



2011-2012 Federal Pay Freeze

On December 22, 2010 President Obama signed into law the Continuing Appropriations and Surface Transportation Extensions Act, 2011 (Public Law 111-322) which implements a two-year pay freeze for all Executive Branch federal employees. The pay freeze is effective from January 01, 2011 to December 31, 2012. President Obama also asked that agencies suspend similar increases to pay schedules and rates that are set by administrative discretion in a memorandum issued on December 22, 2010.

What types of pay are impacted by the freeze?

The pay freeze is expected to apply to approximately 2 million Federal civilian employees in the Executive branch. Employees of the United States Postal Service and the Postal Regulatory Commission are not covered, nor are members of the uniformed services (as defined in 37 U.S.C. 101(3), i.e., Army, Navy, Air Force, Marine Corps, Coast Guard, National Oceanic and Atmospheric Administration, and Public Health Service). Covered employees include employees under the General Schedule, Executive Schedule, Senior Executive Service (SES), Senior Foreign Service (SFS), senior-level and scientific and professional (SL/ST), prevailing rate, and other Executive branch pay systems and schedules. This means that all federal pay scales, including DCIPS pay band ranges and GG grade ranges will remain at 2010 levels during 2011 and 2012. This also means that employees will not receive the January pay adjustment commonly referred to as the General Pay Increase (or the DCIPS Floor increase), nor will they receive an increase to their Local Market Supplement (locality) pay rates.

With the exception of Targeted Local Market Supplements (TLMS) for DCIPS employees working in non-foreign areas outside the contiguous United States (OCONUS), all TLMS rates (and field adjustments at NSA) will remain at 2010 levels. The legislation implementing the pay freeze provided an exception for employees in non-foreign OCONUS areas in order to offset the decrease in Cost-of-Living Allowances (COLA) associated with the Non-foreign Area Retirement Equity Assurance Act (NAREAA) of 2009.

What types of pay are NOT impacted by the freeze?

The pay freeze does NOT affect Periodic Increases (or within-grade increases at NSA and for components transitioning to grades) based on fully successful level of performance, nor performance-based salary increases at NGA. Quality Step Increases (QSIs), promotions, within-band salary advancements and pay increases associated with developmental programs, as well as bonuses and other types of awards, are unaffected. However, to the extent that a pay system provides performance-based increases in lieu of general increases, funds allocated for those performance-based

increases will be correspondingly reduced to reflect the freezing of the employees' base pay schedule. This does not affect NGA's performance-based increases since those increases are funded and determined separately from general increases.