DCIPS Pay Adjustment Computations as a Result of a General Pay Increase (GPI) - Pay Rate Determinant (PRD) 2, 4, J, and K Fact Sheet

This fact sheet provides guidance for determining an increase in the basic pay rate as a result of a general schedule pay increase and addresses the various pay rate determinants (PRDs) used by the DCIPS graded structure (GG) except for those on the Regular Rate (PRD 0). The rate for employees in PRD 0 in the graded structure is set to Step 1 through Step 10 of the DCIPS graded pay schedule with the applicable local market supplement (LMS) or targeted local market supplement (TLMS).

Employees Placed on Saved Rate - Indefinite (PRD 2) as a Result of the National Defense Authorization Act (NDAA) for 2010:

DCIPS employees whose base rate exceeded the 2009 Executive Level IV (EX-IV) rate ($153,200) on the date of the enactment of the National Defense Authorization Act for 2010 were placed on saved pay, effective 9 November 2009, except for employees in the non-foreign OCONUS areas. Employees in this category receive 50 percent of the increase to the Executive Level IV rate. Pay retention ceases when the basic pay rate falls at or below EX-IV. The pay is capped at EX-IV plus 5% which was $163,275 effective 3 January 2010 ($155,500 plus 5%). Note: Adjusted Basic Pay Cap for 2014 = $164,955.

Examples for 2014 Increase:

A: GG-15, Step 00, $160,737

Step 1: Subtract the EX-IV rate in 2013 from the EX-IV rate in 2014.

2014 Executive Level IV Rate = $157,100
2013 Executive Level IV Rate = $155,500
Difference = $1600

Step 2: Multiply the result of Step 1 by 50 percent.

$1600 X .50 = $800.

Step 3: Add the result of Step 2 to the GG-15, Step 00, saved rate.

$160,737 + $800 = $161,537
2014 saved rate = $161,537

B: GG-15, Step 00, $155,548 in DC, LMS is 24.22%

Step 1: Subtract the EX-IV rate in 2013 from the EX-IV rate in 2014.

2014 Executive Level IV Rate = $157,100
2013 Executive Level IV Rate = $155,500
Difference = $1600

Step 2: Multiply the result of Step 1 by 50 percent.

$1600 X .50 = $800.

Step 3: Add the result of Step 2 to the GG-15, Step 00, saved rate.

$155,548 + $800 = $156,348
2014 Rate = $156,348
Since the rate falls below the EX-IV 2014 rate of $157,100, saved rate no longer applies.
Employee's new rate would be GG-15, Step 09 ($156,348 / 1.2422 = $125,864 which falls between new Step 8 and Step 9 rate) with basic pay = $127,458 locality = $29,642 and adjusted basic pay = $157,100 (EX-IV), PRD = 0.

Note: Adjusted Basic Pay Cap for 2014 for EX-IV now applies.

Employees Placed on Saved Rate - Indefinite (PRD 2) as a Result of the Non-Foreign Area Retirement Equity Assurance Act of 2009 (NAREAA):

The NAREAA permitted the basic pay to exceed EX-IV rate in the non-foreign OCONUS areas as a result of increases granted during the three-year phase-in of locality pay in these areas. DCIPS employees in the non-foreign OCONUS areas receiving the targeted local market supplement (TLMS) whose pay exceeded EX-IV ($155,500) were placed on saved pay effective 15-Jan-2012. Reductions in TLMS or increases in the GPI are to be computed in accordance with the modified pay retention rules implemented for these employees. The computations are calculated by virtually separating the employee's retained rate into an underlying base rate plus the TLMS. Employees in this category receive 100 percent of the increase for their underlying base rate with the TLMS rate in effect applied to this underlying base rate. Pay retention ceases when the basic pay falls at or below EX-IV.   The pay cap for this category is EX-I. Note: Employees had to have been permanently assigned to a DCIPS position in a non-foreign OCONUS location prior to January 2, 2011, to receive the TLMS rate (unless an exception was granted); the OPM locality rate applies for employees assigned after that date.   Adjusted Basic Pay Cap for 2014 = $201,700.

Example for 2014 Increase: GG-15, Step 00, $156,401 in Hawaii with TLMS Rate 23.91%
                                                Underlying Base Rate of $119,554 (GG-15/Step 07)

Step 1: Determine the new underlying base rate

2014 GG-15, Step 07 = $120,748

Step 2: Multiply Step 1 by TLMS Rate

$120,748 X .2391 = $28,871

Step 3: Add the result of Step 1 and Step 2.

$120,748 + $28,871 = $149,619

2014 rate = $149,619
Since the rate falls below the EX-IV 2014 rate of $157,100, pay retention no longer applies.
Employee's payable rate is GG-15, Step 07, PRD = 0, basic pay = $120,748, TLMS = $28,811 and adjusted basic pay = $149,619.

Employees on Saved Rate – Indefinite (PRD 2) not Covered in Above and Retained Pay (PRD J or K) as a Result of their Basic Pay Exceeding the Maximum of the Extended Rate Range (Step 12 Equivalent Rate) for their Grade:

Employees in this category receive 50 percent of the increase to the maximum rate of their grade including the local market supplement (LMS which is the OPM locality rate) or the targeted local market supplement (TLMS) if TLMS is applicable. Pay retention ceases when the basic pay falls at or below Step 12 equivalent plus LMS or TLMS, whichever is applicable. Pay is capped at EX-IV. Note: Adjusted Basic Pay Cap for 2014 = $157,100.

Examples for 2014 Increase:

A. Employee where Non-Foreign OCONUS TLMS Reduction Applies: GG-05, Step 00, $54,627 in Hawaii TLMS Rate 23.91% (TLMS Rate was reduced from 30.82% to 23.91% effective 12-Jan-2014 IAW TLMS Phase-out Schedule)

Step 1: Identify the maximum rate for the highest applicable rate range that applies prior to TLMS reduction.

$37,485 (2013 GG-05, Step 12) X 1.3082 = $49,038

Step 2: Identify the maximum rate for the highest applicable rate range that applies with the new TLMS reduced rate.

$37,869 (2014 GG-05, Step 12) X 1.2391 = $46,923

Step 3: Divide the maximum rate identified in Step 2 by the maximum rate identified in Step 1, and round the result to the fourth decimal place.

$46,923 ÷ $49,038 = 0.9569

Step 4: Multiply the factor resulting from Step 3 by the employee's former retained rate and round to the nearest whole dollar to derive the employee's new retained rate.

0.9569 X $54,627 = $52,273

2014 retained rate = $52,273 (Exceeds new GG-05, Step 12 with TLMS rate)

B. Employee where TLMS applies (other than those in non-foreign OCONUS areas): GG-12, Step 00, $115,747 in Korea TLMS Rate 24.22%

Step 1: Subtract the GG-12, Step 12, with TLMS rate in 2013 from the GG-12, Step 12, with TLMS rate in 2014

$83,196 (2014 GG-12, Step 12) X 1.2422 = $103,346
$82,373 (2013 GG-12, Step 12) X 1.2422 = $102,324
Difference = $ 1022

Step 2: Multiply the result of Step 1 by 50 percent.

$1022 X .50 = $511

Step 3: Add the result of Step 2 to the GG-12, Step 00 retained rate.

$115,747 + $511 = $116,258
2014 retained rate = $116,258 (Exceeds new GG-12, Step 12 with TLMS rate)

C.   Employee where LMS applies: GG-09, Step 00, $56,814 in Rest of US

Step 1: Subtract the GG-09, Step 12, with LMS rate in 2013 from the GG-09, Step 12, with LMS rate in 2014.

$57,368 (2014 GG-09, Step 12) X 1.1416 = $65,491
$56,798 (2013 GG-09, Step 12) X 1.1416 = $64,841
Difference = $ 650

Step 2: Multiply the result of step 1 by 50 percent.

$650 X .50 = $325

Step 3: Add the result of Step 2 to the GG-09, Step 00 retained rate.

$56,814 + $325 = $57,139
2014 rate = $57,139
Since the rate falls below GG-09, Step 12 with LMS rate ($57,139), pay retention no longer applies. Employee's payable rate is GG-09, Step 00 ($57,139 / 1.1416 = $50,052 which falls above Step 10), basic pay = $50,052, locality = $7,087 and adjusted basic pay = $57,139, PRD = 4.

Employees on Saved Rate – Other (PRD 4):

Employees in this category are those where the basic rate of pay exceeds Step 10 of the DCIPS grade but is equal to or below the maximum of the extended basic rate range (Step 12 for the DCIPS grade). These employees receive 100 percent of the increase to the maximum rate of their grade including LMS or TLMS. Pay is capped at EX-IV. Note: Adjusted Basic Pay Cap for 2014 = $157,100

Examples for 2014 Increase:

A. Employee where Basic Exceeds Step 11 Equivalent: GG-12, Step 00, $92,732 (Basic rate = $81,230 and LMS = $11,502), LMS 14.16%

Step 1: Subtract the GG-12, Step 12 rate in 2013 from the GG-12, step 12 rate in 2014.

2014 GG-12, step 12 = $83,196
2013 GG-12, step 12 = $82,373
Difference = $823

Step 2: Add the result of Step 2 to the GG-12, Step 00, basic rate.

$81,230 + $823 = $82,053

2014 basic rate = $82,053
2014 locality = $11,619
2014 adjusted basic rate = $93,672 ($82,053 X 1.1416)

B. Employee where Basic Exceeds Step 10 and Falls At or Below Step 11 Equivalent: GG-12, Step 00, $91,744 (Basic rate = $80,364 and LMS = $11,380), LMS 14.16%

Step 1: Subtract the GG-12, step 11 rate in 2013 from the GG-12, step 11 rate in 2014.

2014 GG-12, step 11 = $81,167
2013 GG-12, step 11 = $80,364
Difference = $803

Step 2: Add the result of Step 2 to the GG-12, step 00, basic rate.

$80,364 + $803 = $81,167

2014 basic rate = $81,167
2014 locality = $11,493
2014 adjusted basic rate = $92,660 ($81,167 X 1.1416)