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Civilian Personnel

PAY SETTING POLICY – GENERAL SCHEDULE AND FEDERAL WAGE SYSTEM

*This regulation supersedes Eighth United States Army Pamphlet 690-50, 29 June 2004.

FOR THE COMMANDER:

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Summary. This regulation prescribes policies and procedures for making discretionary pay setting decisions when permitted by law, regulations, and available funds for U.S. citizen General Schedule (GS) and Federal Wage System (FWS) Appropriated Fund (APF) employees.

Summary of Change. This revision incorporates minor administrative changes and the following major changes:

- Provides a basis for Eighth United States Army pay setting policy (para 1-4).
- Adds managerial and Civilian Personnel Advisory Center (CPAC) responsibilities (para 1-5).
- Establishes new operating principles when setting pay (para 1-6).
- Adds additional criteria that must be used to justify approving an advanced in-hire rate (para 2-1).

- Deletes duplicated pay setting guidance found in the Code of Federal Regulations or Office of Personnel Management policies.
- Provides new guidance for documenting, processing, and approving recruitment, relocation, and retention incentives (para 2-4 and Appendix B and C).

Applicability. This regulation applies to Eighth United States Army (EUSA), its subordinate commands and assigned units, United States Forces Korea (USFK) joint positions occupied by Army employees, and all other Army activities in Korea unless otherwise addressed by appropriate agreements or understandings authorized by Army Regulation 10-87.

Supplementation. Further supplements to this regulation by subordinate commands are prohibited unless prior approval is obtained from the Commander, Eighth United States Army, ATTN: DHRM, Unit #15236, APO AP 96205-5236.

Forms. AK forms are available at http://8tharmy.korea.army.mil/g1_ag/ .

Records Management. Records created as a result of processes prescribed by this regulation must be identified, maintained, and disposed of according to AR 25-400-2. Record titles and descriptions are available on the Army Records Information System website at: <https://www.arims.army.mil/> .

Suggested Improvements. The proponent of this regulation is the Commander, Eighth United States Army, DHRM. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) to the Commander, Eighth Army, ATTN: DHRM, Unit #15236, APO AP 96205-5236.

Distribution. Electronic Media Only (EMO).

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Chapter 1

General

1-1. Purpose

This regulation prescribes policy and procedures to be followed when determining pay rates for U.S. citizen APF employees of HQ Eighth United States Army, major subordinate and tenant commands, staff offices, and their assigned, attached, and tenant activities.

1-2. References

Required and related publications are listed in Appendix A.

1-3. Abbreviations and Terms

Abbreviations and terms are explained in the Glossary.

1-4. Policy

Eighth United States Army policy is to preserve, to the maximum extent possible within the framework of governing regulations, an employee's existing rate of basic pay and to use the highest previous rate (HPR) when it is in the best interest of the employing activity.

1-5. Responsibilities

a. Managers will ensure that the pay setting policy in this regulation is applied equitably and fairly, and that the principles of sound fiscal management are considered, such as:

- (1) Local conditions that affect the recruitment and retention of qualified employees.
- (2) Availability of funds to employ personnel to carry out assigned functions.
- (3) The effect a particular pay action may have on other employees in the organization.
- (4) The employee's qualifications for the position being filled.

b. Local Civilian Personnel Advisory Center (CPAC) staff will advise managers on relevant labor-market issues, discretionary authorities, and requirements for approval of pay setting actions. The CPAC will make nondiscretionary pay setting determinations and process pay actions according to applicable laws and regulations.

1-6. Operating Principles

a. The specific rate of pay will be set in individual cases when the action becomes effective. When a former rate of pay is approved but verification of the former rate is not possible before the action becomes effective, the action may be processed at the lowest step rate of the grade. The pay rate will be subject to upward adjustment. In this case, a statement should be added to the Notification of Personnel Action (SF 50-B) to provide a basis for retroactive adjustment of the pay rate once former-rate verification is made.

b. Pay will be set using the pay setting guidelines of the pay system to which the employee is moving.

c. Pay cannot be set below the first step (step 1) or above the last step of the grade (step 10 of GS grades or step 5 of Federal Wage System (FWS) grades) unless authorized under grade or pay retention regulations.

d. Pay on simultaneous actions is generally set in the order that gives the employee the maximum benefit. The one exception is when there is an annual pay adjustment that is effective on the same day as another pay action. When this happens, the pay adjustment increase must be processed first.

e. An employee's existing rate of pay will be preserved to the maximum extent possible in all reduction-in-force (RIF) and transfer-of-function (TOF) actions to which grade or pay retention regulations do not apply.

Chapter 2 Determining Pay Rates

2-1. Advanced In-hire Rates

a. Pay rates for employees with no previous Federal service will normally be set at the minimum rate of the grade to which appointed. Superior Qualification Appointments may be made by reappointment when the employee has a break in service of at least 90 calendar days and at a rate higher than the minimum step when approved by the local commander or organization head. The approval of an advanced in-hire rate must be granted before the appointment. There is no minimum grade limitation for which an advanced in-hire rate may be set nor is there a limitation on the amount above the candidate's current rate of pay that can be used to set the advanced rate. Since there is no set formula to determine the advanced in-hire rate, each case will be evaluated to ascertain the availability of high-quality candidates, and the necessity of an incentive above existing compensation.

b. At a minimum, documentation for approving each advanced in-hire rate must include:

(1) The superior qualifications of the individual or special need of the organization that justifies the use of the authority;

(2) A comparison of the selectee's qualifications vs. the qualifications of the other available candidates on the referral list. A copy of the resumes of all of the candidates must be attached to the request;

(3) The factors and supporting documents under 5 CFR 531.212(c) that were used to justify setting pay at a rate higher than that needed to match existing pay; and

(4) The reasons for authorizing an advanced in-hire rate instead of, or in addition to a recruitment bonus under 5 CFR Part 575, subpart A.

c. Processing procedures:

(1) Requests will be initiated by the immediate supervisor and signed by the appropriate commander or organization head. The commander/head of the organization will coordinate with their Resource Management Advisor to confirm availability of funds, prior to forwarding the request for approval.

(2) Requests will be forwarded through the servicing CPAC to Directorate of Human Resources Management (DHRM) for approval.

(3) Approval must be granted before the appointment. For approval, organizations must submit suitable documentation and written justification required under paragraph 2-1b above. Requests failing to meet regulatory requirements will be disapproved and returned to the submitting organization.

(4) Approved requests will be returned to the submitting organization through the servicing CPAC for processing.

2-2. Movement from NAF to APF

a. A NAF employee who is moved involuntarily to an APF position without a break in service of more than 3 days as a result of the movement of the position from the NAF system to the civil service system will receive pay protection (including pay retention) at the level of the last basic rate of pay. This does not apply to a management decision to abolish a NAF position and move an employee to a new or existing APF position.

b. A NAF employee who moves voluntarily to a position in the APF system without a break in service of more than 3 days will have his or her pay set under the GS system at any step rate within the grade to which he or she is being assigned that does not exceed the HPR earned in the NAF position. If the current rate of pay falls between two steps in the grade to which the employee is being assigned, the pay will be set at the lower step.

2-3. Supervisory Differential

Managers will make discretionary pay setting determinations on supervisory differentials in compliance with this regulation and Title 5 CFR 575, Subpart D.

a. GS supervisors who have responsibility for supervising one or more wage grade (WG) employees may have their salary adjusted to a rate higher than the highest rate of basic pay of the FWS employees supervised. This does not apply to a supervisor occupying a GS position who is on grade and pay-retention for an FWS position (for example, WG, WL, WS), but is assigned to a supervisory GS position. The request will be initiated by the employee's immediate supervisor and approved by the second-line manager.

b. The adjustment in pay may not cause the supervisor's continuing pay to exceed the continuing pay of the highest paid subordinate not under the GS system by more than 3 percent. Pay will be determined according to 5 CFR 575.405.

2-4. Recruitment, Relocation, and Retention Incentives

a. The authority delegated in this regulation may not be further delegated and may be withdrawn at any time. The authority to approve recruitment, relocation, and retention incentives is delegated as follows:

(1) The Commanding General (CG), Eighth United States Army, has authority to approve recruitment, relocation, and retention incentives for civilian employees of EUSA Staff; Army employees assigned to joint staff positions of USFK; and major subordinate commands assigned under his/her jurisdiction.

(2) The CG, 19th Sustainment Command (Expeditionary) (ESC) is delegated authority to approve recruitment, relocation, and retention incentives for 19th ESC civilian employees. This authority may be further delegated to the Chief of Staff (CofS), 19th ESC.

(3) The CG, 2nd Infantry Division (ID) is delegated authority to approve recruitment, relocation, and retention incentives for 2nd ID civilian employees. This authority may be further delegated to the CofS, 2nd ID.

(4) The CofS, Eighth United States Army is delegated authority to approve recruitment, relocation, and retention incentives for all other assigned units and headquarters staff.

(5) The Deputy Commanding General, IMCOM retains the authority for approving all recruitment, relocation, and retention incentives for IMCOM-K civilian employees. IMCOM-K will follow IMCOM's guidance for submitting requests.

b. Incentives are used as tools for recruiting, relocating, and retaining high-quality personnel for typically hard-to-fill positions. Authorizing officials will ensure that their management staffs understand the purpose of these incentives. Commanders and staff principles must fund these incentives from their existing civilian-pay budget. No additional funds will be provided. Managers, supervisors, and other officials authorized to determine eligibility for incentives are accountable officials and must comply with DOD 7000.14-R, Volume 8, Chapter 3. Commanders are responsible for the appropriate use of these incentives and for ensuring authorization in strict compliance with applicable laws, policy, and regulations, including guidance prescribed by Office of Personnel Management (OPM), DOD, and DA.

c. Commanders are responsible for ensuring that the basis for any recruitment, retention, and relocation incentive is fully documented, and should have the information readily available for review and submission upon request. The following information will be maintained on a fiscal year basis: (1) number of employees offered/accepting an incentive (2) percentage of salary offered/accepted in each individual case; and (3) summary statement assessing the effect of the incentive on the activity's ability to fill key positions with high quality candidates in a timely fashion. Information will be submitted to the Commander, EUSA, ATTN: DHRM, Unit #15236, APO AP 96205-5236 by 1 November each year.

d. Based on critical agency need, OPM may waive the 25-percent limitation on incentives and set the limitation to a maximum of 50 percent of an employee's annual rate of pay multiplied by the number of years in the employee's service period, not to exceed two years. Recruitment and relocation incentives cannot exceed 100 percent of the employee's basic annual salary as of the beginning of the service period.

e. Recruitment and relocation incentives may be paid to an employee in a lump-sum at the beginning or end of the specific service period or in equal or variable installments throughout the service period.

Appendix A References

Section I Required Publications

Title 5, United States Code, Chapters 31, 53, 55 and 57.

Title 5, Code of Federal Regulations (CFR), Parts 530 through 595.

U.S. Office of Personnel Management Federal Wage System (FWS) Appropriated Fund Operating Manual.

Section II Related Publications

DODI 1400.25, DOD Civilian Personnel Management System, Subchapters 531 and 575.

DOD Financial Management Regulation, Volume 8, Chapter 3.

AR 690-990-2, Hours of Duty, Pay and Leave Annotated.

AR 690-300, Employment, Chapter 338, Qualification Requirements (General).

Memorandum, Under Secretary of Defense, dated 21 September 2005, subject: Implementation of Recruitment, Relocation, and Retention Incentives.

Memorandum, HQ Eighth United States Army (EACG), dated 16 September 2008, subject: Delegation of Authority to Approve Recruitment, Relocation, and Retention Incentives.

Appendix B

Factors to be considered and documented prior to payment of a recruitment/relocation bonus:

a. Give an account of the efforts made to attract quality candidates for the position for which payment of a bonus is being considered and/or for similar positions:

- (1) Position title, series, and grade;
- (2) How many job offers were made;
- (3) How many offers were declined (State reasons for declination, if known);
- (4) Average length of time to fill this and/or similar positions;
- (5) Number of civilian employees in this and/or similar positions: Authorized _____
Required _____ Filled _____;
- (6) Recent turnover rates in this or similar positions;
- (7) Special qualifications needed to fill the position for which payment of a bonus is being considered; and
- (8) Labor market and environmental factors that may affect the organization's ability to recruit high quality candidates for this or similar positions.

**Appendix C
Service Agreement**

RECRUITMENT/RELOCATION BONUS SERVICE AGREEMENT <small>(AK REG 690-530)</small>		
<u>PRIVACY ACT STATEMENT</u>		
Collection of the requested information is authorized by Title 5, U.S. Code, Part 3. The Social Security Number and other personal information is required for proper identification of the individual. Completion of this form is voluntary, however failure to provide information may result in disapproval of the request or inability to process the request.		
A. LOCATION	B. TITLE, SERIES AND GRADE	
C. ANNUAL RATE OF PAY	D. AMOUNT OF BONUS	
E. EFFECTIVE DATE	F. EXPIRATION DATE	
<u>EMPLOYEE'S STATEMENT</u>		
I understand that: <ul style="list-style-type: none"> a. As a condition of accepting payment, I will remain in the above position from the effective date through the expiration date of this agreement, unless the agreement is terminated sooner as indicated below. b. If my employment in the position shown above is terminated during the period of the agreement at the convenience of the government, I will be entitled to retain the entire bonus. c. If my employment in the position shown above is terminated during the period of the agreement at my request, or as a result of misrepresentation or misconduct, I will be required to refund the unearned portion of the bonus. d. The bonus is not considered basic pay for computing overtime, retirement, insurance entitlement, or other benefits based on basic pay. 		
TYPED NAME	GRADE	SSN
SIGNATURE		DATE
APPROVING OFFICIAL (TYPED NAME, GRADE, TITLE)		
SIGNATURE		DATE
CIVILIAN PERSONNEL OFFICER (TYPED NAME, GRADE, TITLE)		
SIGNATURE		DATE

AK FORM 690-530E, 1 NOV 09

Glossary

Section I Abbreviations

APF	Appropriated Fund
CFR	Code of Federal Regulations
DA	Department of the Army
CLG	Change to Lower Grade
DOD	Department of Defense
FWS	Federal Wage System
GS	General Schedule
HPR	Highest Previous Rate
HQDA	Headquarters Department of the Army
MPR	Maximum Payable Rate
NAF	Nonappropriated Fund
NAFI	Nonappropriated Fund Instrumentality
NPA	Notification of Personnel Action
OPF	Official Personnel Folder
OPM	Office of Personnel Management
PMRS	Performance Management and Recognition System
PRS	Prevailing Rate System
RIF	Reduction-in-force
SSR	Special Salary Rate
SQA	Superior Qualifications Appointment
U.S.	United States (of America)
USC	United States Code
WG	Wage Grade
WL	Wage Leader

WS

Wage Supervisor

Section II
Terms

The definitions found in 5 CFR 530, 531, and 532 are used in administering this regulation.