



USAID
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Foreign Service Overseas Pay Comparability

A Mandatory Reference for ADS Chapter 470

Reference Issuance Date: 10/05/2011
Policy Issuance Date: 09/01/2009
Responsible Office: OHR/PPIM
File Name: 470mac_100511

The Supplemental Appropriations Act, 2009, (P.L. 111-32), enacted on June 24, 2009, included initial authorization for a Foreign Service (FS) Overseas Pay Comparability increase for FS-01s and below. The Office of Human Resources (OHR) is pleased to announce that USAID is implementing FS Overseas Pay Comparability jointly with the Department of State as announced in cable State 075056. Implementation is planned to take place in three phases. USAID's FY 2009 appropriation includes funding for the first phase. The pieces are now in place to move forward with this phase.

The National Finance Center (NFC) advised OHR that it will implement the FS Pay Comparability adjustments, which allows USAID's FS employees (including FSLs) at FS-01 and below to receive a 7.7% pay increase in basic pay, in pay period (PP) 20. Although the pay adjustments will occur in PP20 payroll processing, these transactions will be late actions (retro) with a PP 17 (August 16) effective date. In effect, each employee will receive an adjustment that will also cover the pay dates going back to PP17 (August 16).

NFC will modify internal pay tables and implement a new salary rate table. NFC will then generate the pay adjustments, process them through the payroll/personnel system, and update individual salary records with the increased salary amounts. The increase will be identified as locality pay.

However, please note that if a personnel action is processed for an employee between PP17 and PP20, such a generated pay adjustment record would go into suspense and OHR must process a special package in the system so that the pay adjustment will apply. Employees are advised not to be concerned should an error occur with their adjustment. If the implementation is delayed or an error occurs, the correction will be made and pay adjustments made retroactively to PP17.

The comparability increase will be included in basic pay for the purposes of computing post differential and danger pay, and other allowances and benefits calculated using basic pay. We anticipate that eligible employees will also receive a locality adjustment in January 2010, at the same time as those located in Washington, D.C.

This increase establishes a new annual maximum rate of basic pay for FS-01s at steps 10 and above: \$137,430. This figure is arrived at by increasing the current FS-01 basic pay (without locality adjustment) by the 7.7% rate of increase. The maximum amount will increase as each phase is implemented.

The aggregate limitation established by 5 U.S.C. 5547, Limitation on Premium Pay, continues to apply, except to employees who receive a waiver under Section 1101 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (NDAA Act 2009), as explained below. Compensation earned in excess of this aggregate limit (the greater of the maximum rate of pay for GS-15 or Executive Level V) will be deferred and paid out in lump sum at the beginning of the following calendar year.

In calendar year 2009, up to the Vice President's pay of \$227,300, NDAA Act 2009 allows agencies to waive the aggregate limitation on basic pay and premium pay established by 5 U.S.C. 5547. The waiver may be made only for employees performing work in critical locations overseas.

As you will note in State 075056, the comparability authority is not permanent. As a result, additional phases will be dependent upon an extension of the authorization and USAID's ability to fund the increases. Department of State officials will continue to pursue the authorizations for future comparability increases. USAID is optimistic that with approved authorizations and available funding, similar increases can be paid around the same time in 2010 and 2011.

Separate guidance will be forthcoming from the Office of Acquisition and Assistance (OAA) on this policy's applications to U.S. Personal Service Contractors.

The Department of State developed the new FS pay schedules, which contain the 7.7 percent increase, and published them in cables STATE 075056 and STATE 085189.

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