



**File Code:** 6150-3-1

**Date:** August 29, 2008

**Route To:**

**Subject:** Maximum Earning Limitation While on 2008 Fire Assignments

**To:** Regional Foresters, Station Directors, Area Director, IITF Director, Deputy Chiefs and WO Directors

This is to remind you of the procedures for monitoring the annual maximum earnings limitation for employees who have worked on wildland fire assignments during this pay year (Pay Period 25, 2007 through Pay Period 25, 2008) for income tax purposes. This is extremely important because the 2008 tax year will include 27 pay periods.

All General Schedule employees, including those at the 14/15 grade level, who work on wildland fire suppression assignments during the 2008 tax year, will be paid at the full time and a half rate for all overtime hours up to the annual maximum earnings limitation under Title 5. Employees who are employees exempt from the overtime provisions of the Fair Labor Standard Act (FLSA), will continue to code their overtime in Paycheck opposite Transaction Code 21 with Prefix 11. In addition, they will edit the header to reflect a "4" in the RSEL field to indicate that their premium pay for this emergency overtime work will be subject to the annual limitation rather than the biweekly limitation. Employees who are covered by FLSA do not need to make these adjustments to their time and attendance reports.

Employees are reminded of their continuing responsibility for reviewing their Statement of Earnings and Leave to ensure that they do not exceed the annual limitation. The annual maximum earnings limitation is the greater of the annual rate for a GS-15 Step 10 (including any applicable special salary rate or locality rate of pay), or Level V of the Executive Schedule (set at \$139,600 in 2008). For your convenience, we have attached the applicable biweekly and annual capped rates for each of the 32 locality pay areas as well as those areas outside the continental United States.

To determine the amount of premium pay that can be earned up to the annual cap, the employee should take their gross per annum salary (including any locality pay), subtract any allowance (e.g., retention), hazard pay differential, bonus (recruitment, relocation), or award, and then add any premium pay earned for overtime, compensatory time (earned), holiday work (earned), night differential, Sunday differential, availability pay, and administratively uncontrollable overtime (AUO), in order to verify that their gross salary is within the limitation. Please be advised that any employee, who exceeds the annual maximum earnings limitation at the end of the tax year (Pay Period 25), will be billed for their overpayment. We realize that some overpayments may still occur in certain situations where an employee's basic pay changes due to a promotion, within-grade-increase, or quality step increase. As a reminder, performance awards given to cover the overpayment cannot be made to the employee, as this would be considered salary enhancement, which is illegal.



Finally, please note that care should be taken to rotate assignments so that work is evenly distributed among employees who have scarce skills and to implement plans to develop additional skills in these shortage areas so that the employees' maximum earnings limitations are not reached when we still have a need for these skills. However, should employees with scarce skills be ordered to a fire and have concerns about exceeding the maximum earning limitation, these employees may not refuse an assignment solely on the basis of exceeding the maximum earning limitation. Such refusal should be treated as any other refusal of an official work assignment order.

Individual employees having questions regarding this policy should contact the ASC HCM Pay and Leave Staff at (877) 372-7248 for further information.

*/s/ Kathleen D. Burgers*  
KATHLEEN D. BURGERS  
Director of Human Capital Management

Enclosure

cc: Mary A Szymoniak  
pdl wo ops asc-hcm hrl