

DANGER PAY ALLOWANCE

INTRODUCTION

The Department of State Standardized Regulations (DSSR), by law, prescribe the regulations governing overseas allowances, differentials, and defraying of residence expenses in foreign areas. The danger pay allowance is an incentive for service in foreign areas where living conditions are dangerous. This reference guide covers the two categories of pay under the danger pay allowance and how the places and rates are determined.

TWO CATEGORIES OF PAY UNDER THE DANGER PAY ALLOWANCE

- Danger pay (under Section 652f) is additional compensation of up to 35% over basic compensation granted to employees for service at designated danger pay posts. (See 5 U.S.C. 5928 and Section 652f.)
- Danger pay (under Section 652g) is an allowance of \$225.00 per month that may be granted to civilian employees who accompany U.S. military forces in areas designated by the Secretary of Defense as eligible for imminent danger pay. NOTE: Only the Secretary of State may authorize danger pay for civilian employees. Danger pay under Section 652g may be authorized when requested by the Secretary of Defense.

DEFINITIONS

Danger pay post means 1. a place listed individually in Section 920 which has been so designated by the Secretary of State; 2. a place which is not listed individually in Section 920 but which is located in a country or area which has been so designated by the Secretary of State.

Day means when an employee is detailed to a danger pay post or area four hours or more, he/she may receive the danger pay allowance for the full day.

Detail (defined in Section 040p) in conjunction with danger pay means a temporary assignment or temporary duty (TDY) to an area designated for danger pay for a minimum of four cumulative hours in one day. Any leave taken while present at such place of detail may be included to meet the four hour eligibility requirement but days of absence away from the designated post or country/area may not be included. Employees transiting a post who are inadvertently detained there for four hours or more can be considered to be on detail for danger pay purposes.

Footnote “p” indicator found in the Table of Allowances (Section 920) lists the locations that qualify for a danger pay allowance under Section 652f.

Footnote “v” indicator found in the Table of Allowances (Section 920) lists the areas where Federal civilian employees are eligible to receive imminent danger pay under Section 652g.

Footnote “z” indicator found in the Table of Allowances (Section 920) is for posts having footnote “p” and footnote “v” indicators.

ELIGIBILITY

All U.S. citizen employees who are permanently assigned personnel to a danger pay post or on detail (including TDY) for at least 4 cumulative hours receive danger pay. Danger pay is paid to full-time, part-time, temporary, and intermittent employees.

WHEN DANGER PAY STARTS

On the date of designation by the Secretary of State for employees present at the post on assignment or detail, on the date of arrival at post or detail, or for employees returning to post after temporary absence.

WHEN DANGER PAY ENDS

On the day the designation is removed by the Secretary of State or the date of departure from a post for any reason.

DANGER PAY ON DETAIL

Employees on detail at a danger pay post may be granted the danger pay allowance at the prescribed rate for all days of detail at such post except for days of absence from the post in a post or area not designated for the danger pay allowance. While this appears to be discretionary in the DSSR, DoD employees receive danger pay where authorized during periods of temporary duty.

Note: Danger pay is paid only for hours for which basic compensation is paid.

SECTION 652F DANGER PAY

To establish a danger pay allowance under Section 652f, there must be imminent danger to the majority of Federal employees at an overseas post due to civil insurrection, civil war, terrorism, or wartime conditions. To determine which posts are eligible to receive danger pay, the Department of State (DoS) annually reviews the Security Environment Threat List scores for Political Violence and Terrorism at each post. A post that receives a critical rating in either category meets the eligibility criteria for danger pay under Section 652f. The DoS then determines the danger pay rates of 15, 25, and 35 percent based on whether family members are allowed at an overseas post. For example, an unaccompanied post receives the highest danger pay rate of 35 percent. Danger pay determinations are made annually and on an ad hoc basis when the conditions at a post change.

SECTION 652G DANGER PAY

On October 1, 1995, the Secretary of State approved a new category of pay under the danger pay allowance at Section 652g of the DSSR. Under the regulation, a danger pay allowance may be granted to civilian employees who accompany U.S. military forces in locations designated by the Secretary of Defense as eligible for imminent danger pay (IDP). IDP under 37 U.S.C. 310 compensates Service members for performing duty in a foreign area designated as an area in which the Service member is subject to imminent danger of physical injury due to threat conditions. DoD requested the change to the DSSR so that civilian employees and Service members serving in the same geographic locations

maintain pay equity. Service members receive \$7.50 for each day they are on official duty in an IDP area up to the monthly amount of \$225.

DoD must seek authority to use imminent danger pay from the DoS. In authorizing the allowance, the Secretary of State retains the authority to determine the circumstances under which a danger pay allowance may be granted and to define the area of application for civilian employees. Once the authority has been granted, DoD pays the same flat rate amount to eligible civilians; currently \$225.00 per month. However, Section 652g danger pay is not paid for periods of time that an employee either receives a danger pay allowance under Section 652f or a post differential that would duplicate credit for political violence or terrorism.

PAYMENTS

Danger pay allowance under Section 652f is:

- Paid only for hours for which basic compensation is paid.
- Paid biweekly with regular salary.
- Computed as a percentage of a DoD's employee's basic pay (excluding allowances, differentials, or other additional compensation) except that locality rates are considered basic pay in computing danger pay for employees detailed to a danger pay area.
- Subject to the aggregate limitation on pay (the annual rate for Executive Level I) except for DoD employees granted the premium pay waiver for performing work overseas in support of contingency operations.
- Not construed as part of basic compensation for computing within-grade increases.
- Not to exceed 35% of basic compensation.
- Included in gross income for Federal income tax purposes.
- Suspended while an employee is in a non-pay status.

Danger pay allowance under Section 652g is:

- Calculated as a daily rate and paid on a monthly basis. Daily rates are determined by dividing \$225.00 by the number of days in the month. This rate will change based on the number of days in a month. For periods of less than one month, an employee is entitled to the daily rate times the number of days in the month the employee is in the designated danger area.
- Paid biweekly with regular salary.
- Included in gross income for Federal income tax purposes.
- Subject to the Executive Level I cap.

DANGER PAY AND POST DIFFERENTIAL

A post differential may include credit for political violence and terrorism. Therefore, when conditions at a post worsen to the point that the Secretary of State authorizes a danger pay allowance, credit for these factors are removed from the post differential in order to avoid duplicating benefits for the same conditions. However, employees may receive both a post differential and danger pay under Section 652f, if both are authorized.

REFERENCES

- Section 5928 of title 5, United States Code
- Section 310 of title 37, United States Code
- Department of State Standardized Regulations (DSSR), Chapter 650
- Department of State, Office of Allowances, Frequently Asked Questions, Danger Pay
- DoD Instruction 1340.09, Hazard Pay (HzP) Program, January 26, 2018
- DoD Instruction 1400.25, Volume 1250, “DoD Civilian Personnel Management System: Overseas Allowances and Differentials,” February 23, 2012
- Volume 8 of DoD 7000.14-R, Department of Defense: Civilian Pay Policy and Procedures, Chapter 3, Paragraph 030402 F
- *Overseas Allowances: State Should Assess the Cost-Effectiveness of its Hardship Pay Policies*, GAO-17-715 (Washington, DC: Sept 13, 2017)

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