



DEPARTMENT OF THE NAVY
NAVAL TRAINING CENTER
GREAT LAKES, ILLINOIS 60088-5000

NTCGLAKESINST 12531.1
(042)

13 MAY 1992

NTC GREAT LAKES INSTRUCTION 12531.1

From: Commander, Naval Training Center, Great Lakes

Subj: DETERMINING RATE OF BASIC COMPENSATION FOR CIVIL SERVICE
EMPLOYEES

Ref: (a) FPM 531 and CPI Supplement
(b) FPM Supplement 532-1 and CPI Supplement

1. Purpose. To provide information concerning pay setting rules and regulations for civilian employees as outlined in references (a) and (b).

2. Policy. It is the policy of the Navy and activities serviced by the Naval Training Center Consolidated Civilian Personnel Office (NTC CCPO) not to use a step above the minimum step rate required by law or regulation unless it is in the interest of the government. Whenever a higher rate is permissible, activity management will assess the rate to be set in light of the needs of the individual activity, assessment of the quality of the employee, the equity among employees, and the availability of funds. In no case will there be an "automatic" placement in the highest rate permissible. Each case will be judged on its individual merits.

3. Position or Appointment Changes

a. Highest Previous Rate

(1) This is the highest rate of basic pay previously paid to a person while employed in a position of the Federal government, regardless of whether or not the position was subject to the General Schedule.

(2) The employee's highest previous rate may not be based on a rate:

(a) Received under a temporary promotion of 90 days or less;

(b) Service under a supervisory/managerial probationary period when the employee failed to complete the probation satisfactorily;

(c) When the employee's rate of basic pay is a special rate established under Title 5 U.S.C. 5303. However, the commanding officer of an activity may approve the use of a

special rate of pay as highest previous rate when an employee is reassigned within the Department of Defense (DOD). The commanding officer must provide NTC CCPO with a written determination that establishes the need for the services of the employee and shows that the employee's contribution will be greater in the new position. Activities may also use a special salary rate for an employee's highest previous rate when that employee laterally transfers from another agency. Prior approval must be received from the Office of Assistant Secretary of Defense. Requests for prior approval must be forwarded through the activity's major claimant and must document how the employee's services and contributions to Department of Defense will be greater in the new position.

(3) When moving into a position by any means (promotion, demotion, reassignment, etc.), the employee may be paid at any step in the new grade which does not exceed the highest previous rate. If the highest previous rate falls between two steps, the higher step may be used. However, use of the highest previous rate in all personnel actions will be in accordance with the policy above.

b. Promotions (Permanent and Temporary)

(1) When an employee is promoted within the General Schedule (GS), the step in the new grade is the one which exceeds the rate (including a special rate authority under 5 U.S.C. 5303) in the previous grade by an amount equal to two step increases of the grade from which promoted (but not above the tenth step of the new grade).

(2) When an employee is promoted within the Federal Wage System (WG), the rate in the new grade is the one which exceeds the employee's existing scheduled rate of pay by at least four percent of the representative rate of the grade from which promoted (but not above the fifth step of the new grade). The representative rate for all WG levels is the second step and for all GS grades, it is the fourth step.

(3) When an employee is promoted from GS to a WG position, the rate in the new grade is the one which exceeds the employee's existing scheduled rate of pay by at least four percent of the representative rate of the grade from which promoted (but not above the fifth step of the new grade). WG employees are compensated on an hourly basis while GS employees are paid on a per annum basis. Therefore, before an employee's four percent increase can be computed, the employee's salary and representative rate must be reduced to an hourly rate by dividing

annual amounts by 2087. A comparison of representative rates in this case will be made to determine whether or not an action is, in fact, a promotion. The four percent increase is the employee's minimum entitlement in a promotion action and cannot be rounded down unless the new amount exceeds the fifth step.

(4) An employee promoted from WG to GS must have their hourly rate annualized before their pay can be set. The hourly rate is first multiplied by 2087 and the pay is set at the GS step which exceeds the employee's WG rate (but not above the tenth step). A comparison of representative rates in these cases will be made to determine whether or not an action is, in fact, a promotion.

4. Performance Management Recognition System (PMRS). When promoted from GS to PMRS, an employee is entitled to two step increases of the grade from which promoted and then the pay is fixed at the appropriate step of the higher GS grade which becomes the employee's rate of basic pay under the PMRS. When promoted within the PMRS, the employee is entitled to a six percent increase, which is added to their present rate of pay and becomes the employee's rate of basic pay.

5. Change to Lower Grade at Employee's Request. An employee who is changed to a lower grade at their request may not be granted grade or pay retention. However, the salary may be set at the maximum rate permissible under the highest previous rate rule. When an employee requests a change to lower grade with promotion potential back to the former grade, pay is set in the lower grade at a rate which, upon promotion back to the former grade, will place the employee in the rate which would have been obtained had the employee remained in that grade. When requesting a voluntary change to lower grade, an employee must agree in writing to the grade and step offered by management.

6. Pay for Details. When an employee is detailed to perform duties of another position, as distinguished from being appointed or assigned to the position, the employee is not entitled to the pay of the position.

7. Reduction-in-Force or Transfer of Function Placement. Employees are entitled to pay or grade retention when placed in a lower grade as a result of certain management initiated actions such as: reduction-in-force, reclassification, change in special rate schedules, etc., and will have pay fixed in the new grade at a step rate which preserves, so far as possible, the last earned rate. This requirement does not preclude the use of the highest previous rate under these circumstances.

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8. Simultaneous Pay Changes. When an employee becomes entitled to two pay changes at the same time, the changes are processed in the order which provides the maximum benefits to the employee.

9. Action. On all personnel actions, the staffing specialists in NTC CCPO will determine eligibility for step rates in accordance with references (a) and (b) and other applicable regulations. Whenever there is discretion in setting pay, the selecting official will be notified and a decision on the pay rate will be made by activity management in accordance with the policy expressed in paragraph 2 above.



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