

EIGHTH US ARMY PAM 690-50

CIVILIAN PERSONNEL (690)

Korea Region Pay Setting- Appropriated Fund

29 June 2004

UNCLASSIFIED

**HEADQUARTERS
EIGHTH UNITED STATES ARMY
UNIT #15236
APO AP 96205-5236**

**Eighth U.S. Army Pamphlet
No. 690-50**

29 June 2004

Civilian Personnel

KOREA REGION PAY SETTING-APPROPRIATED FUND

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***This pamphlet supersedes Eighth Army Pamphlet 690-50, dated 29 July 1993.**

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CHAPTER 1

INTRODUCTION

1-1. PURPOSE. This pamphlet prescribes policy and procedures to be followed in the administration of pay setting for United States (U.S.) citizen civilian employees serviced by the Civilian Personnel Operations Center (CPOC), Korea. This plan complies with the requirements of applicable Office of Personnel Management (OPM), Department of Defense (DOD), Department of the Army (DA), and Major Command regulations.

1-2. APPLICABILITY. This regulation pertains to pay setting for all assigned, attached and tenant activities serviced by the CPOC. Coverage includes appropriated fund (APF) U.S. citizen employees of United States Forces Korea (USFK). Special pay policies or programs implemented by service agreements or approved by DA or other serviced component headquarters will take precedence and will be exempt from these policies (e.g., Defense Civilian Intelligence Personnel System (DCIPS), Acquisition Demonstration Project) and Information Technology.

1-3. REFERENCES. Publications listed in Appendix A are not required for the purpose of this pamphlet. They are required by law for pay setting.

1-4. ABBREVIATIONS AND TERMS. Abbreviations and terms used in this pamphlet are explained in the glossary.

1-5. GENERAL.

a. The specific pay rate is decided in each individual case at the time the action is effected.

b. Where pay-fixing policy indicates "If the rate falls between two steps on the current pay table, the employee will be paid the higher step", the appropriate pay step will be based on such factors as recency, relevancy, length and quality of related experience that the employee brings to the organization. Decisions must be fully documented and retained in the employee's Official Personnel Folder (OPF) (see example letter at Appendix B).

c. Exceptions (other than those allowed in this pamphlet) will be fully documented and justified by the Civilian Personnel Advisory Centers (CPACS) and CPOC through the Commanding Officer and the Regional Human Resources Director, and forwarded to Headquarters, USFK/Eighth Army, Chief of Staff, Directorate of Human Resources Management for approval prior to setting an employee's pay.

d. If there is an indication that an employee may be entitled to the benefit of a higher previous rate, but it cannot be immediately verified, the action will be processed at the first step of the grade, subject to upward adjustment. **In such cases, a remark stating "Pay rate shown is subject to upward retroactive adjustment upon verification of prior service" will be added to the Notification of Personnel Action (NPA). This statement will serve as the basis for processing the retroactive NPA correction.**

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e. When a position or appointment change and entitlement to a higher rate of pay occur at the same time, the higher rate of pay is deemed an employee's existing rate of basic pay. If an employee is entitled to two pay benefits at the same time, process the changes in the order which gives the employee the maximum benefit (example: a step increase and promotion is effective on the same date (Process the step increase first).

f. All actions taken under this pamphlet, which affect bargaining unit employees, shall be consistent with applicable provisions of laws, rules, regulations and union agreements.

g. Pay setting determinations will be made without regard to race, color, religion, age, national origin, physical or mental disability, lawful political or other affiliation, marital status, membership or non-membership in employee organizations.

h. Locality rates of pay, interim geographic adjustments, and special law enforcement adjusted rates of pay will not be used--

- (1) To set pay when an employee is promoted.
- (2) To determine highest previous rate (HPR).
- (3) To administer within-grade increases.
- (4) To determine supervisory differentials.
- (5) For grade or pay retention purposes.

CHAPTER 2

GENERAL SCHEDULE (GS)

2-1. GENERAL. The General Schedule (GS) pay system is the Government-wide pay system for most white-collar employees. It covers GS positions classified under Chapter 51 of Title 5 U.S.C. which includes professional, administrative, technical and clerical positions. Pay is set in terms of annual or per annum rates. The GS system consists of 15 grades, designated "GS-1 through GS-15", consecutively, with 10 steps for each grade. The representative GS rate is step 4.

2-2. MAXIMUM PAYABLE RATE (MPR) RULE AND HIGHEST PREVIOUS RATE (HPR) EARNED AS A GS EMPLOYEE.

- a. The HPR must be based on a rate earned--
 - (1) on a regularly scheduled tour of duty at any rate;
 - (2) must have been earned under an appointment not limited to 90 days or less; or;
 - (3) the employee must have served at least 90 continuous days under one or more appointments with no break in service.

- b. The HPR may not be based on a rate earned--
 - (1) as a consultant or expert under 5 U.S.C. 3109;
 - (2) under an unsuccessful supervisory or managerial probationary period followed by a return to former grade;
 - (3) under an invalid appointment;
 - (4) under a temporary promotion for less than one year, except upon permanent placement at the same or higher grade;
 - (5) while an employee of the District of Columbia after October 1, 1987;
 - (6) solely during a period of interim relief under 5 U.S.C. 7701(b)(2)(A);

- c. HPR may not be based on a Special Salary Rate (SSR), unless--
 - (1) the employee is reassigned in the same agency, **and**;
 - (2) management documents that the employee's contribution will be greater in the new position.

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d. Determining the GS maximum payable rate–

(1) Obtain the GS pay schedule in effect when the employee received the HPR. On that pay schedule, find the grade of the position the employee is moving to.

(2) Determine the lowest step of the grade that equals or exceeds the HPR, or use the maximum step of the grade if the employee's HPR is greater than the rate range of the grade. If the HPR falls between two steps, pay will be set at the higher step (see para 1-5b).

(3) Using the current GS pay schedule, the step that corresponds to the step determined in 2, above, represents the employee's MPR.

2-3. INITIAL APPOINTMENTS. The initial appointment is the first appointment in the Federal Government regardless of tenure. Initial appointments, (permanent or temporary), will have pay set at the first step of the appropriate pay scale for the grade to which appointed, unless an advance in-hire rate has been authorized. If an advance in-hire rate is authorized, it can be set anywhere in the rate range of the grade (except the first step) based on the appointee's superior qualifications. Pay cannot be set above the maximum of the grade (step 10 for GS pay system) and solely to match a candidate's existing pay. Approval to appoint an applicant to a step higher than the minimum on an initial appointment requires the prior approval of CPD and must be documented in the employee's OPF. The request should go through the servicing CPAC and CPOC before forwarding to CPD.

2-4. REINSTATEMENTS. Employees, whose separation was not for cause, who are reinstated may have their pay set at any step within the grade which does not exceed their HPR. If the HPR falls between two steps of the grade, the highest rate may be used (see para 1-5b). The appropriate pay step should be based on such factors as recency, relevancy, length and quality of related experience that the employee brings to the organization, and fiscal considerations of the employing activity. Decisions must be fully documented and retained in the employee's OPF.

--Example 1: HPR earned as a GS employee being reinstated.

--Vincent, a former GS-6, step 1, earned \$22,948 in 1999; he is being reinstated as a GS-4 in 1999.

--On the 1999 GS salary table, GS-4, step 8, \$22,692 is the **lowest** step that is equal **or** less than his HPR.

--The MPR is GS-4, step 8, \$22,692. However, the salary may be set at step one of the grade for which selected **or** at any step which does not exceed his MPR (step 8, \$22,692). The appropriate step is determined in consultation with the selecting official.

1999 GS Salary Rates

Step	1	2	3	4	5	6	7	8	9	10
GS-4	18,401	19,014	19,627	20,240	20,853	21,466	22,079	22,692	23,305	23,918
GS-6	22,948	23,713	24,478	25,243	26,008	26,773	27,538	28,303	29,068	29,833

--Example 2: HPR earned as a GS employee being reinstated.

--Jesse, a former GS-7, step 10, earned \$33,151 in 1999; he is being reinstated as a GS-6 in 1999.

--\$33,151 exceeds the maximum rate of the GS-6 rate range.

--The MPR is the rate for GS-6, step 10, \$29,833. However, the salary may be set at step one of the grade for which selected **or** at any step which does not exceed his MPR (\$29,833). The appropriate step is determined in consultation with the selecting official.

1999 GS Salary Rates

Step	1	2	3	4	5	6	7	8	9	10
GS-6	22,948	23,713	24,478	25,243	26,008	26,773	27,538	28,303	29,068	29,833
GS-7	25,501	26,351	27,201	28,051	28,901	29,751	30,601	31,451	32,301	33,151

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--Example 3: HPR earned as a Prevailing Rate System (PRS) employee being reinstated.

--Harriet is being reinstated as a GS-5. She had been a WL-11, step 5, \$39,444 in 1998.

--On the 1998 GS pay schedule in effect when Harriet received her HPR, find the rates for the grade of the position Harriet is moving to.

--Compare the HPR with those rates and find the lowest rate that equals or exceeds the HPR. If the HPR falls between two steps, the higher step may be used.

OR

--The top step if the HPR is higher than the top step of the grade.

--On the current GS pay schedule, find the step identified above. This is the GS MPR. This is the highest rate of basic pay at which pay can be set for the position Harriet is moving to.

--On the 1998 GS pay schedule, \$39,444 is more than the rate for GS-5, step 10. Because an employee's pay cannot exceed the top step of the grade (step 10), \$25,963 must be used.

--On the current GS-pay schedule, the GS-5, step 10, rate is \$26,762. Harriet's GS MPR-the highest amount at which Harriet's pay can be set in the GS-5 position, is \$26,762. However, the salary may be set at step one of the grade for which selected or at any step which does not exceed her HPR (step 10). The appropriate step is determined in consultation with the selecting official.

1998/1999 GS Salary Rates

Step	1	2	3	4	5	6	7	8	9	10
1998 GS-5	19,969	20,635	21,301	21,967	22,633	23,299	23,965	24,631	25,297	<u>25,963</u>
1999 GS-5	20,588	21,274	21,960	22,646	23,332	24,018	24,704	25,390	26,076	<u>26,762</u>

2-5. TRANSFERS. See paragraphs 2-8 and 2-9 for provisions on setting pay when transfers involve either promotion or change to lower grade (CLG). Even though not called a promotion or CLG as the nature of action, pay must be fixed using the rules for those types of actions if in fact there is upward or downward grade adjustment.

2-6. CONVERSIONS.

a. If an employee is being converted in grade, the existing rate of pay will be retained.

b. If converted to a higher grade, pay will be set at the first step of the new grade or the step which most preserves the existing rate, whichever is higher. If the existing rate falls between two steps, pay will be set at the higher step.

c. If converted to a lower grade, pay will be fixed in the new grade at a step which preserves, so far as possible, the existing rate of pay. If the existing rate falls between two steps, pay will be set at the higher step. If the position to which conversion is being made has a target grade at or above the employee's current grade, pay will be set at a step in the lower grade that upon repromotion, will place the employee in the step in the target grade, he/she would receive if he/she had stayed in the current grade.

2-7. REASSIGNMENTS.

- a. An employee's basic pay will not change on a reassignment within the same pay table.
- b. An employee involuntarily reassigned for no cause from a Special Salary Rate (SSR) position to a non-SSR position and therefore loses money, is entitled to salary retention (see para 2-13a(5)).

--Example: Special Salary Rate (SSR) employee reassigned to a non-SSR

--James, a GS-11, step 5 (\$47,808) employee on SSR table number 414, is reassigned to a non-SSR position in lieu of a disability retirement (under reasonable accommodation).

--MPR is GS-11, step 9 (\$47,808) on the GS salary table. James retains his HPR under reasonable accommodation. Reference: 5 CFR 831.1202

-- His pay is set at GS-11, step 9, \$47,808.

1999 GS Salary Rates

Step		1	2	3	4	5	6	7	8	9	10
(SSR)	GS-11	42,776	44,034	45,292	46,550	47,808	49,066	50,324	51,582	52,840	54,098
(NON-SSR)	GS-11	37,744	39,002	40,260	41,518	42,776	44,034	45,292	46,550	47,808	49,066

- c. An employee reassigned from a non-SSR position to a SSR position has pay set at the grade and step on the special pay schedule that corresponds to the grade and step the employee held on the regular pay schedule.

--Example: A non-SSR employee reassigned to a SSR.

--Stella is being reassigned from a GS-9, step 4, \$34,315 (non-SSR) position to a GS-9, step 4 under SSR table 414.

--Her pay is set at GS-9, step 4, \$43,675.

1999 GS Salary Rates

Step		1	2	3	4	5	6	7	8	9	10
(NON-SSR)	GS-9	31,195	32,235	33,275	34,315	35,355	36,395	37,435	38,475	39,515	40,555
(SSR)	GS-9	40,555	41,595	42,635	43,675	44,715	45,755	46,795	47,835	48,875	49,915

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d. An employee voluntarily reassigned from a SSR to a non-SSR position has pay set at the same grade and step of the non-SSR pay table.

--Example: Special Salary Rate (SSR) employee reassigned to a non-SSR.

--Stuart, a GS- 11, step 4, \$46,550 on SSR table number 414, requested a reassignment to a non-SSR position.

--MPR is \$ 41,518, the rate for GS-11, step 4 on the GS salary table.

-- His pay is set at GS-11, step 4, \$41,518.

1999 GS Salary Rates

Step	1	2	3	4	5	6	7	8	9	10
(SSR) GS-11	42,776	44,034	45,292	46,550	47,808	49,066	50,324	51,582	52,840	54,098
(NON-SSR) GS-11	37,744	39,002	40,260	41,518	42,776	44,034	45,292	46,550	47,808	49,066

2-8. PROMOTIONS.

a. Whenever an employee moves from a lower GS position to a higher GS position, it is a promotion for pay setting purposes. Pay on promotions may be set using the GS mandatory promotion rule or the GS maximum payable rate rule (whichever gives the employee maximum benefit).

b. The GS mandatory promotion rule requires pay upon promotion to be set at a rate that exceeds the GS employee's existing rate of pay by at least two step increases unless that rate exceeds the top step (10) of the grade the employee is being promoted to. If the top step will be exceeded, pay is then set at the top step (10). If, however, because of grade or pay retention the employee's existing rate of pay is more than the top step of the grade, the employee will continue to receive the existing rate of pay.

--Example: Mandatory promotion rule for Non-SSR Rate employee

--Jackie, a GS-7, step 6 (\$29,751) is promoted to a GS-9.
 --The value of a step increase at the GS-7 is \$850.

\$29,751	GS-7, step 6
<u>+ 1,700</u>	two step increases
\$31,451	minimum entitlement

--Lowest rate of GS-9 equal to or exceeding \$31,451 is GS-9, step 2, \$32,235.
 --His pay is set at GS-9, step 2, \$32,235.

1999 GS Salary Rates

Step	1	2	3	4	5	6	7	8	9	10	<u>Step Interval</u>
GS-7	25,501	26,351	27,201	28,051	28,901	29,751	30,601	31,451	32,301	33,151	\$850
GS-9	31,195	32,235	33,275	34,315	35,355	36,395	37,435	38,475	39,515	40,555	

c. When an employee is promoted from a SSR to a non-SSR, pay is set as follows:

- (1) Using the SSR schedule, determine the employee's promotion entitlement under the GS mandatory promotion rule.
- (2) On the non-SSR pay schedule find the rate for the grade the employee is being promoted to. If the rate falls between two steps, use the higher. This rate on the regular pay schedule becomes the employee's pay.

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--Example: A SSR employee promoted to a non-SSR.

--Zandra is being promoted from a GS-9, step 7 (\$46,795)SSR position under table 414 to a GS-11 non-SSR position.

--She is entitled to the lowest rate of the GS-11 (on the General Schedule) which equals or exceeds her existing rate of basic pay plus the value of two steps of the GS-9 \$46,795 + \$2,080 = \$48,875).

\$46,795	GS-9, step 7 (SSR)
+ 2,080	two step increases
\$48,875	minimum entitlement

--Zandra is entitled to pay at GS-11, step 10, \$49,066

--Her pay is set at GS-11, step 10, \$49,066.

1999 GS Salary Rates

Step		1	2	3	4	5	6	7	8	9	10	<u>Step Interval</u>
(SSR)	GS-9	40,555	41,595	42,635	43,675	44,715	45,755	46,795	47,835	48,875	49,915	\$1,040
(NON-SSR)	GS-11	37,744	39,002	40,260	41,518	42,776	44,034	45,292	46,550	47,808	49,066	

d. When an employee is promoted from a non-SSR position to a SSR position, pay is set as follows:

(1) Using the non-SSR pay schedule, determine the employee's promotion entitlement under the GS mandatory promotion rule (two-step increase).

(2) On the non-SSR pay schedule find the rate for the grade the employee is being promoted to. If the rate falls between two steps, use the higher step.

(3) Find the same grade and step on the special pay schedule. That rate becomes the employee's pay.

--Example: A non-SSR promoted to a SSR position.

--Herman is being promoted from a GS-5, step 7 (\$24,704) non-SSR position to a GS-7 under SSR table 414.

--On the General Schedule, his entitlement under the 2-step promotion rule is \$26,076, which falls between GS-7, steps 1 and 2 (non-SSR).

--Herman is entitled to pay at GS-7, step 2.

--His pay is set at GS-7, step 2 (\$34,001).

1999 GS Salary Rates

Step		1	2	3	4	5	6	7	8	9	10	<u>Step Interval</u>
(Non-SSR) GS-5		20,588	21,274	21,960	22,646	23,332	24,018	24,704	25,390	26,076	26,762	\$686
(Non-SSR) GS-7		25,501	26,351	27,201	28,051	28,901	29,751	30,601	31,451	32,301	33,151	
(SSR) GS-7		33,151	34,001	34,851	35,701	36,551	37,401	38,251	39,101	39,951	40,801	

2-9. CHANGES TO LOWER GRADE (CLG). CLG within the GS is an action in which an employee moves from a GS position at one grade to a position at a lower GS grade while continuously employed. A CLG may be either voluntary or involuntary on an employee's part.

a. A voluntary CLG occurs when an employee requests a CLG for personal reasons, such as a career change or a geographical move. A return to a lower graded position following a temporary promotion is considered a voluntary action. See paragraph 2-13b(1) for pay retention entitlements for an employee selected for a position at an overseas location.

(1) When adjusting pay for a voluntary CLG, compare the employee's existing rate of pay (the rate received before the CLG) to the rate range in the lower grade pay schedule. If the rate falls between two steps, the employee **may** be paid at the higher step (see para 1-5b). If the rate is above the top step of the lower graded position, the employee is paid at the top step. When the employee is receiving a retained rate of pay, pay is regulated by pay retention rules.

(2) When an employee is returned to a lower graded position after a temporary promotion, the employee's pay is set as though the temporary promotion had not occurred. This means that if the employee became entitled to a within-grade increase or a comparability increase at the lower grade while temporarily promoted, the employee's pay **must** be set to include that increase.

b. A personal, but involuntary CLG occurs when management moves an employee to a lower graded position. In these cases, pay in the lower grade must be set so that on a later promotion an employee will not receive more than the rate he/she would have received without the CLG. The following are involuntary CLG pay setting rules:

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(1) **Adverse action.** A management directed action resulting from employee conduct or performance reason (for cause). The GS maximum payable rate rule cannot be used in setting pay for an employee who is involuntarily downgraded as a result of an adverse action. If the employee's rate of pay at the higher grade falls between two steps in the grade to which demoted the employee is paid at the lower step. If the rate is above the top step of the lower grade, the employee is entitled to the top step.

(2) **Failure to complete supervisory or managerial probationary period.** An employee is entitled to be placed in a job with no lower grade and pay than the job he/she left to accept the supervisory or managerial position. An employee is entitled to any within-grade increase he/she would have received in that lower graded job as if he/she had not been placed in the supervisory or managerial job.

c. CLG resulting from reduction in force (RIF) actions and position reclassification are involuntary non-personal adverse actions. An employee who receives a RIF notice proposing CLG or separation and accepts a lower graded position at the same or another DOD activity is entitled to pay retention.

d. Pay retention is authorized during an organizational realignment or RIF to a non affected employee who requests a CLG when management determines the CLG action would result in a lessening or avoidance of the RIF on one or more other employees.

2-10. PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM (PMRS). Since November 1993 PMRS employees are considered GS employees for pay administration purposes. PMRS Termination Act of 1993 terminated the PMRS on October 31, 1993. This law provided for the transition of former PMRS, General Merit (GM) employees into their agency's Performance Management System and the GS pay plan. It also permitted agencies to pay current rates of pay to GM employees, as adjusted by the 1993 final merit increases.

a. An employee retains status as a GM employee when detailed to any position or when reassigned to another GS position in which the employee continues to be a supervisor or management official (as defined in paragraphs (10) and (11) of section 7103(a) of Title 5, USC).

b. An employee permanently loses status as a GM employee if the employee is promoted (including temporary or term promotion), transferred, reduced in grade, reassigned to a position in which the employee will no longer be a supervisor or management official, or has a break in service of more than 3 calendar days.

(1) On loss of status as a GM employee, an employee shall receive (except as provided in paragraph 1-5e) his or her existing rate of basic pay, plus any of the following adjustments that may be applicable, in the order specified:

(a) The amount of any annual adjustment under section 5303 of Title 5, USC, to which the employee would otherwise be entitled on that date or, for an employee subject to special pay rates, the amount of any pay adjustment made on that date under section 5305 of Title 5, USC, and part 530 of 5 CFR;

(b) The amount of any step increase under section 5335 of Title 5, USC and 5 CFR 531.404 to which the employee otherwise would be entitled on that date;

(c) The amount resulting from a promotion effective on that date;

(d) In the case of an employee whose resulting rate of basic pay falls between two steps of a GS grade (or, in the case of an employee whose position is subject to special pay rates, between the two steps of the applicable special rate range), the amount of any increase that may be necessary to pay the employee the rate for the next higher step of that grade (or special rate range); and

(e) In the case of an employee whose resulting rate of basic pay falls below the minimum rate of a GS grade (or, in the case of an employee whose position is subject to special pay rates below the minimum of the applicable special rate range), the minimum rate for that grade (or special rate range).

(2) Paragraphs (a) through (d) above do not apply to any employee who loses status as a GM employee as a result of--

(a) An action taken for disciplinary or performance related reasons;

(b) The expiration or termination of a temporary promotion; or

(c) A reduction in grade at the employee's request.

2-11. SUPERVISORY DIFFERENTIAL. A supervisory differential **may** be paid to a GS employee who supervises one or more civilian employees not covered by the GS, who, but for the differential, would be paid more than the supervisor.

a. A decision to grant a supervisory differential must be reviewed and approved by the activity commander or the Chief of Staff for staff organizations.

b. A supervisory differential may be paid to an employee who meets the following criteria:

(1) Occupies a GS supervisory position; **and**

(2) Provides direct, technical supervision over the work of one or more civilian employees whose positions are not covered under the GS; **and**

(3) One or more of the subordinates would, in the absence of the differential, be paid more than the supervisory GS employee.

c. Differentials are calculated as a percentage of the supervisor's rate of basic pay or as a dollar amount. They are paid the same time as basic pay (at an hourly rate for each hour that the supervisor receives basic pay). Documentation shall consist of sufficient information for the reconstruction of the action, including the basis for determining the amount of the differential and comparison of continuing pay required by 5 CFR 575.405.

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d. The continuing pay of both the supervisor and the subordinate must be carefully monitored to ensure that termination or reduction requirements are met. There is a requirement to terminate or reduce supervisory differential if--

(1) the supervisor's continuing pay (excluding the supervisory differential) exceeds the continuing pay of the highest paid subordinate;

(2) when the continuing pay of the supervisor (including differential) exceeds that of the highest paid subordinate by more than 3 percent;

(3) when the subordinate whose pay was the basis for supervisory differential leaves a supervised position or experiences a reduction in pay.

e. The CPOC will regularly review supervisory differentials to ensure conditions have not changed; review differentials on implementation of a new pay or wage schedule or annual adjustment; and review pay related actions pertaining to supervisors being paid differential to identify need for adjustment.

f. The CPOC will bring changes in situations to the attention of management and process changes in differentials as determined appropriate by the authorizing management official.

g. Supervisors of NAF pay band employees are not eligible to receive supervisory differential.

h. A supervisory differential will not be based on supervision of foreign national employees or on a foreign national pay schedule.

2-12. GRADE RETENTION.

a. Grade retention occurs when an employee keeps the grade of the position from which demoted for 2 years, even though placed in a lower grade position. Grade retention is mandatory for an employee who--

(1) is serving under a permanent appointment (not temporary or term); **and**

(2) is paid under the GS, a prevailing rate schedule, or the PMRS; **and**

(3) has been placed in the lower grade position because of RIF. The employee must have served for at least 52 consecutive weeks at a grade or grades higher than that of the position in which placed by RIF, (there is no requirement for the 52 weeks to occur immediately before placement in the lower graded position). **OR**

(4) has been placed in the lower grade position because of position reclassification. The position must have been continuously classified at the higher grade for at least 1 year immediately before the employee is placed in the lower graded position. The amount of time the employee has served in the position does not matter. The employee would be entitled to grade retention even if the position was occupied for only one day.

- b. An employee's pay rate does not change because the employee is placed on grade retention.
- c. An employee on grade retention receives scheduled within-grade increases and 100 percent of any general increases in pay, such as comparability adjustments for the retained grade.
- d. A CLG requested by an employee in an organization undergoing realignment or RIF, but who would not be affected personally, is entitled to grade retention, provided management determines that the employee's CLG would result in placement into a more suitable position for that employee and in a lessening or avoidance of the RIF on other employees.

2-13. PAY RETENTION.

- a. Pay retention is mandatory for an employee who--
 - (1) completes a 2-year grade retention period;
 - (2) is affected by RIF or reclassification, but does not meet the eligibility requirements for grade retention;
 - (3) is placed in a formal employee development program used government-wide (upward mobility, intern, apprenticeship);
 - (4) has a special rate of pay reduced or eliminated;
 - (5) is receiving a special rate of pay and is involuntarily placed (except for cause) in a regular rate position or a lower special rate position;
 - (6) is voluntarily placed (except for cause) in a different pay schedule within DOD;
 - (7) accepts a lower graded position designated in advance as hard to fill;
 - (8) is reduced in grade upon return to the U.S. from an overseas assignment in accordance with the terms of a transportation agreement;
 - (9) declines an offer to transfer with the function to a location outside the commuting area;
 - (10) occupies a Schedule C position when placed, other than for cause or at the employee's request, into a competitive service or another Schedule C position;
 - (11) occupies an Army or Air Force reserve technician position and has lost or is scheduled to lose eligibility for the reserve technician program through no fault of his/her own and accepts placement in a lower graded non-reserve technician position;
 - (12) occupies a National Guard technician position and loses military status through no fault of his/her own and accepts placement into a lower graded competitive service position; **OR**

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(13) is not serving under a mobility agreement, whose job is abolished, declines an offer outside the commuting area **and** is placed in a lower graded job in the commuting area.

b. Pay retention is authorized for an employee who--

(1) accepts a lower graded position when the vacancy announcement was open to candidates outside of Korea, the vacancy announcement included a statement that pay retention is authorized **and** the position change requires a permanent change in station (PCS) move.

(2) is selected from a Department of the Army career program referral list.

c. An employee who submits an unsolicited application and is subsequently referred and selected will not be eligible for pay retention.

d. An employee is sometimes affected by another CLG because of a subsequent RIF or reclassification action. Subject to grade and pay retention criteria, such an employee will be entitled to multiple overlapping periods of grade retention, followed by an entitlement to both grade and pay retention at the same time. Pay is set at the rate which most benefits the employee.

--Example: Overlapping periods of grade and pay retention.

--On 10 June 1996, Pat a GS-9 employee is placed in a GS-7 job because of RIF. Pat is entitled to grade retention at GS-9 for 2 years. Subsequently, on 15 Aug 97, Pat is again affected by RIF and is placed in a GS-5 position. The entitlements for Pat are:

--10 June 96 - GS-9 grade retention begins.

-- 15 Aug 97 - GS-7 grade retention begins. During the period from 15 Aug 97 to 9 June 98 Pat has 2 concurrent entitlements to grade retention - GS-9 and GS-7. GS-9 grade retention ends on 9 June 98.

-- 9 June 98 - GS-9 grade retention ends.

--10 June 98 - GS-9 pay retention begins. From 10 June 98 to 14 Aug 99, the employee is entitled to GS-9 pay retention and GS-7 grade retention.

-- 14 Aug 99 - GS-7 grade retention ends. GS-9 pay retention continues indefinitely and GS-7 grade retention ends 14 Aug 99.

e. Pay retention ends upon a break in service of one day or more; when entitled to pay that is the same as or higher than the employee's retained pay; declination of a reasonable offer of a position when pay is equal to or greater than the employee's retained pay; demotion at the employee's request; **or** demotion for cause.

f. Employees receiving pay retention are entitled to 50 percent of any general increases in pay at the maximum rate (step 10 of the GS) of the employee's grade at the time of the increase.

g. When the existing rate of pay falls between two steps, pay will be set at the higher step and pay retention will not be used beyond the current action.

CHAPTER 3

APPROPRIATED FUND (APF) PREVAILING RATE SYSTEM

3-1. GENERAL. The prevailing rate system is the Government wide pay system used to pay employees who work in trades and crafts positions as skilled or unskilled laborers. This includes wage grade (WG), wage leader (WL), and wage supervisor (WS). Pay is set in terms of hourly or per hourly rates of basic pay. There are 15 grades in WG and WL wage schedules. They are number WG-1 through WG-15, and WL-1 through WL-15, respectively. There are nineteen grades in the WS wage schedule number WS-1 through WS-19. There are five steps in each grade. When an employee moves from any prevailing rate position to another, the nature of action must be determined based on the representative rates of the two positions. The representative prevailing rate is step 2 for the WG, WL, and WS pay schedules.

3-2. HIGHEST PREVIOUS RATE (HPR).

a. The HPR must be based--

- (1) on a regularly scheduled tour of duty at any rate;
- (2) under an appointment not limited to 90 days or less; or;
- (3) for a continuous period not less than 90 days under one or more appointments with no break in service;

(4) on a temporary promotion exceeding one year or more;

(5) upon permanent placement at the same or higher grade.

b. The HPR may not be based on--

(1) a rate earned as a consultant or expert under 5 U.S.C.3109;

(2) a rate established under 5 U.S.C. 5305 (special salary rate);

(3) appointments made above the minimum rate (on an amended schedule).

c. When an employee's type of appointment is changed in the same job, employee may continue to be paid the existing scheduled rate or will be paid any higher rate of the grade which does not exceed the employee's HPR.

d. If the employees HPR falls between two step rates of the grade, pay will be fixed at the higher step (see para 1-5b).

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e. Determining the highest previous rate--

(1) The (HPR), if earned in a wage job, is the current rate of the grade and step rate of the former job on the same type of wage schedule in the wage area in which the employee is being employed, the actual earned rate, or adjustment process, whichever is higher.

--Example: WG to WG HPR in same wage schedule and wage area.

--Rey a WG-8, step 3, \$14.56 is being reassigned to another WG-8 position in the same wage area. He previously held a WG-9, step 3 (\$15.72).

--on the current WG schedule, WG-9, step 3, is \$15.72.

--Rey's pay is set at WG-8, step 5 (\$15.68).

1999 OCONUS WG Salary Rates

Step	1	2	3	4	5
WG-8	13.45	14.01	14.56	15.13	15.68
WG-9	14.52	15.12	15.72	16.33	16.93

--Example: PRS HPR based on an actual earned rate.

--Leroy was previously employed as a WG-10, step 2 (\$17.36) in Ohio and is being reinstated as a WG-9 in Korea. His HPR is \$17.36.

--Using Leroy's actual earned rate as his HPR, Leroy's pay could be set at WG-9, step 5 (\$16.93).

--His actual earned rate of \$17.36 exceeds the WG-9, step 5 rate of \$16.93 for the OCONUS wage schedule for Seoul. Pay is set at the highest step on the OCONUS wage schedule which does not exceed Leroy's HPR.

--Pay is set at WG-9, step 5, \$16.93.

1999 WG OCONUS Salary Rates

Step	1	2	3	4	5
WG-9	14.52	15.12	15.72	16.33	16.93

--Example: HPR based on an adjustment process.

--Gary is being reinstated in 1999 as a WG-8. Gary earned his HPR as a WG-10, step 2 (\$15.82).

--Obtain the current OCONUS wage schedule for the kind of position (WG, WL, or WS) which the employee earned the HPR.

--On the current OCONUS wage schedule, find the grade and step in which the employee earned the HPR (WG-10, step 2). The rate for that step is the employee's HPR (\$15.82).

--Using Gary's HPR to set his pay, we find that \$15.82 falls between WG-8, step 4 (\$15.57) and step 5 (\$16.15). The higher step is used.

--Pay is set at WG-9, step 5 (\$16.15).

1999 WG OCONUS Salary Rates

Step	1	2	3	4	5
WG-8	13.84	14.42	15.00	15.57	16.15
WG-9	14.52	15.12	15.72	16.33	16.93
WG-10	15.19	15.82	16.45	17.09	17.72

f. If earned on a GS or another pay system other than Federal Wage System, it is the current rate for the same grade and step of that schedule.

(1) On the current GS pay schedule, find the employee's highest GS grade and step rate. Convert the rate to an hourly rate by dividing the annual salary by 2087. This is the employee's HPR.

(2) On the current wage schedule for the position (WG, WL, or WS), find the grade of the position the employee is being placed in. Then find the HPR identified in step (1) in the grade the employee is being placed in. If the HPR falls between two rates of the wage schedule grade, the higher rate will be paid (see para 1-5b).

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--Example of GS HPR for setting pay in an PRS position.

- Anthony is being employed as a WG-5 in the Seoul, Korea wage area. His highest GS grade and step was GS-5, step 9.
- on the current GS pay schedule the rate for GS-5, step 9, is \$26,076.
- GS-5, step 9 annual pay, \$26,076 divided by 2087 = \$12.49.
- On the current Seoul, Korea, wage schedule, \$12.49 falls between WG-5, step 2 (\$12.22) and Step 3 (\$12.71).
- Anthony may be paid the higher rate of step 3 (\$12.71). However, the salary may be set at step one of the grade for which selected or at any step which does not exceed his HPR (step 3). The appropriate step is determined in consultation with the selecting official (see Para 1-5b).

1999 GS and WG Salary Rates

Step	1	2	3	4	5	6	7	8	9	10
GS-5	20,588	21,274	21,960	22,646	23,332	24,018	24,704	25,390	<u>26,076</u>	26,762
WG-5	11.73	<u>12.22</u>	<u>12.71</u>	13.20	13.69					

3-3. INITIAL APPOINTMENTS. The initial appointment is the first appointment in the Federal Government regardless of tenure. Initial appointments, (permanent or temporary), will have pay set at the first step of the appropriate pay scale for the grade to which appointed. Pay may be set above the minimum rate of the appropriate grade in recognition of an appointees' superior qualifications. Approval to appoint an applicant to a step higher than the minimum on an initial appointment requires the prior approval of CPD and must be documented in the employees OPF. The action should go through the servicing CPAC and the CPOC before coming to CPD.

3-4. REEMPLOYMENT, REINSTATEMENTS, REASSIGNMENTS, TRANSFERS, PROMOTIONS AND CLG. Subject to the provisions of paragraphs 2-12 and 2-13, when an employee is re-employed, reassigned, transferred, promoted (subject to the promotion provisions of paragraph 3-5) or changed to lower grade (not for cause), pay may be fixed at any rate of the new grade which does not exceed the employee's HPR. If the rate falls between two steps of the new grade, the higher rate will be used (see para 1-5b).

--Example: PRS change to lower grade.

--Is a change from WL-9 to a WG-10 a change to lower grade?

--Yes. The WG-10 representative rate (step 2) of \$15.82 is lower than the WL-9 representative rate (step 2) of \$16.63.

--Is a change from WS-3 to WL-5 a change to lower grade?

--Yes. The WL-5 representative rate (step 2) of \$13.44 is lower than the WS-3 representative rate (step 2) of \$15.38.

--Is a change from WS-2 to WL-8 a change to lower grade?

--No. This is a promotion. The WL-8 representative rate (step 2) of \$19.17 is higher than the WS-2 representative rate (step 2) of \$14.56.

1999 OCONUS Salary Rates

Step	1	2	3	4	5
WG-10	15.19	15.82	16.45	17.09	17.72
WL-5	12.90	13.44	13.98	14.52	15.05
WL-8	18.40	19.17	19.94	20.70	21.47
WL-9	15.96	16.63	17.30	17.96	18.63
WS-2	13.98	14.56	15.14	15.72	16.31
WS-3	14.76	15.38	16.00	16.61	17.23

3-5. PROMOTIONS.

a. An employee who is promoted is entitled to be paid at the lowest scheduled rate of the grade to which promoted which exceeds the employee's existing scheduled rate of pay by at least four percent of the representative rate from which promoted.

(1) Add the four percent to the employee's existing scheduled rate of pay (pay before the promotion). For employees receiving pay retention, add this four percent to his or her retained pay.

(2) Find the lowest step in the grade the employee is being promoted to that equals or exceeds the amount in (1) above. Set employee's pay at that step rate.

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--Example: WG employee promoted to WG.

--Jesse is being promoted from WG-3, step 4, \$11.48, to WG-4.

--4 percent promotion rule provides a minimum entitlement of \$11.91.

\$10.63	WG-3, step 2 representative rate
X .04	4 percent
<u>\$.4252</u>	rounded to \$.43

\$11.48	existing rate of pay
+ .43	4 percent increase
<u>\$11.91</u>	promotion entitlement

--\$11.91 falls between WG-4, step 3 (\$11.90) and step 4 (\$12.36).

--Because Jesse is entitled to at least **\$11.91**, his pay is set at WG-4, step 4 (**\$12.36**).

1999 OCONUS WG Salary Rates

Step	1	2	3	4	5
WG-3	10.20	10.63	11.06	11.48	11.91
WG-4	10.98	11.44	11.90	12.36	12.81

--Example: GS employee moving to FWS position.

--Luciano is a GS-8, step 7(\$33,888). He is moving to a WL-8 position.

--The representative rates are: GS-8, step 4 (\$31,065); WL-8, step 2 (\$15.86).

--GS 8, step 4 annual pay, \$31,065 divided by 2087 = 14.885 rounded to \$14.89.

\$14.89	GS-8, step 4
X .04	4 percent
\$14.956	rounded to \$.60

--GS-8, step 7 annual pay, \$33,888 divided by 2087 = 16.237 rounded to \$16.24.

\$16.24	existing rate of pay
+ .60	4 percent increase
\$16.84	promotion entitlement

--Because the WL-8, step 2, \$15.86 representative rate is higher than the GS-8, step 4, \$14.89 representation rate, this move is a promotion.

--\$16.84 falls between WL-8, step 3, \$16.49 and step 4, \$17.13. Because Luciano is entitled to at least \$16.84, his pay is set at WL-8, step 4, \$17.13.

1999 WL OCONUS and GS Salary Rates

Step	1	2	3	4	5	6	7	8	9	10
WL-8	15.23	15.86	16.49	17.13	17.76					
GS-8	28,242	29,183	30,124	31,065	32,006	32,947	33,888	34,829	35,770	36,711

b. If there is no rate in the grade to which an employee is promoted which meets the requirements of paragraph a, the employee shall be entitled to the higher of--

- (1) the existing scheduled rate of pay in accordance with paragraph 2-13 **or**;
- (2) the maximum scheduled rate of the grade to which promoted.

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--Example: Employee under pay retention.

--Brian, a WG-12, step 00 (\$19.99) under pay retention, is being promoted to WL-9.

\$17.18	WG-12, step 2 representative rate
X .04	4 percent
\$17.68	rounded to \$.69
\$19.99	existing rate of pay
+ .69	4 percent increase
\$20.68	promotion entitlement

--Because \$20.68 (promotion entitlement) exceeds the maximum WL-9 rate (\$18.63), and Brian's existing rate of pay (\$19.99) under 5 CFR Part 536, also exceeds the maximum WL-9 rate, his pay retention entitlement continues.

--Upon promotion, Brian continues to receive his existing rate of pay \$19.99.

1999 WG and WL OCONUS Salary Rates

Step	1	2	3	4	5
WG-12	16.49	17.18	17.87	18.55	19.24
WL-9	15.96	16.63	17.30	17.96	18.63

--Example: PRS promotion using HPR.

--Denise is being promoted from a WG-7, step 1(\$13.16), to WG-8. She earned her HPR as a WG-9, step 4 (\$16.33).

--Using the PRS mandatory promotion rule, pay would be set at WG-8, step 1 (\$13.71).

--4 percent promotion rule provides a minimum entitlement of \$13.84.

\$14.42	WG-8 representative rate
X .04	4 percent
\$15.00	rounded to \$.55
\$13.16	existing rate of pay
+ .55	4 percent increase
\$13.71	promotion entitlement

--However, using the HPR of WG-9, step 4 (\$16.33), pay could be set at WG-8, step 5 (\$16.15) because it is of greater benefit to the employee than using the PRS mandatory promotion rule.

1999 WG OCONUS Salary Rates

Step	1	2	3	4	5
WG-7	13.16	13.71	14.26	14.81	15.36
WG-8	13.84	14.42	15.00	15.57	16.15
WG-9	14.52	15.12	15.72	16.33	16.93

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c. If the promotion is to a position in a different wage area, determine the employee's pay entitlement as if there were two pay actions - a promotion and a reassignment. Actions shall be processed in the order which gives the employee the maximum benefit. Two computations must be made to determine the maximum benefit. The first computation is to promote the employee before the move to the new wage area. The second computation is to promote the employee after the move to the new wage area.

--Example: PRS changes between wage areas.

--Jennifer working at Fort Belvoir as a WG-6, step 5 (\$7.66) has accepted a WG-8 position in Seoul.

--Computation 1: Promotion before the move to the new wage area.

--First, Jennifer is promoted using the Fort Belvoir wage schedule to compute pay for the promotion.

--Under the PRS mandatory promotion rule, pay is computed as follows:

\$6.84	WG-6, step 2 representative rate
<u>X .04</u>	4 percent
\$.2736	rounded to \$.27
\$7.66	WG-6, step 2 representative rate
<u>+ .27</u>	4 percent
\$7.93	promotion entitlement

--The \$7.93 entitlement falls between WG-8, steps 2 (\$7.70) and step 3 (\$8.01) and the higher step is used. Jennifer's pay under the PRS mandatory promotion rule is WG-8, step 3 (\$8.01).

--Second, the employee is reassigned to the Seoul wage area as a WG-8, step 3. Pay is set on the Seoul's wage schedule at WG-8, step 3 (\$10.34).

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--Computation 2: Promotion after the move to the new wage area.

--First, Jennifer is reassigned to the Seoul wage area as a WG-6, step 5, \$7.66. Pay is set at WG-6, step 5, \$10.29 on the Seoul's wage schedule. Then, Jennifer is promoted to WG-8.

--Under the PRS mandatory promotion rule, pay is computed as follows:

\$9.19	WG-6, step 2 representative rate
X .04	four percent
\$.3676	rounded to \$.37
\$10.29	WG-6, step 5 existing rate of pay
+ .37	four percent
\$10.66	promotion entitlement

--The \$10.66 entitlement falls between WG-8, steps 3 (\$10.34) and step 4 (\$10.74), the higher step is used.

--Pay is set using the PRS mandatory promotion rule at WG-8, step 4 (\$10.74) on Seoul's wage schedule.

--Jennifer's pay of \$10.74 under computation 2 (promotion after the move) is greater than the \$10.34 under computation 1 (promotion before the move). As a result, the reassignment is processed before the promotion, and pay is set at WG-8, step 4 (\$10.74), the one that give the employee the most benefit.

Fort Belvoir

Step	1	2	3	4	5
WG-6	6.57	6.84	7.11	7.39	7.66
WG-8	7.39	7.70	8.01	8.32	8.62

Seoul, Korea

WG-6	8.82	9.19	9.57	9.92	10.29
WG-8	9.54	9.94	10.34	10.74	11.14

3-6. GRADE RETENTION. See paragraph 2-12.

3-7. PAY RETENTION. See paragraph 2-13.

CHAPTER 4

**PAY SETTING UPON MOVEMENT FROM NONAPPROPRIATED FUND (NAF)
EMPLOYMENT TO APPROPRIATED FUND EMPLOYMENT**

4-1. GENERAL. This chapter applies to an employee who moves from a position in a NAF instrumentality (NAFI) of the DOD or the Coast Guard to a GS position of the DOD or the Coast Guard, respectively, with a 3 day or less break in service. Pay will be set as for an initial appointment if the employee has had a break in service of more than 3 days.

4-2. VOLUNTARY POSITION MOVES. Unless the employee is eligible to receive a higher rate of basic pay under the maximum payable rate rules (5 CFR 531.203(c)), the initial rate of basic pay under the GS of an employee who moves voluntarily may be set at any rate within the grade of the GS position that does not exceed the HPR of basic pay received by the employee during his or her service in a NAFI, as described in 5 U.S.C. 2105(c).

4-3. INVOLUNTARY POSITION MOVES.

a. Unless the employee is eligible to receive a higher rate of basic pay under paragraph 4-3b, the initial rate of basic pay under the GS of an employee who is moved involuntarily from a position with substantially the same duties shall be set at the rate for the lowest step of the GS grade in which pay is being set, for which the rate of basic pay is equal to or greater than the employee's rate of basic pay under the NAFI immediately before the move.

b. Unless an employee is entitled to receive a higher rate of basic pay under paragraph 4-3a, the initial rate of basic pay of an employee who is moved involuntarily, to a position in the civil service employment system may be set—

(1) At any rate within the grade of the GS position that does not exceed the HPR of basic pay received by the employee during his or her service in a NAFI, as described in 5 U.S.C. 2105(c);

(2) Under the maximum payable rate rules in 5 CFR 531.203(c); **or**;

(3) Under the authority to grant pay retention in 5 CFR 536.104(c).

c. A saved pay rate as well as any NAF special rate is included in the computation of the last rate of basic pay. Additions to pay such as night shift, environmental differential, and other premium payments are excluded from consideration as basic pay.

4-4. PAY RETENTION. Pay retention will apply only when the head of the agency has approved its use prior to the effective date of the personnel action.

CHAPTER 5

RECRUITMENT, RETENTION, AND RELOCATION INCENTIVES

5-1. RECRUITING BONUS. A recruiting bonus of up to 25 percent of basic pay may be offered to individuals being appointed to a position in the Federal service for the first time, or being reappointed after a break in service of at least one year, and whose appointment is for a period of not less than two years. The bonus must be paid in a single lump sum.

5-2. ELIGIBILITY.

a. Candidates for hard-to-fill positions and/or occupations that are critical to the organization's mission are eligible for recruiting bonuses.

b. The Commander must certify in writing that without a recruiting bonus the organization would have difficulty filling the position with a highly qualified candidate.

5-3. SERVICE AGREEMENT. The candidate must sign a written agreement to serve a minimum of 12 months before a bonus can be paid (see Appendix C).

5-4. RETENTION ALLOWANCE. A retention allowance of up to 25 percent of basic pay may be offered to certain current employees in order to retain their services.

5-5. ELIGIBILITY.

a. Current employees are eligible for a retention allowance if their unique qualifications or a special need for their services make it essential to retain them. They must have completed one year of continuous service, or if applicable, a period of employment established under the service agreement for a recruiting or relocation bonus, whichever occurs later.

b. The commander must certify in writing that without a retention allowance the employee would be likely to leave the Federal service for employment outside the Federal Government. Documentation must include a written description of the extent to which the employee's departure would affect the organization's ability to carry out an activity or perform a mission essential function.

5-6 SERVICE AGREEMENT. None required.

5-7. PAYMENT/REDUCTION/TERMINATION.

a. A retention allowance will be paid in the same manner and at the same time as basic pay, although it will not be considered a part of Basic pay. It is a percentage of basis pay based on actual hours worked, and is automatically prorated for less-than-full-time personnel.

b. The allowance may be paid as long as conditions warrant. A review and recertification of necessity must be made at least annually to continue the allowance.

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c. The amount of the retention allowance may be reduced or terminated when it is determined that (1) a lesser amount, or no allowance would be sufficient to retain the employee, (2) labor market conditions have changed and recruitment would be possible, (3) the need for the services of the employee have lessened, or (4) budgetary considerations preclude payment.

5-8. RELOCATION BONUS. A relocation bonus of up to 25 percent of basic pay may be offered to current employees who must relocate to accept a position in a different commuting area. Local plans will specify the commuting area for each activity. It is permissible to use other definitions such as the Joint Travel Regulations definition in specifying "commuting areas," however, these are guides, and are not restrictive. The bonus must be paid in a single lump sum.

5-9. ELIGIBILITY. Occupants of hard-to-fill positions and/or occupations that are critical to the organization's mission are eligible for relocation bonuses. The relocation must be without a break in service. The Commander must certify in writing that without a relocation bonus, the organization would have difficulty filling the position with a highly qualified candidate.

5-10. SERVICE AGREEMENT. Before a bonus can be paid the employee must sign a written agreement to serve a minimum of 12 months. However, in the case of a temporary change in duty station for less than 12 months, a service agreement may be for a shorter minimum period of employment (see Appendix D).

5-11. APPROVAL AUTHORITY. Commanders with personnel appointing authority can approve recruitment, retention and relocation incentives. This authority cannot be re-delegated. The incentive must be approved at a level higher than the individual making the offer. Subordinates may be designated to make initial incentive offers, subject to final review and approval by the Commander. All such designations must be in writing and included in local operating guidance.

5-12. DOCUMENTATION AND RECORDKEEPING. 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 this headquarters by 1 November each year.

5-13. FACTORS TO BE CONSIDERED AND DOCUMENTED PRIOR TO PAYMENT OF RECRUITMENT/RELOCATION BONUS. (1) Special qualifications needed to fill the position for which payment of a bonus is being considered, labor market and environmental factors that may affect the organization's ability to recruit high-quality candidates for this or similar positions, and (2) description of the results of recent efforts to attract quality candidates for the position for which payment of a bonus is being considered and/or for similar positions (see Appendix C).

Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms), to the Commander, Eighth U.S. Army, ACofS, G-1 (EAGA-CP-SES), Unit #15236, APO AP 96205-5236. This publication is available electronically at: <https://www-eusa-4.korea.army.mil>

FOR THE COMMANDER:



F. W. MORRIS
Assistant Adjutant General

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WILLIAM D. IVEY
COL, GS
Chief of Staff

DISTRIBUTION:
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APPENDIX A

REFERENCES

PUBLICATIONS LISTED IN APPENDIX A REPRESENT THE LEGAL AND REGULATORY FRAMEWORK USED IN DEVELOPING THIS PAMPHLET.

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

Department of Defense 1400.25-M, Subchapter 575 (Recruitment and Relocation Bonuses; Retention Allowances; and Supervisory Differentials).

Department of the Army DAPE-CPE memorandum dated 1 Jun 1992, Subject: Department of Defense Supervisory Differential Plan.

Office of the Assistant Secretary of Defense (OASD) memorandums, 13 February 1987, 2 November 1990, and 16 June 1992, Subject: Grade and Pay Retention.

OPM Provisional Notice 531-4, 13 Sept 1994, Subject: Final Performance Management Recognition System Termination Regulations

Operating Manual 532-1 for the Federal Wage System.

Performance Management and Recognition System Termination Act of 1993 (Public Law 103-89).

5 Code of Federal Regulations (5 CFR), Part 210 (Basic Concepts and Definitions).

5 CFR, Part 530 (Pay Rates and Systems (General)).

5 CFR, Part 531 (Pay under the General Schedule).

5 CFR, Part 532 (Prevailing Rate Systems).

5 CFR, Part 534 (Pay under Other Systems).

5 CFR, Part 536 (Grade and Pay Retention).

5 CFR, Part 550 (Pay Administration (General)).

5 CFR, Part 575, Subpart D (Supervisory Differentials).

5 CFR, Part 831.1202.

Title 5, United States Code, Chapter 21.

Title 5, United States Code, 2105c.

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Title 5, United States Code 3109.

Title 5, United States Code 5303.

Title 5, United States Code 5305.

Title 5, United States Code 5333 (Minimum Rate for New Appointment).

Title 5, United States Code 5334 (Rate of change of Position or type of Appointment; Regulations).

Title 5, United States Code 5335.

Title 5, United States Code 5753 (Recruitment and Relocation Bonuses).

Title 5, United States Code 5755 (Supervisory Differentials).

Title 5, United States Code 7103a.

Title 5, United States Code 7701.

APPENDIX B

**FACTORS TO BE CONSIDERED AND DOCUMENTED PRIOR TO PAYMENT OF
RECRUITMENT/RELOCATION BONUS**

1. Description of the results of recent efforts to attract quality candidates for the position for which payment of a bonus is being considered and/or for similar positions:

a. Position title, series, grade:

b. How many offers were made:

c. How many offers were declined (State reasons for declination, if known.)

d. Average length of time to fill this and/or similar positions:

e. Number of civilian employees in this and/or similar positions

Authorized _____

Required _____

Filled _____

f. Recent turnover rates in this or similar positions:

2. Special qualifications needed to fill the position for which payment of a bonus is being considered.

3. Labor market and environmental factors that may affect the organization's ability to recruit high-quality candidates for this or similar positions.

RECRUITMENT/RELOCATION BONUS SERVICE AGREEMENT

(EIGHTH US ARMY PAM 690-50)

PRIVACY ACT STATEMENT

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. CPCN	
F. EFFECTIVE DATE		G. EXPIRATION DATE	

EMPLOYEE'S STATEMENT

I understand that:

- 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.
- 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.
- 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.
- 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

GLOSSARY

Section I. ABBREVIATIONS

APF	appropriated fund
CFR	Code of Federal Regulations
DA	Department of the Army
DCIPS	Defense Civilian Intelligence Personnel System
CLG	change to lower grade
CPD	Civilian Personnel Division
CPOC	Civilian Personnel Operations
CPPP	care giving personnel pay program
DOD	Department of Defense
FWS	federal wage system
GM	general merit
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

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RIF	reduction in force
SSR	special salary rate
U.S.	United States (of America)
USC	United States Code
WG	wage grade
WL	wage leader
WS	wage supervisor

Section II. TERMS

Adverse Action. An involuntary personnel action considered unfavorable to an employee, e. g., removal, suspension, furlough, or reduction in grade or pay.

Change to Lower Grade (GS) (also called Demotion and Reduction in Grade). A personnel action that moves an employee, while serving continuously in the same agency, to a position at a lower grade when both the old and new positions are under the GS.

Change to Lower Grade (PRS). A personnel action that moves an employee from a position (1) in one grade of a prevailing rate schedule to a position in a lower grade of the same type prevailing rate schedule, whether in the same or different wage area, (2) under a prevailing rate schedule to a position under a different prevailing rate schedule (e.g., WL to WG) with a lower representative rate, or (3) not under a prevailing rate schedule to a position with a lower representative rate under a prevailing rate schedule.

Existing Rate of Pay (GS). The basic rate of pay received immediately before the effective date of a transfer, promotion, reassignment, and change to lower grade or within-grade increase.

Existing Scheduled Rate of Pay (PRS). The scheduled rate of pay received immediately before the effective date of a transfer, reassignment, promotion, change to lower grade, within-grade increase or revision of a wage schedule.

GS. The GS graded pay system established under the Classification Act of 1949, as amended.

Grade Retention Entitlement. The right of an employee to retain for 2 years, for pay and benefits purposes, the grade of the position from which he or she was reduced.

Highest Previous Rate (GS). The highest actual rate of basic pay previously received by an employee of the Federal Government regardless of pay system 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 GS.

Highest Previous Rate (PRS). The highest scheduled rate of pay previously paid to an employee of the Federal Government.

NAF Employees. Persons paid from funds generated from the sales of supplies and services of the NAF instrumentalities of the U.S. Funds to pay salaries of these employees are not appropriated by Congress.

Pay Retention Entitlement. The right of an employee to retain, under certain circumstances, a rate of basic pay higher than the maximum rate of the grade for the position occupied.

Performance Management and Recognition System (PMRS). The pay system established under Public Law 98-615 to replace the Merit Pay System for GS employees in grades GS-13 through GS-15 in supervisory, managerial, or management official positions prior to 10-31-93. PMRS was terminated on 11-01-93 by Public Law 103-89.

Position Change. The movement of an employee from one position to another position during his or her continuous service with the same agency. When the move establishes the employee's eligibility for grade retention, it is called "Position Change." It is also called "Position Change" when an employee who is already entitled to grade retention moves to another position at or below his or her retained grade. Moves when the employee is not entitled to grade retention are called promotions, CLG, or reassignments.

PREVAILING RATE SYSTEM. The job grading and pay system that applies to most trade, craft, and labor positions.

Promotion (GS). The change of an employee, while continuously employed, from (1) one GS grade to a higher GS grade or (2) a lower rate paid under authority other than subchapter III of chapter 53 of title 5, United States Code, to a higher rate within a GS grade.

Promotion (PRS). The change in the position of an employee who, while continuously employed moves from a position (1) in one grade of a prevailing rate schedule to a position in a higher grade of the same type prevailing rate schedule, whether in the same or different wage area, (2) not under a prevailing rate schedule to a position under a different prevailing rate schedule (e.g., WG to WL, NA to NL) with a higher representative rate, or (3) not under a prevailing rate schedule to a position with a higher representative rate under a prevailing rate schedule.

Rate of Basic Pay (GS). The rate of pay fixed by law or administrative action for the position held by an employee before any deductions (such as taxes) and exclusive of additional pay of any kind (such as overtime).

Rate of Basic Pay (PRS). The scheduled rate of pay plus any night or environmental differential.

Reassignment. The change of an employee, while serving continuously in the same agency, from one position to another without promotion or demotion.

Reemployment. The employment, including reinstatement or another type of appointment, after a break in service of at least one full workday.

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Retained Rate. A rate of pay above the maximum rate of the employee's grade which an employee is allowed to keep in special situations rather than having his/her rate of basic pay reduced.

Scheduled Rate of Pay (PRS). The rate of pay fixed by law or administrative action including a retained rate of pay for the job held by an employee before any deductions (such as taxes) and exclusive of additional pay of any kind (such as overtime).

Supervisory Differential. The annual total dollar amount paid to a GS supervisor who provides direct, technical supervision over the work of one or more civilian employees in other pay plans who receive a higher rate of total pay than does the supervisor.

Transfer. A change of an employee, without a break in service of one full workday, from one branch of the Federal Government (executive, legislative, or judicial) to another or from one agency to another.