



United States Department of the Interior

INTERIOR BUSINESS CENTER

Denver, CO 80235

D-2660

March 2, 2018

Memorandum

To: User Group Representatives

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

Subject: Exception to the Pay Limitation for Premium Pay

On February 9, 2018, the Bi-partisan Budget Act of 2018 stated that effective December 31, 2016, certain premium pay should be exempted from pay limitations. Premium pay that is funded or reimbursed by the 'Federal Emergency Management Agency (FEMA) – Disaster Relief Fund' is exempt from biweekly, annual and aggregate pay limitations. Based on our interpretation of the Act, we have requested further clarification of from the Office of Personnel Management.

To identify impacted employees, the Interior Business Center will initiate a Change Request in the Federal Personnel and Pay System. In the meantime, we request that agencies use the attached spreadsheet to list employees that were assigned to FEMA relief projects on or after December 31, 2016. The Payroll Operations Division will manually recalculate and process any applicable payments to employees who had reduced pay. For more information, please review the excerpts below from the Bi-partisan Budget Act of 2018:

SEC. 20607. Division F of the Consolidated Appropriations Act, 2017, is amended by inserting the following at the end of Title V:

SEC. 545. (a) PREMIUM PAY AUTHORITY.—During calendar year 2017, any premium pay that is funded, either directly or through reimbursement, by the 'Federal Emergency Management Agency—Disaster Relief Fund' shall be exempted from the aggregate of basic pay and premium pay calculated under section 5547(a) of title 5, United States Code, and any other provision of law limiting the aggregate amount of premium pay payable on a biweekly or calendar year basis.

(b) OVERTIME AUTHORITY.—During calendar year 2017, any overtime that is funded, either directly or through reimbursement, by the 'Federal Emergency Management Agency—Disaster Relief Fund' shall be exempted from any annual limit on the amount of overtime payable in a calendar or fiscal year.

(c) APPLICABILITY OF AGGREGATE LIMITATION ON PAY.— In determining whether an employee's pay exceeds the applicable annual rate of basic pay payable under section 5307 of title 5, United States Code, the head of an Executive agency shall not include pay exempted under this section.

(d) LIMITATION OF PAY AUTHORITY.—Pay exempted from otherwise applicable limits under subsection (a) shall not cause the aggregate pay earned for the calendar year in which the exempted pay is earned to exceed the rate of basic pay payable for a position at level II of the Executive Schedule under section 5313 of title 5, United States Code.

(e) EFFECTIVE DATE.—This section shall take effect as if enacted on December 31, 2016.

If you have questions, please contact your Payroll Processing Supervisor point of contact or Linda Rihel-Todd at (303) 969-7739.

Attachment