

**Phase-out Schedule for DCIPS Non-foreign Area
Targeted Local Market Supplements (TLMS)
(Commenced January 13, 2013)**

These TLMS rates are computed by projecting the 2015 LMS rate, subtracting the 2012 TLMS rate from the 2015 LMS and dividing the product into thirds.

For example, the projected 2015 LMS rate for Hawaii is 17.01%. Subtracting the 2012 Hawaii TLMS of rate 37.72% equals 20.71%. This number divided by 3 equals 6.9%. So the projected annual reduction of TLMS in 2013, 2014, and 2015 is 6.9%. To project the 2015 LMS and COLA rates, an LMS increase of 0.5% is assumed for 2015.

These TLMS rates apply only to employees who were permanently assigned, or temporarily assigned with TCS orders, to the location prior to January 02, 2011. Employees hired or assigned to this location on or after January 02, 2011 will receive the LMS rate for the location.

COLA rates are administered by the U.S. Office of Personnel Management (OPM) and are determined by a formula prescribed by the Non-foreign Area Retirement Equity Assurance Act of 2009. The annual decreases in COLA rates are tied to annual increases in the LMS rates for the non-foreign areas.

	Alaska		Guam		Hawaii		Puerto Rico	
Year	TLMS	COLA	TLMS	COLA	TLMS	COLA	TLMS	COLA
2013	37.81%	5.57%	28.75%	13.84%	30.82%	12.25%	28.53%	4.20%
2014	31.50%	5.57%	21.71%	13.84%	23.91%	12.25%	21.60%	4.20%
2015	24.94%	5.29%	14.66%	13.49%	17.01%	11.92%	14.66%	3.90%