



DEPARTMENT OF DEFENSE
DEFENSE CIVILIAN PERSONNEL ADVISORY SERVICE
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FOR: CIVILIAN PERSONNEL POLICY COUNCIL MEMBERS

FROM: Defense Civilian Personnel Advisory Service Director, Ms. Michelle LoweSolis

SUBJECT: Office of Personnel Management Compensation Policy Memoranda for 2021

AUDIENCE: Appropriated and Nonappropriated Fund

ACTION: Disseminate to All Department of Defense Human Resources Practitioners

REFERENCES:

- a. The Office of Personnel Management (OPM) Memorandum, "January 2021 Pay Adjustments," dated January 1, 2021, <https://www.chcoc.gov/content/january-2021-pay-adjustments>
- b. OPM Memorandum, "Fiscal Year 2021 Prevailing Rate Pay Adjustments," dated January 1, 2021, <https://www.chcoc.gov/content/fiscal-year-2021-prevailing-rate-pay-adjustments>
- c. OPM Memorandum, "2020 Annual Review of Special Rates (Results)," dated January 1, 2021, <https://www.chcoc.gov/content/2020-annual-review-special-rates-results>
- d. OPM Memorandum, "Continued Pay Freeze for Certain Senior Political Officials," dated January 1, 2021, <https://www.chcoc.gov/content/continued-pay-freeze-certain-senior-political-officials-4>

BACKGROUND/INTENT: OPM has issued four Compensation Policy Memoranda regarding 2021 pay adjustments:

Reference (a): The President signed an Executive Order (EO) to implement the January 2021 pay adjustments. The EO authorizes a 1.0 percent across-the-board increase for statutory pay systems and provides that locality percentages will remain at 2020 levels for 2021.

Reference (b): The Consolidated Appropriations Act, 2021, contains two provisions that affect the determination of pay adjustments for certain prevailing rate (wage) employees in Fiscal Year (FY) 2021. It extends into FY 2021 the pay limitation provision of section 737(a) and the floor pay adjustment provision under section 737(b).

Reference (c): OPM conducts an annual review of special rates established under 5 U.S.C. 5305 to determine the disposition of special rate schedules when the General Schedule (GS) pay is adjusted under 5 U.S.C. 5303. Based on the 2020 annual review of special rates, OPM has determined that the January 2021 adjustments for special rates will be 1.0 percent. The effective date for January 2021 pay adjustments is the first day of the applicable pay period beginning after January 1, 2021.

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Reference (d): The Consolidated Appropriations Act, 2021, continues the pay freeze on payable pay rates for the Vice President and certain senior political appointees at the rates of pay and applicable limitations on payable rates of pay in effect on December 31, 2020. The pay freeze applies to the payable rates for covered senior political officials, and does not affect the official rates for the Vice President and the Executive Schedule.

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