

FILE IN SUPERVISOR'S CIVILIAN PERSONNEL HANDBOOK

*RIAR 690-25

DEPARTMENT OF THE ARMY
ROCK ISLAND ARSENAL
Rock Island, Illinois 61299-5000

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Civilian Personnel

PAY SETTING

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CHAPTER 1

GENERAL PROVISIONS

1-1. Purpose. This establishes a local policy for pay setting where administrative discretion is permitted to ensure consistent local application of pay setting laws and regulations.

1-2. Applicability. This applies to all civilian employees paid from appropriated funds and assigned to activities serviced by the Rock Island Arsenal (RIA) Directorate of Personnel and Community Activities (SMCRI-PC).

1-3. Responsibilities.

a. The RIA Commander will ensure that a local policy establishes how pay will be set in instances where administrative discretion is permitted and that this policy is available for review by affected employees, potential employees, and supervisors.

b. The Classification and Placement Division (SMCRI-PCR), establishes local pay policy and sets pay in accordance with local policy, regulations, and pay schedules.

c. Managers and supervisors uniformly apply provisions for application of granting maximum payable rate/highest previous rate.

1-4. Explanation of Terms.

a. Change to Lower Grade is the change of an employee, while continuously employed, to a lower grade when both the old and the new positions are under the same pay schedule; i.e., General Schedule or Federal Wage System, or the change is to a position with a lower representative rate when the new position is in a different pay schedule.

b. Conversion Action is movement of an employee to another appointment in the same agency without a break in service.

c. Existing Rate of Pay is the rate received immediately before the effective date of a transfer, promotion, demotion, reassignment, conversion action, or within grade increase.

d. Highest Previous Rate is the highest actual basic rate of pay previously received by an individual while employed in a position in a branch of the Federal Government, Government Corporation, the United States Postal Service, the Postal Rate Commission, or the Government of the District of Columbia, without regard to whether the position was subject to the General Schedule; or the actual rate of basic pay for the highest grade and step previously held by an individual while employed in a position subject to the General Schedule.

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e. Maximum Payable Rate is the highest rate of pay that may be paid an employee.

f. New Appointment is the first appointment, regardless of tenure, as an employee.

g. Promotion is the change of an employee while continuously employed, to a higher grade when both the old and the new positions are under the same wage or pay schedule, or the change to a position with a higher representative rate when the new position is in a different pay schedule.

h. Rate of Basic Pay (GS) or Schedule Rate of Pay (WG) is the rate of pay fixed by law or administrative action for the position held by an employee before any deductions and exclusive of additional pay of any kind; i.e., night or environmental differential/hazard pay.

i. Reassignment is the change of an employee, while continuously employed, from one position to another without promotion or change to lower grade.

j. Reemployment includes reinstatement, or any other type of appointment, after a break in service of at least one full work day.

k. Representative Rate is the rate used to determine the nature of the job change; i.e., promotion or change to lower grade, where different kinds of pay schedules are involved. It is the second step of the grade of the Federal Wage System position and the fourth step of the General Schedule.

l. Grade Retention permits an employee to retain the grade from which they were involuntarily reduced for two years for pay and benefits purposes.

m. Pay Retention permits an employee to retain, under certain circumstances, a rate of basic pay which is higher than the maximum of the grade for the position which they occupy.

1-5. General.

a. Any exceptions to the provisions of this policy must be approved by SMORI-PC, fully documented, and made a part of the employee's Official Personnel Folder.

b. In all cases where this policy is silent regarding pay setting, applicable regulations of Department of the Army (DA) and/or the Office of Personnel Management will be applied; e.g., Reduction-in-Force (RIF) classification actions.

* c. Career (lead in) promotions will be made on the earliest possible date. When management determines that the employee is able to perform at the higher level and SMORI-PCR determines that the employee meets the legal and regulatory requirements, the employee will be promoted. Inadvertent delay in initiating or processing the SF 52 (Request for Personnel Action) will not delay promotion and the promotion will be processed retroactively if necessary. *Retro on lead in positions - OK*

CHAPTER 2

DETERMINING RATE OF BASIC PAY

2-1. New Appointment. A new appointment is made at the minimum rate of the grade to which the employee has been appointed. Exceptions to the foregoing are defined in FPM 531 S2-3, FPM Supplement 990-2 Book 531 S2-3, FPM Supplement 531 S8-3, and FPM 338, subchapter 6.

2-2. Conversion Actions and Transfers. The rate of basic pay is determined by the nature of the employee's movement from one grade to another. If the employee moves to a higher grade, it is a promotion for pay setting purposes. If the employee moves to a lower grade, it is a change to lower grade for pay setting purposes. When movement occurs between pay schedules, representative rates will be used to determine if the change is a promotion or change to lower grade. The nature of action, "conversion to ..." or "transfer" as required by FPM Supplement 296-33, does not reflect the type of action; i.e., promotion, change to lower grade, or reassignment, upon which local pay setting is determined.

2-3. Maximum Payable Rate Rule for General Schedule Employees.

a. Computation of a General Schedule employee's maximum payable rate is made as follows:

(1) Compare the employee's highest previous rate (expressed as an annual rate) with the rates of basic pay in effect at the time the highest previous rate was earned for the grade in which pay is currently being fixed. Identify the lowest step for which the rate of basic pay was equal to or greater than the employee's highest previous rate.

(2) Identify the current rate of basic pay for the step identified above. This rate is the maximum rate of basic pay that may be paid the employee.

b. The following provisions also apply:

(1) Consideration of maximum payable rate is made when setting pay for transfer, reemployment, reassignment, promotion, or conversion actions.

(2) When granting benefit of maximum payable rate rule, pay may be set at any step of the rate range that does not exceed the maximum payable rate.

(3) A determination must be made by the personnel staffing specialist/assistant that the employee's or former employee's qualifications and known or presumed proficiency justify affording some maximum payable rate benefit. Additionally, the selecting supervisor must make a determination that the benefit afforded the employee or former employee based upon maximum payable rate does not place the employee at a higher rate of pay than other

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employees of equal or superior proficiency serving in similar or identical positions within the organizational entity.

(4) Determination of highest previous rate:

(a) The highest previous rate is based on a regular tour of duty at that rate for a continuous period of not less than 120 days regardless of type of appointment.

(b) The highest previous rate will not be based upon a temporary promotion.

(c) The highest previous rate may not be based upon a rate received for an appointment as an expert or consultant.

(d) The highest previous rate may not be based on a rate received in a position from which the employee was reassigned or reduced in grade for failure to satisfactorily complete a probationary period as a supervisor/manager.

(e) A special rate established under 5 USC 5303, or other legal authority; e.g., engineers, may be used as employee's highest previous rate upon reassignment to a non-special rate position under the General Schedule within the same agency; i.e., Army, provided the special rate of pay is the employee's current rate of basic pay. SMORI-PC will approve using the employee's special rate as the highest previous rate on a case by case basis. The justification must show that the need for the services of the employee, and their contribution to the program, will be greater in the position to which they are being reassigned. The justification and approval must be documented in writing and filed with the SF 52 effecting the action.

(f) In the case of an employee who has received or is receiving a special rate established under 5 USC 5303 or other legal authority, who is placed in a position in which a special rate does not apply, and for whom the special rate is not used as the highest previous rate; the highest previous rate will be based on the rate of basic pay for the step in the regular rate range that corresponds to the employee's existing step in the special rate range for the employee's current grade. ~~For example: Employee is at Step 5 in the special salary rate schedule, which corresponds to the rate of pay of Step 4 in the regular pay schedule. Employee's pay would be set at Step 4 in the regular pay schedule.~~

(5) The personnel staffing specialist/assistant will document rationale for the pay fixing decision on the SF 52. Rationale should include in what position the highest previous rate was earned, when it was earned, the name of the selecting supervisor who concurred in granting maximum payable rate benefit, date of the concurrence, and reasons for granting maximum payable rate benefit.

(6) If a decision is made to grant an employee or former employee maximum payable rate benefit but it is not possible to obtain verification of the highest previous rate prior to effecting the action, the action may be

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When either of the above fall between two steps, the higher step will be selected as the new rate of basic pay. This action terminates pay retention. When the existing rate of basic pay exceeds the maximum rate of the new grade, the employee will continue to receive pay retention.

c. When an employee who is receiving a special rate is promoted, the special rate pay schedule is used to determine the two step entitlement. Pay is then set at the lowest step of the higher grade, but not more than the maximum step of the higher grade, that exceeds the entitlement on the appropriate pay schedule.

d. When an employee is promoted from a regular pay schedule to a position covered by a special pay schedule, the regular pay schedule is used to determine the two step entitlement. The lowest step of the higher grade, but not more than the maximum step of the higher grade, that exceeds the entitlement on the regular pay schedule is determined. Pay is then set at that same higher grade step on the special pay schedule.

2-7. Determination of Nature of Job Change Involving Different Wage/Pay Schedules or Wage Areas. To determine the nature of a job change; i.e., promotion, reassignment, or change to lower grade, between different pay schedules or different wage areas, a comparison is made of representative rates for the jobs or grades between which the employee is being changed. The nature of the job change is not to be confused with the nature of action definitions in FPM Supplement 296-33. When the change is between different wage areas, all determinations concerning representative rates are based on the schedule rates for the jobs/grades involved which are in effect on the date of the change in the local wage area to which the employee is being changed.

2-8. Promotion Within the Federal Wage System.

a. Upon promotion, an employee is entitled to be paid at the lowest scheduled rate of the grade to which promoted which exceeds their existing scheduled rate of pay by at least 4 percent of the representative rate of the grade from which promoted. This rule also applies to an employee promoted from a single-rate job under a special schedule to a multi-rate job under the regular schedule. If benefit of highest previous rate is higher, it may be afforded as specified in paragraph 2-4 above.

b. If, upon promotion, there is no rate of the grade to which promoted which meets the above requirement, the employee shall be paid:

- (1) The maximum scheduled rate of the grade to which promoted.
- (2) Their existing scheduled rate of pay, if that rate is the higher.

This rule also applies to promotions from a multi-rate job under the regular schedule to a single-rate job under a special schedule, including promotions into an apprentice or shop trainee program.

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processed at the minimum step of the grade with a provision for upward adjustment upon receipt of verification. SF 50 (Notification of Personnel Action) will be documented to reflect the provision for retroactive pay adjustment.

(7) When a decision is made that maximum payable rate was considered but not granted, or not granted to the maximum benefit, the employee will be informed of the reasons and the SF 52 will be documented to show that consideration was given but not granted/fully granted and the reasons for any action taken.

2-4. Application of Highest Previous Rate Rule for Federal Wage System Positions.

a. Consideration of highest previous rate will be made whenever transfer, reemployment, reassignment, promotion, or conversion actions occur. Computation of highest previous rate for application to Federal Wage System positions will be as follows:

(1) If the highest previous rate was earned in a Federal Wage System position, it is the current rate of the grade and step of the former job on the same type of wage schedule in the wage area in which employee is being employed, or the actual earned rate, whichever is higher.

(2) If the employee's former scheduled rate was earned on a General Schedule or other statutory pay schedule job, the highest previous rate is the current statutory rate for the same grade and step rate of the schedule.

(3) If the maximum benefit of highest previous rate is granted and such rate falls between two steps of the new grade, the pay will be set to the higher step.

b. The provisions of paragraph 2-3b (1) through (7) above also apply.

2-5. Reemployment. When an employee is reemployed, the pay is set at the minimum rate of the grade or at the appropriate step based on consideration of maximum payable rate/highest previous rate benefit.

2-6. Promotion Within the General Schedule.

a. Upon promotion the employee is entitled to basic pay at the lowest step, but not more than the maximum step, of the higher grade that exceeds their existing rate of basic pay by not less than two step increases of the existing grade. If benefit of maximum payable rate is higher, it may be afforded in accordance with paragraph 2-3 above.

b. An employee on pay retention is entitled to have the greater benefit of:

(1) Two steps above the step 10 of the position from which promoted.

(2) The existing rate of basic pay.

c. When a promotion is to a position in a different wage area, the employee's pay entitlement will be determined as if there were two pay actions; i.e., a promotion and a reassignment, and be processed in the order which gives the employee the maximum benefit. In other words, the employee's pay entitlement shall be determined as if the employee were promoted under the old wage schedule and then reassigned to the new wage area or reassigned to the new wage area under the new wage schedule and then promoted under the new schedule, whichever provides the greater benefit.

2-9. Reassignment Within the Same Pay System. When an employee is reassigned, the pay is set at the same step from which reassigned. If benefit of maximum payable rate/highest previous rate rule is higher, it may be afforded as specified in paragraph 2-3 for General Schedule employees and paragraph 2-4 for Federal Wage System employees.

2-10. Change to Lower Grade.

a. When an employee is changed to lower grade to a position with known promotion potential, but where pay retention is not authorized, pay will be set which, upon repromotion (as soon as merit promotion rules allow), will place the employee in the rate which they would have attained had they remained in that grade. Benefit of maximum payable rate rule/highest previous rate, if that rate is higher, will not be applied.

b. When an employee is changed to lower grade to a full performance position (no known promotion potential) the basic rate of pay will be set at the maximum rate that does not exceed their existing rate of pay. Benefit of maximum payable rate rule/highest previous rate, if that rate is higher, will not be applied.

c. When an employee is changed to lower grade where pay retention is authorized and pay can be set within the step range of the lower grade, pay will be set to the higher rate if the existing rate of pay falls between two steps of the lower grade. This is an exception to the rules discussed above.

d. When an employee is changed to lower grade for failure to satisfactorily complete a supervisory/managerial probationary period, pay will be set at that rate which they would have attained had they remained at the lower grade.

2-11. Promotion From Federal Wage System to General Schedule. Rate of basic pay will be set at the minimum step of the new grade that exceeds the employee's current rate of basic pay. If benefit of maximum payable rate is higher, it may be afforded in accordance with paragraph 2-3 above.

2-12. Promotion From General Schedule to Federal Wage System.

a. Rate of basic pay will be set at a step in the Federal Wage System that exceeds their existing scheduled rate of pay by at least 4 percent of the representative rate (GS grade, step 4) of the grade from which promoted. If benefit of highest previous rate is higher, it may be afforded as specified in paragraph 2-4 above. If the rate falls between two steps, the higher rate will be used.

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b. If upon promotion there is no rate of pay in the grade to which promoted that meets the requirement of 4 percent higher than the representative rate of the grade from which promoted the employee shall be paid:

- (1) The maximum scheduled rate of the grade to which promoted.
- (2) Their existing scheduled rate of pay if that rate is higher.

2-13. Reassignment Between Pay Systems.

a. When an employee is reassigned between pay systems to a position with no known promotion potential, pay is set at the maximum step that does not exceed the existing rate of basic pay. If benefit of maximum payable rate/highest previous rate is higher, it may be afforded as specified in paragraphs 2-3 and 2-4 above, as appropriate.

b. When an employee is reassigned to a position with known promotion potential, pay will be set as follows:

(1) If pay retention is authorized, pay will be set at the minimum step of the new grade that exceeds their existing rate of basic pay or that rate determined if benefit of maximum payable rate/highest previous rate was granted in accordance with paragraphs 2-3 and 2-4 above.

(2) If pay retention is not authorized, pay is set at the maximum step that does not exceed the existing rate of basic pay. If benefit of maximum payable rate is higher, it may be afforded as specified in paragraphs 2-3 and 2-4 above.

2-14. Changes Between Pay Systems - Equivalent Increase Determinations.

a. In processing changes between pay systems, a determination should be made whether the change results in an equivalent increase. If it does not, the employee's time since their last equivalent increase is credited toward the waiting period for the next within grade step increase of the new grade. In some cases, the time since the last equivalent increase will complete the waiting period for the next step in the new grade. In this case, the employee's pay will be advanced one step, granting the within grade increase on the effective date of the action.

b. An equivalent increase in the wage schedule is 4 percent of the representative rate for the grade in which the employee is placed.

c. An equivalent increase in the General Schedule is the amount of the within grade increase in the grade which the employee is placed.

2-15. Effects of Temporary Promotion.

a. When an employee is changed to lower grade following a temporary promotion, the pay is set at the step from which the employee was promoted,

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unless the employee became eligible for a within grade increase under the permanent grade while on temporary promotion. In this case, pay will be set, at the step the employee would have earned had they not been temporarily promoted. Benefit of maximum payable rate/highest previous rate will not be applied.

b. When an employee's temporary promotion is made permanent, the pay will remain the same as that received or to which entitled under the temporary promotion. There is no provision for adjusting the pay based on a within grade increase the employee would have earned had they not been temporarily promoted.

2-16. Sequence of Dual Pay Actions. When two pay actions occur at the same time, the actions will be processed in the order that gives the employee the maximum benefit.

2-17. Consideration of Within Grade Step Increase on Pay Action.

a. When processing pay actions, a determination should be made as to when the employee's next step in their current grade is due, and if a reasonable delay in the effective date would result in a higher rate of pay for the employee. When a reasonable delay will result in a higher rate of pay, the gaining supervisor will be asked if they would agree to the delay.

b. The gaining supervisor's decision to delay or not to delay the effective date of the pay action will be documented on the SF 52 and the employee will be informed of the reasons for the decision.

CHAPTER 3

MERIT PAY ACTIONS

3-1. General. SMCRI-PCR determines basic rate of pay for Performance Management and Recognition System (PMRS), actions on promotion, reassignment, change to lower grade, etc. Pay increases resulting from annual performance rating and comparability increases will be administered by the Technical Services Division (SMCRI-PCS).

3-2. Maximum Payable Rate.

a. Computation of maximum rate is made as follows:

(1) Compare the employee's highest previous rate (expressed as an annual rate) with the minimum and maximum rates of basic pay in effect at the time the highest previous rate was earned for the grade in which pay is currently being set.

(2) Subtract the minimum rate of the former rate range of the grade in which pay is currently being set from the employee's highest previous rate.

(3) Subtract the minimum rate from the maximum rate of that former rate range.

(4) Divide the results of (2) above by the results of (3) above; carry the result to the seventh decimal place, and cut off rather than round the result.

(5) Subtract the minimum rate from the maximum rate of the current rate range of the grade in which pay is being set.

(6) Multiply the result of (4) above by (5).

(7) Add the result of (6) above, to the minimum rate of the current rate range of the grade in which pay is being set and round to the next whole higher dollar.

(8) The result is the maximum payable rate.

b. Below is an example to illustrate maximum payable rate computation in the March 1991 reinstatement of an employee previously employed as a GS-13 step 6, \$34,270, in November 1979:

(1) Locate the pay schedule in effect at the time the highest previous rate was earned: October 1979 pay schedule. Identify the minimum and maximum rate for the GS-13 grade: \$29,375, minimum, and \$38,186, maximum.

(2) Subtract the minimum rate from the highest previous rate (stated in annual salary):

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\$34,270	HPR
<u>-29,375</u>	Mini Rate
\$ 4,895	

(3) Subtract the minimum rate from the maximum rate:

\$38,186	Max Rate
<u>-29,375</u>	Mini Rate
\$ 8,811	

(4) Divide \$4,895 by \$8,811 = .5555555.

(5) Subtract the minimum from the maximum rate currently paid for
GS-13:

\$57,650	Max Rate
<u>-44,348</u>	Mini Rate
\$13,302	

(6) Multiply \$13,302 by .5555555 = \$7,389.99

(7) Add the computed figure in (6) above to the minimum rate:

\$44,348.00	Mini Rate
<u>+ 7,389.99</u>	
\$51,737.99	

(8) Round off the next higher dollar value: \$51,738 is the maximum payable rate.

c. Maximum payable rate will be considered and/or afforded in the same manner as for non-merit pay employees, as specified in chapter 2.

3-3. Promotion Actions.

a. When an employee is promoted to a GM position from a position not covered by PMRS, the basic rate of pay will be adjusted as though they were being promoted to a General Schedule position.

b. Within PMRS (promotion from one GM position to another GM position), the employee's rate of basic pay will increase by 6 percent or to the minimum rate of the corresponding General Schedule grade, if that (rounded up) is higher. In no case will the pay exceed the maximum rate of the corresponding General Schedule grade. If benefit of maximum payable rate is higher it may be afforded as specified in chapter 2 and paragraph 3-2.

c. When a GM employee is promoted to a non-PMRS position, the employee's rate of basic pay will be increased by 6 percent and then set at the lowest step of the new grade that equals or exceeds that rate. If benefit of maximum payable rate is higher, it may be afforded as specified in chapter 2 and paragraph 3-2.

3-4. Transfers and Conversions to Other Appointment Actions. The rate of basic pay is determined by the nature of the employee's movement from one grade to another. If the employee moves to a higher grade, it is a promotion for pay setting purposes. Likewise, if the employee moves to a lower grade, it is a change to lower grade for pay setting purposes. When movement occurs between pay schedules, representative rates will be used to determine if the change is a promotion or change to lower grade. The nature of action, "conversion to..." or "transfer" as required by FPM Supplement 296-33, does not reflect the action; i.e., promotion, change to lower grade, or reassignment, upon which the pay was determined.

3-5. Reassignment and "Conversions to Merit Pay" Actions.

a. When a GS employee is reassigned to a position covered by PMRS the basic rate of pay remains unchanged.

b. When an employee covered by PMRS is reassigned or converted to a position not covered by PMRS, the rate of basic pay is the lowest rate of the grade that is equal to or greater than their existing rate of basic pay under PMRS.

3-6. Change to Lower Grade Actions.

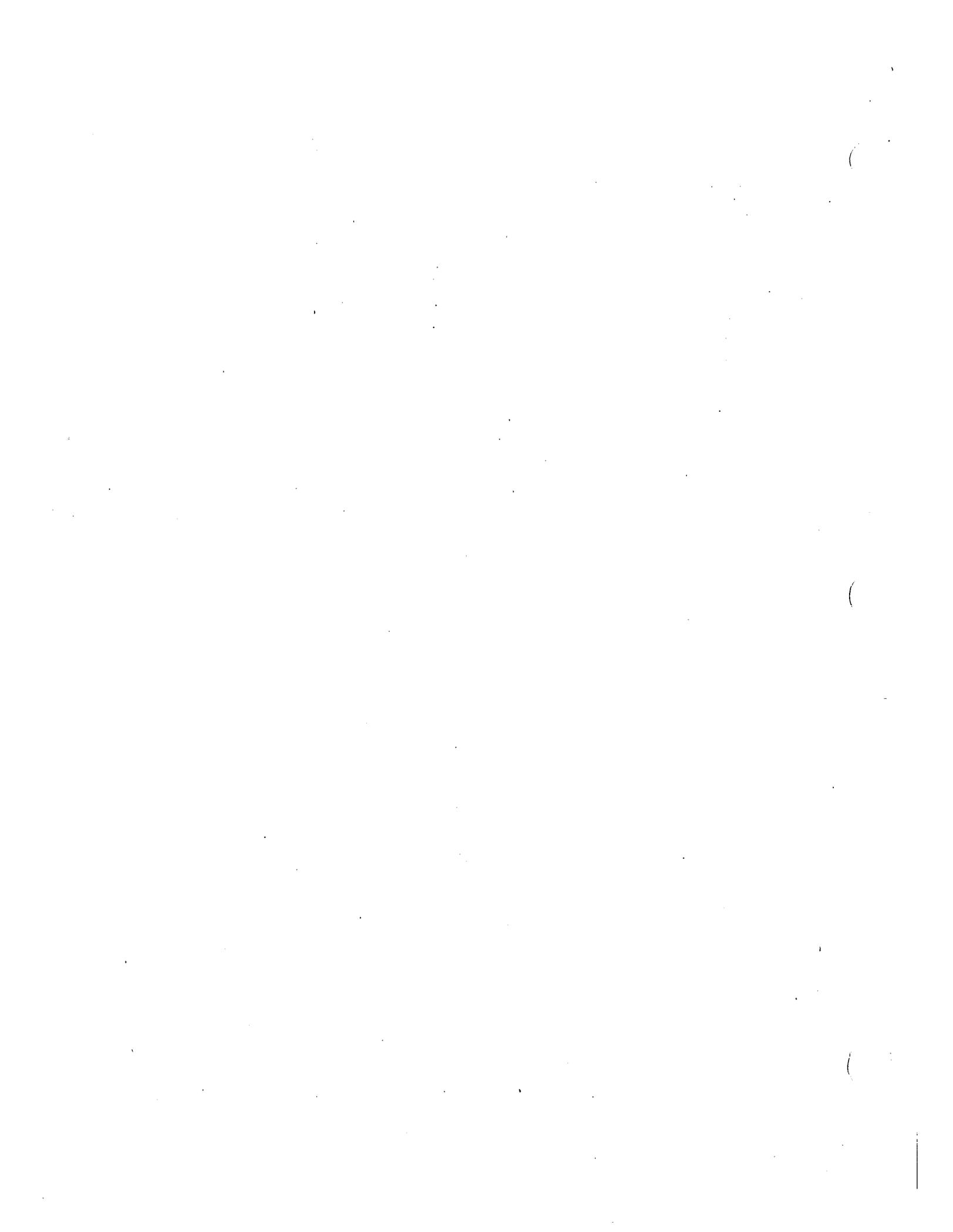
a. When a GS employee is changed to lower grade to a position in PMRS, or when a GM employee is changed to lower grade to a GS position, the basic rate of pay will be determined in accordance with chapter 2, paragraph 2-10.

b. When an employee is changed to lower grade from another PMRS position, pay will be set as follows:

(1) Change to lower grade from a permanent higher grade position. The basic rate of pay will be the same as the existing rate of pay or the maximum rate (step 10) of the corresponding General Schedule grade of the position in which the employee is being placed, whichever is the lesser rate. Exception to this would be where pay retention is authorized.

(2) Change to lower grade following a temporary promotion. The basic rate of pay is the same rate as that from which promoted except when there has been a new PMRS merit increase and/or, a comparability increase. In these cases, the personnel staffing specialist/assistant should request pay setting assistance from SMCRI-PCS. Such assistance is necessary to ensure appropriate considerations and pay determinations consistent with current authorities.

(3) Change to lower grade following failure to satisfactorily complete a supervisor/managerial probationary period. The basic rate of pay will be the same as that from which promoted except when there has been a new PMRS increase and/or comparability increase. In these cases, pay will be set as in (2) above. The personnel staffing specialist/assistant should request pay setting assistance from SMCRI-PCS.



CHAPTER 4

PAY RETENTION

4-1. General.

a. Pay retention will be granted to an employee whose pay would otherwise be reduced as a result of:

- (1) Expiration of the two-year period of grade retention.
- (2) RIF or reclassification when the employee does not meet the eligibility requirements for grade retention.
- (3) A reduction or elimination of special rates.
- (4) Placement in a different pay schedule.
- (5) Placement in a formal employee development program generally utilized government-wide; e.g., an upward mobility program, a career intern program, or an apprenticeship program.

b. Pay retention is also authorized by Department of Defense (DOD) in the following situations:

- (1) When an employee would otherwise be granted grade retention under AR 690-990-2, Book 536 S-3-16(1)(a) or (b), but does not meet the time requirement specified in 5 USC 5362.
- (2) When an employee accepts a lower graded position designated in advance by the activity as being hard-to-fill under criteria similar to those used for extending special rates under FPM chapter 530, subchapter 3.
- (3) When an employee is reduced in grade upon return from an overseas assignment in accordance with the terms of a preestablished agreement. This includes employees who are released from the period of service specified in their current transportation agreement due to a management initiated action.
- (4) When an employee declines an offer to transfer with their function to a location outside the commuting area and is placed on a lower grade at the losing activity.
- (5) When an employee accepted a lower grade position by the activity for nondisciplinary reasons of ill health under criteria similar to those used in meeting the responsibilities for selective placement in lieu of disability retirement, as described in FPM chapter 306, subchapter 9.
- (6) When an employee occupying a position under Schedule C appointment is placed, other than for cause or at the employee's request, in a position at a lower grade in the competitive service or another Schedule C position.

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(7) An employee occupying an Army or Air Force reserve technician position who has or is scheduled to lose eligibility through no fault of their own; i.e., "status quo" employee, and who accepts placement in a lower grade nonreserve technician position.

(8) When an employee occupying a National Guard technician position loses military status through no fault of their own and accepts placement in a lower graded competitive service position.

(9) When an employee not serving under a mobility agreement whose job is abolished declines an offer within the competitive area but outside the commuting area and is placed in a lower graded position in the commuting area.

(10) An employee coming from a non-DOD agency and who, while in receipt of pay retention, transfers to DA, is entitled to have their pay retention continued unless they meet the conditions for termination (see FPM Supplement 990-2, Book 536, S5-1a (2)).

c. Pay retention may be granted in other cases not specifically excluded when approved by DA.

4-2. Exclusions. An action is not covered by pay retention if the employee at the time of the action is already entitled to pay retention under 5 USC 5363 or Part 536 of Title 5, Code of Federal Regulations. If the employee is receiving a retained rate under another authority; e.g., 5 CFR 539.203, at the same time they are affected by an action covered by pay retention, the employee is entitled to both simultaneously, and will receive the greater of the two entitlements.

4-3. Application.

a. An employee is excluded by FPM 536.2-3 from grade or pay retention if they are reduced in grade for personal cause or at the employee's request. An action is considered at the employee's request when:

(1) It is initiated by the employee for their benefit, convenience, or personal advantage, including consent to a demotion in lieu of one for personal cause.

(2) It is not caused or influenced by management's action (a vacancy announcement is management's action).

b. All other provisions, including determining rate of basic pay, effecting of temporary promotions/reassignments, and termination of pay retention entitlements, etc., will be in accordance with FPM 536 and FPM Supplement 990-2, Book 536.

CHAPTER 5

PAY ADJUSTMENT FOR SUPERVISORS

5-1. Authority. This chapter authorizes a special adjustment in the pay of a supervisor in a General Schedule position who regularly has responsibility for supervision (including supervision over the technical aspects of the work concerned) over one or more Federal Wage System employees. NOTE: Where practicable and consistent with good management, work assignments should be made so as to avoid situations where GS employees supervise WG employees receiving a higher rate of basic pay. Before adjusting the pay of a GS supervisor under this authority, management must consider changes in organization or work assignment that would eliminate the necessity for such an adjustment.

5-2. Granting Pay Adjustments.

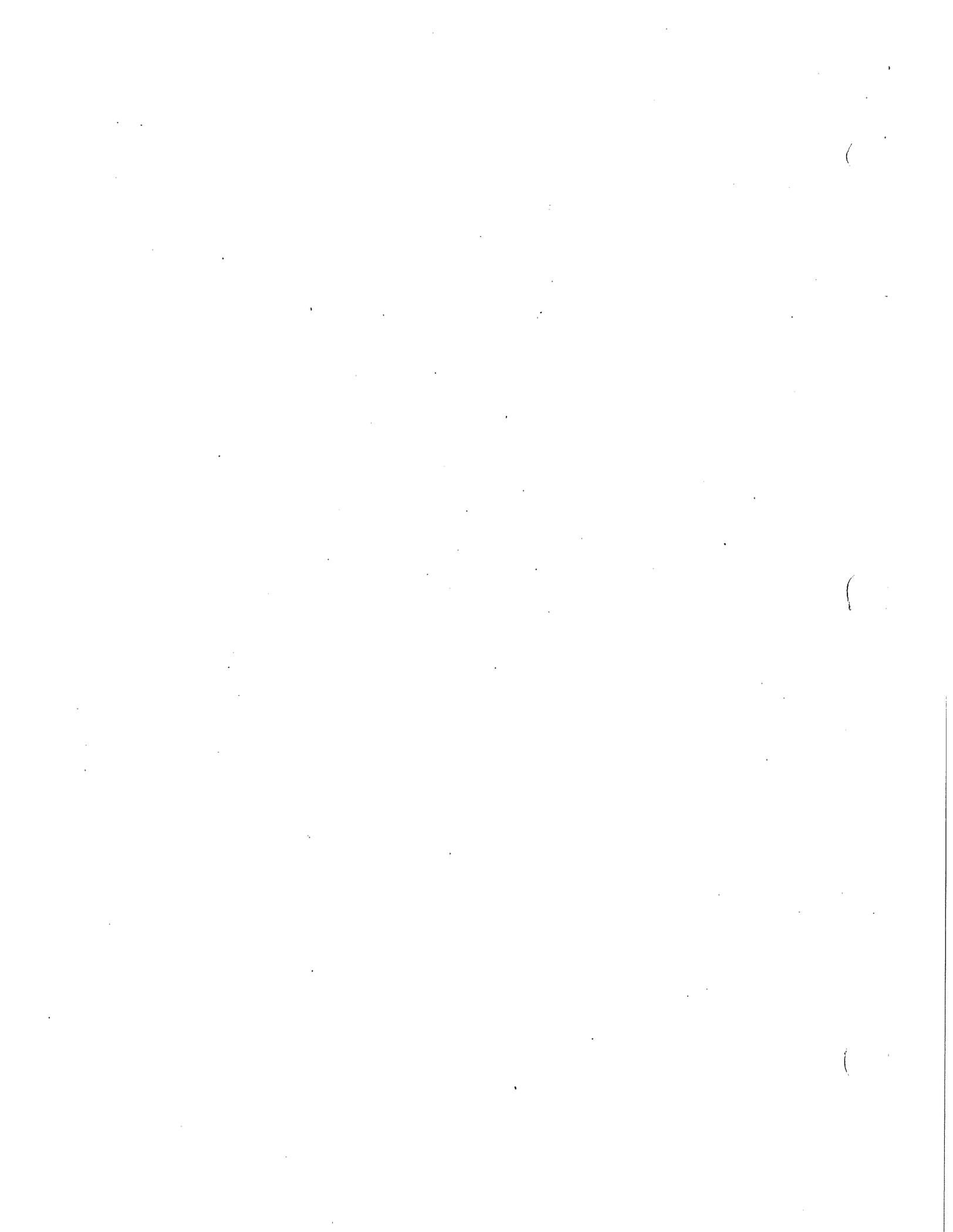
a. SMCRI-PCR is responsible for ensuring that all provisions of FPM Supplement 990-2, Book 531, S3-3 and AR 690-990-2, Book 531, S3 have been met before pay adjustments will be granted.

b. Supervisors are responsible for identifying positions within their organization which meet the requirements for pay adjustment and to which this chapter is applicable and for ensuring that the positions are established applying sound position management. SF 52s will contain in the remarks column the statement, "This GS position requires technical supervision of Federal Wage System employees."

c. SMCRI-PCR is responsible for determining the actual rate of the pay adjustment. Pay will be set at the nearest rate of the GS supervisor's grade which is above the highest rate of basic pay being paid to any wage employee they supervise.

5-3. Change in Pay Adjustment. Supervisors will submit a SF 52 to SMCRI-PC for review and follow-up adjustment when the Federal Wage System employee's pay rate increases.

5-4. Effective Dates. The pay adjustment (granting and updating) will be effective the beginning of the first pay period following SMCRI-PC representative determination that all regulatory provisions have been met.



APPENDIX A

PAY REGULATIONS

A-1. GENERAL PAY REGULATIONS.

- a. CFR 5 Code of Federal Regulations (CFR5).
- b. AR 690-990-2 Book 550, Pay Administration (General).
- c. FPM 550, Pay Administration (General).
- d. FPM 530, Pay Rate and Systems (General).

A-2. GENERAL SCHEDULE REGULATIONS.

- a. AR 690-990-2, Book 531, Pay Under the General Schedule.
- b. FPM 531, Pay Under the General Schedule.

A-3. PREVAILING RATE SYSTEMS. FPM 532-1-S8, Pay Administration.

A-4. GRADE AND PAY RETENTION

- a. AR 690-990-2, Book 536, Grade and Pay Retention.
- b. FPM 536, Grade and Pay Retention.
- c. FPM 532-1-S9, Grade and Pay Retention Under the Federal Wage System.
- d. FPM 530-3-3, Pay Retention for Hard to Fill Vacancies.

A-5. MERIT PAY SYSTEM. AR 690-500, Chapter 540, S5-1, Performance Management and Recognition System.

RIAR 690-25

(SMCRI-PC)

10 DEC 1991

Nathan E. Acree Jr.

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