

## **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 2016 = \$168,315.

Examples for 2016 Increase:

#### **A: GG-15, Step 00, \$161,537**

Step 1: Subtract the EX-IV rate in 2015 from the EX-IV rate in 2016.

2016 Executive Level IV Rate = \$160,300  
2015 Executive Level IV Rate = \$158,700  
Difference = \$1600

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

$\$1600 \times .50 = \$800.$

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

$\$161,537 + \$800 = \$162,337$   
2016 saved rate = \$162,337

Since the rate is above the EX-IV 2016 rate of \$160,300, saved rate applies.

#### **B: GG-15, Step 00, \$158,800 in DC, LMS is 24.78%**

Step 1: Subtract the EX-IV rate in 2015 from the EX-IV rate in 2016.

2016 Executive Level IV Rate = \$160,300

2015 Executive Level IV Rate = \$158,700  
Difference = \$1600

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

$\$1600 \times .50 = \$800.$

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

$\$158,800 + \$800 = \$159,600$   
2016 Rate = \$159,600

Since the rate falls below the EX-IV 2016 rate of \$160,300, 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 2016 rate of \$160,300 and pay rate has remained the same, the employee's new pay rate should NOT fall below a GG-15, step 10.)

If the above scenario does not apply, please use the formula listed below.

FORMULA-Employee's new rate would be GG-15, Step 09 ( $\$159,600 / 1.2478 = \$127,905$  which falls between new Step 8 and Step 9 rate) with basic pay = \$130,022 locality = \$30,278 and adjusted basic pay = \$160,300 (EX-IV), PRD = 0.

Note: Adjusted Basic Pay Cap for 2016 for EX-IV now applies.

**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 2016 = \$160,300.

Examples for 2016 Increase:

**A. Employee Non-Foreign OCONUS: GG-05, Step 00, \$52,273 in Hawaii LMS Rate 16.81%**

Step 1: Identify the maximum rate for the highest applicable rate range that applies prior to LMS reduction.

$$\$38,245 \text{ (2015 GG-05, Step 12)} * 1.1651 = \$44,559$$

Step 2: Identify the maximum rate for the highest applicable rate range that applies with the new LMS reduced rate.

$$\$38,624 \text{ (2016 GG-05, Step 12)} * 1.1681 = \$45,117$$

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.

$$\$45,117 \div \$44,559 = 1.0125$$

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.

$$1.0125 * \$52,273 = \$52,926$$

2016 retained rate = \$52,926 (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, \$116,258 in Korea TLMS Rate 24.78%**

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

$$\$84,871 \text{ (2016 GG-12, Step 12)} * 1.2478 = \$105,902$$

$$\$84,036 \text{ (2015 GG-12, Step 12)} * 1.2422 = \$104,390$$

$$\text{Difference} = \$ 1512$$

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

$$\$1512 * .50 = \$756$$

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

$$\$116,258 + \$756 = \$117,014$$

2016 retained rate = \$117,014 (Exceeds new GG-12, Step 12 with TLMS rate)

**C. Employee where LMS applies: GG-09, Step 00, \$66,250 in Rest of US**

Step 1: Subtract the GG-09, step 12, with LMS rate in 2015 from the GG-09, step 12, with LMS rate in 2016

$$\$58,520 \text{ (2016 GG-09, Step 12)} * 1.1435 = \$66,918$$

$$\$57,942 \text{ (2015 GG-09, Step 12)} * 1.1416 = \$66,147$$

$$\text{Difference} = \$ 771$$

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

$$\$771 \times .50 = \$385$$

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

$$\$66,250 + \$385 = \$66,635$$

$$2016 \text{ rate} = \$66,635$$

Since the rate falls below GG-09, step 12 with LMS rate (\$66,918), pay retention no longer applies.

Employee's payable rate is GG-09, Step 00 (\$66,635 / 1.1435 = \$58,273 which falls above Step 10), basic pay = \$58,273 locality = \$8,362 and adjusted basic pay = \$66,635 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 2016 = \$160,300.

Examples for 2016 Increase:

#### **A. Employee where Basic Exceeds Step 11 Equivalent: GG-12, Step 00, \$95,025 (Basic rate = \$83,100 and LMS = \$11,925), LMS 14.35%**

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

$$2016 \text{ GG-12, step 12} = \$84,871$$

$$2015 \text{ GG-12, step 12} = \$84,036$$

$$\text{Difference} = \$835$$

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

$$\$83,100 + \$835 = \$83,935$$

$$2016 \text{ basic rate} = \$83,935$$

$$2016 \text{ locality} = \$12,045$$

$$2016 \text{ adjusted basic rate} = \$95,980 (\$83,935 \times 1.1435)$$

#### **B. Employee where Basic Exceeds Step 10 and Falls At or Below Step 11 Equivalent: GG-12, Step 00, \$92,660 (Basic rate = \$81,167 and LMS = \$11,647), LMS 14.35%**

Step 1: Subtract the GG-12, step 11 rate in 2015 from the GG-12, step 11 rate in 2016.

$$2016 \text{ GG-12, step 11} = \$82,801$$

$$2015 \text{ GG-12, step 11} = \$81,986$$

$$\text{Difference} = \$815$$

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

$$\$81,167 + \$815 = \$81,982$$

2016 basic rate = \$81,982

2016 locality = \$11,764

2016 adjusted basic rate = \$93,746 (\$81,982 X 1.1435)

**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 (\$155,500 plus 5%). Note: Adjusted Basic Pay Cap for 2016 = \$168,315.

Examples for 2016 Increase:

A: GG-15, Step 00, \$161,537

Step 1: Subtract the EX-IV rate in 2015 from the EX-IV rate in 2016.

2016 Executive Level IV Rate = \$160,300

2015 Executive Level IV Rate = \$158,700

Difference = \$1600

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

$$\$1600 \times .50 = \$800.$$

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

$$\$161,537 + \$800 = \$162,337$$

2016 saved rate = \$162,337

B: GG-15, Step 00, \$158,800 in DC, LMS is 24.78%

Step 1: Subtract the EX-IV rate in 2015 from the EX-IV rate in 2016.

2016 Executive Level IV Rate = \$160,300

2015 Executive Level IV Rate = \$158,700

Difference = \$1600

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

$$\$1600 \times .50 = \$800.$$

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

$\$158,800 + \$800 = \$159,600$

2016 Rate = \$159,600

Since the rate falls below the EX-IV 2016 rate of \$160,300, saved rate no longer applies.

Employee's new rate would be GG-15, Step 09 ( $\$159,600 / 1.2478 = \$127,905$  which falls between new Step 8 and Step 9 rate) with basic pay = \$130,022 locality = \$30,278 and adjusted basic pay = \$160,300 (EX-IV), PRD = 0.

Note: Adjusted Basic Pay Cap for 2016 for EX-IV now applies.