

Information on New Overseas Locality Pay for Domestic Employees Teleworking Overseas (DETOs)

The FY 2023 National Defense Authorization Act (NDAA) included a provision providing special locality pay to Civil Service Domestic Employees Teleworking Overseas (DETOs).

DETOs

A DETO is a U.S. Government Civil Service or Foreign Service employee assigned to a domestic position who is approved to telework from an overseas location for a limited period of time. Although the domestic employee is not assigned or detailed to the overseas location, the DETO's duty station will be temporarily changed to reflect the overseas alternate worksite for the duration of the DETO arrangement. A DETO arrangement is a limited-duration workplace flexibility option that an agency may consider to allow U.S. Government employees who are assigned to domestic positions to accomplish the duties of their position from a foreign country. DETOs may be Foreign Service or Civil Service employees. (In this document, we are using the State Department's construction of "Civil Service" to exclude the Foreign Service. See discussion under "Coverage" paragraph below.) The Department of State provides policy guidance on the DETO program for its own employees in its Foreign Affairs Manual—see [3 FAM 2370](#).

Section 6202 of the Fiscal Year 2022 National Defense Authorization Act (Public Law 117-81, December 27, 2021) requires all Federal agencies to "establish a policy enumerating the circumstances under which employees may be permitted to temporarily perform work requirements and duties from approved overseas locations where there is a related Foreign Service assignment pursuant to an approved Domestically Employed Teleworking Overseas (DETO) agreement." The language "related Foreign Service assignment" refers to the overseas assignment of an employee's spouse by U.S. Government orders.

The State Department has given the following DETO program information to other Federal agencies:

- Federal employees should direct inquiries to their agency Telework Managing Officers and/or agency Telework Coordinators who serve as their primary point of contact to determine whether there is an agency policy for DETO arrangements and if so, obtain agency procedures for applying. Federal agencies are strongly encouraged to designate a clear, central DETO point of contact for their agency.

- For questions about DETO policy development, please email queries to detopolicy@state.gov. DETO reference documents including templates and standard operating procedures are available as attachments upon request.
- Sponsored DETOs: These are DETOs who are on the orders of a U.S. Government-employed spouse assigned abroad on Government orders, which spouse acts as the DETO's sponsor. (Note: In 3 FAM 2371.7 (dealing with a DETO's official status overseas), State Department states that its sponsored DETOs are not eligible for any allowance benefits or payments in their own right— any eligibility for allowance benefits or payments is only derived from the sponsoring employee without exception.)
- Independent DETOs: These are DETOs who are not on the orders of a U.S. Government-employed spouse assigned abroad on Government orders. The State Department does not allow independent DETOs for its own employees but other Federal agencies may allow both sponsored and independent DETOs. Agencies considering independent DETO arrangements must carefully consider the implications of these arrangements, including added costs and an added measure of difficulty in obtaining necessary approvals.
- There is no authority to permit a U.S. Government Civil Service or Foreign Service employee with a domestic position to telework from an overseas location without a DETO arrangement.
- Please send inquiries or requests for information on DETOs to: detopolicy@state.gov.

DETO Locality Pay

General

DETO locality pay for Civil Service employees (hereafter referred to as “DETO locality pay”) is authorized under section 9717 of division I (Department of State Authorizations) in the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (FY 2023 NDAA, H.R. 7776, Public Law 117-263, Dec. 23, 2022. See [enrolled bill](#). (Section 9717 from the enrolled bill is set forth in Attachment 1.)

Agency Responsibility

Section 9717 did not give the Office of Personnel Management (OPM) authority to regulate or administer the DETO locality pay program. Each agency is responsible for implementing the program for its DETOs. To assist agencies, OPM has coordinated with the Department of State and the Department of Defense (DOD) in preparing this information document. (See Note in section “Treatment of DETO Locality Payment”

regarding OPM role with respect to use of DETO locality payments in applying OPM-administered programs.)

Coverage

To be eligible for DETO locality pay, an employee must serve in a position in the “civil service” (as defined in 5 U.S.C. 2101) and must be working overseas under a Domestic Employee Teleworking Overseas agreement. The term “civil service” as used in 5 U.S.C. 2101 is a broad term that would include members of the Foreign Service; however, in this document, references to “Civil Service” are understood to exclude the Foreign Service, since Foreign Service DETOs are already receiving overseas comparability pay under section 9802(c) of division I of the FY 2023 NDAA. Under section 9717, “overseas” means any geographic location that is not in the continental United States or in a nonforeign area (as defined in 5 CFR 591.205)—hereafter in this document referred to as the “United States” or “U.S.” This basically means the employee is working in a foreign area. In addition, to be eligible for DETO locality pay, a Civil Service employee must be in a position that would provide entitlement to title 5 locality pay if the employee were stationed in the United States. A Civil Service employee whose position is not covered by title 5 locality pay program would not receive DETO locality pay because, under section 9717(b), an employee is entitled to the lesser of two amounts of locality pay—one of which is the locality pay that would have been paid under the title 5 locality pay authority (5 U.S.C. 5304 or 5304a) if the employee’s official duty station had not been changed from a U.S. location to a foreign location. If the employee is not eligible for title 5 locality pay in the position in question even if the employee were stationed in the U.S., then the title 5 locality pay entitlement would be zero, and zero would be the lesser of the two amounts. We note that Civil Service employees not eligible for title 5 locality pay may be covered by a pay system under which the pay system administrator has discretion to provide a parallel overseas locality payment under independent authority.

Payment Amount

Under section 9717(b), the DETO locality payment is equal to the lesser of—

- (1) the amount of title 5 locality pay the employee would have been paid if the official duty station of the employee had not been changed to an overseas location under the DETO arrangement; or
- (2) the amount of overseas locality pay the employee would be paid if the employee were an eligible member of the Foreign Service (i.e., designated class 1 or below for purposes of section 403 of the Foreign Service Act), as continued to be authorized under section 9802(c) of the FY 2023 NDAA.

The State Department has prepared a 2023 DETO locality pay table for Civil Service DETOs covered by the General Schedule (GS), which reflects a locality payment of 21.66 percent, which is 2/3rds of the 2023 Washington, DC, locality rate of 32.49 percent—the same overseas locality pay percentage that applies to Foreign Service employees as described in paragraph (2) above. (See Attachment 2 for the 2023 GS DETO locality pay table based on a 21.66 percent locality payment.) Note that the table with a locality rate

equal to 2/3rds of the DC locality rate (21.66 percent in 2023) applies to an employee only if that locality pay percentage is less than the locality pay percentage the employee would have been paid had the official duty station of the employee not been changed to reflect an overseas location under the DETO agreement. In other words, in 2023, if the title 5 locality pay percentage that would have been paid to an employee without the DETO duty station change is less than 21.66 percent, then that lesser locality pay percentage is applicable to the overseas DETO. (See Attachment 3.) Each agency is responsible for ensuring that a DETO receives the correct locality payment and that the correct pay table is applied to the DETO in the payroll system.

Effective Date

Section 9717(c)(1) states that DETO locality pay must begin to be paid—i.e., the locality pay entitlement must begin to be effective—not later than 60 days after the date of enactment of the FY 2023 NDAA, which was December 23, 2022. Thus, for current DETOs, each agency must make the entitlement to DETO locality payments effective no later than February 21, 2023. The effective date may be set retroactively. We recommend that the effective date correspond with the beginning of a biweekly pay period. For example, the State Department made DETO locality pay for its employees effective on January 1, 2023.

Treatment of DETO Locality Payment

Section 9717(c)(2) states that DETO locality pay must be treated in the same manner, and subject to the same terms and conditions, as a locality payment under title 5 (5 U.S.C. 5304 or 5304a). The treatment of title 5 locality pay is addressed in 5 U.S.C. 5304(c)(2) and 5 CFR 531.610. Among other things, this means—

- DETO locality pay is basic pay for the same purposes as title 5 locality pay—e.g., retirement and life insurance.
- DETO locality pay is included as part of basic pay in applying title 5 overtime pay and other premium pay rules. The adjusted rate of basic pay for GS-15, step 10, rate used in establishing an employee’s premium pay cap under 5 U.S.C. 5547 would include the DETO locality payment.
- A DETO receives the highest applicable rate of pay—which could be the DETO locality rate, a special rate under 5 U.S.C. 5305 (based on the DETO’s overseas position and location and not any special rate associated with the former U.S./domestic duty station), or a retained rate under 5 U.S.C. 5363. Consistent with the treatment of title 5 locality pay, DETO locality pay is not paid on top of a special rate or a retained rate. (See OPM’s locality pay regulation at 5 CFR 531.608; special rate regulations at 5 CFR 530.303(d) and 530.307(e); and retained rate regulations at 5 CFR 536.308(a)(2) and (c)(2).)

- DETO locality pay is treated the same as title 5 locality pay in applying GS maximum payable rate rules in 5 CFR 531.221-531.223. This is the case even though the receipt of DETO locality pay is causing the recipient to be coded in data systems as receiving a special rate. (See section entitled “*Pay Rate Determinant (PRD) Code*” below.)

Note: While OPM is not responsible for implementing the DETO locality pay provision, it is responsible for administering various payments (e.g., overtime pay and other premium pay) and for determining how the DETO locality pay interacts with those payments.

Data Coding and Reporting

Agencies must comply with the following instructions on data coding and reporting in connection with DETO locality pay:

Processing Personnel Actions

In documenting a change in the duty station to an overseas location under a DETO agreement, OPM is requiring that the nature of action code (NOAC) 894 be used with a legal authority of ZLM (DETO: Sec 9717 of P.L. 117-263). OPM will be adding a rule in Table 17-A of chapter 17 (Pay and Step Changes) in the Guide to Processing Personnel Actions (GPPA), which will apply to GS DETOs. OPM is directing agencies to use the following rule pending the formal revision of Table 17-A:

<i>RULE</i>	<i>If Basis for Action is</i>	<i>And</i>	<i>Then NOAC is</i>	<i>NOA is</i>	<i>Auth Code is</i>	<i>Authority is</i>
30	Establishment, change in percentage, or termination of overseas locality payment for a Domestic Employee Teleworking Overseas (DETO)		894	Gen Adj	ZLM (DETO: Sec 9717 of P.L. 117-263)	DETO: Sec 9717 of P.L. 117-263

Since the pay entitlement authority is changing when DETO locality pay is established or terminated, use the above rule even if the amount of the employee’s locality payment does not change. In the future, OPM will establish prospectively a special legal authority code for actions related to DETO locality pay.

On an employee’s Notification of Personnel Action (SF 50), DETO locality pay should be reported as “Locality Adj.” on the SF 50 (blocks 12B or 20B, as applicable) and included in the “Adj. Basic Pay” (blocks 12C or 20C, as applicable). The Remarks in block 45 must document any change in status related to DETO locality pay. Pending further instructions, the following free-form remarks must be used, as applicable:

- Employee is commencing a temporary assignment working under a Domestic Employee Teleworking Overseas (DETO) Agreement and commencing to receive DETO locality pay (section 9717 of Public Law 117-263). *[Note: This remark is used regardless of whether the employee's locality rate changes.]*
- Employee's DETO locality payment has been adjusted due to changes in the payable locality pay percentage. *[Note: The percentage amount of the DETO locality payment could change due to (1) a change in the locality pay percentage for the employee's former U.S. location, (2) a change in the DC locality pay percentage, or (3) a change in relationship between locality pay in the former U.S. location and locality pay in DC (i.e., a change in which one those rates is lesser).]*
- Employee is no longer entitled to locality pay in connection with a Domestic Employee Teleworking Overseas (DETO) Agreement. *[Note: This remark is used for any reason DETO locality pay is terminated.]*

Special Note: When an employee's DETO locality pay is terminated via a General Adjustment (NOAC 894/LAC ZLM) and the employee will be receiving locality pay under 5 U.S.C. 5304, an additional General Adjustment must be processed, with the same effective date, returning the employee to locality pay under 5 U.S.C. 5304 (NOAC 894/LAC VGR – see rule 23 of Table 17-A, GPPA Chapter 17). These actions may be processed concurrently (on the same SF-52/50) or as separate SF-52/50 actions. In processing the second action, use the following free-form remark: "Employee is entitled to locality pay under 5 U.S.C. 5304."

Coding of Payment and Pay Table

For EHRI reporting purposes, the DETO locality pay is considered a "special basic pay supplement" that is connected to a special pay table identifier, similar to a special rate supplement. OPM is establishing a special pay table identifier of OTDX for DETOs who are entitled to a locality payment equal to 2/3rds of the locality payment for Washington, DC. For DETO locality payments equal to locality payments on a domestic locality pay table (in areas where the locality payment is less than two-thirds of the DC locality payment), OPM is establishing special pay table identifier codes as shown in Attachment 3. Agencies may begin to immediately use these special pay table identifier codes while OPM goes through the process of officially establishing the codes in OPM data systems.

Pay Rate Determinant (PRD) Code –

At this time, due to current system requirements, OPM is directing agencies to use the PRD codes that are associated with special rates (i.e., 5, 6, E, and F) for DETOs who are receiving DETO locality pay in order to provide timely payment to covered employees. This PRD code assignment does not change the statutory requirement to treat DETO

locality pay the same as title 5 locality pay for all purposes. (See above discussion of the maximum payable rate rule in the section entitled “*Treatment of DETO Locality Payment.*”)

System edits

Any edits in agencies’ HR data systems or payroll systems that block payment of locality pay in overseas duty stations must be revised to allow DETO locality pay.

Questions

If agencies have questions on implementation of DETO locality pay, they should contact DETOPolicy@state.gov. The State Department will coordinate with OPM and DOD as necessary.

Attachment 1: Law Providing Overseas Locality Pay to DETOs

Section 9717 of Division I (Department of State Authorizations) in the James M. Inhofe National Defense Authorization Act (NDAA) for Fiscal Year 2023 (H.R. 7776, Public Law 117-263, Dec. 23, 2022—[enrolled bill](#)).

SEC. 9717. LOCALITY PAY FOR FEDERAL EMPLOYEES WORKING OVERSEAS UNDER DOMESTIC EMPLOYEE TELEWORKING OVERSEAS AGREEMENTS.

(a) DEFINITIONS—In this section:

(1) CIVIL SERVICE—The term “civil service” has the meaning given the term in section 2101 of title 5, United States Code.

(2) COVERED EMPLOYEE—The term “covered employee” means an employee who—

(A) occupies a position in the civil service; and

(B) is working overseas under a Domestic Employee Teleworking Overseas agreement.

(3) LOCALITY PAY—The term “locality pay” means a locality-based comparability payment paid in accordance with subsection (b).

(4) NONFOREIGN AREA—The term “nonforeign area” has the meaning given the term in section 591.205 of title 5, Code of Federal Regulations, or any successor regulation.

(5) OVERSEAS—The term “overseas” means any geographic location that is not in—

(A) the continental United States; or

(B) a nonforeign area.

(b) PAYMENT OF LOCALITY PAY—Each covered employee shall be paid locality pay in an amount that is equal to the lesser of—

(1) the amount of a locality-based comparability payment that the covered employee would have been paid under section 5304 or 5304a of title 5, United States Code, had the official duty station of the covered employee not been changed to reflect an overseas location under the applicable Domestic Employee Teleworking Overseas agreement; or

(2) the amount of a locality-based comparability payment that the covered employee would be paid under section 1113 of the Supplemental Appropriations Act, 2009 (Public Law 111- 32), as limited under section 9802(c)(2) of this Act, if the covered employee were an eligible member of the Foreign Service (as defined in subsection (b) of such section 1113).

(c) APPLICATION—Locality pay paid to a covered employee under this section—

(1) shall begin to be paid not later than 60 days after the date of the enactment of this Act; and

(2) shall be treated in the same manner, and subject to the same terms and conditions, as a locality-based comparability payment paid under section 5304 or 5304a of title 5, United States Code.

Attachment 2



**United States Department of State
2023 Civil Service Salary Schedule
Overseas DETO
Effective January 1, 2023**

Rates in U.S. Dollars

Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
1	25,547	26,405	27,253	28,100	28,948	29,444	30,285	31,132	31,166	31,964
2	28,726	29,410	30,361	31,166	31,517	32,444	33,371	34,298	35,225	36,152
3	31,344	32,390	33,435	34,480	35,525	36,570	37,615	38,660	39,705	40,750
4	35,185	36,358	37,531	38,704	39,876	41,049	42,222	43,395	44,568	45,741
5	39,366	40,678	41,991	43,304	44,616	45,929	47,242	48,555	49,867	51,180
6	43,883	45,345	46,807	48,270	49,732	51,195	52,657	54,119	55,582	57,044
7	48,764	50,389	52,015	53,640	55,265	56,891	58,516	60,141	61,767	63,392
8	54,004	55,804	57,605	59,405	61,206	63,006	64,807	66,608	68,408	70,209
9	59,647	61,635	63,623	65,611	67,599	69,587	71,575	73,563	75,551	77,539
10	65,684	67,874	70,064	72,254	74,444	76,634	78,824	81,013	83,203	85,393
11	72,167	74,573	76,978	79,383	81,788	84,194	86,599	89,004	91,409	93,814
12	86,499	89,382	92,266	95,149	98,032	100,916	103,799	106,682	109,566	112,449
13	102,859	106,287	109,715	113,144	116,572	120,001	123,429	126,857	130,286	133,714
14	121,548	125,599	129,651	133,702	137,753	141,804	145,856	149,907	153,958	158,010
15	142,972	147,738	152,503	157,269	162,034	166,800	171,565	176,330	181,096	183,500 ¹

Note: Civil Service employees are eligible to receive salary rates in accordance with this schedule only if the locality pay rate associated with this schedule (21.66% in 2023) is less than the locality pay rate the employee would have been paid had the official duty station of the employee not been changed to reflect an overseas duty location under the applicable DETO agreement.

¹ Rate limited to the rate for level IV of the Executive Schedule (5 U.S.C. 5304 (g)(1)) which is \$183,500.

Attachment 3: Special Pay Table Identifier Codes for DETOs

The table below provides special pay table identifier (SPTI) codes that may potentially be used for DETOs. There are 32 locality pay areas that currently have a locality pay percentage that is lower than 2/3rds of the locality pay percentage applicable to employees stationed in Washington, DC (21.66 percent in 2023). Since these codes correspond to locality pay areas, we are using the applicable EHRI two-character locality pay area code as the last two characters in special pay table identifier code. Each special pay table identifier begins with “OT” which represents “overseas telework.” For example, the special pay table code for DETOs whose overseas locality pay is linked to locality pay for the St. Louis locality pay area would be “OTSL”. For DETOs whose overseas locality pay will be fixed at 2/3rds of the locality payment for Washington, DC (21.66 percent in 2023), the special pay table identifier code will be “OTDX.” OPM is authorizing agencies to immediately commence using these DETO special pay table identifier codes. OPM will recognize the codes as effective as of January 1, 2023. The table below also provides a crosswalk to corresponding locality pay table codes used by OPM for other purposes.

SPTI	SPTI Description (including description of and code for locality pay area to which the special pay table is linked)	Corresponding Locality Pay Table Code
OTAL	For DETO overseas locality pay linked to locality pay area Albany-Schenectady, NY-MA [AL]	AL
OTAQ	For DETO overseas locality pay linked to locality pay area Albuquerque-Santa Fe-Las Vegas, NM [AQ]	AQ
OTAU	For DETO overseas locality pay linked to locality pay area Austin-Round Rock, TX [AU]	AU
OTBH	For DETO overseas locality pay linked to locality pay area Birmingham-Hoover-Talladega, AL [BH]	BH
OTBU	For DETO overseas locality pay linked to locality pay area Buffalo-Cheektowaga, NY [BU]	BU
OTBN	For DETO overseas locality pay linked to locality pay area Burlington-South Burlington, VT [BN]	BN
OTCT	For DETO overseas locality pay linked to locality pay area Charlotte-Concord, NC-SC [CT]	CT
OTCI	For DETO overseas locality pay linked to locality pay Cincinnati-Wilmington-Maysville, OH-KY-IN [CI]	CIN

SPTI	SPTI Description (including description of and code for locality pay area to which the special pay table is linked)	Corresponding Locality Pay Table Code
OTCS	For DETO overseas locality pay linked to locality pay area Colorado Springs, CO [CS]	CS
OTCO	For DETO overseas locality pay linked to locality pay area Columbus-Marion-Zanesville, OH [CO]	COL
OTCC	For DETO overseas locality pay linked to locality pay area Corpus Christi-Kingsville-Alice, TX [CC]	CC
OTDV	For DETO overseas locality pay linked to locality pay area Davenport-Moline, IA-IL [DV]	DV
OTDG	For DETO overseas locality pay linked to locality pay area Dayton-Springfield-Sidney, OH [DG]	DAY
OTDM	For DETO overseas locality pay linked to locality pay area Des Moines-Ames-West Des Moines, IA [DM]	DM
OTHB	For DETO overseas locality pay linked to locality pay area Harrisburg-Lebanon, PA [HB]	HB
OTHU	For DETO overseas locality pay linked to locality pay area Huntsville-Decatur-Albertville, AL [HU]	HU
OTHI	For DETO overseas locality pay linked to locality pay area Hawaii [HI]	HI
OTIN	For DETO overseas locality pay linked to locality pay area Indianapolis-Carmel-Muncie, IN [IN]	IND
OTKC	For DETO overseas locality pay linked to locality pay area Kansas City-Overland Park-Kansas City, MO-KS [KC]	KC
OTLR	For DETO overseas locality pay linked to locality pay area Laredo, TX [LR]	LR
OTLV	For DETO overseas locality pay linked to locality pay area Las Vegas-Henderson, NV-AZ [LV]	LV
OTOM	For DETO overseas locality pay linked to locality pay area Omaha-Council Bluffs-Fremont, NE-IA [OM]	OM
OTPB	For DETO overseas locality pay linked to locality pay area Palm Bay-Melbourne-Titusville, FL [PB]	PB
OTPX	For DETO overseas locality pay linked to locality pay area Phoenix-Mesa-Scottsdale, AZ [PX]	PX

SPTI	SPTI Description (including description of and code for locality pay area to which the special pay table is linked)	Corresponding Locality Pay Table Code
OTPI	For DETO overseas locality pay linked to locality pay area Pittsburgh-New Castle-Weirton, PA-OH-WV [PI]	PIT
OTRA	For DETO overseas locality pay linked to locality pay area Raleigh-Durham-Chapel Hill, NC [RA]	RA
OTZX	For DETO overseas locality pay linked to locality pay area Rest of U.S. [ZX]	RUS
OTRI	For DETO overseas locality pay linked to locality pay area Richmond, VA [RI]	RCH
OTSO	For DETO overseas locality pay linked to locality pay area San Antonio-New Braunfels-Pearsall, TX [SO]	SO
OTSL	For DETO overseas locality pay linked to locality pay area St. Louis-St. Charles-Farmington, MO-IL [SL]	SL
OTTU	For DETO overseas locality pay linked to locality pay area Tucson-Nogales, AZ [TU]	TU
OTVB	For DETO overseas locality pay linked to locality pay area Virginia Beach-Norfolk, VA-NC [VB]	VB
OTDX	For DETO overseas locality pay linked to locality pay area Washington-Baltimore-Arlington, DC-MD-VA-WV-PA [WA]- 2/3rds of locality pay for that area	Linked to DCB