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. 5545 b 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 $\mathbf{2 7 . 1 0 \%}$. See Salary Table 2017-DCB.)

1. Hourly Rate.

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

## 2. Biweekly Rate.

Multiply hourly rate of basic pay by 80 hours.
\$ $26.34 \times 80$ hours = \$ 2,107.20.
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

Multiply hourly rate of basic pay by 1.5 .
$\$ 26.34 \times 1.5=\$ 39.51$.
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)

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.
In this example, the employee's hourly rate of basic pay (\$53.68) is greater than the GS10 , 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.

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 .
\$ $26.34 \times 0.10=\$ 2.63$.
5. Sunday Premium Pay.

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

## 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)
$\$ 26.34 \times 8$ hours = \$ 210.72

