

DCIPS Pay Adjustment Computations as a Result of a General Pay Increase (GPI) - Pay Rate Determinant (PRD) 2, 4, J, K and Y 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 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 2018 = \$172,410.

Examples for 2018 Increase:

A: GG-15, Step 00, \$164,060

Step 1: Subtract the EX-IV rate in 2017 from the EX-IV rate in 2018.

2018 Executive Level IV Rate = \$164,200
2017 Executive Level IV Rate = \$161,900
Difference = \$2300

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

$\$2300 \times .50 = \$1150.$

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

$\$164,060 + \$1150 = \$165,210$
2018 saved rate = \$165,210

Since the rate is **ABOVE** the EX-IV 20181 rate of \$164,200 saved rate **applies**.

B: GG-15, Step 00, \$160,060 in DC, LMS is 28.22%

Step 1: Subtract the EX-IV rate in 2017 from the EX-IV rate in 2018.

2018 Executive Level IV Rate = \$164,200
2017 Executive Level IV Rate = \$161,900

Difference = \$2300

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

$\$2300 \times .50 = \$1150.$

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

$\$164,500 + \$1150 = \$165,210$

2018 Rate = \$165,210

Since the rate is **BELOW** the EX-IV 2018 rate of \$164,200, **saved RATE no longer applies.**

REVISED- Prior to using the formula listed below, confirm the employee's pay rate prior to transitioning to bands. If the employee has remained at the same pay rate, the new pay rate should not fall below the employee's pay rate prior to the transition to bands. (Example-The employee was a GG-15, step 10 prior to transitioning to bands. If the employee's rate falls below the EX-IV 2018 rate of \$164,200 and pay rate has remained the same, the employee's new pay rate should NOT fall below a GG-15, step 10.)

Employees on Saved Rate – Indefinite (PRD 2) not covered previously 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 2018 = \$164,200.

Examples for 2017 Increase:

A. Employee Non-Foreign OCONUS: GG-05, Step 00, \$52,926 in Hawaii LMS Rate 18.4%

Step 1: Identify the maximum rate for the highest applicable rate range for previous year FY 17

$$\$39,017 \text{ (2017 GG-05, Step 12)} * 1.1792 = \$46,008$$

Step 2: Identify the maximum rate for the highest applicable rate range that applies for current year FY 18

$$\$39,560 \text{ (2018 GG-05, Step 12)} * 1.1843 = \$46,851$$

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.

$$\$46,851 \div \$46,008 = 1.0183$$

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.

$$1.0183 * \$53,968 = \$54,957$$

2018 retained rate = \$54,957 (Exceeds new GG-05, Step 12 with LMS rate)

B. Employee where TLMS applies (other than those in non-foreign OCONUS areas): GG-12, Step 00, \$118,539 in Korea TLMS Rate 27.10%

Step 1: Subtract the GG-12, step 12, with TLMS rate in 2017 from the GG-12, step 12, with TLMS rate in 2017

\$85,723	(2017	GG-12,	Step	12)	*	1.2710	=	\$108,954
\$86,920	(2018	GG-12,	Step	12)	*	1.2822	=	\$111,449
Difference = \$2,495								

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

$$\$2,495 * .50 = \$1,248$$

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

$$\$118,539 + \$1,248 = \$119,787$$

2017 retained rate = \$119,787 (Exceeds new GG-12, Step 12 with TLMS rate)

C. Employee where LMS applies: GG-09, Step 00, \$66,750 in Rest of US

Step 1: Subtract the GG-09, step 12, with LMS rate in 2016 from the GG-09, step 12, with LMS rate in 2018

$$\$59,113 \text{ (2017 GG-09, Step 12)} * 1.1506 = \$68,015$$

$$\$59,939 \text{ (2018 GG-09, Step 12)} * 1.1537 = \$69,152$$

$$\text{Difference} = \$ 1,137$$

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

$$\$1,137 * .50 = \$569$$

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

$$\$66,750 + \$569 = \$67,319$$

$$\text{2018 rate} = \$67,319$$

Since the rate fell below GG-09, step 12 with LMS rate (\$69,152), pay retention no longer applies. Employee's payable rate is GG-09, Step 00 (\$67,319 / 1.1537 = \$58,351 which falls above Step 10), basic pay = \$58,351 locality = \$8,968 and adjusted basic pay = \$67,319 PRD = 4.

Employees on Saved Rate – Other (PRD 4):

Employees in the 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 2017 = \$161,900.

Examples for 2018 Increase:

A. Employee where Basic Exceeds Step 11 Equivalent: GG-12, Step 00, \$96,305 (Basic rate = \$83,700 and LMS = \$12,605), LMS 15.06%

Step 1: Subtract the GG-12, step 12 rate in 2015 from the GG-12, step 12 rate in 2016.

$$2017 \text{ GG-12, step 12} = \$85,723$$

$$2018 \text{ GG-12, step 12} = \$86,920$$

$$\text{Difference} = \$1,197$$

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

$$\$83,700 + \$1,197 = \$84,897$$

$$2018 \text{ basic rate} = \$84,897$$

$$2018 \text{ locality} = \$13,049$$

$$2018 \text{ adjusted basic rate} = \$97,946 (\$84,897 * 1.1537)$$

B. Employee where Basic Exceeds Step 10 and Falls At or Below Step 11 Equivalent: GG-12, Step 00, \$95,305 (Basic rate = \$82,000 and LMS = \$12,349), LMS 15.37%

Step 1: Subtract the GG-12, step 11 rate in 2017 from the GG-12, step 11 rate in 2018.

2017 GG-12, step 11 = \$83,632
2018 GG-12, step 11 = \$84,800
Difference = \$1,168

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

$\$82,000 + \$1,168 = \$83,168$

2018 basic rate = \$83,168
2018 locality = \$12,783
2018 adjusted basic rate = \$95,951 ($\$83,168 \times 1.1537$)

Employees on NSPS Retained Pay (PRD Y):

DCIPS 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 (\$164,200 plus 5%). Note: Adjusted Basic Pay Cap for 2018 = \$172,410.

Examples for 2018 Increase:

A: GG-15, Step 00, \$162,337

Step 1: Subtract the EX-IV rate in 2017 from the EX-IV rate in 2018.

2018 Executive Level IV Rate = \$164,200
2017 Executive Level IV Rate = \$161,900

Difference = \$2,300

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

$\$2,300 \times .50 = 1,150.$

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

$\$164,200 + \$1,150 = \$165,350$
2017 saved rate = \$165,350

B: GG-15, Step 00, \$161,000 in DC, LMS is 27.10%

Step 1: Subtract the EX-IV rate in 2017 from the EX-IV rate in 2018. 2018 Executive Level IV Rate = \$164,200

2017 Executive Level IV Rate = \$161,900
Difference = \$2,300

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

$\$2,300 \times .50 = \$1,150.$

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

$\$164,200 + \$1,150 = \$165,350$

2018 Rate = \$165,350

Since the rate falls below the EX-IV 2017 rate of \$161,900, saved rate no longer applies.

Employee's new rate would be GG-15, Step 09 ($\$161,800 / 1.2710 = \$127,301$ which falls between new Step 7 and Step 8 rate) with basic pay = \$127,864 locality = \$34,036 and adjusted basic pay = \$161,900 (EX-IV), PRD = 0.

Note: Adjusted Basic Pay Cap for 2018 for EX-IV now applied

