5928;
- Extended assignment incentives under 5 U.S.C. 5757;
- Incentive awards and performance-based cash awards under 5 U.S.C. chapters 45 and 53;
- Lump-sum payments in excess of the aggregate limitation of pay as required by 5 CFR 530.204;
- Physicians' comparability allowances under 5 U.S.C. 5948;
- Post differentials under 5 U.S.C. 5925;
- Post differentials based on environmental conditions for employees stationed in nonforeign areas under 5 U.S.C. 5941(a)(2);
- Premium pay under 5 U.S.C. chapter 53, subchapter IV;
- Premium pay under 5 U.S.C. chapter 55, subchapter V;
- Recruitment and relocation incentives under 5 U.S.C. 5753 and retention incentives under 5 U.S.C. 5754;
- Supervisory differentials under 5 U.S.C. 5755; and
- Similar payments authorized under Title 5, United States Code,
- Excluding -
  - Back pay awarded to an employee under 5 U.S.C. 5596 because of an unjustified personnel action;
  - Lump-sum payments for accumulated and accrued leave under 5 U.S.C. 5551 or 5552;
  - Nonforeign area cost-of-living allowances under 5 U.S.C. 5941(a)(1);
  - Overtime pay under the Fair Labor Standards Act of 1938, as amended, and 5 CFR part 551;
  - Severance pay under 5 U.S.C. 5595; and
  - Student loan repayments under 5 U.S.C. 5379.