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Civilian Personnel
PAY SETTING POLICY

FOR THE COMMANDER:

OFFICIAL:

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History. This regulation supersedes Fort Leonard Wood (FLW) CPR 690-21, dated 11 April 1985.

Summary. This regulation provides detailed information and procedures for setting pay for civilian employees of FLW.

Applicability. This regulation is applicable to all activities employing appropriated fund civilian personnel assigned or attached to FLW.

Supplementation. Supplementation to this regulation is prohibited unless specifically approved by the Director, Civilian Personnel Advisory Center (CPAC), FLW, Missouri.

Proponent. The proponent of this regulation is the Civilian Personnel Advisory Center (CPAC).

Suggested improvements. Users are invited to send comments and suggested improvements to: Director, Civilian Personnel Advisory Center, 13486 Replacement Avenue, Suite 2207, Fort Leonard Wood, Missouri 65473-8604.

Distribution. Electronic medium only and posted on the FLW Web Site.

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Summary of Change

To

FLW Reg 690-21, Pay Policy

FLW Reg 690-21, has undergone major revisions to format

- Title of Regulation has changed from Pay Policy to Pay Setting Policy
- Moved References to beginning of Regulation
- Added Scope, Responsibilities and Operating Principles Sections
- Major change to format but content primarily the same

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1. Purpose

To establish a pay fixing policy for each type of action where administrative discretion is permitted in the application of the pay fixing provisions set forth in various laws and regulations.

2. Scope

This policy pertains to setting pay for all civilian employees paid from appropriated funds who are appointed, reemployed, transferred, reassigned, reinstated, promoted, or changed to lower grade to positions serviced by the Civilian Personnel Office, Fort Leonard Wood, Missouri. All other actions taken which affect the pay of such employees are governed by expressly prescribed regulations established by the Office of Personnel Management (OPM) and additional provisions imposed by higher headquarters. This policy applies to both temporary and permanent appointments made under either prevailing rate or the general schedule.

3. References

- a. Title 5 United States Code (U.S.C.)
- b. Title 5 code of Federal Regulations (CFR) Parts 353, 530, 531, 532, and 536
- c. Army Regulation (AR) 690-300, Chapter 338
- d. AR 690-990-2, Books 531 and 536
- e. Department of Defense (DoD) Manual 1400.25-M, Subchapter 531
- f. Fort Leonard Wood CPR 690-21 Dated 11 April 1985
- g. Comptroller General Decisions 18CG907 and 20CG267
- h. Guide to Processing Personnel Actions (GPPA), Chapter 3

4. Definitions

The definitions used in Title 5 CFR, Parts 530, 531, 532, and 536 will be used in administering this policy.

5. Responsibilities

a. Human Resource (HR) Specialists, in conjunction with supervisors and management officials, will determine applicable pay rates prior to making a personnel action effective, consistent with the Office of Personnel Management, DoD and Department of the Army (DA) regulations and this policy.

b. If pay is set using highest previous rate (HPR), the documentation to support this determination will be approved by the management official using the appropriate pay setting form which can be obtained from the HR specialists.

6. Operating Principles

a. Pay is set using the pay setting directives of the pay system to which the employee is moving and the action is being effected.

b. Pay cannot be set at a rate below the first step of the lowest rate of the grade of the position to which assigned.

c. Pay cannot be set at a rate above the top step of the highest rate of the grade unless authorized under grade and/or pay retention.

d. Pay on simultaneous actions is generally set in the order that gives the employee the maximum benefit.

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

f. As a general rule, a salary increase cannot be made retroactive. An exception, however, can be made if an increase such as a temporary promotion is delayed by some administrative oversight or a clerical error that occurs after the approval by the authorized approving official.

7. Pay Fixing Rules

a. **New Appoint Appointees:** A new appointment for an employee who has no prior Federal service will normally be made at the minimum rate of the grade to which appointed. If a candidate has significantly superior qualifications relevant to the requirements of the position to be filled or to meet the mission requirements/needs, management will comply with procedures and requirements outlined in 5 U.S.C. 5333, and 5 CFR 531.212 to set pay above the minimum rate of the grade to which appointed. The approving authority for the advanced in-hire rate of pay will be in accordance with delegations as determined by the appropriate Army Command in which the vacancy exists.

b. **Hard-to-Fill Occupations:** Certain Occupations have a history of being hard-to-fill due to the difficulty in locating qualified candidates.

(1) In such cases, the Civilian Personnel Officer may request approval from the employing Agency to make a superior qualifications appointment above the minimum rate. This approval must be received prior to appointment.

(2) There is no provision for retroactive approval.

(3) This authority should only be used when necessary to meet the Government's needs.

c. **General Schedule (GS) Supervisors of Wage Grade (WG) Employee:** An adjustment in pay may be made for a GS employee who has regular supervision to include the technical aspects over a wage grade employee whose pay is higher.

d. **HPR:** Pay of an employee or former employee who is reemployed, transferred, reassigned, promoted, or demoted will be set using the highest previous rate if the following conditions are met:

(1) The appointment in which HPR was earned lasted longer than 90 days.

(2) The HPR was earned for a continuous period in a pay status of at least 90 days.

(3) The employee's experience is closely related to the position being filled.

e. **Special Salary Rates (use for determining HPR):** Special Salary Rates will be used as a highest previous rate when:

(1) The special rate of pay is the employee's current rate of basic pay.

(2) The employee is being reassigned to another position at the same grade level in the same agency.

(3) The selecting official certifies, in writing, that the need for the services of the employee, and the employee's contribution to the program of the agency, will be greater in the position to which reassigned.

f. Conversions: Upon conversion of a temporary or TERM employee to a higher graded temporary or permanent position without a break in service, the employee's pay will be set using HPR or the mandatory promotion rule (whichever is higher). The following apply if HPR is not used:

(1) When a temporary employee is converted to a permanent or other temporary position in the same job, title, series, and grade, pay will continue at the existing rate.

(2) When permanent employee are converted to a new appointment, pay will continue at the existing rate.

g. Change to Lower Grade - Formal Development Program: An employee who voluntarily accepts a change to a lower grade to enter a formal employee developmental program such as Upward Mobility, career internship, or local intern program will have pay set at the minimum rate in the lower grade which equals his/her current rate. If the current rate falls between two steps in the lower grade, pay will be set using the higher step. If the current rate exceeds the maximum rate of the position to which assigned, the employee is entitled to pay retention at his/her existing rate which cannot exceed 150 percent of the maximum rate of basic pay for the new grade. These applications are not considered employee initiated.

h. Change to Lower Grade - Adverse Action:

(1) When an employee is promoted to a supervisory or managerial position and is later returned to the former grade because failure to satisfactorily complete the required probationary period, pay will be set at the step the employee would have earned had the employee not been promoted to the higher grade.

(2) When an employee is placed in a lower-graded position due to loss of eligibility for a security clearance, disciplinary reasons, or loss of qualifications required for the position (e.g., valid driver's license), pay retention will not be authorized. Pay will be set at the employee's existing rate of pay in the lower grade, or if the existing rate falls between two steps, the lower step will be given.

(3) When an employee is placed in a lower-graded position due to cause, pay will be set at a rate that would provide the employee no greater benefit upon repromotion than he/she would have attained had he/she remained in the grade.

i. Change to Lower Grade - Voluntary:

(1) If an employee request a change to lower grade at his or her own request for his or her own personal benefit or convenience, under provisions other than paragraph (g.) above, with the probability of promotion under merit promotion rules, any windfall that could occur when the employee is promoted must be taken into consideration when setting the employee's pay at a rate in the lower grade.

(2) When a change to lower grade is for personal cause (conduct or inefficiency) the employee is not eligible for pay retention. Pay will be fixed at the highest step in the lower grade which is not in excess of his/her existing rate.

j. Change to Lower Grade - Medical Reasons: When an employee request a change to lower grade for medical reasons that is substantiated by medical condition, his/her existing rate of pay will be preserved to the maximum extent possible. If the existing rate falls between two steps, pay will be set at the higher step. If existing pay is above the top step of the lower grade, the employee is entitled to pay retention.

k. Change to Lower Grade - Return Rights to a Lower Grade: When an employee is reduced in grade upon return from an overseas assignment in accordance with a pre-established agreement, or has completed at least 1 year of the agreement and is released because of compelling personal reasons of compassionate or humanitarian nature, his/her existing rate of pay will be preserved to the maximum extent possible after application of any applicable geographic conversion. If the existing rate falls between two steps, pay will be set at the higher step. If existing pay is above the top step of the lower grade, the employee is entitled to pay retention after application of any applicable geographic conversion.

l. Change to Lower Grade - Other Reasons: Example: Placements in lieu of reduction in force (RIF), placements for medical reasons which are properly supported and documented and placements which are not at the employee's request, pay will be fixed in the new grade whenever possible at a step rate equal to the current rate. If the current salary falls between two steps at the lower grade, he/she shall receive the higher. If pay cannot be fixed in this manner, and the requirements for pay retention are met, the employee will be entitled to pay retention.

m. Promotions: An employee who is changed to a position with a higher grade in the same pay schedule (GS, WG, Wage Leader [WL], or Wage Supervisor [WS]) or across pay schedules to a position with a grade with a higher representative rate will have pay fixed in accordance with one of the following provisions:

(1) GS to GS: Employee's rate in the new grade shall be that one (but not above the minimum rate) which exceeds his/her rate (including a special rate under 5 U.S.C 5303) in his previous grade by an amount equal to two within-grade increases of the grade from which promoted.

(2) WG to WG (WL, WS, and WG): Employee's rate in the new grade shall be that one (but not above the minimum rate which exceeds his rate in his grade by at least 4 percent of the representative rate of the grade from which promoted. This rule also applies to an employee promoted from a single-rate job under a special rate (e.g. apprentice) to a multi-rate job under the regular schedule. When a promotion is to a position in a different wage area, the employee's pay entitlements will be determined as if there were two pay actions – a promotion and a reassignment – and shall process them in the order which gives the employee the maximum benefit.

(3) WG (WL, WS, and WG) to GS: Employee's pay as GS shall be fixed at the step which is closest to, but not less than, the rate from which promoted (but not higher than the maximum amount).

(4) GS to WG (WL, WS, WG): Employee's pay shall be that step (but not above the maximum rate) which exceeds his/her rate in his/her GS grade by at least 4 percent of the representative rate of the GS grade from which promoted.

n. Temporary Promotions: An employee who serves continuously for more than 1 year in a temporary promotion will have the pay rate received during the temporary promotion used in establishing the employee's highest previous rate.

o. Promotion While on Pay Retention: An employee's promotion entitlement will be calculated based on the two-step promotion rule, or application of maximum payable rate, whichever is most advantageous to the employee. An employee on pay retention will have the two-step increase calculated on the current grade, step 10, even if the retained rate is higher. After calculation, if pay can be set within the new grade, pay retention will be terminated.

p. Re-Promotion: Any employee who, while serving in the Department of Defense, was changed to a lower grade from a Reemployment Priority List, and who is either no longer or never was eligible for

pay retention benefits, will have pay fixed, upon re-promotion to any intervening grade below the higher grade from which changed or separated, at maximum step rate which:

(1) Does not exceed the step rate prior to the forced reduction-in-grade or separation.

(2) Does not exceed the maximum step of the new grade to which promoted.

(3) Will not, upon promotion back to the employee's higher grade before the forced reduction-in-grade or separation action, exceed the employee's step rate prior to the forced reduction-in-grade or separation.

q. Reinstatement: Pay for reinstatement actions will be set using the highest previous rate or at the higher rate in hard-to-fill positions.

r. Reassignment/Transfer: When an employee reassigns or transfers from another Government agency, his/her existing rate of pay will be preserved to the maximum extent possible. In cases where transferred employee's appointments constitute a change to lower grade from their previous appointments, the pay will be fixed at the highest step which is not in excess of his/her existing rate.

s. Locality Pay: Locality pay will be considered basic pay for purposes of determining pay setting when moving to other positions or when making appointments. The rate of locality pay to which an employee is entitled is determined by the location of his/her official duty station.

t. Restoration: When an employee entitled to mandatory restoration is reemployed, the employment status is restored as if the employee had never left Federal employment (including within-grade increases (WIGI), annual adjustments, and career ladder promotions). Issues such as these may arise from employment following military service, restoration of employees who sustain compensable injuries and re-employment after a separation or removal under an unwarranted or unjustified personnel action.

8. Pay Actions Effective Date:

a. If verification of a former rate of pay is not possible prior to effecting the action, the action may be processed at the minimum rate of the grade subject to upward adjustment in accordance with this pay setting policy provided the Standard Form (SF)-50 is appropriately annotated to allow for such adjustment.

b. An employee selected for a position under a Merit Promotion Plan who is due a WIGI in the current grade within 30 days from the date of selection may have the effective date of the action delayed until after the WIGI is effective, if the selecting official agrees.

c. No personnel action can be made effective prior to the date on which the appointing officer approves the action.

9. Pay Actions Effective Date, Retroactive:

a. DA policy states that all noncompetitive career ladder promotions will be made effective on the first full pay period the employee becomes eligible for the promotion.

b. Some actions may be processed retroactively due to delayed notification (death, resignations, retirements, change to lower grade follow a temporary promotion, etc).

c. Personnel action(s) which are the result of a formal Settlement Agreement.

Glossary

AR

Army Regulation

CFR

Code of Federal Regulations

DA

Department of the Army

DoD

Department of Defense

GPPA

Guide to Processing Personnel Actions

GS

General Schedule

HPR

Highest Previous Rate

HR

Human Resources

OPM

Office of Personnel Management

RIF

Reduction in Force

U.S.C.

United States Code

WG

Wage Grade

WIGI

Within Grade Increase

WL

Wage Leader

WS

Wage Supervisor

SF-50

Standard Form-50