

PAYLINES

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DEFENSE CIVILIAN PERSONNEL ADVISORY SERVICE WAGE AND SALARY BRANCH – NAF PAY SYSTEMS

FY 2012 PAY SCHEDULES STILL FROZEN BUT RELEASED

Normally at this time of the year, we tell you that Federal pay legislation, which typically includes provisions that have an impact on the computation of the Crafts and Trades, Administrative Support, and Patron Services schedules, will not be finalized in time to issue wage schedules with effective dates early in the new Fiscal Year (FY) on time. This year, however, the continuance of the two-year freeze on the pay of civilian Federal employees allows us to issue FY 2012 schedules on time.

Guidelines for the continuing application of the pay freeze were issued by the Office of Personnel Management (OPM) in CPM 2011-15, issued October 5, 2011 allowing schedule issuance to proceed. FY 12 schedules have and will continue to be issued and posted to our website as their effective dates approach showing **no change in the rates of pay from the FY 11 wage schedules.**

AFFECT ON APPROPRIATIONS

As in past years, section 744 of the current legislation requires pay adjustments for prevailing rate employees to not be less than the pay adjustments of the GS employees where they work. Even though pay adjustments are frozen, some wage areas have pay rates higher than their survey results due to this provision. In cases where the pay entitlement for prevailing rate employees paid from nonappropriated funds is higher under

section 744, agencies must fund the difference from appropriations for agency salaries and expenses for FY 2012. **Refunds due to NAF from APF for FY11 exceeded \$34 million.**

NPS SCHEDULES

Since the GS locality pay increase is frozen, the NPS (payband) **upper bands** (maximum of NF-3, NF-4, and NF-5) will not change as they typically do beginning with the first day of the first pay period on or after January 1, 2012. Same as last year, new upper band schedules will not be issued and the rates from 2010 will continue to apply until the end of the pay freeze.

The NAF Pay System (NPS) schedules that implement adjustments to pay bands NF-1, NF-2, and the minimum of NF-3, based on the annual locality wage survey, are also impacted by the pay freeze. We will continue to issue these schedules as their effective dates approach with no change to the minimum and maximum band rates. Pay Report data will continue to be provided detailing the findings of the locality wage surveys.

MINIMUM WAGE CHANGES

The following states have plans to change their state minimum wage laws on January 1, 2012:

Arizona	From \$7.35 to \$7.65
Colorado *	From \$7.36 to \$7.64
(pending approval from legislature)	
Missouri	From \$7.25 to TBD
Montana	From \$7.35 to \$7.65
Ohio	From \$7.40 to \$7.70
Oregon	From \$8.50 to \$8.80
Vermont	From \$8.15 to TBD
Washington	From \$8.67 to \$9.04

The Florida state minimum wage changed to \$7.31 on June 1, 2011.

Revised wage schedules for affected areas cannot be issued due to the pay freeze. CPM 2011-15 states, "Any adjustment of a wage schedule rate for prevailing rate employees otherwise required by U.S. Office of Personnel Management (OPM) regulations pursuant to a change in an applicable State or local minimum wage rate is prohibited due to the pay freeze provisions of the FY 2011 Act."

WAGE SURVEYS WILL CONTINUE TO BE CONDUCTED

The pay freeze for all covered employees is in effect from January 1, 2011 until December 31, 2012.

Wage surveys will continue to be conducted on time during the pay freeze as required by law. Congress and OPM have not suspended the Federal Wage System, just limited the outcome. Private sector pay levels must continue to be measured in order to set appropriate pay levels after the pay freeze is lifted.

Prevailing rate employees remain eligible to receive within grade increases in FY 12.

Special Rates and Increased Minimum Rates amendments will remain in effect during the pay freeze. Please notify us if you wish to cancel.

ANNOUNCEMENTS

We warmly welcome Kate Dendinger and Katie Castillo who joined the Technical Staff in August.

Our agency has a new name! We are now the Defense Civilian Personnel Advisory Service – still providing the same great service you expect.

