

PAYLINES

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CIVILIAN PERSONNEL MANAGEMENT SERVICE WAGE AND SALARY DIVISION – NAF PAY SYSTEMS BRANCH

FY 2008 WAGE SCHEDULES RELEASED

The President signed Executive Order 13454 on January 4, 2008. Shortly thereafter, the Office of Personnel Management (OPM) issued CPM 2008-03, which provided guidelines for the application of the Consolidated Appropriations Act, 2008. As we advised in the October *Paylines*, FY 2008 Crafts and Trades (CT), Administrative Support (AS), and Patron Services (PS) wage schedules could not be calculated or issued without this guidance. The “held” schedules, with effective dates on or after October 1, 2007, were issued and posted to our website beginning January 9, 2008.

Please note that the normal effective date for each area has not changed. Pay changes must be implemented retroactively to the effective date shown on the schedule regardless of the issue date.

There are two pay provisions in the laws that affect FY 2008 Federal Wage System (FWS) locality pay adjustments. Section 712 establishes a pay increase limitation (pay cap) of 3.75%. Section 740(b) stipulates that prevailing rate employees receive a percentage adjustment not less than the percentage adjustment received by General Schedule (GS) employees in the same location.

Thus, as in FY 2007, there are three components to calculating pay for the NAF CT, AS, and PS schedules; prevailing rate survey results, the pay cap, and a minimum percentage based on the GS adjustment (a.k.a. pay

parity). The GS adjustment varies by GS-defined locality area. Since FWS-NAF wage areas are defined differently, they must be cross-referenced with GS locality pay areas to determine the applicable minimum. In some cases, the NAF wage area corresponds to two or more GS locality pay areas, thus requiring multiple schedules. The NAF wage area numbering and schedule backs provide guidance.

AFFECT ON APPROPRIATIONS

In some wage areas, the GS percentage will be higher than the survey results and the cap. In cases where the pay entitlement for prevailing rate employees paid from nonappropriated funds is higher under section 740(b) than under section 712, agencies must fund the difference from appropriations for agency salaries and expenses for FY 2008. The NAF Pay Systems staff will continue to provide the Component Headquarters with a “base” schedule reflecting what the pay would have been without the impact of Section 740(b). These “base” schedules will allow for the calculation of the amount to be paid from APF. **Refunds due to NAF from APF for FY 2007 exceeded \$21 million.**

NAF PAY SYSTEMS (NPS)

Once the GS locality increases were finalized via the Executive Order, NPS (payband) schedules with new **upper band rates** were issued on January 9, 2008, for all wage areas.

MINIMUM WAGE CHANGES

Ten states raised their minimum wages on January 1st. Affected wage areas received revised wage schedules in mid-December. On July 1st, four more states will implement minimum wage increases: Illinois, from \$7.50 to

\$7.75; Kentucky, from \$5.85 to \$6.55; Michigan, from \$7.15 to \$7.40; and Nevada, from \$5.85 to \$6.00. The Federal Minimum Wage will increase to \$6.55 on July 24, 2008. Please let us know if state minimum wage changes are being considered in your area.

NEED YOUR WAGE SCHEDULES FAST?

The CPMS website is the quickest way to access the latest wage schedules for your area and it is available 24/7. Visit us at www.cpms.osd.mil. There you will find a link to the wage schedules on the homepage under *Products & Services*. Clicking on the *Wage Schedules* link brings you to the Wage & Salary Division page. There you will find a list of our products and services. Click on *NAF Wage Schedules* to bring up a map of the United States. Choosing a state calls up a list of the wage areas in that state. When you find your wage area and click on it, the FWS Wage Area Definition, which lists the installations and counties defined within the wage area, will appear. This is particularly helpful when wage areas have multiple schedules. Clicking the blue AC - ### buttons corresponding to the desired installation or county brings up the CT, AS, & PS schedules (blue header box), the NPS schedules (green header box), and any Special Schedules related to the area (red header box). The two most recent schedules in each category are displayed. Older schedules can be found in *Archived NAF Wage Schedules*.