

PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
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MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (M&RA)
ASSISTANT SECRETARY OF THE NAVY (M&RA)
ASSISTANT SECRETARY OF THE AIR FORCE (MR)
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DEPARTMENT OF DEFENSE FIELD ACTIVITIES

SUBJECT: Premium Pay Limitations

Section 1114 of the National Defense Authorization Act for FY 2002 (Public Law 107-107) amended the limitations on premium pay in § 5547 of title 5, United States Code. One change was the addition of a new authority to apply an annual limitation, rather than a biweekly limitation, for work critical to the mission of the agency. The effective date of this amendment was May 5, 2002. On April 19, 2002, the Office of Personnel Management issued interim regulations, amending part 550 of title 5, Code of Federal Regulations (5 CFR 550), to accommodate the changes required by section 1114.

The new authority to waive application of the biweekly limitation on premium pay to employees performing work critical to the agency, under 5 CFR 550.106(b), as amended, is delegated to officials who exercise personnel appointing authority (normally the head of an installation or activity). When the biweekly limitation is waived, the employees will be subject to an annual limitation on premium pay. A change to DoDD 1400.25-M, Civilian Personnel Manual, Subchapter 550, is in process to incorporate this change.

Section 1114 also changed the limitation on premium pay and the treatment of law enforcement officer's pay. The limitation is now the greater of the maximum payable for GS-15 (including any applicable locality pay adjustment or special salary rate) or the rate for Executive Schedule level V. The Defense Finance and Accounting Service is revising the Defense Civilian Pay System to accommodate these changes.


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Principal Deputy

