



United States
Office of Government Ethics
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LEGAL ADVISORY

TO: Designated Agency Ethics Officials

FROM: Walter M. Shaub, Jr.
Director

SUBJECT: Effect of Pay Adjustments on Ethics Provisions for Calendar Year 2014

This Legal Advisory updates the three statutory pay-level thresholds for certain purposes under either the Ethics in Government Act (Ethics Act) or 18 U.S.C. § 207(c) for calendar year 2014.

President Obama signed Executive Order 13655 on December 23, 2013, adjusting the 2014 pay schedules for certain Federal civilian employees. As a result, the following two threshold levels will rise for calendar 2014:

- The statutory threshold to determine which officers and employees must file public financial disclosure reports under title I of the Ethics Act, *see* 5 U.S.C. § 101(f)(3), is 120% of the minimum rate of the basic pay for grade GS-15 of the General Schedule. Effective January 12, 2014, that level will be \$120,748.80.
- The statutory threshold to determine which employees are subject to the post-employment conflict of interest restrictions of 18 U.S.C. § 207(c)(1) is provided at 18 U.S.C. § 207(c)(2)(ii). That threshold level is 86.5% of the annual rate of basic pay for level II of the Executive Schedule. Effective January 12, 2014, that level will be \$156,997.50.

The third threshold level will remain the same for calendar year 2014:

- Title V of the Ethics Act, *see* 5 U.S.C. § 501(a), sets forth outside employment and outside earned income restrictions for certain covered noncareer employees, barring them from earning in any calendar year outside earned income that exceeds 15 percent of the annual rate of basic pay for level II of the Executive Schedule. Both section 501(a) and OGE's regulation at 5 C.F.R. § 2636.304 require the use of the Executive Schedule pay level in effect on January 1 of the year in consideration. Effective January 1, 2014, 15%

of the annual rate of basic pay for level II of the Executive Schedule will continue to be \$26,955.00.