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(Original Signature of Member)

118TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To remove cost-of-living adjustments and locality adjustment payments from the calculation of certain limits on the pay of Federal employees, and for other purposes.

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**IN THE HOUSE OF REPRESENTATIVES**

Ms. NORTON introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To remove cost-of-living adjustments and locality adjustment payments from the calculation of certain limits on the pay of Federal employees, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Federal Employee Pay  
5       Compression Relief Act of 2023”.

1 **SEC. 2. FEDERAL EMPLOYEE COLA AND LOCALITY ADJUST-**  
2 **MENT PAY CAP REMOVAL.**

3 (a) TITLE 5.—Title 5, United States Code, is amend-  
4 ed—

5 (1) in section 5303, by amending subsection (f)  
6 to read as follows:

7 “(f) Adjustments to the basic pay of an employee or  
8 for a position under this section shall be disregarded when  
9 determining if the pay of such employee or for such posi-  
10 tion exceeds a limit established under this title on the total  
11 or maximum of such pay.”;

12 (2) in section 5304—

13 (A) by striking subsection (g); and

14 (B) by redesignating subsections (h) and  
15 (i) as subsections (g) and (h), respectively;

16 (3) in section 5305(g)—

17 (A) by striking paragraph (2);

18 (B) by striking “(1) The benefit” and in-  
19 serting “The benefit”; and

20 (C) by striking “paragraph (2) and”;

21 (4) in section 5306, by striking subsection (e);

22 (5) in section 5307(a)(2)—

23 (A) in subparagraph (B), by striking “;  
24 or” and inserting a semicolon;

25 (B) in subparagraph (C), by striking the  
26 period at the end and inserting “; or” ; and

1 (C) by adding at the end the following new  
2 subparagraph:

3 “(D) section 5304.”;

4 (6) in section 5372(b)(4)—

5 (A) by striking “Subject to paragraph (1)”  
6 and inserting “(A) Subject to paragraph (1)  
7 and except as provided by subparagraph (B)”;  
8 and

9 (B) by adding at the end the following new  
10 subparagraph:

11 “(B) For the purposes of determining whether  
12 the rate of basic pay for an administrative law judge  
13 meets the maximum rate of basic pay payable under  
14 paragraph (1), any adjustments under subparagraph  
15 (A) and any locality-based comparability payment  
16 under section 5304 or similar payment shall be ex-  
17 cluded from the rate of basic pay of the administra-  
18 tive law judge.”;

19 (7) in section 5373—

20 (A) in subsection (b), by striking “(includ-  
21 ing any portion of such pay attributable to com-  
22 parability with private-sector pay in a locality)”;  
23 and

24 (B) by adding at the end the following new  
25 subsection:

1 “(c) Any annual pay adjustment under section 5303  
2 or similar adjustment and any locality-based comparability  
3 payment under section 5304 or similar payment shall be  
4 excluded from—

5 “(1) the annual rate of basic pay for a position  
6 or employee for the purposes of subsection (a); and

7 “(2) the pay of a civilian employee paid from  
8 nonappropriated funds for the purposes of sub-  
9 section (b).”;

10 (8) in section 5376(b)—

11 (A) in paragraph (1)—

12 (i) in subparagraph (B), by inserting  
13 after “Executive Schedule” the following:

14 “, except that for the purpose of applying  
15 such limitation, the rate of basic pay for a  
16 position to which this section applies does  
17 not include any adjustments under para-  
18 graph (2) or any locality-based com-  
19 parability payment under section 5304 or  
20 similar payment”; and

21 (ii) by striking “5306(e) or”; and

22 (B) in paragraph (2), by striking “Subject  
23 to paragraph (1), effective” and inserting “Ef-  
24 fective”;

25 (9) in section 5377(d)(2) is amended—

1 (A) by striking “Basic pay” and inserting  
2 “(A) Basic pay”; and

3 (B) by adding at the end the following new  
4 subparagraph:

5 “(B) For the purposes of subparagraph  
6 (A), the rate of basic pay fixed under this sec-  
7 tion shall exclude any annual pay adjustment  
8 under section 5303 or similar adjustment and  
9 any locality-based comparability payment under  
10 section 5304 or similar payment, including any  
11 changes in the basic rate of pay for a position  
12 made under the authority of this section to ac-  
13 count for such an adjustment or payment that  
14 would have applied to such position if this sec-  
15 tion had never been enacted.”; and

16 (10) in section 5382—

17 (A) in subsection (a), by striking “5306(e)  
18 or”; and

19 (B) by adding at the end the following new  
20 subsection:

21 “(d) For the purposes of determining the highest rate  
22 of basic pay payable for a position under this section, the  
23 rate of basic pay for such position shall exclude the per-  
24 centage of the pay of such position that is equal to the  
25 percentage by which the pay of such position would in-

crease if, without regard to any limitation on the maximum rate of basic pay for such position, such position was eligible for a locality-based comparability payment under section 5304 in the same manner as a position under the General Schedule that is in the same locality and eligible for such a payment.”.

(b) **MILITARY PERSONNEL.**—Section 203(a) of title 37, United States Code, is amended by adding at the end the following new paragraph:

“(3) For the purposes of determining the highest rate of basic pay payable for an officer or enlisted member under paragraph (2), the rate of basic pay for such officer or enlisted member shall exclude—

“(A) any annual pay adjustment under section 1009 or similar adjustment; and

“(B) any locality-based comparability payment under section 5304 of title 5 or similar payment.”.

(c) **OTHER PAY AUTHORITIES.**—

(1) **IN GENERAL.**—Except as otherwise provided in paragraph (2) and notwithstanding any other provision of law, when determining if the pay of the employee meets a Federal pay limit, the following shall be disregarded:

1 (A) Any portion of the basic pay of the  
2 employee that is attributable to an annual pay  
3 adjustment under section 5303 of title 5,  
4 United States Code, or a similar adjustment.

5 (B) Any portion of the basic pay of the  
6 employee that is attributable to a locality-based  
7 comparability payment under section 5304 of  
8 title 5, United States Code, or a similar pay-  
9 ment.

10 (2) EXCEPTIONS.—Paragraph (1) does not  
11 apply with respect to a Federal pay limit to the ex-  
12 tent otherwise provided in—

13 (A) this Act;

14 (B) the amendments made by this Act; or

15 (C) a law that excludes the applicability of  
16 paragraph (1) with respect to such Federal pay  
17 limit by specific reference to this subsection.

18 (3) DEFINITIONS.—In this subsection:

19 (A) EMPLOYEE.—The term “employee”  
20 means an individual holding an appointive posi-  
21 tion in the executive branch, other than a posi-  
22 tion in a uniformed service (as such term is de-  
23 fined in section 2101 of title 5, United States  
24 Code).

1 (B) FEDERAL PAY LIMIT.—The term  
2 “Federal pay limit” means a limit on the max-  
3 imum or total pay payable to an employee that  
4 is—

5 (i) determined based on—

6 (I) a rate of pay, including a  
7 maximum rate of pay, or pay scale es-  
8 tablished by or under title 5, United  
9 States Code; or

10 (II) the rate of pay established  
11 under section 104 of title 3, United  
12 States Code; and

13 (ii) established by or pursuant to a  
14 law or regulation.

15 (C) PAY.—The term “pay” means  
16 amounts paid by the Federal Government to an  
17 employee as compensation for services per-  
18 formed as an employee.

19 (d) CONFORMING AMENDMENTS.—

20 (1) Section 733(a)(3)(A) of title 31, United  
21 States Code, is amended by inserting after “of title  
22 5” the following: “, except that for the purpose of  
23 applying such limitation on the maximum rate, sub-  
24 section (d) of such section does not apply”;



1           (2) Section 3(b) of title 35, United States Code,  
2       is amended—

3           (A) in paragraph (2)(B), by striking “, in-  
4       cluding any applicable locality-based com-  
5       parability payment that may be authorized  
6       under section 5304(h)(2)(C) of title 5”; and

7           (B) in paragraph (6), by striking “section  
8       5306(e) or”.

9           (3) Section 14306(a)(2) of title 40, United  
10       States Code, is amended by striking “, including any  
11       applicable locality-based comparability payment that  
12       may be authorized under section 5304(h)(2)(C) of  
13       title 5”.

14          (4) Section 15301(d)(1) of title 40, United  
15       States Code, is amended by striking “, including any  
16       applicable locality-based comparability payment that  
17       may be authorized under section 5304(h)(2)(C) of  
18       that title”.

19          (5) Section 382B(h)(5)(A)(ii) of the Consoli-  
20       dated Farm and Rural Development Act (7 U.S.C.  
21       2009aa-1(h)(5)(A)(ii)) is amended by striking “, in-  
22       cluding any applicable locality-based comparability  
23       payment that may be authorized under section  
24       5304(h)(2)(C) of that title”.

1           (6) Section 383A(h)(5)(A)(ii) of the Consoli-  
2       dated Farm and Rural Development Act (7 U.S.C.  
3       2009bb-1(h)(5)(A)(ii)) is amended by striking “, in-  
4       cluding any applicable locality-based comparability  
5       payment that may be authorized under section  
6       5304(h)(2)(C) of that title”.

7           (7) Section 141 of the Higher Education Act of  
8       1965 (20 U.S.C. 1018) is amended—

9           (A) in subsection (d)(5)(A), by striking “,  
10       including any applicable locality-based com-  
11       parability payment that may be authorized  
12       under section 5304(h)(2)(B) of such title”; and

13          (B) in subsection (e)(3)—

14           (i) in subparagraph (A), by striking “,  
15       including any applicable locality-based  
16       comparability payment that may be au-  
17       thorized under section 5304(h)(2)(C) of  
18       such title”; and

19           (ii) in subparagraph (B), by striking  
20       “, including any applicable locality-based  
21       comparability payment,”.

22          (8) Section 436(b) of the Energy Independence  
23       and Security Act of 2007 (42 U.S.C. 17092(b)) is  
24       amended by striking “, including any applicable lo-

1       cality-based comparability payment that may be au-  
2       thorized under section 5304(h)(2)(C) of that title”.

3       (e) ANNUITY SHORTFALLS.—The Secretary of the  
4       Treasury shall pay from the General Fund of the Treasury  
5       into the Civil Service Retirement and Disability Fund es-  
6       tablished under section 8348 of title 5, United States  
7       Code, the amount determined by the Director of the Office  
8       of Personnel Management to be necessary to reimburse  
9       the Fund for any estimated increase resulting from this  
10      Act or the amendments made by this Act in—

11           (1) the unfunded liability of the Civil Service  
12      Retirement and Disability Fund (as defined in sec-  
13      tion 8331 of title 5, United States Code); and

14           (2) the supplemental liability of such Fund (as  
15      defined in section 8401 of title 5, United States  
16      Code).