

2021 PAY FACT SHEET – CENTCOM AREA OF OPERATIONS
As of 10 May 2021

There are several types of statutory pay limitations that can be waived when a Federal civil service employee is deployed to a contingency operation in the CENTCOM Area of Operations (AOR). The waiver of limitations occurs on an annual basis, based on authorizations included in each year's National Defense Authorization Act (NDAA). This is not an automatic process, but rather must be renewed each year and issued with delegations of authority and implementing instructions.

Each waiver authority expires at the end of the calendar year, the deployed employee's pay reverts to the non-waived limitations at the beginning of the next calendar year (biweekly and/or annual caps) until such time that the next year's waiver authority is issued and applied through command channels (Service/Defense Agency).

This is a yearly waiver which must be Congressionally-approved and implemented through a process that typically takes six months to complete. However, once the waivers are in place, the employee receives any retroactive earning for pay that was withheld during the gap in waiver authorization back.

DEFINITION OF TERMS:

Premium Pay Limitation, 5 U.S.C 5547

Biweekly (BPL)

- This is a statutory limitation on the amount of premium pay an employee can receive on a biweekly basis. The limit includes the total of basic pay and premium pay and is set at a cap of the GS 15 step 10 biweekly regular rate for the employee's home station employing locality pay table, or Level V of the Executive Schedule, whichever is greater.
- When deployed in support of declared contingency operations in the CENTCOM AOR, employees are eligible to have the BPL lifted to the Annual Premium Pay Limitation (APPL). Without a waiver, earnings above the biweekly limit are forfeited.

Annual (APPL)

- This is a statutory limitation on the amount of premium pay an employee can receive on an annual basis. The limit includes the employee's total basic pay plus premium pay and is normally set at the GS 15 step 10 annual rate for the employee's home station employing locality pay table, or Level V of the Executive Schedule, whichever is greater.
- However, employees are eligible to have the APPL waived retroactively after completing 42 consecutive days in a declared contingency operation in the CENTCOM Area of Operations. Note: The 42-day period may overlap a calendar year. If you are serving in theater on January 1, 2021, the 42 consecutive days may include days served in 2020. The 42 consecutive days also may include days served in a covered area in 2022, but the waiver only applies to premium pay payable in 2021.

- Employees who meet the criteria for the waiver based on service in a contingency in the CENTCOM AOR, can receive earnings from basic and premium pay up annual rate of salary payable to the Vice President (\$255,800 for CY21).
- Employee earnings from January until the waiver is implemented may be reduced since they are covered by the regular annual and biweekly pay limitations. Once the waiver is applied, retroactive pay will be issued back to 1 January of the calendar year, or whatever date the employee became eligible, based on arrival in the contingency location. Waivers are then removed on the last pay period of the calendar year until a new determination has been made for the next calendar year.

Aggregate Pay Limitation (APL), 5 U.S.C 5307

- This is a different statutory limitation on pay that includes all types of pay (basic, premium, plus allowances, differentials, bonuses, awards, or other similar payments) received in a calendar year. Note: Biweekly and annual premium limitations only include basic and premium pay, but the aggregate limitation includes types of pay listed in 5 CFR 530.202 under “aggregate compensation.”
- The APL for 2021 is set at \$221,400.
- In accordance with 2021 DoD guidance, employees who are approved for a waiver to the premium pay limitations (biweekly and annual) based on contingency support to missions in the CENTCOM AOR, are not waived from the APL. However, any pay in addition to basic pay received during the waiver period is not counted as compensation in applying the aggregate pay limitation

KEY FACTS:

- USD (P&R) memorandum waives the annual premium pay limitation under 5 U.S.C. 5547, or a similar limitation, up to the Vice President’s salary (3 U.S.C. 104) for Calendar Year (CY) 2021.
- Reduced earnings during the time when no waiver is approved will be recalculated and paid out to the new limits, once the waivers are applied to the employee’s pay and personnel record.
- Biweekly and Annual Limitations include: Regular Pay and Premium Earnings (Overtime, Night Differential, Sunday Premium, Holiday Premium, and Comp Time Earned In Lieu of Overtime). This limitation caps earnings.
- Aggregate Limitation includes all “Paid” earnings listed in 5 CFR 202 in a calendar year to include, but not limited to Regular Pay, Premium Earnings, Post Differential, Danger Pay, Awards, Relocation Incentives, etc. This limitation caps the amount of pay that may be issued in any one calendar year.

- Premium and Aggregate limitations are applied separately in calculating pay limits. If an employee's pay is limited by either of these caps before the waivers are in place, the Leave and Earnings Statements will show the earnings with annotations of whether pay was forfeited or deferred, depending on which cap caused the limitation. The forfeited or deferred amounts will then be paid retroactively at when the 2021 waivers are applied, subject to the caps in the new waivers (\$255,800 for the APPL and a complete waiver of the \$221,400 APL).
- The waiver period ends when the employee no longer meets the criteria for the waiver based on service in a contingency in the CENTCOM AOR. They will then be subject to the biweekly limitation for the positions and location.

Implementation of 2021 Pay Cap Waivers:

- The final step in applying these waivers to employee records is accomplished through each Component's chain of command and documented in individual personnel and pay systems. Once this is accomplished, pay that was forfeited or deferred in 2021, that is now authorized through issuance of the waiver authority, will be paid in lump sum to employees.
- Questions on procedures and timeframes to complete the authorization process and issue retroactive payments should be directed to each employee's home station personnel or payroll office.

REFERENCES:

[Pay-Related Legislative Changes in the National Defense Authorization Act, FY 2021](#)

[Summary of Key Necessary Elements in Agency Policies Implementing Section 1101 of Public Law 110-417, as Amended, for Calendar Year 2021](#)

[January 2021 Pay Adjustments](#)