



## Nonforeign Area Locality Pay Estimates for Budgeting Purposes

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*Based on Bureau of Labor Statistics salary surveys in Honolulu and Anchorage, and the methodology used by the Federal Salary Council, we estimate the full locality rate for Anchorage would be approximately 25 percent and 17 percent for Honolulu if the full locality pay rate was paid this year. For payroll budget estimates agencies may use the following rates for 2011 and 2012. We have projected possible increases in the Rest of U.S. (RUS) rate for use in areas other than Alaska and Hawaii because the RUS locality pay area is a well established pay area. We are unable to predict future increases in locality rates for Alaska or Hawaii.*

**Alaska:** The current estimate for the full locality pay rate in Alaska is 25 percent. Under the three year phase-in specified by NAREA, the 2011 estimated locality rate would be 2/3 of that, or roughly 16 percent. The full 25 percent rate would be payable in 2012.

**Hawaii:** Under the three year phase-in specified by NAREA, the 2011 estimated locality rate would be 2/3 of 17 percent, or roughly 12 percent. The full 17 percent rate would be payable in 2012.

**All other nonforeign areas:** The remaining areas will use the Rest of U.S. (RUS) locality rate. It is possible the RUS rate may increase about one quarter of a percent each year, as it has recently. The full 2010 rate is 14.16 percent. For budgeting purposes, you may estimate the 2011 rate to be 2/3 of 14.4 percent or 9.5 percent. In 2012, a full locality rate of around 14.7 percent may be payable.