U.S. OFFICE OF PERSONNEL MANAGEMENT

PAY & LEAVE PAY ADMINISTRATION

Fact Sheet: How to Compute Rates of Pay

Background

Hourly and biweekly rates for General Schedule employees are computed under 5 U.S.C. 5504. Premium pay is computed under 5 U.S.C. chapter 55, subchapter V, and 5 CFR part 550, subpart A. The rates are computed based on an employee's annual rate of basic pay, including any applicable special rate supplement or locality payment. (Note: Overtime pay for nonexempt employees is computed under the Fair Labor Standards Act, subject to some special rules for Federal employees. See 5 CFR part 551. In addition, firefighters covered by 5 U.S.C. 5545b are subject to special rules for computing hourly rates and overtime pay. See 5 CFR part 550, subpart M.)

Rules for Rounding

Rates must be rounded to the nearest cent, counting one-half cent and over as the next higher cent (e.g., round \$18.845 to \$18.85).

Procedure

Follow the rules below to compute rates of pay. (Note: The examples below are based on annual rates that have been increased by a locality pay percentage of **27.10%**. See <u>Salary Table 2017-DCB</u>.)

1. Hourly Rate.

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Divide annual rate of basic pay by 2,087 hours. GS-9, step 1 = $ 54,972. $ 54,972 / 2,087 hours = $ 26.34.
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2. Biweekly Rate.

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Multiply hourly rate of basic pay by 80 hours. $26.34 \times 80 \text{ hours} = $2,107.20.
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3. Title 5 Overtime Hourly Rate

a. if employee's rate of basic pay is less than rate of basic pay for GS-10, step 1

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Multiply hourly rate of basic pay by 1.5. $26.34 \times 1.5 = $39.51.
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b. if employee's rate of basic pay is more than rate of basic pay for GS-10, step 1

Use the greater of (1) the GS-10, step 1, hourly rate of basic pay multiplied by 1.5 OR (2) the employee's hourly rate of basic pay. (5 CFR 550.113)

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GS-10, step 1 = $ 60,538.
$ 60,538 / 2,087 hours = $ 29.01.
$ 29.01 x 1.5 = $ 43.52.
GS-14, step 1 = $ 112,021.
$ 112,021 / 2,087 hours = $ 53.68.
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In this example, the employee's hourly rate of basic pay (\$53.68) is greater than the GS-10, step 1, hourly rate of basic pay multiplied by 1.5 (\$43.52). Therefore, the employee's title 5 overtime hourly rate is equal to his or her hourly rate of basic pay.

4. Night Pay.

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Multiply hourly rate of basic pay by 10%. (5 CFR 550.121) GS-9, step 1 = $ 54,972. $ 54,972 / 2,087 hours = $ 26.34. $ 26.34 x 0.10 = $ 2.63.
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5. Sunday Premium Pay.

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Multiply hourly rate of basic pay by 25%. (5 CFR 550.171) $26.34 \times 0.25 = $6.59.
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6. Holiday Premium Pay.

Multiply hourly rate of basic pay by number of nonovertime hours worked on holiday (not to exceed 8 hours or the number of nonovertime hours of a compressed work schedule). (5 CFR 550.131 and 5 CFR 610.407)

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$ 26.34 x 8 hours = $ 210.72
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