

Army Regulation 690–500

Civilian Personnel

Pay and Allowances Administration

**Headquarters
Department of the Army
Washington, DC
30 June 2022**

UNCLASSIFIED

SUMMARY of CHANGE

AR 690–500

Pay and Allowances Administration

This major revision, dated 30 June 2022—

- o Changes the title of the regulation from Position Classification, Pay and Allowances, to Pay and Allowances Administration (cover).
- o Consolidates civilian pay and allowances policies from law, Office of Personnel Management policy, Department of Defense and Army human resources and financial management policies into a single reference for management, employees, and human resources practitioners (throughout).


Effective 30 July 2022

Civilian Personnel
Pay and Allowances Administration

By Order of the Secretary of the Army:

JAMES C. MCCONVILLE
General, United States Army
Chief of Staff

Official:


MARK F. AVERILL
Administrative Assistant to the
Secretary of the Army

History. This publication is a major revision.

Summary. This regulation prescribes Department of the Army policy for administering pay and allowances for Army civilian employees.

Applicability. This regulation applies to the Regular Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve. It also applies to all appropriated funded Army civilian employees unless otherwise stated. It does not apply to the

Senior Executive Service, Senior Executive Schedule, Excepted Service employees, Nonappropriated Fund employees, and Title 32 Military Technicians.

Proponent and exception authority. The proponent of this regulation is the Deputy Chief of Staff, G–1. The proponent has the authority to approve exceptions or waivers to this regulation that are consistent with controlling law and regulations. The proponent may delegate this approval authority, in writing, to a division chief within the proponent agency or its direct reporting unit or field operating agency, in the grade of colonel or the civilian equivalent. The proponent may also delegate this authority, in writing, to the AG1–CP. Activities may request a waiver to this regulation by providing justification that includes a full analysis of the expected benefits and must include formal review by the activity’s senior legal officer. All waiver requests will be endorsed by the commander or senior leader of the requesting activity and forwarded through their higher headquarters to the policy proponent. Refer to AR 25–30 for specific guidance. The proponent has the authority to approve exceptions or waivers to this

regulation that are consistent with controlling law and regulations.

Army internal control process. This regulation contains internal control provisions in accordance with AR 11–2 and identifies key internal controls that must be identified (see appendix F).

Supplementation. Supplementation of this regulation and establishment of agency, command, and installation forms are prohibited without prior approval of the Deputy Chief of Staff, G–1 (DAPE–HRI), 300 Army Pentagon, Washington, DC 22310–0300.

Suggested improvements. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to the Deputy Chief of Staff, G–1 (DAPE–HRI), 300 Army Pentagon, Washington, DC 22310–0300.

Distribution. This regulation is available in electronic media only and is intended for the Regular Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve.

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Chapter 1

Introduction

1–1. Purpose

This regulation establishes pay and allowances administration policy and responsibilities, in adherence to applicable law and regulations, and in accordance with additional references governing pay within the Department of Army (DA). The administration of civilian pay and allowances is complex and must ensure accurate payments to employees and proper use of payroll funds. This regulation is intended to improve the consistency and availability of pay-administration information by incorporating relevant information from Office of Personnel Management (OPM), Department of Defense (DoD) and Army regulation (AR), guidelines, memoranda, standard operating procedures, and prevailing policies, in addition to statutory and regulatory governances.

1–2. References and forms

See appendix A.

1–3. Explanation of abbreviations and terms

See glossary.

1–4. Responsibilities

a. Secretary of the Army. The SECARMY may delegate to subordinate officials the authority vested by law to take final action on matters pertaining to the employment, direction, and general administration of personnel in accordance with 5 USC 302(b)(1).

b. Assistant Secretary of the Army for Manpower and Reserve Affairs. The ASA (M&RA) will set the strategic direction and provide overall supervision for manpower and personnel affairs across all the Army Components, including providing civilian human resources (HR) policy, programming, and oversight.

c. Deputy Chief of Staff, G–1. DCS, G–1 will—

(1) Advise and assist to the ASA (M&RA) on Army manpower and personnel affairs.

(2) Act pursuant to delegated authority from the ASA (M&RA) in supervising civilian personnel policy, management, and related functions.

(3) Develop policy for human resource support to the Army; develop detailed HR programs, budgets, and activities, and direct operations of the Civilian Human Resources Agency (CHRA) operations.

(4) *Assistant G–1 Civilian Personnel.* AG1–CP, on behalf of DCS, G–1 will—

(a) Provide direction and development of civilian personnel policy, procedures, and programs.

(b) Evaluate and administrate the civilian personnel program Armywide.

(5) *Director, Civilian Human Resources Agency.* Director, CHRA, on behalf of the DCS, G–1 will—

(a) Head a direct reporting unit (DRU) reporting to the DCS, G–1.

(b) Exercise control over the Army's civilian HR operations.

(c) Through the CHRA HR staff, ensure all pay determinations are in accordance with this regulation and ensure proper documentation and accurate data is recorded for final transaction processing. The Director, CHRA will—

1. Ensure that all applicable labor contract obligations are met.

2. Ensure HR employees are properly trained in pay administration.

d. Senior commanders. Commanders and directors with delegated civilian appointing and personnel management authority will implement the provisions of DoDI 1400.25, Volumes 100, 331, 336, 410, 530, 536, 540, 541, 550, 575, 1250, and this regulation. Implementation will be in accordance with applicable labor relations obligations.

e. Selecting supervisors. Selecting supervisors may make discretionary pay determination decisions within their funding and budgetary authority and upon approval from the Administrative Assistant to the Secretary of the Army (AASA); and the commanders/heads of Army commands (ACOMS), Army service component commands (ASCCs), DRUs or their appropriately designated official, in accordance with the Matrix of Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA (M&RA)) Delegated Civilian Human Resources Authorities, version 02–2017, 23 October 2017, in coordination with the servicing HR specialists.

1–5. Records management (recordkeeping) requirements

The records management requirement for all record numbers, associated forms, and reports required by this regulation are addressed in the Records Retention Schedule-Army (RRS–A). Detailed information for all related record numbers,

forms, and reports are located in Army Records Information Management System (ARIMS)/RRS-A at <https://www.arims.army.mil>. If any record numbers, forms, and reports are not current, addressed, and/or published correctly in ARIMS/RRS-A; see DA Pam 25-403 for guidance.

1-6. Statutory authority and delegations of authority

a. The heads of executive departments or military departments may prescribe regulations for the government of their departments, the conduct of its employees, the distribution and performance of its business, and the custody, use, and preservation of its records, papers, and property in accordance with Section 301, Title 5, United States Code (5 USC 301).

b. SECARMY may delegate civilian HR authorities, to include pay authorities, to the ASA (M&RA). The ASA (M&RA), in turn, may designate civilian HR authorities to Army officials in writing. These delegations are generally made to the AASA; and commanders/heads of ACOMs, ASCCs, and DRUs; and Director, CHRA. The authority to further delegate the respective authorities is specified in the ASA (M&RA) in writing.

c. Authority may be further delegated to the lowest practical level to ensure timely hiring decisions in support of mission requirements.

Chapter 2 Pay Administration

2-1. Overview

a. *Role of the Office of Personnel Management.* OPM provides leadership on pay administration for civilian Federal employees. OPM develops and maintains Government wide regulations and policies on authorities such as basic pay setting, locality pay, special rates, back pay, pay limitations, premium pay, grade and pay retention, severance pay, and recruitment, relocation, and retention incentives. The DA must comply with relevant laws, regulations, and OPM's policies and guidance.

b. *General schedule pay system.* The general schedule (GS) pay system is the pay scale that covers the largest group of civilian white-collar Federal employees (see app B).

c. *Federal Wage System pay system.* The Federal Wage System (FWS) is the pay system that covers the largest groups of civilian blue-collar Federal employees. The FWS is identified in most cases by wage grade (WG), wage leader, and wage supervisor (see app C).

d. *Alternative personnel systems.* Army alternative personnel systems use and publish open ranges of pay rates, rather than fixed steps, to set pay commensurate with the designated pay band occupational groups and pay band levels. Each pay band level falls within a range of comparable GS grades. For example, at the Army Research Development and Engineering Command, Armament Research Development and Engineering Center, an engineer position in Pay Band III can be paid within between GS-12, step 1 and GS-13, step 10.

e. *Conversion of pay and pay setting for those who reassign from non-appropriated funds positions to appropriated funds positions.* This information may be found in appendix D.

2-2. Advance pay for newly-appointed employees

a. The AASA; and commanders/heads of ACOMS, ASCCs, DRUs, or their appropriately designated official, in accordance with the Matrix of Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA (M&RA)) Delegated Civilian Human Resources Authorities, version 02-2017, 23 October 2017 have the authority to provide for the advance payment of basic pay to an employee who is newly appointed to a position in the agency pursuant to Section 203, Part 550, Title 5, Code of Federal Regulations (5 CFR 550.203). This authority may be delegated, in writing, to officials who exercise personnel appointing authority.

b. Advanced pay may be authorized for newly-appointed employees up to two pay periods proceeding to or arriving at a post of assignment so a new employee can meet living and other expenses (see 5 USC 5524a and 5 CFR 550.203). Advance payment will be made no earlier than the date of appointment and no later than 60 days after the date of appointment. For Army, advance pay for new employees must be based on critical skills needs or difficult-to-fill cases.

2-3. Advance pay for relocating employees

a. *Outside continental United States.* Up to six pay periods may be advanced when an employee is assigned to a foreign post in accordance with the Department of State Standardized Regulation (DSSR), Section 850. The advance must be paid back over a maximum of 26 pay periods. New hire employees and/or employees not already paid via Defense Finance and Accounting Service (DFAS) can only request an advance of salary upon arrival at the duty

station. Employee initiates advance pay requests by submitting an SF 1190 (Foreign Allowances Application, Grant and Report) to the gaining Civilian Personnel Advisory Center (CPAC).

b. Within the United States and its territories. In general, advance payments to civilian employees are prohibited by 31 USC 3324. Advances of pay for Army civilian employees proceeding to or arriving at a post of assignment are authorized (see 5 CFR 550.204). An advance of pay is a prepayment made available to an employee in a pay status. With each permanent change of station (PCS), an employee may be authorized a single, lump-sum pay advance of not more than four pay periods of base pay.

2–4. Advance permanent change of station travel entitlement

a. Employees making a PCS move can request a travel advance (early payment of entitlement) through DFAS to assist with the out-of-pocket expenses (see DFAS Form 9213 (TDY Travel Advance Form)). Request form for civilian relocation advance is available at <https://www.dfas.mil/>.

b. An advance of funds may be requested for the following allowances:

- (1) House hunting (actual expense method) for employee and/or spouse.
- (2) Enroute travel for employee and/or spouse/dependents.
- (3) Employee arrangement of the shipment of household goods directly with a vendor and submission of the mover's estimate of cost for services showing estimated weight and distance, origin and destination of goods being shipped, storage location, anticipated dates of storage, weight of storage, and so forth.

(4) Temporary commercial storage of household goods.

(5) Mobile home transportation with submitted estimate.

c. If the advance payment exceeds the travel allowances, the employee will be informed that any overpayment must be settled within 30 days of notification.

2–5. Aggregate limitation on pay

Aggregate limitation on pay refers to a limit under 5 USC 5307, on the total amount of allowances, differentials, bonuses, awards, or other similar payments an employee may receive in a calendar year, when combined with the employee's basic pay. Payments in excess of the aggregate limitation on pay (other than basic pay) must be deferred and are generally paid as a lump-sum payment at the beginning of the following calendar year under 5 USC 5307 and 5 CFR 530, Subpart B.

a. Under 5 USC 5547(a) and 5 CFR 550.105, GS employees may receive certain types of premium pay in a pay period only to the extent that the aggregate of basic pay and premium pay for the pay period does not exceed the greater of the biweekly rate payable for GS–15, step 10 (including any applicable locality payment or special rate supplement), or level V of the executive schedule. This includes the amount of any lump-sum payment of excess amounts carried over from a previous calendar year to the total amount of basic pay and allowances, differentials, bonuses, awards, and other cash payments.

b. In certain emergency or mission critical situations, an agency may apply an annual premium pay cap instead of a biweekly premium pay cap, subject to the conditions provided in law and regulation (see 5 USC 5547(b), 5 CFR 550.106, and 5 CFR 550.107). The AASA; and commanders/heads of ACOMs, ASCCs, and DRUs are responsible for establishing a process for approval of when the annual premium pay cap should apply. Instructions for waivers of premium pay cap for certain employees can be found within Under Secretary of Defense for Personnel and Readiness (USD P&R) memorandum subject: Calendar Year 2021 Waiver of Annual Pay Limitations for Certain Employees, dated 10 May 2021.

c. Organizations must defer any portion of the payment that, when added to the employee's estimated aggregate compensation, would cause it to exceed the aggregate limitation.

2–6. Army civilian foreign language proficiency pay

a. The foreign language proficiency pay (FLPP) is a monthly monetary bonus paid to DA civilian employees who maintain the required proficiency in designated foreign languages in accordance with the Army's needs. The language must be on an approved DoD strategic language list (see DoDI 1400.25, Volume 2016 for further information).

b. The AASA; and commanders/heads of ACOMs, ASCCs, and DRUs are authorized to designate officials to approve positions and duties that meet the requirements for FLPP.

c. Required foreign language skills must be reflected in the duty position description.

d. A DA civilian employee is eligible to receive FLPP if all the following conditions are met:

- (1) Is serving in a position, or is subject to assignment to a position, in which proficiency in a foreign language facilitates performance of officially assigned non-intelligence duties, to include support to deployments and treaties.
- (2) Has agreed to be assigned to a position that requires foreign language proficiency.

(3) Is certified proficient within the last 12 months in a foreign language determined by scores achieved through the Defense Language Proficiency Test (DLPT), Defense Language Reading Proficiency Test, or Oral Proficiency Interview (OPI) in accordance with AR 11–6.

- e. DA Civilians remain eligible for FLPP while attending short-term non-language training (119 days or less).
- f. DA Civilians are not eligible for FLPP while attending long term non-language training (120 days or longer) such as Joint and senior service schools (for example, National War College, Industrial College of the Armed Forces, Army War College) unless the course of study is in the foreign language proficiency bonus designated language or is language related.
- g. The FLPP is available to all grade and pay bands.
- h. The FLPP may be paid in addition to any other pay or allowance to which the DA Civilian is entitled.
- i. The FLPP is taxable. Taxes will be withheld on a pay period basis.
- j. The FLPP is included in determining maximum pay subject to the pay cap.
- k. The FLPP is not considered as an employee's rate of basic pay for any purpose (for example, retirement, insurance).
- l. The overpayment of FLPP is considered a debt owed to the government and must be repaid.
- m. The amount of FLPP paid is prescribed by AR 11–6.

2–7. Compensating de facto employees

a. *General.* An individual whose appointment is found to be improper or erroneous is entitled to receive compensation earned, service credit for purposes of accrual of annual leave, and lump-sum payment for unused leave upon separation, unless—

- (1) The appointment was made in violation of an absolute statutory prohibition.
- (2) Or the employee was guilty of fraud in regard to the appointment or deliberately misrepresented or falsified a material matter.

b. *De facto determination and payment processing.* Payment of de facto employees for services rendered to the government will depend on the facts of each individual's situation. The employing commander or director, in conjunction with Office of the Staff Judge Advocate, must make a determination identifying the employee as a de facto employee who acted in good faith and must convey that determination to DFAS.

(1) *Individuals serving in a de facto status before officially appointed.* These individuals should be compensated for the reasonable value of their services performed during that period. Payment is established at the rate of basic compensation set for the positions to which they are ultimately appointed.

(2) *Individual never appointed.* The reasonable value of the services of an individual who was never in fact appointed to the position which the individual purportedly filled should be established at the rate of basic compensation for the position that was ultimately advertised and filled.

(3) *Premium pay for de facto individuals.* The rule that de facto employees are entitled to the reasonable value of their services does not limit the employees to receipt of basic compensation only. The reasonable value of their services includes premium pay, including holiday pay.

(4) *Termination and reemployment.* In the event an individual is terminated from employment after the appointment was found to be erroneous and is then reemployed after a break in service, the individual is entitled to compensation earned, lump-sum payment for accrued annual leave, service credit for annual leave accrual purposes, and re-credit of accrued sick leave.

2–8. Compensatory time off

a. The SECARMY authorities concerning the granting of compensatory time off pursuant to 5 CFR 550.114 are delegated to officials who exercise personnel appointing authority. These authorities are delegated through and subject to the authority of the DoD Component heads.

b. For Army employees, compensatory time off should normally be granted during the same pay period it is worked, or within a reasonable period thereafter. When this is not possible, it may be taken on a date not later than the 26th pay period. With the exception of military technicians, who may not be paid overtime (OT), compensatory time off not used during the established time period will be paid at the OT rate at which it was earned, in accordance with DoD 7000.14–R, Volume 8.

c. When a DoD employee separates or transfers to another DoD Component (for example, from Army to Navy or Navy to Defense Logistics Agency), any unused compensatory time off balance will be paid at the OT rate at which it was earned. Military technicians will forfeit any unused compensatory time off when they separate or transfer to a different Component or Federal agency.

d. Compensatory time off for travel may only be earned for time in a travel status when such time is not otherwise compensable (see 5 CFR 550.1401–1409). Compensable refers to periods of time creditable as hours of work for the purpose of determining a specific pay entitlement. For the purpose of compensatory time off for travel, time in a travel status includes—

- (1) Time spent traveling between the official duty station and a temporary duty station.
- (2) Time spent traveling between two temporary duty stations.
- (3) The usual waiting time preceding or interrupting such travel (for example waiting at an airport or train station prior to departure). The employing agency has the sole and exclusive discretion to determine what is creditable as usual waiting time. An extended waiting period that is an unusually long wait during which the employee is free to rest, sleep, or otherwise use the time for their own purposes-is not considered time in a travel status.

2–9. Conversion of the rate of pay due to employee's move to another continental United States or non-foreign overseas area

When an employee's official worksite is changed, the employee's rate of basic pay must be converted to the new pay schedules in the new location based on the employee's current position of record. This geographic conversion is processed after any simultaneous general pay adjustment, but before any other simultaneous pay action.

2–10. Cost-of-living allowance as base pay in non-foreign overseas areas

Pursuant to 5 USC 5941 and Executive Order (EO) 10000, the Army pays cost-of-living allowances (COLAs) to white-collar civilian Federal employees in Alaska, Hawaii, Guam, and the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands at rates published by OPM.

2–11. Environmental differential pay

a. Environmental differential pay (EDP) is authorized for—

- (1) Exposure to an unusually severe hazard which could result in significant injury, illness, or death, such as working on a high structure or on an open structure when adverse conditions such as darkness, lightning, steady rain, snow, sleet, ice, or high wind velocity exist.
- (2) Exposure to an unusually severe physical hardship under circumstances which cause significant physical discomfort or distress.
- (3) Exposure to unusually severe working condition under circumstances involving exposure to fumes, dust, or noise which cause significant distress or discomfort in the form of nausea, or skin, eye, ear, or nose irritation or conditions which cause abnormal soiling of body and clothing, and so forth.

b. EDP is not authorized when hazard duty or physical hardship has not been taken into account in the classification of the position.

2–12. Evacuation payments

a. *Evacuation payments.* Evacuation payments because of natural disasters or for military or other reasons that create imminent danger to the lives of the employees are made to employees or their dependents, or both, who are ordered to be evacuated in the national interest (for continental United States (CONUS), see 5 CFR 550.401–409 and for overseas, DSSR, section 600). Payments are made as follows:

(1) The initial evacuation payment may cover up to 30 days of pay, allowances, differentials, and other authorized payments.

(2) Evacuation payments may be made to cover a total of up to 180 calendar days (including the number of days for which payment has already been made) when employees continue to be prevented from performing their duties by an evacuation order. When feasible, evacuation payments must be paid on the employee's regular pay days.

(3) Employees may also receive additional allowance payments for travel expenses and subsistence expenses (that is, per diem) to offset added expenses they incur as a result of their evacuation or the evacuation of their dependents.

b. *Evacuation payments for a pandemic health crisis.* Army employees may be provided evacuation payments when they are ordered to evacuate their regular worksites and work from home or an alternative location during a pandemic health crisis without regard to whether the agency and the employee have a telework agreement in place at the time the order to evacuate is issued. Evacuation payments may not continue for more than 180 calendar days after the effective date of the order to evacuate (see 5 CFR 550.409). Payments are made as follows:

(1) The employee's pay must compute evacuation payments based on the employee's rate of pay (including any applicable allowances, differentials, or other authorized payments) to which the employee was regularly entitled immediately before the issuance of the order to evacuate, regardless of the employee's work schedule during the evacuation period.

(2) Employees may be granted additional special allowance payments, based on a case-by-case analysis, to offset the direct added expenses incidental to performing work from home or an alternative location (see 5 CFR 550.409b). Examples of discretionary special allowance payments might include increased costs for a computer, printer, fax machine, scanner, and telecommunications equipment incurred by an employee ordered to work from home or an alternative location during the evacuation period.

(3) A supervisor may not require an employee to absorb increased expenses (for example, long-distance calls, supplies, or delivery services) incidental to performing work from home (or an alternative location) if the increased expenditures primarily benefit the Federal Government.

(4) Employees who are ordered to evacuate their official duty stations may receive additional allowance payments as necessary to offset the direct added expenses incident to travel outside the limits of their official duty station (for example, travel, and subsistence expenses). During a pandemic health crisis, payment of travel and subsistence expenses should not be necessary in most situations (see 5 CFR 550.405).

2–13. Faculty pay

a. 10 USC 4338 prescribes the superintendents' authority to prescribe faculty compensation for professors, instructors, and lecturers at the U.S. Military Academy. 10 USC 4021 prescribes the SECARMY's authority to employ as many civilians as professors, instructors, and lecturers at the U.S. Army War College, U.S. Army Command and General Staff College, as SECARMY considers necessary.

b. The Superintendent, Commandant, or designee is responsible for establishing and or updating existing pay tables annually. Newly established or updated pay tables will be forwarded to AG1–CP for approval prior to release. The administratively determined (AD) pay tables contain only general pay increases and locality pay adjustments established on a comparative basis with the GS.

(1) The work schedule, including hours of work and tours of duty, and other characteristics as determined appropriate.

(2) And any premium pay or compensatory time off for hours of work or tours of duty in excess of the regularly scheduled hours or tours of duty.

c. The supporting (HR) specialist setting the pay for appointments and assignments the will use the AD pay schedule provided by the U.S. Military Academy and colleges.

2–14. Firefighter pay

a. Firefighters whose regular tour of duty, as in effect throughout the year, averages at least 106 hours per biweekly pay period, are covered by the GS and classified in the Fire Protection and Prevention Series, GS–0081. The following rules apply to this category of employees:

(1) Firefighters are paid on an hourly rate basis.

(2) To calculate a firefighter's hourly rate, divide number of hours by 2756.

(3) Firefighters receive time-and-one-half OT pay for all OT hours.

(4) Firefighters pay who are Fair Labor Standards Act (FLSA) exempt is capped at 1–1/2 times the GS–10 rate, but they will not be paid less than their individual rate of basic pay.

(5) Firefighters are not authorized any other premium pay except for OT (see 5 USC 5545b(d)(1) and 5 CFR 550.1306(a)).

(6) Firefighters receive regular pay during employer-sanctioned training.

(7) All on duty sleep periods are counted as hours of work (see 5 CFR 550.112(m)(4), 5 CFR 551.432(f), and 5 CFR 551.541(b).)

(8) Special hourly rates of basic pay and hourly OT rates apply (see 5 USC 5542(f)(2), 5 USC 5545b(b), 5 USC 5545b(c), 5 USC 5545b(d), 5 CFR 550.113(e), 5 CFR 550.1303, 5 CFR 550.1304, 5 CFR 550.1306(b), and 5 CFR 551.541(d).)

b. For firefighters with a regular tour of duty that includes a basic 40-hour workweek plus additional non-OT hours, the hourly rate of basic pay is computed by dividing the applicable annual rate of basic pay by—

(1) 2087 hours, for hours within the basic 40-hour workweek (or an 80-hour biweekly pay period).

(2) And 2756 hours, for any additional non-OT hours.

c. Firefighters are entitled to be paid for their regular tour of duty during training. A firefighter should receive basic pay and OT pay for the firefighter's regular tour of duty in any week in which attendance at agency-sanctioned training reduces the hours in the firefighter's regular tour of duty (see DoD 7000.14–R, Volume 8, Chapter 10).

2–15. Per diem rates

a. Foreign rates. The Department of State (DOS) prescribes rates for foreign overseas locations and updates these rates at the beginning of every month. Foreign per diem rates by location are posted at <https://aoprals.state.gov/>.

b. Overseas non-foreign area per diem rates. The Defense Travel Management Office (DTMO) prescribes rates for overseas non-foreign areas (for example, Alaska, Hawaii, Guam, and Puerto Rico) at least once a year. The Per Diem Committee adds DoD unique footnotes, DoD installations, and proportional meal rates to rates published by DOS, General Services Administration (GSA) and DTMO.

c. Continental United States per diem rates. The GSA prescribes rates for the CONUS. GSA updates the CONUS rates once a year, or as necessary. Normally the rates are updated at the start of the new fiscal year.

d. Per diem. To calculate per diem for the contiguous 48 states and for non-foreign and foreign areas outside the contiguous 48 states, visit DTMO at <https://www.defensetravel.dod.mil/>.

2–16. Grade retention

a. An employee under a covered pay system (for applicability to pay band retention refer to appropriate alternative pay system guidance) who is placed in a lower graded position under the same or different covered pay system is entitled to retain the grade held immediately before the reduction for a period of 2 years (see 5 CFR 536.203 and paragraph B–7 of this regulation for additional information).

b. Grade retention does not apply to voluntary changes to lower grades or adverse changes to lower grades as a result of poor performance or disciplinary actions.

2–17. Holiday premium pay

a. Rules. For each hour of holiday work, employees receive holiday premium pay. Holiday premium pay is equal to an employee's rate of basic pay. Employees who are required to work on a holiday receive their rate of basic pay, plus holiday premium pay, for each hour of holiday work (see 5 CFR 550.131 and 550.132).

b. Minimum compensation. Employees who are required to perform any work during basic (non-OT) holiday hours are entitled to a minimum of 2 hours of holiday premium pay.

c. Standard (40-hour/5 day week) work schedules. Employees are entitled to holiday premium pay if they are required to work on a holiday during their regularly scheduled non-OT basic tours of duty, not to exceed 8 hours.

d. Flexible work schedules. Employees under flexible work schedules are entitled to holiday premium pay if they are required to work during the hours of their basic work requirement (that is, non-OT hours) on that day, not to exceed 8 hours. In the event the President issues an EO granting a half-day holiday, part-time employees on a flexible work schedule are entitled to holiday premium pay if they are required to work during the last half of their basic work requirement (that is, non-OT hours) on that day, not to exceed 4 hours.

e. Compressed work schedules. Employees under compressed work schedules (CWSs) are entitled to holiday premium pay if they are required to work during their basic work requirement on that day. The number of hours of holiday premium pay may not exceed the hours in an employee's CWS for that day (for example, 8, 9, or 10 non-OT hours). In the event the President issues an EO granting a half-day holiday, part-time employees on a CWS are entitled to holiday premium pay if they are required to work during the last half of their basic work requirement on that day.

f. Change of work scheduling. If a part-time employee is relieved or prevented from working on a day within the employee's scheduled tour of duty that is designated as a holiday by Federal statute or EO, the employee is entitled to basic pay with respect to the holiday for the number of hours the employee is scheduled to work on that day, not to exceed 8 hours. When a holiday falls on a non-workday of a part-time employee, they are not entitled to an in-lieu-of day for that holiday.

g. Training and holiday pay. An employee is not entitled to holiday premium pay while engaged in training, except under limited circumstances set by 5 CFR 410.402.

h. Travel and holiday pay. Time spent in a travel status is not hours of work for the purpose of paying premium pay, including holiday premium pay, unless it meets one of the criteria in 5 USC 5542(b)(2)(B) for crediting irregular or occasional hours of work for travel. The criteria state that time spent in a travel status away from the official duty station is not hours of employment unless the travel—

- (1) Involves the performance of work while traveling (such as employment as a truck driver).
- (2) Is incident to travel that involves the performance of work while traveling (such as deadhead travel performed by a truck driver to return an empty truck after unloading).
- (3) Is carried out under arduous and unusual conditions (for example, on unpaved roads).
- (4) Results from an event which could not be scheduled or controlled administratively (such as training scheduled solely by a private firm or a job-related court appearance required by a court subpoena).

2–18. Law enforcement availability pay

a. Law enforcement availability pay (LEAP) is a form of premium pay available to law enforcement officers (LEOs) who perform criminal investigative work and are required to work, or be available to work, substantial amounts of unscheduled OT duty based on the needs of the employing activity. Eligibility for LEAP is governed by the statutory, regulatory, and policy guidance provided in the references.

b. In DA, eligibility for LEAP is limited to criminal investigators. Only those position descriptions properly classified in the GS–1811 (Criminal Investigating) series that meet the definition of a primary position under 5 CFR 550.103, 5 CFR 831.902, and 5 CFR 842.802 and have been approved for special retirement coverage (SRC), are eligible for payment of LEAP. Eligibility, therefore, must have been established pursuant to the provisions of one of the following retirement systems:

- (1) The Civil Service Retirement System (CSRS).
- (2) Or the Federal Employees Retirement System (FERS).

c. Criminal investigators are authorized LEAP, a premium pay equal to 25 percent of the rate of basic pay for the position, to ensure availability for unscheduled duty in excess of a 40-hour workweek based on the needs of the employing agency. Employees assigned to LEAP eligible positions are generally on call 24 hours a day; have frequent contact with criminal suspects; work long periods without a break; are frequently exposed to hazardous conditions such as pursuing, detaining, or arresting suspects; and are required to maintain a high level of physical fitness. Within the Army, only criminal investigators within the GS–1811 series are considered LEOs who may qualify for SRC or LEAP.

d. Employees eligible for LEAP will be those covered by special retirement under CSRS or FERS except for an employee assigned to an approved secondary position as defined in 5 CFR 550.103, 5 CFR 831.902, and 5 CFR 842.802. Such employees are eligible for LEAP even if the employee is not eligible for SRC.

e. SRC eligibility requires that the position description be approved by the USD P&R as a primary/rigorous, or secondary position.

f. Before approving employees for LEAP, commands with criminal investigator positions in the GS–1811 series should review each position to ensure it is properly classified using the OPM, Job Family Position Classification Standard for 1800, Administrative Work in the Inspection, Investigation, Enforcement, and Compliance Group, and meets the requirements for the described LEAP eligibility, and has been approved for SRC. CPACs can assist with questions regarding position classification, SRC eligibility, and payment of LEAP.

2–19. Local market supplements

a. Standard local market supplements (SLMS) are set and adjusted consistent with the setting and adjusting of corresponding GS locality payments under 5 USC 5304 and 5 USC 5304a. Only employees receiving scheduled rates of basic pay (subject to any pay limitation which may apply) will be eligible for local market supplement comparability payments.

b. Targeted local market supplements apply in lieu of the SLMS except in locations where the SLMS is greater.

2–20. Locality pay and rates

a. To determine an employee's locality rate, increase the employee's scheduled annual rate of pay by the locality pay percentage authorized by the President for the locality pay area in which the employee's official worksite is located. Locality pay areas are defined in 5 CFR 531.603 and are published by OPM.

b. Locality pay eligibility is based on where an employee's official duty station is, and not where they live. Locality pay does not transfer with an employee from one pay locality to a different locality pay area. Employees must receive the locality rate of pay at the new duty station. Employees on temporary assignment in a different pay locality area must continue receiving their current locality pay at their permanent duty station (PDS).

c. Locality pay does not apply to personnel assigned in foreign areas.

2–21. Maximum payable rate (highest previous rate)

The maximum payable rate (MPR) rule is a special rule that allows an agency to set pay for a GS employee at a rate above the rate that would be established using normal rules, based on a higher rate of pay the employee previously received in another Federal job (see 5 CFR 531.221). The pay set under the MPR rule may not exceed the rate for step 10 of the GS grade or be less than the rate to which the employee would be entitled under normal pay-setting rules. The MPR rule may be used in various pay actions, including reemployment, transfer, reassignment, promotion, demotion, change in type of appointment, termination of a critical position pay authority under 5 CFR 535, movement from a non-GS pay system, or termination of grade or pay retention under 5 CFR 536.

2-22. Night pay

a. Covered employees. Individuals who meet the definition of "employee" in 5 USC 5541(2) are covered by the night pay provisions, including GS employees.

b. Applicability. Night pay is a 10 percent differential paid to an employee for regularly scheduled work performed at night. It is computed as a percentage of the employee's rate of basic pay (including any applicable locality payment or special rate supplement) (see 5 CFR 531.121).

c. Night hours of work. Generally, night work must be performed between the hours of 6 p.m. and 6 a.m., including night work under a CWS. An employee is entitled to night pay for those hours that must be worked between 6 p.m. and 6 a.m. to complete an 8-hour daily tour of duty. For posts located outside the United States, the head of an agency may designate a time after 6 p.m. and before 6 a.m. as the beginning and end, respectively, of night work to accommodate the customary hours of business in the locality (see 5 CFR 531.122).

d. Night pay and relationship to basic pay, Sunday and holiday premium pay, leave, holidays, and flexible work schedules.

- (1) Night pay is *not* basic pay for any purpose.
- (2) Night pay is paid in addition to OT, Sunday, or holiday premium pay.
- (3) An employee is entitled to night pay for paid leave only when the total amount of paid leave during a biweekly pay period is less than 8 hours.
- (4) An employee is entitled to night pay when excused from night work on a holiday or another non-workday, but does not apply to alternate work schedule (AWS) non-workdays.
- (5) If a flexible work schedule includes 8 or more hours available for work between 6 a.m. and 6 p.m., the employee is not entitled to night pay for voluntarily working flexible hours between 6 p.m. and 6 a.m., including while earning credit hours. An employee is entitled to night pay for those hours that must be worked between 6 p.m. and 6 a.m. to complete an 8-hour daily tour of duty. An employee is entitled to night pay for any non-OT work performed between 6 p.m. and 6 a.m. during designated core hours.

2-23. Night shift differential

a. Night shift differential means the differential paid for work performed when the majority of a prevailing rate employee's regularly scheduled non-OT hours fall between 3 p.m. and 8 a.m. It is computed as a percentage of the employee's rate of basic pay.

b. Night shift differential is paid for regularly scheduled work performed at night. This generally means work scheduled before the beginning of the administrative workweek. OT hours do not count toward an employee's entitlement to receive a night shift differential.

c. A prevailing rate employee is entitled to a night shift differential when the majority of hours (at least 5 hours) worked during a regularly scheduled non-OT shift occur in either of these two shifts:

- (1) 3 p.m. to 12 a.m., the differential is 7½ percent of basic pay.
- (2) 11 p.m. to 8 a.m., the differential is 10 percent of basic pay.

2-24. On-call status and standby duty

a. Standby duty. An employee is on duty, and time spent on standby duty is hours of work if, for work-related reasons, the employee is restricted by official order to a designated post of duty and is assigned to be in a state of readiness to perform work with limitations on the employee's activities so substantial that the employee cannot use the time effectively for their own purposes. A finding that an employee's activities are substantially limited may not be based on the fact that an employee is subject to restrictions necessary to ensure that the employee will be able to perform their duties and responsibilities, such as restrictions on alcohol consumption or use of certain medications.

b. Exceptions. An employee is not considered restricted for work-related reasons if, for example, the employee remains at the post of duty voluntarily, or if the restriction is a natural result of geographic isolation or the fact that the employee resides on the agency's premises.

c. On-call status. An employee who is required to remain on call on the employer's premises or so close to the premises that the employee cannot use the time effectively for their own purpose is considered working while on call. An employee who is required to carry a cell phone, or a beeper, or who is allowed to leave a message where they can be reached is not working (in most cases) while on call. Additional constraints on the employee's freedom could require this time to be compensated (see 29 CFR 785.17). An employee will be considered off duty and time spent in an on-call status will not be considered hours of work if—

- (1) The employee is allowed to leave a telephone number or to carry an electronic device for the purpose of being contacted, even though the employee is required to remain within a reasonable call-back radius.

(2) Or the employee is allowed to make arrangements such that any work which may arise during the on-call period will be performed by another person.

2–25. Order of processing simultaneous pay actions

Simultaneous pay actions occur when multiple pay actions with the same effective date affect an employee's rate of basic pay. Simultaneous pay actions are processed in the following order as applicable:

- a. Process general pay adjustments before any individual pay action that takes effect at the same time. General pay adjustments include an annual adjustment.
- b. Convert the employee's rate(s) of pay to reflect a change in the location of the employee's official worksite, if applicable.
- c. Process any within-grade increase (WGI) or quality step increase (QSI) to which the employee is entitled.
- d. Process any promotion action using the rates of pay and rate ranges in the sequence prescribed in 5 CFR 531.214.
- e. Process remaining individual pay actions that take effect at the same time in the order that gives the employee the maximum benefit (see 5 CFR 531.213).

2–26. Overseas allowances and differential payments

a. *Purpose.* Overseas allowances and differentials are not automatic salary supplements, nor are they entitlements. They are discretionary allowances specifically intended to be recruitment incentives for U.S. citizen civilian employees living in the United States to accept Federal employment in a foreign area. If a person is already living in the foreign area, that inducement is normally unnecessary. Individuals will not automatically be granted these benefits simply because they meet eligibility requirements.

(1) Employees submit an SF 1190 (Foreign Allowances Application, Grant and Report), to their supporting CPAC, to apply for various foreign allowances, to include living quarters allowance (LQA), temporary quarters subsistence allowance (TQSA), and post allowance.

(2) The employee is responsible for notifying HR to start and stop entitlements and allowances which will preclude indebtedness payments that must be recouped by DFAS.

b. *Teleworking from a foreign location.* Employees who are assigned to the United States and territories, in a U.S. position, who telework full time from a foreign location are not eligible to receive LQA or other overseas allowances.

c. *Delegation of authority.* Authority may be delegated in writing as specified in paragraph 1–6, but no lower than the senior commander or civilian head of an activity for approval of payments.

(1) *Post allowance.* Post allowance means a COLA granted to an employee officially stationed at a post in a foreign area where the cost of living, exclusive of quarters costs, is substantially higher than in Washington, DC. It is a balancing factor designed to permit employees to spend the same portion of their basic compensation for current living as they would in Washington, DC, without incurring a reduction in their standard of living because of higher costs of goods and services at a post. The amount paid is a flat rate varying by basic salary, size of family, and post regardless of individual expenses. Post allowance is not taxable income. Additional policy and guidance is published in DoDI 1400.25, Volume 1250 and DSSR 200.

(2) *Post differential.* Post differential is designed to provide additional compensation to employees for service at places in foreign areas where conditions of environment differ substantially from conditions in the CONUS. Post differential is used to warrant additional compensation as a recruitment and retention incentive. It is established for any place where the place involves extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthy conditions affecting the majority of employees stationed or detailed in the foreign area. Living costs are not considered in differential determination. State Department determines the amount in increments of 5, 10, 15, 20, and 25 percent for the additional compensation. Additional information is available in DSSR 500.

(a) Employees permanently stationed at an authorized location may receive post differential immediately upon arrival.

(b) Employees on temporary duty (TDY) status from the U.S. or other non-differential post to one or more authorized differential hardship locations may receive post differential after 30 consecutive or cumulative days.

(3) *Temporary quarters subsistence allowance.* TQSA is an allowance granted to an employee assigned overseas for the reasonable cost of temporary lodging, meals, and laundry expenses incurred by the employee and/or Family members at the new post in a foreign area and is authorized provided the employee is eligible for an LQA. TQSA can be granted up to a period of 90 days and could be extended for an additional 60 days if approved by the AASA; and commanders/heads of ACOMS, ASCCs, DRUs, or their appropriately designated official, in accordance with the Matrix of Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA (M&RA)) Delegated Civilian Human Resources Authorities, version 02–2017, 23 October 2017. Employee must show compelling reasons beyond their control to justify the approval.

- (a) Lodging must be within the commuting area (50 miles) of the duty station.
- (b) Expense of transportation and other expenses not directly related to lodging, meals, and laundry/dry cleaning of clothes are not reimbursable under this allowance.
- (c) Prior to the departure from the foreign area, employee may be granted TQSA not to exceed 30 days once residence quarters are vacated.
- (d) Additional policy and guidance is published in DoDI 1400.25, Volume 1250 and DSSR 120.
- (4) *Living quarters allowance.* LQA is a quarters allowance granted to an employee for the annual cost of suitable, adequate living quarters for the employee and their other family assigned to a foreign area. The LQA rates are designed to cover an employee's average costs for rent, heat, light, fuel, gas, electricity, water, and taxes levied by the local government; however, there are times when this amount does not cover the full extent of the employee costs. It is not designed to cover 100 percent of costs. LQA could include reimbursement of insurance required by the local law and paid by the lessee and an agent's required fee or custom that is incurred by the landlord and paid by the lessee. The amount of LQA allowance is broken into various categories by grade and number of Family members. This allowance will vary as the currency of the foreign area changes on the international market. Additional policy and guidance is published in DoDI 1400.25, Volume 1250 and DSSR 100, Section 130.
- (5) *Educational travel allowance.* Payment of travel expenses for each dependent student is permitted from the employee's post once each way annually for each type of education (secondary, undergraduate college, post-secondary vocational, or technical education).
 - (a) The first educational travel round trip may originate from either the employee's foreign post or the U.S. school the student is attending. Travel within overseas areas or U.S. locations do not qualify for educational travel eligibility.
 - (b) Student must be attending school full time in residence at a single college or university. Online studies do not meet this requirement.
- (6) *Education allowance.* Not authorized for Army employees. Education of Family members is provided for or arranged by DoD Education Activity.
- (7) *Danger pay.*
 - (a) Danger pay is additional compensation above basic compensation for service at designated danger pay posts, including TDY where civil insurrection, terrorism, or war conditions threaten physical harm or imminent danger to all U.S. Government civilian employees.
 - (b) Employees receive danger pay additional compensation of up to 35 percent over basic compensation. Neither OT and other premium pay nor other allowances are factored into the calculation of danger pay. Danger pay entitlements are set by the DOS and are paid only for hours for which basic compensation is paid in accordance with DSSR 650.
- (8) *Foreign post assignment advances.* Advances of pay for Army civilian employees proceeding to or arriving at a post of assignment in a foreign area are authorized, when applicable. An advance of pay is a prepayment made available to an employee in a pay status. With each PCS to a foreign area, an employee may be authorized a single, lump-sum pay advance of up to 3 months of base pay. The purpose of advances is to finance unusual employee expenses associated with overseas assignments and to aid foreign assignment recruitment and retention. Repayment will be made by payroll deduction over a maximum of 26 pay periods, or partial or lump-sum payments.

2–27. Overtime pay

The AASA; and commanders/heads of ACOMs, ASCCs, and DRUs will establish internal procedures for authorizing and approving OT.

- a. The federal OT provisions are contained in the FLSA. Unless exempt, employees covered by the FLSA must receive OT pay for hours worked over 40 in a workweek at a rate not less than time and ½ their regular rates of pay. There is no limit in the FLSA on the number of hours employees may work in any workweek. The FLSA does not require OT pay for work on Saturdays, Sundays, holidays, or regular days of rest, unless OT is worked on such days.
- b. Covered nonexempt employees must receive OT pay for hours worked over 40 per workweek (any fixed and regularly recurring period of 168 hours – 7 consecutive 24-hour periods) at a rate not less than 1.5 times the regular rate of pay. An employee's workweek is a fixed and regularly recurring period of 168 hours, seven consecutive 24-hour periods. It need not coincide with the calendar week, but may begin on any day and at any hour of the day. Different workweeks may be established for different employees or groups of employees. Averaging of hours over two or more weeks is not permitted. Normally, OT pay earned in a particular workweek must be paid on the regular pay day for the pay period in which the wages were earned.
- c. As a general rule, OT work means each hour of work in excess of 8 hours in a day or in excess of 40 hours in an administrative workweek (a period of 7 consecutive calendar days usually coinciding with a calendar week), that is officially ordered and approved by management and is performed by an employee. It is work that is not part of an

employee's basic workweek and for which an employee may be compensated either by credit hours or OT hours as applicable.

d. For nonexempt employees who work an AWS for 9 or 10 hour days, OT will be paid in excess of 8 hours in an 80-hour pay period.

e. Employee OT pay is capped at 1.5 times the GS–10, step 1 rate, or the employee's regular rate of pay, whichever is greater (see 5 USC 5542(a)(2)). Employees earning below the GS–10, step 1 rate are paid OT at 1.5 times their regular rate of pay (see 5 USC 5542(a)(1) and 5 CFR 550, Subpart A). Supervisors should provide written approval for OT before the hours are worked or, when this is not practicable, as soon as possible after the OT is worked.

f. OT rules covering employees; are found in the FLSA (see 5 CFR). Employees covered by the OT rules in the FLSA are identified as being non-exempt, while employees covered by the OT provisions of 5 USC are identified as exempt from the FLSA. Employee FLSA designations can be found in box 35 on an employee's SF 50 (Notification of Personnel Action), and are marked either N (for non-exempt) or E (for exempt).

(1) Non-exempt employees covered by the FLSA are entitled to OT pay unless they request compensatory time in lieu of OT pay in writing. Management may not direct these employees to take compensatory time off in lieu of OT pay for any OT work. At the request of a nonexempt employee, an agency may grant compensatory time off in lieu of OT payment, on a one-to-one basis as stated in 5 CFR 551.531(a).

Note. All work in excess of employees regular schedule work hours or in excess of 40 hours per week will be considered OT whether or not it has been approved in advance, and non-exempt employees will be entitled to OT pay for any OT management suffers and permits, meaning that management had knowledge of the OT, but didn't prevent it. The AASA; and commanders/heads of ACOMs, ASCCs, and DRUs are responsible for reviewing FLSA determinations during classification, as appropriate.

(2) Ignorance of the particulars of "suffers or permits to work" conditions can have serious and costly repercussions and could potentially become a future OT claim by the employee. There are numerous circumstances under which off the clock work might occur, however, it is management's responsibility to exercise control and ensure that work is not accomplished in excess of the employees regular workweek or established work hours if the employer does not want to pay for it.

(3) Exempt employees under the GS that are paid at the rate of GS–10, step 10 and below have the option of receiving OT compensation or compensatory time off for occasional or irregular OT hours worked. Those that are paid at rates exceeding a GS–10, step 10 may receive either OT compensation or compensatory time off; management has the authority to direct compensatory time off in place of OT pay. Exempt employees are entitled to 1 hour of compensatory time off for every hour of OT worked.

g. OT is either irregular/occasional or regularly scheduled.

(1) Irregular or occasional OT work means OT work that is not part of an employee's regularly scheduled administrative workweek.

(2) Regular OT work means OT work that is part of an employee's regular schedule. The employee must be scheduled to perform work, including night work, in advance of the administrative workweek and it is considered part of the regularly scheduled administrative workweek.

(3) The official responsible for scheduling OT has knowledge of all the different work requirements before the administrative workweek begins, and has the capability to determine which employees on specific days and hours are required to perform the OT work. In this case, it is regularly scheduled. The employee must, therefore, be compensated with OT pay rather than compensatory time off for either exempt or non-exempt.

2–28. Pay based on telework location

The official worksite for teleworkers remains the place where they would normally work, not their telework location for purposes of pay entitlement as long as they are regularly scheduled to be at that site at least twice each biweekly pay period. Otherwise, for permanent remote telework arrangements, the official worksite must be reassigned to the telework location and pay set accordingly. Supervisors must determine and designate the official worksite for an employee covered by a telework agreement on a case-by-case basis using the following criteria:

a. The official worksite for an employee covered by a telework agreement is the location of the regular worksite for the employee's position (for example, the place where the employee would normally work absent a telework agreement), as long as the employee is scheduled to report physically at least twice each biweekly pay period on a regular and recurring basis to that regular worksite.

b. In the case of a telework employee whose work location varies on a recurring basis, the employee need not report at least twice each biweekly pay period to the regular worksite established by the agency as long as the employee is performing work within the same geographic area (established for the purpose of a given pay entitlement) as the

employee's regular worksite. For example, if a telework employee with a varying work location works at least twice each biweekly pay period on a regular and recurring basis in the same locality pay area in which the established official worksite is located, the employee need not report at least twice each biweekly pay period to that official worksite to maintain entitlement to the locality payment for that area.

c. The official worksite for an employee covered by a telework agreement who is not scheduled to report at least twice each biweekly pay period on a regular and recurring basis to the regular worksite is the location of the telework site (for example, home or other alternative worksite).

d. For permanent remote telework arrangements, the official worksite must be reassigned to the telework location and set pay accordingly.

2–29. Pay retention

An employee whose rate of basic pay otherwise would be reduced as a result of a listed applicable action, is entitled to retain their rate of basic pay. See 5 CFR 536, Subpart B, and DoDI 1400.25, Vol. 536, para. 3.2.

a. *Mandatory pay retention.* An agency must provide pay retention to an employee who moves between positions under a covered pay system or from a position not under a covered pay system to a position under a covered pay system and whose payable rate of basic pay would be reduced (after application of any applicable geographic conversion) as a result of—

- (1) The expiration of the 2-year period of grade retention under 5 CFR 536, Subpart B.
- (2) A reduction in force (RIF) or reclassification action that places an employee in a lower graded position when the employee does not meet the eligibility requirements for grade retention.
- (3) A management action that places an employee in a non-special rate position or in a lower-paid special rate position from a special rate position.
- (4) A management action that places an employee under a different pay schedule.
- (5) A management action that places an employee in a formal employee development program generally utilized Government wide, such as upward mobility, apprenticeship, and career intern programs.
- (6) A reduction or elimination of scheduled rates, special schedules, or special rate schedules (excluding a statutory reduction in scheduled rates of pay under the GS or prevailing rate schedule).

b. *Other pay retention provisions.* Army appointing officials may provide pay retention to eligible employees who do not have specific entitlement by law or regulation but whose rates of basic pay would otherwise be reduced as the result of a management action subject to the limitations in DoD 7000.14–R and 5 CFR 536.302(a). Pay retention will be extended when—

- (1) An employee would otherwise be granted grade retention, but does not meet the eligibility requirements in specified in 5 CFR 536.302.
- (2) An employee accepts a lower graded position designated in advance by the activity as being difficult-to-fill.
- (3) An employee is reduced in grade on return from an overseas assignment under the terms of a pre-established agreement including when—
 - (a) An employee is released from a period of service specified in their current transportation agreement due to an involuntary, management-initiated action other than for cause.
 - (b) An employee who has completed more than 52 consecutive weeks of service under a current agreement is released from a transportation agreement for compelling humanitarian or compassionate reasons.
 - (c) A non-displaced overseas employee under no obligation to return to the United States is otherwise eligible for Priority Placement Program (PPP) registration.
- (4) An employee declines an offer to transfer with their function to a location outside the commuting area, or is identified with such function but does not receive an offer at the gaining activity, and is placed in a lower graded position at the losing activity or any other DoD activity.
- (5) An employee accepts a lower graded position offered by an activity to accommodate a disabling medical condition.
- (6) An employee 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 in another Schedule C position, provided that such action is not solely the result of a change in agency leadership (change in administration).
- (7) An employee occupying an Army or Air Force military technician position loses or is scheduled to lose eligibility through no fault of their own and accepts placement without a break in service in a lower graded, non-dual-status technician position.
- (8) An employee occupying a National Guard military technician position loses military status through no fault of their own and accepts placement without a break in service in a lower graded competitive service position.

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

(10) An employee applies through a formal recruitment program (for example, a vacancy announcement in a talent acquisition system) and is selected for a position outside the continental United States (OCONUS) for which pay retention has been advertised, in writing, as an incentive for applicants whose pay would be reduced if selected for the position. Pay retention will not be offered as an incentive for employees moving between overseas positions.

(11) An employee is involuntarily moved from a DoD non-appropriated fund position to a DoD civil service position without a break in service of more than 3 days.

c. Voluntary change to lower graded positions. An employee who applies for a lower graded position is not eligible for pay retention regardless of the location. An exception may be authorized by the AASA; and commanders/heads of ACOMs, ASCCs, and DRUs for documented difficult-to-fill or critical skills positions as certified by the supporting CHRA CPAC and for employees who accept a lower graded position associated with a training program, for example, upward mobility or intern positions.

2–30. Premium pay for air traffic controllers

DoD air traffic control (ATC) employees who meet the statutory requirements will be paid the 5 percent premium pay, as authorized by 5 USC 5546a(a)(1). Premium pay may be paid only to employees whose duties are consistent with the provisions of the statutory authority.

a. The Secretary of Defense or designees who exercise appointing authority may pay premium pay at the rate of 5 percent of the applicable rate of basic pay to any DA employee who is—

(1) Occupying a position in the air traffic controller series classified not lower than GS–9 and located in an ATC center or terminal or in a flight service station.

(2) Assigned to a position classified not lower than GS–09 or WG–10 located in an airway facilities sector.

(3) Or assigned to a flight inspection crewmember position classified not lower than GS–11 located in a flight inspection field office.

(4) And performing duties (by position) determined to be directly involved in or responsible for the operation and maintenance of the ATC system.

b. Employees must perform non-radar approach control duties limited to GS–2152 occupational series and their supervisors who perform separation and control of air traffic or air space functions. Headquarters staff level ATC positions must be performing radar/non-radar approach control duties as stated in their current position description in order to be eligible for the special salary rate.

2–31. Quality step increase

A QSI is an additional WGI used to recognize and reward GS employees, and employees of other pay systems as authorized, at any grade level who display outstanding performance. A QSI has the effect of moving an employee through the GS pay range faster than by periodic step increases alone (see AR 672–20). To be eligible for a QSI, employees must—

a. Be below step 10 of their grade level.

b. Have received the highest rating of record available under current or applicable/governing performance management program.

c. Not be currently under investigation or pending disciplinary or adverse action.

d. Not be the subject of disciplinary action within the preceding 120 days.

e. Not be actively and substantially involved in unlawful discrimination.

f. Not received a QSI within the preceding 52 consecutive calendar weeks.

2–32. Recruitment, relocation, and retention incentives

The 3Rs are compensation flexibilities available to help Federal agencies recruit and retain a high quality workforce. The 3Rs are administered under 5 USC 5753; 5 USC 5754; and 5 CFR 575, Subparts A, B, and C. Incentives must be authorized in accordance with Army Implementation Procedures on Civilian Incentive Programs (Recruitment, Relocation, and Retention Incentives), dated 16 February 2021.

a. Recruitment incentive. A recruitment bonus of up to 25 percent of basic pay (to include locality pay as defined in 5 CFR, Parts A, B, and C, respectively) may be offered to certain newly-appointed employees. The authority to approve recruitment bonuses is delegated through and subject to the authority of the AASA; and commanders/heads of ACOMs, ASCCs, DRUs, or their appropriately designated official, in accordance with the Matrix of Assistant

Secretary of the Army (Manpower and Reserve Affairs) (ASA (M&RA)) Delegated Civilian Human Resources Authorities, version 02–2017, 23 October 2017. Recruitment incentives may be paid provided there is a written determination by the approving official (AO) that, in the absence of such an incentive, difficulty would be encountered in filling the position.

b. Relocation incentive. A relocation bonus of up to 25 percent of basic pay (to include locality pay as defined in 5 CFR 575, Parts A, B, and C, respectively) may be offered to certain current employees who must relocate to accept a position in a different commuting area. The authority to approve relocation bonuses is delegated through and subject to the authority of the AASA; commanders/heads of ACOMS, ASCCs, DRUs, or their appropriately designated official, in accordance with the Matrix of Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA (M&RA)) Delegated Civilian Human Resources Authorities, version 02–2017, 23 October 2017. Relocation incentives may be paid provided there is a written determination by the AO that, in the absence of such an incentive, difficulty would be encountered in filling the position.

c. Retention incentive. A retention allowance of up to 25 percent of basic pay (to include locality pay as defined in 5 CFR 575, Parts A, B, and C, respectively) may be offered to certain current employees in order to retain their services. The AO must certify in writing that unusually high or unique qualifications of the employee or a special need of the Army for the employee's services makes it essential to retain the employee and, absent a retention allowance, the employee would be likely to leave the Federal Service or likely to leave for a different Federal position due to a base realignment or closure.

(1) Retention allowances will be reviewed and approved by an official who is at a higher level than the official making the allowance offer. Designations to make such offers must be in writing.

(2) Prior to approval of any allowance, AOs will establish criteria for such offers to ensure consistent treatment of employees in similar situations.

d. Delegation of authority. Authority may be delegated in writing as specified in paragraph 1–6, but no lower than officials who exercise personnel appointing authority.

2–33. Reservist differential

a. Federal agencies must provide a reservist differential payment equal to the amount by which an employee's projected civilian basic pay for a covered pay period exceeds the employee's actual military pay and allowances allocable to that pay period. The reservist differential is not payable for periods during which the employee is receiving civilian basic pay for performing work or using civilian paid leave or other paid time off.

b. If an employee is placed in military non-pay status for conduct-related reasons (for example, absence without leave, confinement, or desertion) during qualifying active duty, the days on which the employee has such status are not considered to be qualifying days for the purpose of computing the reservist differential.

c. An employee may not receive a reservist differential for a period for which the employee receives basic pay for either the performance of work or the use of any kind of paid leave or other paid time off.

2–34. Separate maintenance allowance

Separate maintenance allowance (SMA) is a discretionary allowance that may be granted to an employee upon approval and documentation of the rationale determined by the authority specified in paragraph 1–6, to determine that the employee is compelled to maintain any or all members of family other than at the post of assignment because of the following circumstances (see DSSR 260 and subsequent paragraphs for specific SMA types and maximum authorizations):

a. Involuntary separate maintenance allowance. For the convenience of the U.S. Government when dangerous, notably unhealthful, or excessively adverse living conditions warrant the exclusion of family from accompanying an employee to the post of assignment. Involuntary separate maintenance allowance (ISMA) must be terminated on a child's 21st birthday, unless the child is attending secondary school (grades 9–12); or the child is determined to be incapable of self-support (due to physical or mental impairment). A child who is in post-secondary school/college and not currently working is not considered to be incapable of self-support.

b. Voluntary separate maintenance allowance. When an employee requests voluntary separate maintenance allowance (VSMA) for special needs or hardship prior to or after arrival at posts for reasons including but not limited to career, health, educational, or family considerations for the spouse, children, or other Family member. VSMA must be terminated on a child's 18th birthday, unless the child is attending secondary school (grades 9–12) or is determined to be incapable of self-support (due to physical or mental impairment).

c. Transitional separate maintenance allowance. Transitional separate maintenance allowance (TSMA) assists an employee with additional costs incurred when Family members are required to temporarily occupy commercial housing while establishing permanent housing following an evacuation or in connection with unaccompanied assignments.

Temporary commercial housing is housing that is occupied on a short-term basis, such as a hotel, motel, commercially-leased house or apartment, or other transient-type commercial establishment. Employees whose Family members reside in non-commercial housing, housing that can be occupied for a longer term or housing that is considered private, may not receive TSMA. Examples of non-commercial housing include employee-owned housing, living with family or friends, and apartment rentals where the lease term is longer than 6 months. TSMA may be authorized—

d. Following the termination of an evacuation and the conversion of a post to an unaccompanied status. The AASA; and commanders/heads of ACOMS, ASCCs, DRUs, or their appropriately designated official, in accordance with the Matrix of Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA (M&RA)) Delegated Civilian Human Resources Authorities, version 02–2017, 23 October 2017 may authorize TSMA when a post is converted to any unaccompanied status upon termination of an authorized/ordered departure and Family members are occupying temporary commercial housing. TSMA may be granted for a period up to 60 calendar days after the end of an evacuation when the post is converted to any unaccompanied status.

e. Following the termination of an evacuation and reversion of post to accompanied status for educational consideration. The AASA; and commanders/heads of ACOMS, ASCCs, DRUs, or their appropriately designated official, in accordance with the Matrix of Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA (M&RA)) Delegated Civilian Human Resources Authorities, version 02–2017, 23 October 2017 may authorize TSMA when Family members are in temporary commercial housing and choose to remain at the safe haven when their evacuation has been terminated. TSMA under this paragraph may be granted for a period of up to 90 calendar days after the end of an evacuation.

f. Following termination of an evacuation and reversion of post to accompanied status for other situations. If an employee and/or Family members cannot return to post for reasons beyond the employee's control, and the employee with Family members, or Family members alone, were occupying temporary commercial lodging at the time that an evacuation ended and the post reverted to accompanied status, then the AASA; and commanders/heads of ACOMS, ASCCs, DRUs, or their appropriately designated official, in accordance with the Matrix of Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA (M&RA)) Delegated Civilian Human Resources Authorities, version 02–2017, 23 October 2017 may authorize TSMA on a case-by-case basis for up to 30 calendar days.

g. When Family members must depart from an accompanied foreign post because employee's next foreign post is unaccompanied. The AASA; and commanders/heads of ACOMS, ASCCs, DRUs, or their appropriately designated official, in accordance with the Matrix of Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA (M&RA)) Delegated Civilian Human Resources Authorities, version 02–2017, 23 October 2017 may authorize TSMA pending commencement of ISMA when Family members are required to occupy temporary commercial quarters at the authorized ISMA location following their departure from an accompanied foreign post because they are not permitted to reside with the employee at their onward foreign post of assignment. TSMA under this paragraph may be granted for up to 60 calendar days after the Family members arrive at the ISMA location and occupy temporary commercial housing.

h. When Family members on involuntary separate maintenance allowance prepare to depart involuntary separate maintenance allowance point for employees' next foreign or domestic post (accompanied). The AASA; and commanders/heads of ACOMS, ASCCs, DRUs, or their appropriately designated official, in accordance with the Matrix of Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA (M&RA)) Delegated Civilian Human Resources Authorities, version 02–2017, 23 October 2017 may authorize TSMA when Family members on ISMA are required to vacate their permanent housing at the ISMA location and occupy temporary commercial quarters immediately prior to their departure from the ISMA point to join the employee at their new foreign or domestic post of assignment, when: the new post is accompanied; the ISMA location is at least 50 miles from, or in a different country than, the location of the next foreign or domestic post of assignment; and the employee has not yet departed on transfer orders from the overseas unaccompanied post of assignment. TSMA under this paragraph may be granted for up to a period of up to 10 calendar days after the Family members occupy temporary commercial housing prior to the employee's departure from the overseas unaccompanied post of assignment.

2–35. Severance pay

Severance pay is authorized for full-time and part-time employees who are involuntarily separated from Federal service and who meet other conditions of eligibility.

a. Eligibility for severance pay. To be eligible for severance pay, an employee must be serving under a qualifying appointment, have a regularly scheduled tour of duty, have completed at least 12 months of continuous service by the date of separation, and be removed from Federal service by involuntary separation for reasons other than inefficiency (that is, unacceptable performance or conduct).

b. Ineligibility for severance pay. An employee is not eligible for severance pay if they are not serving under a qualifying appointment; decline a reasonable offer of assignment to another position as defined in 5 CFR 550.703; are serving under a qualifying appointment that is scheduled to be terminated within 1 year after the date of the appointment; are receiving injury compensation under 5 USC 81, Subchapter I; or are eligible upon separation for an immediate annuity from a Federal civilian retirement system or from the uniformed services.

2–36. Special salary rates

The OPM may establish higher rates of basic rates of back pay for a group or category of GS positions in one or more geographic areas to address existing or likely significant handicaps in recruiting or retaining well-qualified employees (see 5 CFR Section 532.251). OPM may establish special rates for nearly any category of employee that is, by series, specialty, grade level, and/or geographic area.

a. OPM may establish special rates to address staffing problems caused by—

(1) Significantly higher non-Federal pay rates than those payable by the Federal Government within the area, location, or occupational group involved.

(2) The remoteness of the area or location involved.

(3) The undesirability of the working conditions or nature of the work involved.

(4) Or any other circumstances OPM considers appropriate.

b. Special rate requests must be forwarded to DCS, G–1 (AG1–CP) using OPM Form 1397 (Special Salary Rate Request Form).

2–37. Student loan repayment program

The Federal student loan repayment program permits agencies to repay federally insured student loans as a recruitment or retention incentive for candidates or current employees. The program implements 5 USC 5379, which authorizes agencies to set up their own student loan repayment programs to attract or retain highly qualified employees. Any employee (as defined in 5 USC 2105) is eligible, except those occupying a position excepted from the competitive civil service because of their confidential, policy-determining, policy-making, or policy-advocating nature (for example, Schedule C appointees).

a. Discretionary authority. This authority is used at the discretion of the agency. Each command, ACOM, ASCC, and DRU within DA must develop a plan to describe how its program will be implemented.

b. Service agreement. An employee receiving this benefit must sign a service agreement to remain in the service of the paying agency for a period of at least 3 years. An employee must reimburse the Army for all benefits received if they are separated voluntarily or separated involuntarily for misconduct, unacceptable performance, or a negative suitability determination under 5 CFR 731. In addition, an employee must maintain an acceptable level of performance in order to continue to receive repayment benefits.

c. Delegation of authority. Authority may be delegated in writing as specified in paragraph 1–6, but no lower than officials who manage centralized intern or training programs.

2–38. Sunday premium pay

a. Under 5 USC 5544 a wage employee whose regular work schedule includes an 8-hour period of service that is not OT work, a part of which is on Sunday, is entitled to additional pay at the rate of 25 percent of their hourly rate of basic pay for each hour performed during that 8-hour period of service (see 46 Comptroller General 337; B – 159950, October 19, 1966).

b. An employee who works more than 8 hours on a Sunday does not receive the Sunday premium for hours in excess of 8 hours. For example, an employee whose regular work schedule includes a 10-hour period of service on Sunday is entitled to 8 hours Sunday premium pay and 2 hours of OT pay at the same rate as for the OT work performed on another day.

2–39. Temporary quarters subsistence expenses

a. Temporary quarters subsistence expenses (TQSE) is normally a discretionary allowance intended to reimburse employees associated with temporary lodging, meals and/or groceries, tips and fees related to lodging and meals, laundry, and dry cleaning. TQSE is a taxable allowance.

b. The AO, not an employee, determines if TQSE is necessary. Eligibility criteria for TQSE are addressed in Joint Travel Regulations (JTR), Chapter 5.

c. TQSE is a non-discretionary allowance when an employee returns from an assignment in a foreign area by placement through the PPP. The gaining activity must pay TQSE when an employee moves due to a RIF or transfer of function and meets the eligibility requirements.

d. There are two types of TQSE allowances; Actual Expense (TQSE (AE)) Reimbursement and Lump Sum Payment (TQSE (LS)).

e. TQSE (AE) is reimbursement based on actual expenses.

(1) TQSE (AE) uses the standard CONUS per diem rate in any place in the CONUS and the PDS locality per diem rate for a PDS OCONUS, both non-foreign and foreign areas OCONUS.

(2) While on TQSE (AE), employees must itemize their expenses and submit the itemized list using DD Form 2912 (Claim for Temporary Quarters Subsistence Expense (TQSE) (Sub-voucher)). Receipts are required for lodging, laundry (other than coin operated machine), dry cleaning, and single expenses over \$75.00.

(3) An AO may authorize TQSE (AE) up to a period of 60 consecutive days. The authorization may be extended for an additional 60 days or fewer if it is determined there are compelling reasons for the extension. Acceptable circumstances are addressed in JTR, Chapter 5, but not limited to those circumstances.

(4) The per diem rates for the first 30 days and for the second 30 days can be found in JTR, Chapter 5. TQSE rates after the first 60 days are at the same rate for the second 30 days.

f. TQSE (LS) is a flat amount based on the number of days authorized.

(1) TQSE (LS) uses the locality per diem rate at the old PDS or new PDS. The applicable per diem rate is the one in effect on the day the employee accepts the fixed-rate offer for the season in which the employee travels, or a combination, depending on where temporary quarters will be occupied. The AO determines if TQSE (LS) instead of TQSE (AE) is offered and the number of days necessary, limited to 30 days.

(2) Receipts, the review of claims, and supporting documents are not required for TQSE (LS). Even though receipts and supporting documents are not required, the employee should obtain lodging receipts in case the AO requires the proof of temporary lodging was occupied.

2–40. Title 38, United States Code; additional pay for nurses, physician assistants, and other health care professionals

a. OPM and DoD delegated agreement authorized United States Army Medical Command to use 38 USC authorities for certain health care occupations which are listed in 38 USC, Subchapter 1, Part 7401. One of these authorities is additional pay for nurses, physician assistants, and other health care professionals. Following are the different additional pay authorized under this authority (see 38 USC, Subchapter 1, Parts 7453 & 7454):

(1) *Overtime pay.* OT rate is 1.5 times the basic hourly rate for hours of service in excess of 40 hours in an administrative workweek, or in excess of 8 hours in a day. To be entitled to OT pay, the work must be officially ordered and approved in advance and scheduled. Unscheduled OT is authorized when employees are required by management to remain beyond their normal daily work schedule, their 40 hours administrative workweek or they are called back to work. The work must be at least 15 minutes in duration to be creditable for OT pay.

(2) *Weekend differential (Saturday and Sunday premium pay).* Weekend rate is 25 percent of the basic hourly rate for each scheduled hour of service which falls between mid-night Friday and midnight Sunday. (Saturday Premium starts midnight Friday to midnight Saturday; Sunday Premium starts midnight Saturday to midnight Sunday.)

(3) *Night differential (tour differential).* Authorized when employees are performing their normal tour of duty and not in an OT basis. Night differential rate is 10 percent of the basic hourly rate. Employees receive additional pay for each hour of service when 4 or more hours fall between 6 p.m. and 6 a.m. When less than 4 hours of service fall between 6 p.m. and 6 a.m., employees will only be paid the differential for the hours of service which fall between 6 p.m. and 6 a.m.

(4) *Holiday pay.* Holiday rate is two times the basic hourly rate for each scheduled hour of service or OT worked on a holiday.

(5) *On-call pay.* On-call rate is 10 percent of the OT rate for each hour in an on-call status. Employees must be officially scheduled to be on call outside regular duty hours or on a holiday. When an employee is required to return to work, on-call pay is suspended and basic pay or OT is paid for the period worked. When released from work, the employee returns to the remaining scheduled on-call status. Time spent at work is deemed to be at least 2 hours for pay purposes.

(6) *Compensatory time.* Compensatory time in lieu of OT pay is not permitted, except when voluntarily requested in writing by the employee.

b. For the purpose of computing the additional pay, an employee's hourly rate of basic pay will be derived by dividing the annual rate of basic pay by 2,080.

c. An employee may be entitled to two or more forms of additional pay, listed in paragraph 2–40a, for the same period of service. The amounts of each additional pay will be computed separately.

2–41. Voluntary Separation Incentive Program

a. Defining rules. The Voluntary Separation Incentive Program (VSIP) authority, also known as buyout authority, allows agencies that are downsizing or restructuring to offer employees lump-sum payments as set by OPM, in consultation with the Office of Management and Budget, or by Congressional appropriations as an incentive to voluntarily separate. By allowing employees to volunteer to leave the Government, agencies can minimize or avoid involuntary separations through the use of costly and disruptive RIFs. DoD has been granted agency-specific VSIP authority and is not required to seek OPM approval for DoD use of this option.

b. Approval authority. The authority to approve VSIP is the SECARMY and may be redelegated in writing to the lowest practicable level, but not lower than the local senior commander or activity head.

c. Payments. The buyout payment is equivalent to the amount the employee would be entitled to as severance pay, if the employee was entitled to severance pay up to a maximum (before taxes and deductions) paid on the voluntary resignation, early retirement, or optional retirement of a designated civilian employee. The amount of separation pay is not discretionary. CHRA CPACs calculate the amount using the approved severance pay formula specified in title 5, USC 5595c, which includes a reduction in the maximum entitlement based on severance pay previously received. The buyout may be paid in a lump-sum or installments.

(1) *Ineligible employees for Voluntary Separation Incentive Program.* An employee meeting any of the following is ineligible for a buyout:

- (a) Is a reemployed annuitant.
- (b) Is eligible for disability retirement under any Federal employee retirement system.
- (c) Is on a Schedule C excepted appointment.
- (d) Is a non-compensated employee.
- (e) Has accepted a position with another Federal agency.
- (f) Has received a specific notice of RIF separation.
- (g) Has declined to relocate with their position or declined a transfer of function.
- (h) Has received a decision notice of involuntary separation for misconduct or unacceptable performance.
- (i) Has previously received a buyout.
- (j) Has applied for retirement.

(2) *Ineligibility.* Absent a waiver (granted in writing on a case-by-case basis by the VSIP approving authority) an employee meeting any of the following criteria is ineligible for a buyout:

(a) Is covered by a written service agreement such as, but not necessarily limited to, those required in conjunction with PCS, training, student loan repayments, critical acquisition positions, or recruitment, relocation, or retention incentives.

(b) Is receiving a retention incentive.

(c) Is occupying a position defined as difficult-to-fill.

d. Restrictions. When accepting a buyout, the following restrictions on reemployment within the Federal Government apply:

(1) An employee receiving VSIP who accepts employment with the DoD within 5 years after the date of separation on which payment of the buyout is based, will be required to repay the entire amount of the buyout (before taxes and deductions).

(2) A DoD employee who receives a buyout may not be reemployed within the DoD for a 12-month period beginning on the effective date of the employee's separation. The SECARMY or designee may approve exceptions on a case-by-case basis for Army positions.

(3) A DoD employee approved for payment of a buyout is prohibited from registering in the DoD PPP. If registered in error, the employee must be immediately removed from the program.

2–42. Waiving overpayments

Under 5 USC 5584, an authorized official as referenced in the Matrix of Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA (M&RA)) Delegated Civilian Human Resources Authorities, version 02–2017, 23 October 2017 may waive recovery of overpayments resulting from erroneous payment to an employee of (1) pay or allowances or (2) travel, transportation, or relocation expenses and allowances. Use of the waiver authority is discretionary. An employee's overpayment debt may be waived in whole or in part. A waiver decision must be based on a finding that collection would be against equity and good conscience and not in the best interests of the United States. An erroneous payment for which collection is waived is deemed to be a valid payment. Within the DoD the following rules apply to waiver requests:

a. If the aggregate amount of the debt is \$1,500 or less, DFAS will deny or grant all or part of a waiver application.

b. If the aggregate amount of the debt is more than \$1,500, DFAS may deny a waiver application in its entirety; or refer a waiver application for consideration along with a recommendation for waiver to be granted in whole or in part, to the Director, Defense Office of Hearings and Appeals.

c. Waiver requests will be completed using the DD Form 2789 (Waiver/Remission of Indebtedness Application), and will be sent to DFAS to the address listed on the debt notification letter that the employee receives.

2-43. Within-grade increase

A WGI or periodic step increase is an increase in an employee's rate of basic pay from one step of the grade of their position to the next higher step of that grade.

a. *Within-grade increase linkage to performance management.* As part of ongoing communication with employees, the supervisor will discuss an upcoming WGI with the employee and will document the date of this conversation.

b. *Within-grade increases and job performance.* The decision to grant or deny a WGI is based on the employee's most recent rating of record issued within the WGI waiting period. To receive a WGI, the employee must be performing at the "Fully Successful" level or higher. When a WGI decision is not consistent with the employee's most recent rating of record, a more current rating of record must be prepared.

c. *Withholding a within-grade increase.* There are three situations under which a WGI is withheld with appropriate documentation:

(1) When the rating of record is fully successful or above and performance has deteriorated to less than "Fully Successful."

(2) When the rating of record is less than "Fully Successful."

(3) When the employee failed to demonstrate fully successful performance during the period a decision has been postponed on an employee's eligibility for a WGI.

d. *Within-grade increase denial consideration.* When considering denying a WGI, supervisors should contact their supporting CPAC for further information.

Appendix A

References

Section I

Required Publications

AR 11–6

Army Foreign Language Program (Cited in para 2–6d(2)).

DoDI 1400.25, Volume 336

Civilian Personnel Management: Civilian Firefighters and Law Enforcement Officers (Cited in para 1–4d).

DoDI 1400.25, Volume 1250

Civilian Personnel Management: Overseas Allowances and Differentials (Cited in para 1–4d).

DoDI 1400.25, Volume 2016

Administration of Foreign Language Pay for Defense Civilian Intelligence Personnel System (DCIPS) Employees (Cited in para 2–6a.)

JTR, Chapter 5

Joint Travel Regulations: Permanent Duty Travel (Cited in para 2–39b.) (Available at <https://www.defensetravel.dod.mil/>.)

USD P&R memorandum, dated 10 May 2021

Calendar Year 2021 Waiver of Annual Pay Limitations for Certain Employees (Cited in para 2–5b.) (Available at <https://www.defensetravel.dod.mil/>.)

5 CFR 410.402

Paying premium pay: Exceptions (Cited in para 2–17g.) (Available at <https://www.gpo.gov/>.)

5 CFR 530, Subpart B

Aggregate Limitation on Pay (Cited in para 2–5.) (Available at <https://www.gpo.gov/>.)

5 CFR 531.603

Locality pay areas (Cited in para 2–20a.) (Available at <https://www.gpo.gov/>.)

5 CFR 610.407

Premium pay for holiday work for employees on compressed work schedules (Cited in table E–1.) (Available at <https://www.gpo.gov/>.)

5 USC 301

Departmental regulations (Cited in para 1–6a.) (Available at <https://uscode.house.gov/>.)

5 USC 302

Delegation of authority (Cited in para 1–4a.) (Available at <https://uscode.house.gov/>.)

5 USC 5307

Aggregate Limitation on Pay (Cited in para 2–5.) (Available at <https://uscode.house.gov/>.)

5 USC 5584

Waiving Overpayments (Cited in para 2–42.) (Available at <https://uscode.house.gov/>.)

5 USC 5941

Allowances based on living costs and conditions of environment; employees stationed outside continental United States or in Alaska (Cited in para 2–10.) (Available at <https://uscode.house.gov/>.)

10 USC 4021

Armed Forces (Cited in para 2–13a.) (Available at <https://uscode.house.gov/>.)

Section II

Related Publications

A related publication is a source of additional information. The user does not have to read a related publication to understand this publication. Code of Federal Regulations are available at <https://www.gpo.gov/>. United States Codes

are available at <https://uscode.house.gov/>. Department of State Standardized Regulations are available at <https://aoprals.state.gov/>.

AR 11–2

Managers’ Internal Control Program

AR 25–30

Army Publishing Program

AR 672–20

Incentive Awards

Comptroller General Decision B–205372, July 23, 1982

(Available at <https://www.gao.gov/>.)

DA Pam 25–40

Army Publishing Program Procedures

DA Pam 25–403

Guide to Recordkeeping in the Army

DoD 7000.14–R, Paragraph E

Compensatory Time Off

DoD 7000.14–R, Volume 8

Department of Defense Financial Management Regulation: Civilian Pay Policy

DoD 7000.14–R, Volume 8, Chapter 10

Department of Defense Financial Management Regulation: Civilian Pay Policy, Special Category Employees

DoD 7000.74–R, Volume 8, Chapter 10, Section 1023

Special Category Employees: De facto employees (Available at <https://comptroller.defense.gov/>.)

DoDI 1340.23

Waiver Procedures for Debts Resulting from Erroneous Pay and Allowances

DoDI 1340.27

Military Foreign Language Skill Proficiency Bonuses

DoDI 1400.25, Volume 100

Civilian Personnel Management; General Provisions

DoDI 1400.25, Volume 331

Civilian Personnel Management: Civilian Air Traffic Controllers (ATCs)

DoDI 1400.25, Volume 410

Civilian Personnel Management: Training, Education, and Professional Development

DoDI 1400.25, Volume 530

Civilian Personnel Management: Pay Rates and Systems (General)

DoDI 1400.25, Volume 536

Civilian Personnel Management: Grade and Pay Retention

DoDI 1400.25, Volume 540

Civilian Personnel Management: Pay Pursuant to Title 38-Additional Pay for Certain Healthcare Professionals

DoDI 1400.25, Volume 541

Civilian Personnel Management: Pay Pursuant to Title 38 - Special Rules for Nurses Pursuant to the Baylor Plan

DoDI 1400.25, Volume 550

Civilian Personnel Management: Pay Administration (General)

DoDI 1400.25, Volume 575

Civilian Personnel Management: Recruitment, Relocation, and Retention Incentives and Supervisory Differentials

DoDI 1400.25, Volume 1702

DoD Civilian Personnel Management System: Voluntary Separation Programs

DSSR 100, Section 130

Living Quarters Allowance

DSSR 120

Temporary Quarters Subsistence Allowances

DSSR 200

Cost-of-Living Allowances

DSSR 260

Separate Maintenance Allowance

DSSR 500

Post Differential

DSSR 650

Danger Pay Allowance

DSSR 850

Advances of Pay

EO 10000

Regulations governing additional compensation and credit granted certain employees of the Federal Government serving outside the United States (Available at <https://www.archives.gov/>)

GAO Civilian Law Manuals

(Available at <https://www.gao.gov/>)

GSBCA 15455 –RELO, June 26, 2001

(Available at <https://www.gsbca.gsa.gov/>)

GSBCA 16646 –RELO, August 8, 2005

(Available at <https://www.gsbca.gsa.gov/>)

National Defense Authorization Act (NDAA) of 2017

(Available at <https://www.dfas.mil/>)

OPM Appropriated Fund Operating Manual, Appendix C

Special Rates or Rate Ranges under The Federal Wage System: Nationwide Schedule of Regular Wage Surveys (Available at <https://www.opm.gov/>)

OPM Decision Number F–0083–06–01

Fair Labor Standards Act Decision Under Section 4(f) of the Act as Amended (Available at <https://www.opm.gov/>)

OPM Fact Sheet, Pay & Leave: Pay Administration

Compensatory Time Off (Available at <https://www.opm.gov/>)

OPM Fact Sheet, Pay & Leave: Pay Administration

Evacuation Payments During a Pandemic Health Crisis (Available at <https://www.opm.gov/>)

OPM Fact Sheet, Pay & Leave: Pay Administration

Grade Retention (Available at <https://www.opm.gov/>)

OPM Fact Sheet, Pay & Leave: Pay Administration

Night Shift Differential for Federal Wage System Employees (Available at <https://www.opm.gov/>)

OPM Fact Sheet, Pay & Leave: Pay Administration

Official Worksite for Location-Based Pay Purposes (Available at <https://www.opm.gov/>)

OPM Fact Sheet, Pay & Leave: Pay Administration

Pay Retention (Available at <https://www.opm.gov/>)

OPM Fact Sheet, Pay & Leave: Pay Administration

Quality Step Increase (Available at <https://www.opm.gov/>)

OPM Fact Sheet, Pay & Leave: Pay Administration

Superior Qualifications and Special Needs Pay–Setting Authority (Available at <https://www.opm.gov/>)

OPM Fact Sheet, Pay & Leave: Student Loan Repayment

Student Loan Repayment (Available at <https://www.opm.gov/>.)

OPM Policy, Pay & Leave

Recruitment, Relocation & Retention Incentives (Available at <https://www.opm.gov/>.)

OPM Policy, Workforce Restructuring

Voluntary Separation Incentive Payments (Available at <https://www.opm.gov/>.)

U.S. Department of Labor (Wage and Hour Division) Fact Sheet #23

Overtime Pay Requirements of the FLSA (Available at <https://www.dol.gov/>.)

5 CFR

Administrative Personnel

5 CFR 351

Reduction in Force

5 CFR 353.208

Use of paid time off during uniformed service

5 CFR 359.705

Pay

5 CFR 430.208

Rating performance

5 CFR 531

Pay Under the General Schedule

5 CFR 531.206

Order of processing simultaneous pay actions

5 CFR 531.212

Superior qualifications and special needs pay-setting authority

5 CFR 531.213

Setting pay upon change in position without a change in grade

5 CFR 531.214

Setting pay upon promotion

5 CFR 531.221

Maximum payable rate rule

5 CFR 531.404

Earning within-grade increase

5 CFR 531.407

Equivalent increase determinations

5 CFR 535

Critical Position Pay Authority

5 CFR 536

Grade and Pay Retention

5 CFR 536, Subpart B

Grade and Pay Retention: Grade Retention

5 CFR 536, Subpart C

Grade and Pay Retention: Pay Retention

5 CFR 536.102

Coverage

5 CFR 536.201

Mandatory grade retention

5 CFR 536.203

Additional eligibility requirements for grade retention

5 CFR 536.302

Optional pay retention

5 CFR 550, Subpart A

Premium Pay

5 CFR 550, Subpart G

Severance Pay

5 CFR 550, Subpart M

Firefighter Pay

5 CFR 550.103

Definitions

5 CFR 550.105

Biweekly maximum earnings limitation

5 CFR 550.106

Annual maximum earnings limitation

5 CFR 550.107

Premium payments capped on a biweekly basis when an annual limitation otherwise applies

5 CFR 550.112

Computation of overtime work

5 CFR 550.113

Computation of overtime pay

5 CFR 550.114

Compensatory time off

5 CFR 550.121

Authorization of night pay differential

5 CFR 550.131

Authorization of pay for holiday work

5 CFR 550.171

Authorization of pay for Sunday work

5 CFR 550.203

Advances in pay

5 CFR 550.403

Advance payments; evacuation payments; special allowances

5 CFR 550.404

Computation of advance payments and evacuation payments; time periods

5 CFR 550.405

Determination of special allowances

5 CFR 550.409

Evacuation payments during a pandemic health crisis

5 CFR 550.703

Definitions

5 CFR 550.1303

Hourly rates of basic pay

5 CFR 550.1304

Overtime hourly rates of pay

5 CFR 550.1306

Relationship to other entitlements

5 CFR 550.1401–1409

Compensatory Time Off for Travel

5 CFR 551

Pay Administration under the Fair Labor Standards Act

5 CFR 551.432

Sleep time

5 CFR 551.531

Compensatory time off

5 CFR 551.541

Employees engaged in fire protection activities or law enforcement activities

5 CFR 575, Subpart A

Recruitment Incentives

5 CFR 575, Subpart B

Relocation Incentives

5 CFR 575, Subpart C

Retention Incentives

5 CFR 575.106

Authorizing a recruitment incentive

5 CFR 575.206

Authorizing a relocation incentive

5 CFR 575.210

Service agreement requirement

5 CFR 591.205

Which areas are nonforeign areas?

5 CFR 731

Suitability

5 CFR 831.902

Definitions

5 CFR 831.903

Conditions for coverage in primary positions

5 CFR 831.904

Conditions for coverage in secondary positions

5 CFR 842.802

Definitions

5 CFR 842.803

Conditions for coverage

29 CFR 785.17

On-call time

23 Comptroller General 145; B–36397, August 28, 1943

Officers and Employees (Available at <https://www.gao.gov/>.)

46 Comptroller General 337; B–159950, October 19, 1966

Compensations (Available at <https://www.gao.gov/>.)

58 Comptroller General 734; B–191977, August 17, 1979

Officers and Employees (Available at <https://www.gao.gov/>.)

5 USC

Government Organization and Employees

5 USC 55

Pay Administration

5 USC 81

Compensation for work injuries

5 USC 2105

Employee

5 USC 5304

Locality-based comparability payments

5 USC 5304a

Authority to fix an alternative level of comparability payments

5 USC 5334

Rate on change of position or type of appointment; regulations

5 USC 5341

Policy

5 USC 5379

Student loan repayments

5 USC 5504

Biweekly pay periods; computation of pay

5 USC 5524a

Advance payments for new appointees and employees relocating within the United States and its territories

5 USC 5535

Extra pay for details prohibited

5 USC 5536

Extra pay for extra services prohibited

5 USC 5541(2)

Definitions: employee

5 USC 5541(3)

Definitions: law enforcement officer

5 USC 5542

Overtime rates; computation

5 USC 5544

Wage-board overtime and Sunday rates; computation

5 USC 5545

Night, standby, irregular, and hazardous duty differential

5 USC 5545b

Pay for firefighters

5 USC 5546

Pay for Sunday and holiday work

5 USC 5546a

Differential pay for certain employees of the Federal Aviation Administration and the Department of Defense

5 USC 5547

Limitation on premium pay

5 USC 5595

Severance pay

5 USC 5753

Recruitment and relocation bonuses

5 USC 5754

Retention bonuses

5 USC 6121

Definitions

5 USC 6122

Flexible schedules; agencies authorized to use

5 USC 6123

Flexible schedules; computation of premium pay

5 USC 6124

Flexible schedules; holidays

5 USC 6125

Flexible schedules; time-recording devices

5 USC 6126

Flexible schedules; credit hours; accumulation and compensation

5 USC 6127

Compressed schedules; agencies authorized to use

5 USC 6128

Compressed schedules; computation of premium pay

5 USC 6129

Administration of leave and retirement provisions

5 USC 6130

Application of programs in the case of collective bargaining agreements

5 USC 8331(20)

Definitions: law enforcement officer

5 USC 8401(17)

Definitions: law enforcement officer

10 USC 1596a

Foreign language proficiency: special pay for proficiency beneficial for other national security interests

10 USC 4338

Civilian faculty; number; compensation

29 USC 8

Fair Labor Standards

31 USC 3324

Advances

32 USC 709(b)

Technicians: employment, use, status

38 USC

Veterans' Benefits

Section III

Prescribed Forms

This section contains no entries.

Section IV

Referenced Forms

Unless otherwise indicated, DA Forms are available on the Army Publishing Directorate (APD) website (<https://armypubs.army.mil/>); Department of Defense (DD) forms are available on the Office of the Secretary of Defense (OSD) website (<http://www.dtic.mil/whs/directives/infomgt/forms/>); Standard Forms (SFs) are available on the U.S. General Services Administration (GSA) website (<https://www.gsa.gov>).

DA Form 11–2

Internal Control Evaluation Certification

DA Form 2028

Recommended Changes to Publications and Blank Forms

DD Form 2789

Waiver/Remission of Indebtedness Application

DD Form 2912

Claim for Temporary Quarters Subsistence Expense (TQSE) (Sub-voucher)

DFAS Form 9213

TDY Travel Advance Form (Available at <https://www.dfas.mil/>)

OPM Form 1397

Special Salary Rate Request Form (Available at <https://www.opm.gov/>)

SF 50

Notification of Personnel Action

SF 1190

Foreign Allowances Application, Grant and Report

Appendix B

General Schedule Pay

B–1. Authorities

Employees in positions subject to 5 USC Chapter 51 are paid in accordance with basic schedules and compensation rules governing pay under the GS (5 USC Chapter 53, subchapter III), the FLSA (29 USC Chapter 8), and regulations and instructions issued by OPM.

B–2. Appointments

Initial salary determination will be set based on OPM's GS pay tables and will adhere to OPM's rules and guidance.

B–3. Reassignments

On reassignment within the GS pay system, the employee's salary is set at their existing rate of pay.

B–4. Promotions

A promotion is a change of an employee while continuously employed from one GS grade to a higher GS grade.

a. Two-step promotion rule. Only GS employees who are promoted to a higher grade under the GS without a break in service are covered by the two-step promotion rule in 5 USC 5334(b) and 5 CFR 531.214.

b. Rate on change position. The two-step promotion rule provides that a GS employee promoted to a position in a higher grade is entitled to basic pay at the lowest rate of the higher grade that exceeds their existing rate of basic pay by not less than two step increases of the grade from which promoted.

c. Rate on type of appointment. The two-step rule applies when converting an employee from one type of appointment to another (term to perm) and the new grade is higher than the old grade.

B–5. Step increases or within-grade increases

Step increases will be administered exclusively on rules and guidance set by OPM at 5 CFR Part 531. Each GS grade has 10 steps. WGIs or step increases are periodic increases in a GS employee's rate of basic pay from one step of the grade of their position to the next higher step of that grade. Employees who occupy permanent positions earn WGIs upon meeting the following three requirements established by law:

- a.* The employee's performance must be at an acceptable level of competence.
- b.* The employee must have completed the required waiting period for advancement to the next higher step.
- c.* The employee must not have received an equivalent increase in pay during the waiting period, such as a promotion or temporary promotion (see 5 CFR 531.407).

B–6. Change to lower grade

A change to lower grade (CLG) is the noncompetitive movement of an employee to another position for which they qualify at a lower grade than currently being held. This is not considered an adverse action when an employee voluntarily requests it, or it is the result of a RIF. An involuntary CLG occurs as a result of management adverse action against an employee for poor performance or failure to complete a supervisory probation period.

B–7. Grade retention

a. Grade retention must be provided to an employee who moves from a position under a covered pay system to a lower graded position under a covered pay system as a result of—

- (1) RIF procedures (as described in 5 CFR 536.201(c)).
- (2) Or a reclassification process (as described in 5 CFR 536.201(d)).

b. Grade retention may be provided to an employee moving from a position under a covered pay system to a lower graded position under a covered pay system when—

- (1) Management announces a reorganization or reclassification decision in writing that may or would affect the employee.
- (2) And the employee moves to a lower graded position (either at the employee's initiative or in response to a management offer) on or before the date the announced reorganization or reclassification is implemented.

c. An employee is entitled to retain the grade held immediately before the action that provides entitlement to grade retention for 2 years beginning on the date the employee is placed in the lower graded position.

B–8. Pay retention

An employee whose rate of basic pay otherwise would be reduced as a result of a management action is entitled to retain their rate of basic pay.

a. Mandatory pay retention. Pay retention must be provided to an employee who moves between positions under a covered pay system or from a position not under a covered pay system to a position under a covered pay system and whose payable rate of basic pay would be reduced (after application of any applicable geographic conversion) as a result of—

- (1) The expiration of the two year period of grade retention under 5 CFR 536, Subpart B.
- (2) A RIF or reclassification action that places an employee in a lower graded position when the employee does not meet the eligibility requirements for grade retention under 5 CFR 536, Subpart B.
- (3) A management action that places an employee in a non-special rate position or in a lower-paid special rate position from a special rate position.
- (4) A management action that places an employee under a different pay schedule.
- (5) A management action that places an employee in a formal employee development program generally utilized Governmentwide, such as upward mobility, apprenticeship, and career intern programs.
- (6) Or a reduction or elimination of scheduled rates, special schedules, or special rate schedules (excluding a statutory reduction in scheduled rates of pay under the GS or prevailing rate schedule).

b. Exclusions. The exclusions below apply and include employees who—

- (1) Are reduced in grade or pay for personal cause or at the employee's request.
- (2) Were employed on a temporary or term basis immediately before the action causing the reduction in grade or pay.
- (3) Are entitled to receive a saved rate of basic pay under 5 CFR 359.705 because of removal from the Senior Executive Service.
- (4) Move from an Executive Schedule or equivalent position.

B–9. Reinstatements

Reinstatement allows a former status employee to reenter the Federal competitive service workforce without competing with the public. Reinstatement eligibility enables individuals to apply for Federal jobs open only to status candidates.

B–10. Maximum Payable Rate Rule

The MPR rule is a special rule that allows the setting of pay for a GS employee at a rate above the rate that would be established using normal rules, based on a higher rate of pay the employee previously received in another Federal job. The pay set under the MPR rule may not exceed the rate for step 10 of the GS grade or be less than the rate to which the employee would be entitled under normal pay-setting rules.

B–11. Superior qualifications and special needs pay-setting authority

Appointing authorities may set the rate of basic pay of a newly-appointed employee at a rate above the minimum rate of the appropriate GS grade because of either the superior qualifications of the candidate, or a special need of the organization for the candidate's services.

a. Superior qualifications and special needs pay-setting authorities may be used to set the rate of basic pay for an employee newly appointed to any GS position, including permanent and temporary positions in the competitive or excepted service.

b. Before using the superior qualifications and special needs pay-setting authority, CHRA must establish documentation and recordkeeping procedures sufficient to allow reconstruction of the action taken in each case. Documentation must include a description of the following:

- (1) Superior qualifications of the individual or special agency need for the candidate's services that justify a higher minimum rate;
- (2) Factor(s) and supporting documentation under 5 CFR 531.212(c) that were used to justify the rate at which the employee's pay is set; and
- (3) Reason(s) for authorizing a higher minimum rate instead of or in addition to a recruitment incentive under 5 CFR 575, Subpart A.

Appendix C

Federal Wage System Pay – A Prevailing Rate System

C–1. Federal Wage System overview

The FWS is a uniform pay-setting system that covers Federal appropriated fund and non-appropriated fund blue-collar employees who are paid by the hour. The system's goal is to make sure that Federal trade, craft, and laboring employees within a local wage area who perform the same duties receive the same rate of pay.

C–2. Prevailing rate

Compensation of these employees is fixed and adjusted periodically consistent with the public interest in accordance with prevailing rates (5 USC 5341). Prevailing rates are determined through periodic locality wage surveys administered by the DoD, through the Defense Civilian Personnel Advisory Service (DCPAS), as designated by OPM to plan the survey, analyze the wage data, and determine and issue required wage schedules for a geographic area. For additional specific OPM policy, see the OPM Policy Manual on Pay Systems, Federal Wage System, Subchapter S8.

a. Appointments. A new appointment will be made at the minimum rate of the grade using the appropriate local wage schedule, except as provided in paragraphs (1) and (2).

(1) *Appointments above minimum rates in recognition of special qualifications.* Army appointing authorities may make a new appointment at a rate above the minimum rate of the appropriate grade in recognition of special qualifications. In each case the SF 50 prepared for an employee appointed above the minimum rate in recognition of special qualifications will contain a statement under remarks referring to this authority.

(2) *Appointments above minimum rates for jobs in specific difficult-to-fill occupations.* The Wage and Salary Branch, DCPAS, may authorize use of any scheduled rate above the minimum rate as the appointment rate for one or more grades of an occupation at one or more locations within a wage area based upon a finding that—

(a) The hiring rate prevailing for the particular occupation and grade among private employers in the locations is higher than the minimum rate for the applicable grade on the local Federal wage schedule.

(b) And local installations and activities cannot recruit qualified employees at that minimum rate.

b. Position change. When employees are reemployed, transferred, reassigned, promoted, or changed to a lower grade, they may be paid at any rate in the grade which does not exceed their highest previous rate (HPR); however, the HPR falls between two rates in the grade, the appointing authority may pay them at the higher rate.

c. Promotion.

(1) Upon promotion, an employee is entitled to be paid at the lowest scheduled rate of the grade to which promoted which exceeds their existing scheduled rate of pay by at least four percent of the representative rate of the grade from which promoted.

(2) If, upon promotion, there is no rate of pay in the grade to which promoted which meets the above requirements, the employee will be paid—

(a) The maximum schedule rate of the grade to which promoted.

(b) Or their existing scheduled rate of pay in accordance with 5 CFR 536, if that rate is higher.

(3) When a promotion is to a position in a different wage area, the pay will be determined as if pay entitlement were two pay actions: a promotion and a reassignment. These will be processed in the order which gives the employee the maximum benefit, for example, the employee's pay entitlement will be determined as if the employee were promoted under the old wage schedule and then reassigned to the new wage area, or as if the employee were reassigned to the new wage area and then promoted under the new wage schedule, whichever provides the greater benefit.

(4) Upon promotion, an employee may be granted the benefit of the HPR if this would result in a higher rate of pay than would result from applying the provisions of paragraph C–2c(2)(a).

(5) Upon promotion, fractions of less than one-half of one cent may not be rounded down if this would result in an increase of less than four percent. (Comptroller General Decision B–205372, dated July 23, 1982).

d. Computation of highest previous rate.

(1) The HPR is based on a regular tour of duty at that rate under an appointment not limited to 90 days or less, or for a continuous period of no less than 90 days under one or more appointments without a break in service.

(2) The HPR may be based upon a rate of pay received during a period of temporary promotion so long as it is not used as a vehicle to circumvent the period required for WGIs, and so long as the temporary promotion is for a period of not less than one year. This one year limitation does not apply upon permanent placement in a position at the same or higher grade.

e. Effective date of pay actions.

(1) *Normal*. The effective date of a change in pay rate because of the grading or regrading of a job is the date the action is approved or a subsequent date specifically stated.

(2) *Retroactive*. An employee who is qualified for their official job and performs its duties, but who through administrative error is not paid the appropriate rate of their grade, will have their rate corrected retroactively effective by appropriate administrative action. This corrective payment is not to be regarded as a retroactive promotion.

f. General pay-setting rules.

(1) *Rates considered in making pay adjustments*. Unless specifically stated otherwise, only scheduled rates of pay are considered in making pay rate adjustments.

(2) *Details*. When an employee is detailed to perform the duties of another job, as distinguished from actually being appointed or assigned to the job, they are not entitled to the pay of the job to which they are detailed (5 USC 5535 and 23 Comptroller General 145). A wage employee temporarily assigned to perform work of a higher grade may be temporarily promoted to the higher grade job and given the pay of that job.

(3) *Pay computation rule*. For pay computation purposes, rates are computed to the nearest cent, counting one-half of a cent and over as a whole cent. Whenever it is necessary to convert a basic annual rate to an hourly rate, the hourly rate will be derived by dividing the annual rate by 2087.

(4) *Simultaneous pay changes*. When a job or appointment change and entitlement to a higher rate of pay occurs at the same time, the higher rate of pay is considered an employee's existing scheduled rate of pay. If the employee is entitled to two pay benefits at the same time, process the changes in the order which give them the maximum benefit.

(5) *Cost-of-living allowance as base pay in non-foreign overseas area*. When an employee in a non-foreign overseas area is changed from the GS to the wage schedule within the same area, any non-foreign area differential or COLA they are receiving in the GS job is added to their scheduled rate of pay for the purpose of establishing their rate of pay in a wage job. The non-foreign area differential or COLA is not added to the representative rate when determining the nature of the action.

(6) *Effect on the rate of pay due to subsequent move to another area*. If an employee is reassigned or promoted in the same agency to an area without, or with a lesser COLA or post differential, their rate of pay is reduced by the amount of the difference in the COLA or post differential prescribed for the old and new duty posts.

g. Pay while on leave. During periods of compensable leave, wage employees are paid at their basic rates. This provision is applicable even though the basic 40-hour workweek may include workdays with hours exceeding eight per day for which OT rates are paid.

h. Overtime pay. Wage employees (including part-time and intermittent employees) are entitled to OT for work in excess of 8 hours in a day or in excess of 40 hours in an administrative workweek (except as provided by sections 6121–6130 of title 5, USC), whichever is the greater number of OT hours, that is officially ordered or approved and performed by the employee. Normally, OT pay is calculated by multiplying the employee's hourly rate of pay by 1.5.

i. Special rates or rate ranges. Special rates and rate ranges may be applied for FWS employees based on recruitment or retention difficulties under 5 USC 5341.

(1) Special rates may be authorized in order to overcome existing or likely significant handicaps in the recruitment or retention of well-qualified personnel when these handicaps are due to any of the following circumstances:

(a) Rates of pay offered by private sector employers for an occupation or occupational specialization and grade are significantly higher than rates paid by the Federal Government within the competitive labor market.

(b) The remoteness of the area or location involved.

(c) Or any other circumstance that OPM considers appropriate.

(2) Army requests for special rates must be submitted to ASA (M&RA), (DAPE–CPE) for review and approval and as applicable, submission to the Deputy Assistant Secretary of the Army for Civilian Personnel via DCPAS for review and a recommendation to OPM for approval or disapproval.

(3) When special rates or rate ranges are established for nonsupervisory positions, special rates must also be established for leader, supervisory, and production facilitating positions, classified to the same occupational series and title, that lead, supervise, or perform production facilitating work directly relating to the jobs covered by the special rates.

j. Within-grade increases. FWS employees will be automatically advanced to the next higher rate of their grade at the beginning of the first applicable pay period following completion of the required waiting period, provided their job performance is satisfactory and they had not received an equivalent increase in pay during their waiting period. An employee's performance is satisfactory when they achieve or maintain a performance rating of satisfactory or better.

Appendix D

Non-appropriated Funds to Appropriated Funds Pay Setting (Section 216, Part 531, Title 5, Code of Federal Regulations)

When an Army Non-appropriated Fund Instrumentality Program employee moves to a GS position without a break in service of more than 3 days, the employee's pay is set based on whether the move was voluntary or involuntary.

D–1. Voluntary move to a general schedule position

When an employee moves voluntarily to a GS position in Army from a nonappropriated fund instrumentality (NAFI) position in DoD without a break in service of more than 3 days, the employee's pay must be set based on the employee's initial payable rate of basic pay at the minimum rate of the highest applicable rate range for the employee's GS position. Alternatively, the employer, at its discretion, may choose one of the following methods to set the employee's rate of basic pay at a higher rate:

- a.* Based on the employee's NAFI HPR.
- b.* Using the MPR rule in 5 CFR 531.221 based on a non-NAFI rate of basic pay if that rule produces a higher rate than using the employee's NAFI HPR. Such employees are not eligible to have their pay set under the superior qualifications and special needs pay-setting authority at 5 CFR 531.212.

D–2. Involuntary move to a general schedule position

a. When an employee is moved involuntarily from a NAFI position to a GS position with substantially the same duties and without a break in service of more than 3 days, the employee is entitled to an initial payable rate of basic pay (including any locality pay or special rate supplement) at the lowest step rate of the GS grade that is equal to or greater than the employee's rate of basic pay in the NAFI position immediately before the move.

b. The agency must compare the employee's former NAFI rate to the highest applicable rate range for the employee's GS position of record and official worksite in effect immediately prior to the move.

Appendix E

Pay Computation Rules

E-1. Authorities

Hourly and biweekly rates for GS employees are computed under 5 USC 5504. Premium pay is computed under 5 USC Chapter 55, Subchapter V, and 5 CFR 550, Subpart A. The rates are computed based on an employee's annual rate of basic pay, including any applicable special rate supplement or locality payment.

Note. OT pay for nonexempt employees is computed under the FLSA, subject to some special rules for Federal employees (see 5 CFR 551). In addition, firefighters covered by 5 USC 5545b are subject to special rules for computing hourly rates and OT pay (see 5 CFR 550, Subpart M).

E-2. Rules for rounding

Rates must be rounded to the nearest cent, counting one-half cent and over as the next higher cent (for example, round \$18.845 to \$18.85).

E-3. Procedure

- a. The following examples depict the rules to compute rates of pay:
- b. The examples in table E-1 are based on annual rates that have been increased by a locality pay percentage of 24.78%.

Table E-1
Rules to compute rates of pay

Rate of pay	Computing Rule
<i>Hourly rate</i>	Divide annual rate of basic pay by 2,087 hours.
	GS-9, step 1 = \$53,435.
	$\$53,435 / 2,087 \text{ hours} = \25.60 .
<i>Biweekly rate</i>	Multiply hourly rate of basic pay by 80 hours.
	$\$25.60 \times 80 \text{ hours} = \$2,048$.
<i>Title 5 OT hourly rate</i>	(1) If employee's rate of basic pay is less than rate of basic pay for GS-10, step 1:
	Multiply hourly rate of basic pay by 1.5.
	$\$25.60 \times 1.5 = \38.40 .
	(2) If the employee's rate of basic pay is more than rate of basic pay for GS-10, step 1. Use the greater of (1) the GS-10, step 1, hourly rate of basic pay multiplied by 1.5 or (2) employee's hourly rate of basic pay. In the example below, the employee's hourly rate of basic pay (\$52.17) is greater than the GS-10, step 1, hourly rate of basic pay multiplied by 1.5 (\$42.30). Therefore, the employee's title 5 OT hourly rate is equal to their hourly rate of basic pay.
	GS-10, step 1 = \$58,844.
	$\$58,844 / 2,087 \text{ hours} = \28.20 .
	$\$28.20 \times 1.5 = \42.30 .

Table E–1
Rules to compute rates of pay—Continued

Rate of pay	Computing Rule
<i>Night pay</i>	<p>Multiply hourly rate of basic pay by 10% (see 5 CFR 550.121).</p> <p>GS–9, step 1 = \$53,435.</p> <p>$\\$53,435 / 2,087 \text{ hours} = \\$25.60.$</p> <p>$\\$25.60 \times 0.10 = \\$2.56.$</p>
<i>Sunday premium pay</i>	<p>Multiply hourly rate of basic pay by 25% (see 5 CFR 550.171).</p> <p>$\\$25.60 \times 0.25 = \\$6.40.$</p>
<i>Holiday premium pay</i>	<p>Multiply hourly rate of basic pay by number of non-OT hours worked on holiday (not to exceed 8 hours or the number of non-OT hours of a CWS) (see 5 CFR 550.131 and 5 CFR 610.407).</p> <p>$\\$25.60 \times 8 \text{ hours} = \\204.80</p>

Appendix F

Internal Control Evaluation

F–1. Function

The function covered by this evaluation is the management of Army compensation of its civilian employees.

F–2. Purpose

a. The purpose of this evaluation is to assist DA managers, employees, and administrators of payroll, benefits, allowances, and differentials programs in evaluating the key internal controls outlined. It is not intended to cover all controls.

b. The DA managers, employees, and administrators of payroll, benefits, allowances, and differentials programs, are charged with ensuring funds are executed free of fraud, waste, and abuse (FWA). Accountability for all compensation includes oversight approaches for FWA risk assessments and prevention. A risk assessment requires continuous evaluation of potential instances of FWA that could impact Army's ethics and compliance standards, financial integrity, and program goals and performance. Fraud risk assessments support DoD efforts to prevent and detect FWA through analyzing internal controls.

c. The foremost internal control in pay and allowances accountability is knowledge of the rules, and training and CHRA over-the-shoulder monitoring of employee eligibility determinations and quantitative allowance decisions for expenditure of Army funds. To provide better customer service and perform quality control to avoid debt, FWA issues, documentation and tracking of all compensation decision are essential. For OCONUS pay and allowances, the Overseas Entitlement Tracker or its successor, will be used CHRA wide to track and ensure continuous accountability in authorizing Army funds.

F–3. Instructions

These key internal controls must be formally evaluated at least once every 5 years or whenever the internal control administrator changes. Certification that this evaluation has been conducted must be accomplished on DA Form 11–2 (Internal Control Evaluation Certification). Evaluation test questions are outlined in paragraph F–4, below, and are intended as a start point for each applicable level of internal control evaluation. Answers must be based on the actual testing of key internal controls (for example, document analysis, direct observation, sampling, simulation, or other). Answers that indicate deficiencies must be explained and corrective action indicated in supporting documentation.

F–4. Test questions

a. Does the Army have a formal, recognized program for civilian personnel management and administration evaluation that includes legal and regulatory compliance?

b. Are HR specialists assigned to determine and apply pay and compensation properly trained?

c. Do supervisors of HR specialists ensure over-the-shoulder verification of pay and compensation determinations and actions?

d. Are multiple tier reviews and approval of high risk compensation actions, such as OCONUS allowances and differentials, for example, LQA, in place?

e. Are all compensation actions documented for audit?

F–5. Supersession

Not applicable.

F–6. Comments

Help make this a better tool for evaluating internal controls. Submit comments to Deputy Chief of Staff, G–1 (DAPE–HRI), 300 Army Pentagon, Washington, DC 22310–0300.

Glossary

Section I

Abbreviations

AASA

Administrative Assistant to the Secretary of the Army

ACOM

Army command

AD

administratively determined

AG1-CP

Assistant G-1 Civilian Personnel

AO

approving official

AR

Army regulation

ARIMS

Army Records Information Management System

ASA (M&RA)

Assistant Secretary of the Army for Manpower and Reserve Affairs

ASCC

Army service component command

ATC

air traffic control

AWS

alternate work schedule

CFR

Code of Federal Regulations

CHRA

Civilian Human Resources Agency

CLG

change to lower grade

COLA

cost-of-living allowance

CONUS

continental United States

CPAC

Civilian Personnel Advisory Center

CSRS

Civil Service Retirement System

CWS

compressed work schedule

DA

Department of the Army

DCPAS

Defense Civilian Personnel Advisory Service

DCS, G–1

Deputy Chief of Staff, G–1

DFAS

Defense Finance and Accounting Service

DLPT

Defense Language Proficiency Test

DoD

Department of Defense

DoDI

Department of Defense Instruction

DOS

Department of State

DRU

direct reporting unit

DSSR

Department of State Standardized Regulation

DTMO

Defense Travel Management Office

EDP

environmental differential pay

EO

executive order

FERS

Federal Employees Retirement System

FLPP

Foreign Language Proficiency Pay

FLSA

Fair Labor Standards Act

FWA

fraud, waste and abuse

FWS

Federal Wage System

GS

general schedule

GSA

General Services Administration

HPR

highest previous rate

HR

human resources

ISMA

involuntary separate maintenance allowance

LEAP

law enforcement availability pay

LEO

law enforcement officer

LQA

living quarters allowance

MPR

maximum payable rate

NAFI

nonappropriated fund instrumentality

OCONUS

outside the continental United States

OPI

Oral Proficiency Interview

OPM

U.S. Office of Personnel Management

OT

overtime

PCS

permanent change of station

PDS

permanent duty station

PPP

Priority Placement Program

QSI

quality step increase

RIF

reduction in force

SECARMY

Secretary of the Army

SLMS

standard local market supplement

SMA

separate maintenance allowance

SRC

special retirement coverage

TDY

temporary duty

TQSA

temporary quarters subsistence allowance

TQSE

temporary quarters subsistence expenses

TQSE (AE)

temporary quarters subsistence expenses actual expense

TQSE (LS)

temporary quarters subsistence expenses lump sum

TSMA

transitional separate maintenance allowance

USC

United States Code

USD (P&R)

Under Secretary of Defense for Personnel and Readiness

VSIP

Voluntary Separation Incentive Program

VSMA

voluntary separate maintenance allowance

WG

wage grade

WGI

within-grade increase

Section II**Terms****Administratively determined pay plans**

Pay rates may be established under an AD pay system that is created under a separate statutory authority. An agency must have independent authority to administratively determine the rates of pay for any group or category of employees.

Advanced pay

The authority to provide for the advance payment of basic pay to an employee who is newly appointed to a position in the agency pursuant to 5 CFR 550.203.

Aggregate limitation

The Federal Employees Pay Comparability Act of 1990 and 5 CFR 530, Subpart B established an aggregate limitation on pay. Under 5 USC 5307, a covered employee may not receive any allowance, differential, bonus, award, or other payment in any calendar year to the extent that such payment, in combination with the employee's basic pay, would cause the employee's aggregate compensation to exceed the rate payable for Level I of the Executive Schedule at the end of that calendar year.

Alternative personnel systems

Personnel systems generally outside of the competitive civil service designed to address strengthening performance management, updating position classification, effectively provide competitive compensation attract and retain quality talent.

Appointing authority

Under 5 USC 302, the head of an agency may delegate appointing authority to subordinates. The AASA; and commanders/heads of ACOMs, ASCCs, DRUs, or their appropriately designated AO.

Basic pay

a. Basic Pay is defined as the rate fixed by applicable law or regulation. Examples of special types of pay included in basic pay are—

- (1) Night differential pay for wage employees.
- (2) EDP for employees who work under hazardous situations.
- (3) Premium pay for groups such as LEOs.
- (4) Locality-based comparability payments.

b. Basic pay does not include other types of pay such as: bonuses, allowances, OT, holiday, and military pay or supplemental payments from the Office of Workers' Compensation Programs.

Career Intern Program

The DA administers the Army Civilian Training, Education, and Development System Intern Program, which takes individuals from entry level positions to positions of mid-level management. Through on-the-job training and formal classroom instruction, interns are trained for subsequent advancement in professional, administrative, and technological career fields in over 150 Army occupations.

Compensatory time off

Time off with pay in lieu of OT pay for irregular or occasional OT work, or when permitted under agency flexible work schedule programs, time off with pay in lieu of OT pay for regularly scheduled or irregular or occasional OT work.

Compressed work schedule

A biweekly schedule during which employees' basic 80-hour work requirement is scheduled within less than the traditional 10 workdays. For example, a CWS may be established where an employee has every other Friday off by working 9 hours, 8 days and 8 hours for 1 day during the 80-hour work period.

Comptroller General decisions

Congress and federal agencies request decisions and opinions from Government Accountability Office on questions involving the use of, and accountability for, public funds on matters of appropriations law.

Contiguous 48 states

The 48 adjoining U.S. states plus Washington, D.C. (federal district), on the continent of North America. The term excludes the non-contiguous states of Alaska and Hawaii and all off-shore United States territories and possessions, which include American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

Covered pay system

The GS pay system under 5 USC chapter 53, subchapter III; a prevailing rate system under 5 USC chapter 53, subchapter IV (including the FWS); or a special occupational pay system under 5 USC chapter 53, subchapter IX.

De facto employee

An individual who, in good faith, renders services to the government but who was never properly appointed or never actually appointed as an employee.

Defense Language Proficiency Test

DLPT is a battery of foreign language tests produced by the Defense Language Institute and used by the DoD.

Department of Defense component heads

The heads of the DoD Components are the SECARMY, the Secretary of the Navy, the Secretary of Air Force, and the Secretary (and Deputy Secretary) of Defense. By law, the Secretary of Defense is considered the head of the Office of the Secretary of Defense.

Department of Defense Priority Placement program

A program that minimizes the adverse effects on employees affected by actions such as, but not limited to, RIF, base closures, realignments, consolidations, contracting out, position classification decisions, rotation from overseas, and transfers of function, by identifying and matching placement opportunities.

Difficult-to-fill position

An agency may determine that a position is likely to be difficult to fill if the agency is likely to have difficulty recruiting candidates with the competencies required for the position in the absence of a recruitment or relocation incentive (see 5 CFR 575.106 and 5 CFR 575.206).

Evacuation order

An oral or written communication which authorizes or orders the departure from the post of assignment.

Evacuation payment

An advance of pay following an ordered/authorized departure, continuation of salary and allowance payments during the period of ordered/authorized departure, and special allowances to partially offset certain direct added expenses incurred as a result.

Executive order

A presidential policy directive that implements or interprets a federal statute, a constitutional provision, or a treaty.

Federally insured student loan

The federally guaranteed student loan program ended June 30, 2010 by Congress and was replaced by direct loan programs funded by the U.S. Department of Education.

Flexible work schedules

An agency may implement for its employees an AWS instead of traditional fixed work schedules (for example, 8 hours per day, 40 hours per week). Within rules established by the agency, AWS can enable employees to have work schedules that help the employee balance work and family or personal responsibilities. There are two categories of AWS: flexible work schedules and CWS.

Local wage area

The FWS includes 130 appropriated fund local wage areas. The system's goal is to make sure that Federal trade, craft, and laboring employees within a local wage area who perform the same duties receive the same rate of pay.

Locality pay

A supplemental locality-based payments in addition to the rate of basic pay that apply in the 48 contiguous States in areas where non-Federal pay exceeds Federal pay by more than 5 percent. Most Federal GS employees, but excluding blue-collar employees and officials paid under the Executive Schedule are eligible for locality pay.

Military technicians (dual status)

A military technician (dual status) is a Federal civilian employee who is employed under 5 USC 3101 or 32 USC 709(b); is required as a condition of that employment to maintain membership in the Selected Reserve; and is assigned to a civilian position as a technician in the organizing, administering, instructing, or training of the Selected Reserve or in the maintenance and repair of supplies or equipment issued to the Selected Reserve or the armed forces.

Non-foreign overseas area

The non-foreign areas are States, commonwealths, territories, and possessions of the United States outside the 48 contiguous United States, including Alaska, Hawaii, American Samoa, Puerto Rico, Guam, and the U.S. Virgin Islands. (5 CFR 591.205)

Official duty station

The geographic area surrounding an employee's regular work site that is the same as the area designated by the employing agency for the purpose of determining whether travel time is compensable for the purpose of determining OT pay, consistent with the regulations in 5 CFR 550.112(j) and 5 CFR 551.422(d).

Oral proficiency interview

OPI is live telephone conversation between a certified American Council on the Teaching of Foreign Languages tester and the candidate. The OPI is a relevant and reliable test that measures how well an applicant speaks a language.

Pandemic health crisis

An outbreak of a disease that occurs over a wide geographic area and affects an exceptionally high proportion of the population.

Pay adjustment

Any increase or decrease in an employee's rate of basic pay when there is no change in the duties or responsibilities of the employee's position. A pay adjustment may include a change in the step at which the employee is paid. A change in the pay system under which the employee is paid is also a pay adjustment.

Per diem

The allowance for lodging (excluding taxes), meals and incidental expenses. The GSA establishes per diem rates for destinations within the lower 48 CONUS. The State Department establishes the foreign rates (for example, Canada, Spain, Japan). The DoD establishes non-foreign rates which includes Alaska, Hawaii, and all U.S. Territories.

Personal cause

The basis for adverse actions or employment decisions based on poor performance or misconduct.

Premium pay

Premium pay includes pay authorized under title 5 for OT, night, Sunday, or holiday work; or for standby duty, administratively uncontrollable OT work, or availability duty. Premium pay also includes the dollar value of earned hours of compensatory time off for FLSA exempt (not covered) employees. Premium pay excludes OT pay and compensatory time off in lieu of OT pay earned by FLSA-nonexempt (covered) employees. Also, compensatory time off for travel, compensatory time off for religious observances, credit hours, and hazardous duty pay are not considered to be premium payments for either FLSA exempt or nonexempt employees, and, therefore, are not subject to the biweekly and annual limitations on premium pay.

Prevailing rate systems

These are the systems, by which the pay of employees in recognized trades or crafts, or other skilled mechanical crafts or in unskilled, semiskilled, or skilled manual labor occupations is fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates, usually on a locality basis.

Qualifying appointment

- a. A career or career-conditional appointment in the competitive service or the equivalent in the excepted service.
- b. A career appointment in the Senior Executive Service.
- c. An excepted appointment without time limitation, except under Schedule C or an equivalent appointment made for similar purposes.
- d. An overseas limited appointment without time limitation.

e. A status quo appointment, including one that becomes indefinite when the employee is promoted, demoted, or reassigned.

f. A time-limited appointment in the Foreign Service, when the employee was assigned under a statutory authority that carried entitlement to reemployment in the same agency, but this right of reemployment has expired.

g. And a time-limited appointment (including a series of time-limited appointments by the same agency without any intervening break in service) for full-time employment that takes effect within 3 calendar days after the end of one of the qualifying appointments listed in paragraphs *a* through *f* of this definition, provided the time-limited appointment is not non-qualifying on grounds other than the time-limited nature of the appointment.

Quality step increase

A QSI is an additional WGI used to recognize and reward GS employees at any grade level who display outstanding performance. A QSI has the effect of moving an employee through the GS pay range faster than by periodic step increases alone (see <https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/quality-step-increase/>).

Rate of basic pay

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 OT pay). For GS employees, a rate of basic pay is a GS base rate, an LEO special base rate, or a retained rate – excluding any locality payment or special rate supplement. A rate of basic pay is expressed consistent with applicable pay basis (for example, annual rate for GS employees or hourly rate for wage system employees).

Rating of record

A rating of record based only on the evaluation of actual job performance for the designated appraisal period. A rating of record is when it is issued to an employee with all appropriate reviews and signatures as specified in 5 CFR 430.208.

Reasonable offer of assignment

A change of assignment within the commuting area and within two grades of the incumbent's current grade level.

Reduction in force

When an agency must abolish positions, the RIF regulations determine whether an employee keeps their present position, or whether the employee has a right to a different position. The regulatory requirements governing RIF are contained in 5 CFR 351.

Schedule C Excepted Appointment

OPM may grant hiring authority under Schedule C on a case-by-case basis in situations for which political appointments are appropriate. Schedule C appointees keep a confidential or policy-determining relationship to their supervisor and agency head. Generally, the authority to fill a Schedule C job is revoked when the incumbent leaves and agencies need specific approval from OPM to establish or reestablish the position.

Special salary rates

The OPM may establish higher rates of basic pay-special rates for a group or category of GS positions in one or more geographic areas to address existing or likely significant handicaps in recruiting or retaining well-qualified employees. OPM may establish special rates for nearly any category of employee; that is, by series, specialty, grade level, and/or geographic area.

Superior qualifications

Hiring officials may determine that a candidate has superior qualifications or fills a special need based on the level, type, or quality of the candidate's skills or competencies demonstrated or obtained through experience and/or education, the quality of the candidate's accomplishments compared to others in the field, or other factors that support a superior qualifications determination. The candidate's skills, competencies, experience, education, and/or accomplishments must be relevant to the requirements of the position to be filled. These qualities must be significantly higher than that needed to be minimally required for the position and/or be of a more specialized quality compared to other candidates.

Upward mobility

Opportunities for career growth and improvement in skills, including formal training and on-the-job learning and development. The goals of the an upward mobility program is tailored to meet the mission and organizational needs of the installation, while keeping in line with the overarching Army goals to provide the means by which the capabilities of participants are increased to the fullest extent possible and enhance employee growth, career development and opportunities.

3Rs

Recruitment, relocation, and retention incentives.

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