

2014 PAY FACT SHEET – CENTCOM AREA OF OPERATIONS (AOR)

Biweekly Premium Pay Limitation (BPL)

- This is set at the GS 15 step 10 biweekly regular 80 hour rate for your employing locality.
- When in support of emergency or contingency operation, you are eligible to have the BPL lifted to the Annual Limit. Without a waiver, earnings above this limit will forfeit.

Annual Premium Pay Limitation (APL)

- This is set at GS 15 step 10 rate for your employing locality
- You are eligible to have the APPL lifted after completing 42 consecutive days in the USCENTCOM Area of Operations. (The lifted limit for 2014 is \$233,000.)
- This is a yearly waiver which must be Congressionally approved and typically takes until Spring to be applied at the Component level. Your waiver will be removed on the last pay period of the calendar year until it is reapproved. Some of your premium earnings may be reduced during this time.

Annual Aggregate Pay Limitation (AAL)

- Different Than Biweekly or Annual
- Includes all earnings PAID in a calendar year
- AAPL is set at \$201,700.
- You are eligible to have the AAL lifted/waived after completing 42 consecutive days in the USCENTCOM Area of Operations. (The AAL is unlimited for 2014.)
- This is a yearly waiver which must be Congressionally approved and typically takes until Spring to be applied at the Component level. Your waiver will be removed on the last pay period of the calendar year until it is reapproved. Some of your post differential and danger pay may be reduced during this time.

Reduced earnings during the time when no waiver is approved will recalculate and pay out to the new limits set once the waiver is on your record.

Biweekly and Annual Limits only include: Regular Pay and Premium Earnings (Overtime, Night Differential, Sunday Premium, Holiday Premium, Comp Time Earned In Lieu of Overtime)

Aggregate Limit Includes all "Paid" earnings in current CY: Regular Pay, Premium Earnings, Post Differential, Danger Pay, Awards, Relocation Incentives, etc.

Implementation of 2014 Pay Cap Waivers:

- Each employee's home station is responsible for submitting pay cap waiver authorizations through appropriate command channels. This process may vary from one component to another, but typically the waiver request is signed by the employee's director/commander and submitted to the CSR (timekeeper liaison) who

then submits to DFAS. For Schedule A employees, the “home station” is Department of the Army. Specific instructions will be sent through command channels once the OSD memo is issued; questions on processing should be submitted through command channels to the component’s deployment coordinator.

- Approval of the 2014 rates was issued by the Under Secretary of Defense on 10 April 2014. Once issued, subordinate commands will then provide instructions for each organization to follow in submitting the pay cap waiver authorizations for employees who are deployed to the USCENTCOM Area of Operations. Usually this process takes 1-2 months to complete.
- Secondary countries like Kuwait, Qatar and Bahrain need separate delegation memos processed by their commands. This process usually takes longer and may not be complete until sometime in the Fall.
- After the waivers are in place, employees will receive a lump sum payment for any earnings that were forfeited or deferred from January through the date the new waivers are implemented, but only up to the new set limit.
- ANNUAL LIMIT CALCULATION: Additional pay that is earned during 2014 will be compared to the annual maximum limitation. To determine when to impose limits because of the Annual Cap, employees’ Regular Pay is projected through the end of the calendar year with NO premium pay added. Then the scheduled premium pay (overtime, night differential, Sunday differential, Holiday) is added to the Regular pay, starting with the first applicable pay period of the year. At whatever point this additional Premium Pay causes the projected annual amount to exceed the cap (of \$233K) Premium Pay starts being reduced, but Regular Pay continues. For most employees assigned to the CENTCOM Area of Operations, the Annual Pay Cap will not be a factor. This is because an employee would have to be in the upper range of a GS-15 pay rate, AND be deployed the entire year, AND take less than 2 R&Rs in the year, OR be earning overtime hours significantly above the standard USFOR-A limit of 62 OT hours in a pay period, to reach the cap of \$233K.
- AGGREGATE LIMIT CALCULATED: Differentials (Danger Pay and Post Differential) plus awards/bonuses are added to an employee’s Regular + Premium Pay to determine the Aggregate amount. If an employee’s Total Aggregate Pay exceeds the Annual Aggregate Limit, excess amounts of post differential, danger pay, awards or incentives are DEFERRED and paid at the beginning of the next calendar year. However, because the aggregate annual limit has been waived for 2014 there is no need to defer these additional earnings. They will all be paid during 2014.
- Each cap is applied separately in calculating pay limits. The amounts of an employee’s salary that are attributed to Regular Pay + Premium Pay cannot exceed the set limit (\$233K). However, additional salary that comes from Danger Pay, Post Differential, and cash awards (if applicable) would continue to be paid since there is no expected cap on these payments for employees in the CENTCOM AOR.