



# United States Department of the Interior

INTERIOR BUSINESS CENTER

Denver, CO 80235

D-2660

May 10, 2018

## Memorandum

To: FPPS User Group Representatives

From: Linda Rihel-Todd, Chief //signed//  
Payroll Operations Division

Subject: Update: Exceptions to the Pay Limitation for Premium Pay

On March 2, 2018, we sent out a memo titled Exceptions to the Pay Limitation for Premium Pay, which advised you that in February this year, the Bi-partisan Budget Act of 2018 stated certain premium pay should be exempted from pay limitations. On March 23, 2018, the Consolidated Appropriations Act, 2018 (H.R. 1625), further amended the law for premium pay funded by the Federal Emergency Management Agency (FEMA) Disaster Relief Fund (DRF).

On April 26, 2018, the Office of Personnel Management (OPM) provided the text of the amended law to section 545 of title VI in addition to detailed technical guidance on the premium pay funded by the FEMA DRF, which we have attached. We have also attached an OPM spreadsheet that shows two calculation examples, one for an employee who does not exceed and one that does exceed the section 545 EX-II annual cap. Below is OPM's high-level summary of the amended law:

- This special authority in section 545 waives the normal premium pay and overtime caps for premium pay and overtime pay funded, directly or through reimbursement, by the Federal Emergency Management Agency (FEMA) Disaster Relief Fund during calendar year 2017. Such premium pay and overtime pay is exempted from (i.e., does not count toward) the normally applicable caps.
- Premium pay (including overtime pay) may not be paid under the special authority to the extent it would cause the aggregate of basic pay and premium pay for the applicable calendar year to exceed the rate for level II of the Executive Schedule (which was \$187,000 at the end of 2017).
- The special authority applies retroactively to the entire calendar year 2017. Any application of premium pay and overtime pay caps to covered FEMA-funded premium pay and overtime pay must be undone. However, the agency must apply the alternative EX-II annual cap before determining what corrective payments must be made to any employee.

To apply appropriate pay limits as outlined by OPM above, the Payroll Operations Division (POD) and the Personnel and Payroll System Division will initiate a Change Request (CR) in the Federal Personnel and Pay System (FPPS). Until this CR can be implemented into FPPS to be in compliance with the exceptions from pay limitations, the following applies.

It is the agencies responsibility to identify whether duties performed related to the FEMA DRF are Fair Labor Standards Act (FLSA) Exempt or FLSA Non-exempt. For those employees who remain Exempt, a combination of time and attendance (T/A) coding and the POD's calculations are necessary. Please note that at this time, there are no changes to the currently established premium pay codes.

In our memo of March 2, 2018, we previously requested agencies use the attached spreadsheet to identify affected employees. If you previously notified the POD regarding affected employees, please review the list to ensure that those who received premium and overtime pay, that the pay was funded, directly or through reimbursement, by the FEMA DRF.

As stated above, the special authority applies retroactively to the entire 2017 calendar year. If your agency has not already submitted amended T/As, the following applies.

To allow premium payments to be excluded from the biweekly limits, use your applicable T/A system code LB, Lift Biweekly maximum. Any entries that have an LB code must also enter payroll message "FEMA DRF". If you are an agency that previously submitted amended T/As with the message "FEMA reimbursed assignment", as requested in our March 2, 2018, memo, the POD will also accept this message. Interior Business Center (IBC) client agencies use several different T/A systems; each system may be unique in its processing of the LB code and handling of messages to payroll. Please give your timekeepers and/or administrators the applicable coding for your T/A system(s).

In compliance with 5 CFRs 550.106, 550.107, and CFR 530.203, FPPS currently monitors annual and aggregate pay limits. For those employees identified as exempted under the special authority on the spreadsheet and have the T/A message reflecting "FEMA DRF" or "FEMA reimbursed assignment", the POD will manually recalculate and process any applicable payments to those employees who had reduced pay. To assist in our recalculations, the POD will use the sample OPM spreadsheets.

To provide or update the list of employees funded by the FEMA DRF via the attached spreadsheet or if you have any concerns, you may contact your agency's applicable Payroll Section Supervisor listed on the next page.

<b>Agencies</b>	<b>Name</b>	<b>Office Phone Number</b>	<b>Email Address</b>
Pay Processing Section 1 - <b>Agencies – BIA, SOL, FWS, CPSC, FLR, SSS, FERC, JMF, TDA, IAF, TIB, ADF, NASA, DCC, EDU, SCJ, USC, CFA, Casuals</b>	Rebecca Romero	303-969-7409	<a href="mailto:rebecca_n_romero@ibc.doi.gov">rebecca_n_romero@ibc.doi.gov</a>
Pay Processing Section 2 - <b>Agencies – NPS, OSM, BOE, ARC, CSB, NSF, SEC, HST, PT, HD, IMLS, UTC, NRC, ABMC, BSE, EXIM, FHFA, NARA, PDB, JFK</b>	Monica Dybing	303-969-7424	<a href="mailto:monica_l_dybing@ibc.doi.gov">monica_l_dybing@ibc.doi.gov</a>
Pay Processing Section 3 - <b>Agencies – OS, ONRR, USG, BOR, OIG, OAS, BLM, PBGC, ITC, FTC, OPIC, UT, EEOC, ONH, VCT, MCC, EPA, OST</b>	Kathy Pavlich	303-969-7475	<a href="mailto:kathy_j_pavlich@ibc.doi.gov">kathy_j_pavlich@ibc.doi.gov</a>
Pay Processing Section 4 - <b>Agencies – SSA, NLRB, NTSB, PDS, DOT, FAA, IBWC, NMB, SLS, STB</b>	Debbie Bentley	303-969-6347	<a href="mailto:Debbie_S_Bentley@ibc.doi.gov">Debbie_S_Bentley@ibc.doi.gov</a>

If you have additional concerns or questions, please contact Linda Rihel-Todd or Lisa Puente at 303-969-7739.

Attachments