ADVISORY:  UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 9-07

TO:  STATE WORKFORCE AGENCIES

FROM:  EMILY STOVER DeROCCO /s/
        Assistant Secretary

SUBJECT:  2007 Pay Adjustments for Annual Salary Rates for General Schedule (GS) Federal Employees in the 31 Locality Pay Areas

1.  **Purpose.** To ensure State Workforce Agencies are aware of the locality-based salary rates for certain Federal civilian employees.

2.  **Background.** The locality-based comparability payment (known as locality pay) is authorized for GS employees in certain areas of the country. There are 31 locality pay areas (excluding the rest of U.S. area). The locality rates of pay were computed based on the annual rates shown on the 2007 General Schedule and reflect an across the board pay increase. The locality rates of pay are considered for retirement pay, life insurance, premium pay, severance, and pay advances. They are also used to compute worker's compensation payments and lump-sum payments for accrued and accumulated annual leave. The locality pay increases become effective the first day of the first applicable pay period beginning on or after January 1, 2007.


3.  **Instruction.** State Administrators are requested to provide this information to appropriate staff.

4.  **Inquiries.** Direct questions to the appropriate Regional Office.