

DEPARTMENT OF THE ARMY
HEADQUARTERS FORT MCCOY
SPARTA, WISCONSIN 54656-5000

Fort McCoy Regulation
No. 690-28

14 October 1988

Civilian Personnel
BASIC PAY-FIXING PROVISIONS

1. PURPOSE: This regulation establishes civilian personnel policies and procedures for setting pay where optional adjustment is provided for by Department of the Army (DA) and the Office of Personnel Management (OPM).
2. SCOPE: This regulation is applicable to all appropriated fund civilian employees receiving civilian personnel services from the Fort McCoy Directorate of Civilian Personnel (DCP).
3. POLICY: Maximum use will be made of optional pay-setting provisions when situations warrant such consideration, and when it appears to be in the best interest of all parties concerned consistent with budgetary limitations, installation/Major Command (MACOM)/Major U.S. Army Reserve Command (MUSARC) policies, and federal statutes.
4. RESPONSIBILITY: The DCP (i.e., staff members from either the Army Reserve Technician (ART) Division or Installation, Tenants, and Satellites (ITS) Division) will determine rates of basic pay for employees based on the references in paragraph 11 of this regulation. When circumstances require, the DCP will seek input from management in making pay-setting decisions.
5. DEFINITIONS:
 - a. Highest Previous Rate (HPR): The highest rate of pay previously paid to an individual while a civilian employee of the federal government. The HPR must have been earned under an appointment (temporary or permanent) of 90 days or more, or the employee must have served at least 90 continuous days under one or more appointments with no break in service. The pay rate received during periods of temporary promotion may be used in establishing the initial pay rate for an employee, if the HPR provisions are met. The HPR must be based on a regular tour of duty (i.e., part-time or full-time work schedules). If the employee's HPR is under a special rate (i.e., engineers), the special rate cannot be used as the HPR without prior approval of OPM. After OPM approval, the special rate may then be used as the HPR for setting salaries in the General Schedule (GS) pay schedule.
 - b. New Appointment: The first appointment as an employee in the federal government regardless of whether it is permanent (career-conditional or career) or a temporary (time limited) appointment. A new appointment is also often called initial appointment.
 - c. Rate of Basic Pay - Federal Wage System (FWS): The scheduled rate of pay plus any night shift or environmental differential pay.
 - d. Rate of Basic Pay - General Schedule (GS): The rate of pay set by law or administrative action for the employee before any deductions and exclusive of additional pay of any kind.

e. Reinstatement: The hiring of a former federal employee based on the individual's previous career or career-conditional employment.

f. Representative Rate: A rate used to determine the nature of a job change (e.g., promotion, change to lower grade, or reassignment) where different kinds of pay schedules or systems are involved. Representative rates are the fourth step of GS and the second step of FWS positions.

g. Transfer: The movement of an employee from one federal government agency to another without a break in service, i.e., without a separation of at least one full workday.

h. Upward Mobility: The development of permanent competitive and expected service employees in positions GS-8 (or equivalent) and below, who demonstrate a potential for higher level work. Employees are placed out of positions or series with limited promotion potential into positions or series, under a training plan, which provide advancement opportunity to target grades beyond their current grade.

6. PROCEDURES: The pay-setting provisions outlined herein apply to each specific type of action described. Normally, the specific rate of pay will be determined prior to the effective date of the action. If a decision is made to afford an employee the benefit of a former rate of pay, but it is not possible to obtain verification of the former rate prior to effecting the action, the action will be processed at the minimum step rate of the grade, subject to retroactive adjustment.

a. New Appointment. New appointments will be made at the minimum rate for the grade. If advanced in-hiring rates have been established by OPM for the position or duty location, new appointments will be made at the approved higher minimum rate for the grade. Initial appointments to GS-11 and above positions may be authorized above the minimum rate of the grade by the DCP based on superior qualifications of the candidate.

b. Reinstatements. Former federal government employees who are reinstated to either permanent or temporary positions will normally have their pay set at a rate which does not exceed their highest previous rate of pay. However, if the highest previous rate falls between two rates of the grade to which reinstated, pay will be fixed at the higher rate.

c. Temporary Appointment:

(1) For GS positions, pay will be set at the minimum rate if the position is the employee's initial federal government appointment. If the employee has prior federal government service that may be used to establish a higher rate.

(2) For FWS positions, pay will be set at the minimum rate of the grade unless the employee previously held the grade at a higher rate of basic pay. The higher rate will be used to set pay when the employee is reappointed to a position at that grade.

d. Promotions.

(1) GS Positions: Pay will be set either at lowest rate of the grade to which promoted which exceeds the rate of the grade from which promoted by at least two step-increases, or based on the HPR, whichever gives the employee the greatest benefit.

(2) FWS Positions.

(a) Pay will be set at either the lowest scheduled rate of the grade to which promoted which exceeds the existing scheduled rate of pay of the grade from which promoted by at least four percent of the representative rate, or based on HPR, whichever gives the employee the greatest benefit.

(b) When promotion is to a position in a different wage area, pay will be determined as if there were two actions - a promotion and a reassignment - and processed in the order which gives the employee the maximum benefit.

(c) The provisions of (a) and (b) above apply to promotions from one grade to a higher grade in the same type wage schedule (e.g., WG to WG) or to a grade in a different FWS with a higher representative rate (e.g., WG to WD).

(3) Changes between GS and FWS positions.

(a) When a GS employee moves to a position with a higher representative rate under the FWS, pay will be set in accordance with paragraphs 6d (2) (a) and (b) above.

(b) When an employee moves from a FWS position to a GS position, pay will be set at any rate of the new grade which does not exceed the employee's highest previous rate. However, if the highest previous rate falls between two rates of the new grade, pay will be set at the higher rate.

e. Change to Lower Grade (CLG):

(1) When an employee is changed to lower grade at the employee's request, pay will be set at a rate in the lower grade which best preserves their present rate of pay. If their pay falls between two rates, it will be set at the higher rate.

(2) An employee who is returned to his or her permanent grade from a temporary promotion is entitled to any within-grade increases(s) which would have been attained had the employee not been temporarily promoted.

f. Grade retention.

(1) Grade retention applies in the following circumstances:

(a) When an employee is placed in a lower grade position as a result of reduction-in-force (RIF) procedures, grade retention applies provided the employee has served in the current or a higher grade for 52 consecutive weeks.

(b) When an employee is placed in a lower-grade position as a result of a reclassification process, the employee is eligible for grade retention only if the position from which the employee is placed had been classified at a higher grade for a continuous period of at least one year immediately before that placement. The length of time the employee occupied the higher-grade position is irrelevant.

(c) When an employee receives a RIF notice proposing change to lower grade or separation and accepts a lower-grade position either at the same activity or another Federal Civil Service activity, grade retention will be granted if the position accepted is not a lower grade than the position which was offered by the employee's activity. If the position accepted is at a lower grade than the one which was offered by the activity, grade retention may be granted provided management determines that placement in the position is in the government's interest.

(d) An employee in an organization undergoing realignment or reduction who would not be personally affected but request and accepts a change to lower grade, will be granted grade retention if management determines that the employee's change to lower grade would result in placement in a more suitable position for that employee and reduces or avoids the impact of the RIF on other employees.

(2) In any of the above situations, the retained grade will be that grade held immediately before such placement and will be retained for a period not to exceed two years. Grade retention begins with the effective date of placement in the lower-grade position.

g. Pay retention.

(1) Pay retention applies in the following circumstances:

(a) Upon expiration of the two-year grade retention period.

(b) As a result of:

[1] RIF or reclassification when the employee does not meet eligibility requirements for grade retention.

[2] a reduction in or termination of a special rate of pay established under 5 U.S.C. 5303.

[3] management initiated reassignment to a position in a lower wage area or to a position in a different pay schedule.

[4] placement of the employee in a formal development program generally utilized government wide (e.g., Upward Mobility Program, Career-Intern Program, Apprenticeship Program.)

[5] placement in a position designated as "hard-to-fill" by the Director, DCP (under delegated authority of the local Commander), provided entitlement to pay retention has been specified in the vacancy announcement.

(c) When an employee:

[1] is placed in a lower grade position after receipt of a general notice of RIF which states, in effect, that all positions in the employee's competitive area will be abolished, and provided the employee is placed not more than one year before the position is expected to be abolished.

[2] 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, and employees who have completed more than one year under their current agreement who are released from the specified period of service because of compelling personal reasons of a humanitarian or compassionate nature (physical or mental health or circumstances over which the employee has no control). Also included are those nondisplaced overseas employees with no obligation to return who are covered by Part I, Chapter 6, Paragraph C3c or DoD 1400.20-1-M.

[3] declines an offer to transfer with his or her function to a location outside the commuting area, or is identified with such function but receives no offer at the gaining activity, and is placed in a lower-grade position at the losing activity or any other DoD activity.

[4] accepts a lower-grade position offered 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, in accordance with Federal Personnel Manual (FPM) Chapter 306, Subchapter 9.

[5] occupying a position under a 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.

[6] occupying an Army Reserve technician position has lost or is scheduled to lose eligibility through no fault of his or her own (i.e., "status quo" employee) and accepts placement in a lower-grade non-reserve technician position.

[7] occupying a National Guard technician position loses military status through no fault of his or her own and accepts placement in a lower-grade competitive service position.

[8] whose job is abolished and who is not serving under a mobility agreement declines an offer within the competitive area, but outside the commuting area, and is placed in a lower-grade position in the commuting area.

(d) As a result of the reduction or elimination of scheduled rates, except those reflecting a decrease in the level of prevailing rates as determined by a wage survey.

(2) When an employee becomes eligible for pay retention in any of the circumstances described above, or moves to another position while receiving pay retention, pay will be set as follows:

(a) The employee's scheduled rate of his or her grade immediately prior to becoming eligible for pay retention will be compared with the range of rates of basic pay for the position to which the employee is moving.

(b) Pay will be set at the lowest rate of basic pay for the position to which the employee is moving which equals or exceeds the employee's rate of basic pay immediately prior to becoming eligible.

(c) If the rate of basic pay cannot be accommodated in the range of rates for the new position, the employee is entitled to pay retention. Pay will be set at the rate of basic pay received immediately before the reduction or 150% of the maximum rate of basic pay for the new position, which ever is lower.

7. PAY ADJUSTMENT FOR SUPERVISORS OF FWS EMPLOYEES: A GS supervisor who regularly has responsibility for supervision (which must include the technical aspects of the work concerned) over one or more wage grade employees, is eligible for pay adjustment when the rate of basic pay for the supervisor is less than the rate of basic pay for the wage grade employee(s) supervised. However, before adjusting the pay of a GS supervisor under this authority, consideration shall be given to possible changes in organization or assignment to eliminate the necessity for such adjustment. As a matter of good management, work assignments should be made to avoid situations where GS employees supervise FWS employees who receive a higher rate of basic compensation. When pay is adjusted under this provision, the adjustment is considered an equivalent increase in pay and a new waiting period begins for within grade increases. When the DCP determines all conditions are met, pay adjustment will be made at the beginning of the next pay period. Pay for the GS supervisor will be set at the nearest rate that exceeds the rate of basic pay of the WG employee, but not above the maximum (step 10) rate of the GS grade. Any subsequent request to raise the rate to a higher level based on the FWS employee receiving a salary increase must be resubmitted. The justification process is the same as a new one. Request for pay adjustments under this paragraph will be management initiated.

8. TRANSFER ELIGIBLES. The pay-setting provisions in this regulation apply to individuals transferring from other federal agencies to positions serviced by the Fort McCoy DCP.

9. EFFECTIVE DATE OF PROMOTIONS. The effective date for all promotions (to include temporary promotions) will be made at the beginning of a pay period (normally a Sunday).

10. EXCEPTIONS. The Director, DCP and ART or ITS Division Chiefs will determine, on a case-by-case basis, whenever there are unique difficulties and/or unnecessary hardships involving the use of optional pay setting features authorized in Title 5, Code of Federal Regulations (CFR). Each case will be judged separately in light of established pay policies and the particular mitigating circumstances. Where an exception is considered warranted, the circumstances will be documented for the record so that future like exceptions can be granted whenever like conditions exist.

14 October 1988

11. REFERENCES.

- a. Title 5, Code of Federal Regulations
- b. 5 U.S.C. 5303
- c. FPM, Chapter 306
- d. FPM, Chapter 531; and FPM Supplement 990-2, Book 531
- e. FPM, Chapter 532; and FPM Supplement 532-1
- f. DOD 1400. 20-1-M

The proponent activity for this regulation is the Director of Civilian Personnel, Army Reserve Technician and Installation, Tenants and Satellites Division. Users are invited to send comments and suggested improvements to the Commander, Headquarters, Fort McCoy, ATTN: AFZR-CP, Fort McCoy, WI 54656-

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*This regulation supersedes Fort McCoy Regulation 690-28 dated 3 December 1984.