

MPMC LABORATORY PERSONNEL MANAGEMENT DEMONSTRATION PROJECT

PAY POLICY

Purpose and Scope

To establish policy guidance for each type of action where administrative discretion is permitted in the application of pay fixing provisions set forth in various laws, regulations, the OPM Federal Register (volume 63, number 41, dated 3 Mar 98), and Internal Operating Procedure dated Jun 98. This policy is applicable to all employees covered by the Personnel Demonstration Project (PDP).

Definitions

1. Break in Service: The time when an employee is no longer on the payroll of an agency within the Federal Service. (In computing creditable service for benefits, e.g., leave accrual and reduction in force retention, a separation of 1, 2, or 3 calendar days is not considered to be a break in service; a separation of 4 or more calendar days is considered to be a break in service and the days of separation are subtracted from the employee's total creditable service.)
2. Demotion: Personnel action that moves an employee, while serving continuously in the same agency to (1) a position at a lower payband level or (2) to a position with a lower rate of basic pay (for example, as the result of an adverse action).
3. Employee: An individual who is actively serving under a Federal Civil Service appointment. This also includes individuals who transfer from one Federal agency to another and have a break in Federal Service of less than four calendar days.
4. Existing Rate of Pay: The employee's current equivalent of the last basic salary rate.
5. Former Employee: An individual (reinstatement eligible) who has previously served under a Federal Civil Service position in the legislative, executive, or judicial

branches, but at the time of his/her application for employment, has had a break in Federal Service of at least four calendar days.

6. Highest Previous Rate:
 - a. The highest actual rate of basic pay (exclusive of locality pay) previously received by an individual while employed as a civilian in a position or a branch of the Federal Government (legislative, executive, or judicial); a government corporation, as defined in 5 U.S.C. 103; the United States Postal Service of the Postal Rate Commission; or the government of the District of Columbia (except as provided in 531.203(d) (2) (v) of 5 CFR 531 without regard to whether the position was subject to the General Schedule) or,
 - b. The actual rate of basic pay for the highest grade and step previously held by an individual while employed in a Federal government civilian position subject to the General Schedule or present salary under PDP.
7. Intern: Individuals in career program field positions which have a prescribed progressive plan identifying required training and job experience needed to progress through the stages to the full performance level of a position in a particular career field. This includes Department of Army and Local Interns. Intern positions are typically found in the DB and DJ occupational families.
8. Locality Payment: A locality-based comparability payment payable under 5 USC 5304 and Part 531, Subpart of F of Title 5 of the CFR. The locality payment is determined by the geographic location to which the employee is assigned as their official duty station.
9. New Appointment: The first appointment to a position as a civilian employee, regardless of tenure, within the Federal Government.
10. Paybands: Paybands in the demo project classification system replace grade levels and steps in the GS

classification system. Each payband covers the same pay range now covered by one or more grades.

11. Pay Retention: Entitlement to retain, under certain circumstances, a rate of basic pay higher than the maximum rate of the top of the designated payband for the position occupied.
12. Probationary Period: A period of time, for all newly hired employees to allow supervisors an adequate period of time to fully evaluate an employee's ability. The length of the extended probationary period for the Engineers and Scientists Occupational Family (i.e., DB) will be three years. The probationary period for all other occupational families (e.g., DE, DJ, and DK) will be two years. Supervisory probationary periods will be made consistent with 5 CFR, Part 315, Section 315.901. Employees who have successfully completed an initial probationary period will *not* be exempt from the requirement to complete an additional one-year probationary period for the initial appointment to a supervisory/managerial position.
13. Promotion: The movement of an employee to a higher payband within the same occupational family or to a payband in a different occupational family which results in an immediate increase in the employee's salary.
14. Rate of Basic Pay: The rate of pay fixed by law or administrative action for the position held by an employee before any deductions and exclusive of additional pay of any kind.
15. Reassignment: The change of an employee from one position to another without promotion (i.e., no immediate increase in employee's salary, except as defined in d. below) or without a change to lower payband. Reassignment includes:
 - a. Movement to a position in a new occupational series, or to another position in the same series.
 - b. Assignment to a position that has been redescribed due to the introduction of a new or revised occupational series definition.

- c. Assignment to a position that has been redescribed as a result of position review.
 - d. Movement to a different position at the same payband level with a change in salary which is the direct result of a different locality payment.
 - e. Reassignment from one Occupational Family to another: When an employee is moved from one occupational family to another (ex. vertically on the payband chart rather than crossing paybands horizontally) where his/her salary is encompassed in the new occupational family payband (no immediate increase to salary), the action is considered a lateral reassignment. Even though the employee's earning POTENTIAL may now be greater (if the new payband offers higher earning potential), the personnel action is still considered a lateral reassignment (rather than a promotion) because there is no immediate increase to salary dollars.
16. Reinstatement: Competitive or noncompetitive reemployment in the competitive service as a career or career-conditional employee of a person formerly employed in the competitive service who had a competitive status or was serving probation when separated.
17. Status Employee: One who has completed the probationary period under the career-conditional employment system. Also known as an employee with competitive status.
18. Tenure: The period of time an employee may reasonably expect to serve under his or her current appointment. Tenure is governed by the type of appointment under which an employee is currently serving, without regard to whether the employee has competitive status or whether the employee's appointment is to a competitive service position or an excepted service position.

Responsibilities

The Civilian Human Resources Agency, Fort Detrick Civilian Personnel Advisory Center (CPAC) has been delegated personnel authority to make appointments and are responsible for determining the specific rates of pay to be authorized under this policy. The specific rates of pay will be determined in

conjunction with management on each individual case at the time the action is effected.

Procedures

1. Involuntary Actions: Employees added to the PDP by involuntary actions such as transfer of function, BRAC, etc., after initial implementation, will be awarded that portion of the next higher step, in the form of a base pay increase, based upon the portion of the waiting period they have completed at the time they convert into the PDP. This base pay adjustment will be made upon their appointment into the PDP.
2. Current Federal Civilian Employees: A current Federal employee who voluntarily applies for a position where both his/her current occupational series and salary falls into the occupational family and payband in which the vacancy exists, will not receive an immediate pay increase if appointed to the vacant position, but will maintain his/her current salary rate upon entering the position. A current Federal Employee who voluntarily applies for a position where his/her current occupational series is in an occupational family that is lower on the payband chart hierarchy than that of the occupational family in which the vacancy exists, or the employee's current salary is below that covered in the salary range of the payband in which the vacancy exists, will be placed into the vacancy, if selected, via a promotion action. Future pay increases within the payband will be accomplished through the annual pay for performance system.
3. Reemployment: Upon exercise of reemployment rights, the employee's existing rate of pay or the amount he/she would have earned (including pay increases) in the position from which his/her reemployment rights stem, whichever is larger, will be preserved.
4. New Appointments: As a general rule, pay will be set at the lowest level in a payband. Appointments made above the minimum level will be based upon superior qualifications or superior academic achievement of the candidate.

- a. Appointments made above the minimum level of the payband will be based on superior qualifications of the candidate. A memorandum to the CPAC approved by the Commander/Director must address the following:
 - (1) Reason for authorizing an advance rate; and
 - (2) Documentation of education and/or experience supporting a salary above the minimum; and
 - (3) Salary level being offered (cannot exceed payband cap).
- b. The documentation and approval must be received and approved prior to setting the effective date.

5. Highest Previous Rate:

- a. Consideration will be given to the most recent and relevant experience, proficiency, shortage of qualified candidates, and other factors in arriving at a determination as to whether highest previous rate (HPR) will be preserved. In instances where HPR is not preserved to the maximum allowed, the reasons for the action will be documented by the CPAC in conjunction with management.
- b. If the decision is made to afford an employee the benefit of a former rate of pay but it is not possible to obtain verification of the former rate prior to effecting the action, the action may be processed at the lowest level within the payband, subject to upward adjustment. The SF-50 will be documented to reflect that the employee's salary may be adjusted pending verification of HPR. Retroactive adjustment may be afforded to the employee as long as the SF-50 has been documented stating such.
- c. Rate of pay received during a period of temporary promotion will only be used in determining HPR if the temporary promotion has been continuous for 52 weeks or longer. In no case will the temporary promotion impact the pay for the position of record beyond the applicable pay range maximum rate in the lower payband. Rate of pay received during period of temporary promotion for less than one year will not

be used in determining HPR, except upon subsequent permanent placement in a position at the same or higher payband. When a temporary promotion is terminated, the employee's pay entitlements will be redetermined based on the employee's position of record, with appropriate adjustments to reflect pay events that would have occurred during the temporary promotion.

- d. Voluntary changes to lower salary/payband based on disability or some other factor which is outside the control of the employee will be the basis for adjusting the employee's pay to the maximum extent within the payband based on HPR unless pay retention is granted.
6. Pay Retention: Pay retention entitlements will continue upon placement in the PDP for those employees who are eligible. Employees entitled to pay retention whose salary can be met within the payband will no longer need to be covered under pay retention. Upon demotion of an employee who meets the requirements for pay retention, (EX. reasonable accommodation for medical reasons, entrance into formal intern position) pay will be set in the new payband whenever possible at a salary which is the same as the rate in effect prior to demotion. If pay cannot be set in this manner, the employee will be entitled to a retained rate of pay.
7. Promotion:
- a. Change of an employee to either
 - (1) A higher payband in the same occupational family, (EXAMPLE: DE-I to DE-II), or
 - (2) A payband in another occupational family in combination with an immediate increase in the employee's salary. The new payband must have a higher payband cap level than the one to which the individual was formerly assigned to constitute a promotion action. (EXAMPLE: Promotion from DK-II to DJ-II)
 - b. Pay Setting for Promotion: The minimum basic pay increase upon promotion to a higher pay band will

be 6% or the minimum rate of the new pay band, whichever is greater. The maximum amount of pay increase upon promotion will not exceed \$10,000.

8. Reassignments: MRMC PDP employees who relocate within the PDP demonstration project to a different locality pay area will have their pay set to reflect the locality pay for the new geographic location.
9. Change to Lower Salary at Employee's Request: When an employee voluntarily accepts a change to lower salary with the opportunity for repromotion to the former salary level, the pay in the lower payband will be set so that repromotion will not provide employee a higher rate of pay than previously held just prior to the voluntary downgrade. This procedure does not apply when filling Intern positions with formal training plans which are covered under pay retention regulations.
10. Change to Lower Salary - Adverse Action: When an employee is placed in a lower payband due to an adverse action, the pay will be set so that, if the employee is repromoted within the next twelve months, it will not result in monetary advantage to the employee. Management, however, may set the pay at the lowest level within the lower payband.

NOTE: Actions involving employees serving in supervisory positions who are returned to non-supervisory positions will not be considered as adverse actions.

11. Activities may make full use of Recruitment, Relocation and Retention Incentives as currently provided for by OPM.
12. Interns will be appraised in accordance with the pay-for-performance management system. At the six month point of the initial rating cycle of internship, in conjunction with the in-process appraisal review, interns will be given a special performance appraisal to determine their eligibility for a pay adjustment and/or promotion in accordance with their formal Intern Training Plan, regulatory, and qualification requirements.

13. Conversion or Movement From a PDP Position to a General Schedule Position: If a demonstration project employee is moving to a General Schedule (GS) position not under the demonstration project, or if the project ends and each project employee must be converted back to the GS system, procedures in Policy #5 and the Federal Register (volume 63, number 41, dated 3 March 1998) will be used to convert the employee's project pay band to a GS-equivalent grade and the employee's project rates of pay to GS-equivalent rates of pay. The converted GS grade and GS rates of pay must be determined before movement or conversion out of the demonstration project and any accompanying geographic movement, promotion, or other simultaneous action. For conversions upon termination of the project and for lateral reassignments, the converted GS grade and rate will become the employee's actual GS grade and rate after leaving the demonstration project (before any other action). For transfers, promotions, and other actions, the converted GS grade and rate will be used in applying any GS pay administration rules applicable in connection with the employee's movement out of the project (e.g., promotion rules, highest previous rate rules, pay retention rules), as if the GS converted grade and rate were actually in effect immediately before the employee left the demonstration project.
14. Within Grade Increases: Employees will not receive within grade increases during the duration of the project. However, service under the demonstration project is creditable for within grade increase purposes upon conversion out of the PDP to the GS pay system. Performance pay increases, even if a zero balance, under PDP, constitute equivalent increases for the purpose of determining the beginning of a within grade increase waiting period.
15. Reduction-in-Force: An employee's existing rate of pay will be preserved to the maximum extent allowed by law, rule, or regulation in all reduction-in-force and transfer-of-function actions through the use of pay and payband retention entitlements.

POC: MRMC PDP Manager