DEFENSE FINANCE AND ACCOUNTING SERVICE
ARLINGTON
1851 SOUTH BELL STREET
ARLINGTON, VA 22240-5291

SEP 13 2005

DFAS-DOP

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Waiver of the Biweekly Limitation on Premium Pay

Agencies that have employees working in support of emergency operations such as Hurricane Katrina and its aftermath will pay the employees under the annual premium pay limitation rather than the biweekly limitation (See 5 U.S.C. 5547 and 5 CFR 550.106). An employee may receive premium pay under these authorities only to the extent that the payment does not cause the total of his or her basic pay and premium pay for the calendar year to exceed either the maximum annual rate of basic pay payable for a GS-15 step 10 (including locality pay) or the annual rate payable for level V of the Executive Schedule, whichever is greater.

For the Department of Defense (DoD), the authority to determine that an emergency exists has been delegated to officials who exercise personnel appointing authority (normally the head of an installation or activity). DoD policy for this authority is found at http://www.cpms.osd.mil/cpm/docs/M1400550.pdf.

Once the agency has declared the emergency, the installation or activity (e.g. authorized agency designee, Commander, Human Resource Office, etc.), must submit a memorandum to the Civilian Payroll Office via the Electronic Data Management (i.e., imaging) at the DFAS toll free number of (866) 401-5849. The memorandum must contain the following information for each individual (a listing of all employees can be attached or incorporated in the memo):

Name
Social security number
Start Date
End Date (if known)

Omission of an end date could cause the employee to be overpaid, therefore creating indebtedness to the government. If the end date is not known at the time of the original waiver request, then another memorandum that includes the above information must be sent with the end date.

When the payroll office receives the memorandum, they will update the employee record which then allows the Defense Civilian Pay System to apply the annual premium pay limitation rather than the biweekly limitation.

Please be aware this waiver does not apply to recent legislation authorizing an increased annual limitation up to $200,000 for work in support of Iraq Freedom.

My point of contact covering this matter is Ms. Linda Greeley. Ms. Greeley can be reached at (703) 607-5047.

Lydia Moschkin
Director for Policy and
Requirements Management

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