SEC. ___. TWO-YEAR EXTENSION OF AUTHORITY TO WAIVE ANNUAL LIMITATION ON PREMIUM PAY AND AGGREGATE LIMITATION ON PAY FOR FEDERAL CIVILIAN EMPLOYEES WORKING OVERSEAS.

Section 1101(a) of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110-417; 122 Stat. 4615), as most recently amended by section 1108 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114-92; 129 Stat. 1027), is amended by striking "through 2016" and inserting "through 2018".

[Please note: The "Changes to Existing Law" section at the end sets out in red-line format how the legislative text above would amend existing law.]

Section-by-Section Analysis

This proposal has been a recurring provision for the last several years and is an extension for two additional years of the authority under section 1101 of the Duncan Hunter National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2009, as amended by subsequent NDAAs, most recently section 1108 of the FY 2016 NDAA. The provision is currently in effect through calendar year 2016. The authority under that section is similar to that previously provided in the NDAAs since FY 2006.

This proposal would provide the head of a Federal executive agency with the authority to waive the limitations on the amount of premium pay that may be paid to a Federal civilian employee while the employee performs work in in an overseas location that is in the area of responsibility (AOR) of the Commander of the United States Central Command (USCENTCOM) or an overseas location formerly in the area of responsibility of the Commander, USCENTCOM AOR but has been moved to the AOR of the Commander, United States Africa Command, and is in direct support of, or directly related to, a military operation or an operation in response to a national emergency as declared by the President. Under the law generally applicable to premium pay for Federal civilian employees (section 5547 of title 5, United States Code (U.S.C.)), premium pay may be paid to an employee only to the extent that the payment does not cause the aggregate of basic pay and premium pay for any pay period to exceed the greater of the maximum rate of basic pay payable for General Schedule-15 (GS-15), as adjusted for locality, or the rate payable for Level V of the Executive Schedule.

Extending the authority under section 1101(a) of the FY 2009 NDAA would allow a Federal agency head, during calendar year 2017 and 2018, to waive the limitations in section 5547 and pay premium pay to a Federal civilian employee performing work in an overseas location, as described above, to the extent that the payment does not cause the aggregate of basic pay and premium pay to exceed the annual rate of salary payable to the Vice President under section 104 of title 3, U.S.C., in a calendar year.

Budget Implications: The Department of Defense estimates this proposal would cost $2.647 million for FY 2017 and $2.702 million for FY 2018. This proposal would be funded from the Component and Defense Activity operation and maintenance fund accounts.

The limitation relief is for those people who are deployed with regard to the Overseas Contingency Operations (OCO) in Iraq and Afghanistan. The funding is requested in the military departments' Operation and Maintenance OCO budgets by cost breakdown structure category. The number of personnel affected in FY 2014 was 2,760. The number of affected personnel Defense-wide in FY 2017 and FY 2018 is estimated to be the same. The resources reflected in the table below are funded within the FY 2017 President's Budget.

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Army	$1.960	$2.000				Operation and Maintenance, Army OCO	01	OCO-Civ Pay
Navy	$0.159	$0.162				Operation and Maintenance, Navy OCO	01	OCO-Civ Pay
USMC	$0.079	$0.081				Operation and Maintenance, Marine Corps OCO	01	OCO-Civ Pay
Air Force	$0.185	$0.189				Operation and Maintenance, Air Force OCO	01	OCO-Civ Pay
Defense Wide	$0.264	$0.270				Operation and Maintenance, Defense-Wide OCO	03	OCO-Civ Pay
Total	$2.647	$2.702					-	-

Cost Methodology: The cost of this proposal will be determined by the number of employees affected, the basic pay of each employee (which varies by grade, step, and location), and the number of hours of overtime worked by each employee. Based on available payroll data for eligible employees in 2014 the additional cost for overtime in excess of the annual premium pay limitation was approximately $2.3 million. The actual numbers of employees, their salaries, and the length of time additional overtime might be required are based on mission needs in FY 2017 and FY 2018, but the above scenario illustrates the potential impact.

Changes to Existing Law: This proposal would amend section 1101(a) of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110-417; 122 Stat. 4615), as amended, as follows:

SEC. 1101. AUTHORITY TO WAIVE ANNUAL LIMITATION ON PREMIUM PAY

AND AGGREGATE LIMITATION ON PAY FOR FEDERAL CIVILIAN EMPLOYEES WORKING OVERSEAS.

(a) WAIVER AUTHORITY.—During calendar years 2009 through ~~2016~~ 2018, and notwithstanding section 5547 of title 5, United States Code, the head of an Executive agency may waive the premium pay limitations established in that section up to the annual rate of salary payable to the Vice President under section 104 of title 3, United States Code, for an employee who performs work while in an overseas location that is in the area of responsibility of the Commander of the United States Central Command, or an overseas location that was formerly in the area of responsibility of the Commander of the United States Central Command but has been moved to the area of responsibility of the Commander of the United States Africa Command, in direct support of, or directly related to—

(1) a military operation, including a contingency operation; or

(2) an operation in response to a national emergency declared by the President.

(b) APPLICABILITY OF AGGREGATE LIMITATION ON PAY. — Section 5307 of title 5, United States Code, shall not apply to any employee in any calendar year in which that employee is granted a waiver under subsection (a).

* * * * *