

## MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

From: John Berry  
Director

Subject: Freeze on Pay Adjustments for Federal Civilian Employees

On December 22, 2010, President Obama signed legislation to prohibit statutory pay adjustments for most Federal civilian employees. (See section 147 of the Continuing Appropriations Act, 2011 (Pub. L. 111-242, September 30, 2010), as amended by section 1(a) of the Continuing Appropriations and Surface Transportation Extensions Act, 2011 (Pub. L. 111-322), in [Attachment 1](#).) President Obama also issued a memorandum on December 22, 2010, which stated that agencies should forgo similar increases to pay schedules and rates that are set by administrative discretion. (See [Attachment 2](#).) In addition, the President signed an Executive order dated December 22, 2010, documenting the 2011 pay rates for certain pay systems discussed in this memorandum and establishing the 2011 increased pay rates for the uniformed services.

The Presidential memorandum directed the U.S. Office of Personnel Management (OPM) to issue guidance on implementing the pay freeze. OPM provided information on the Executive order in [CPM 2010-20](#). The information below and in [Attachments 3](#) and [4](#) of this memorandum provide additional guidance on the pay freeze legislation and Presidential memorandum.

### **Covered Employees**

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. Additional information on employees covered by the pay freeze is provided in [Attachment 3](#).

### **Covered Pay Adjustments**

The pay freeze statute prohibits “statutory pay adjustments” for Federal civilian employees that would otherwise take effect in 2011 and 2012. These statutory pay adjustments include across-the-board adjustments under 5 U.S.C. 5303, locality pay adjustments under 5 U.S.C. 5304 or 5304a, Executive Schedule adjustments under 5 U.S.C. 5318, prevailing rate adjustments under 5 U.S.C. 5343(a), and any similar pay adjustments required by statute with respect to covered employees in an Executive agency. In addition, the statute prohibits certain additional pay adjustments for SES, SFS, SL/ST, and other senior executive and senior-level employees. The

Presidential memorandum further states that agencies should forgo similar pay system and pay schedule adjustments and general increases that could otherwise be granted by an agency to employees through administrative discretion. Additional information on pay adjustments covered by the pay freeze is provided in [Attachment 3](#).

### **Pay Freeze Exclusions**

Given the breadth of the statute and the Presidential memorandum, virtually all pay system and pay schedule adjustments and general increases for covered civilian employees in Executive branch agencies should be covered by the pay freeze. Pay adjustments not covered by the freeze include promotion increases, within-grade step increases, and other similar individually-based pay increases. (See [Attachment 3](#) for additional guidance on exclusions.)

Agency Chief Human Capital Officers and/or Human Resources Directors should contact Jerry Mikowicz, Deputy Associate Director for Pay and Leave in OPM's Employee Services at (202) 606-2858 or [pay-leave-policy@opm.gov](mailto:pay-leave-policy@opm.gov) immediately if an agency believes a specific pay system, pay schedule, or employee category is excluded from the pay freeze. Further, if the agency determines to exclude a specific pay system, pay schedule, or employee category from the pay freeze, the agency must report its determination to the Director of OPM by submitting an email detailing the justification for the exclusion to [pay-leave-policy@opm.gov](mailto:pay-leave-policy@opm.gov).

### **Effective Date**

The statute and Presidential memorandum cover pay adjustments that would otherwise take effect during the period beginning on January 1, 2011, and ending on December 31, 2012.

### **2011 Pay Schedules**

OPM has posted salary tables and guidance to reflect the pay rates that will be in effect in 2011 at [www.opm.gov/oca/11tables/index.asp](http://www.opm.gov/oca/11tables/index.asp).

### **Additional Information**

Please review the detailed guidance in [Attachment 3](#) and the Qs and As in [Attachment 4](#) of this memorandum. Agency Chief Human Capital Officers and/or Human Resources Directors should contact OPM's Employee Services, Pay and Leave, at the number or email address above for additional information. Employees should contact their agency human resources offices for assistance.

### **Attachments**

cc: Chief Human Capital Officers  
Human Resources Directors