



DEPARTMENT OF THE NAVY
UNITED STATES NAVAL ACADEMY
ANNAPOLIS, MARYLAND 21402

USNAINST 12532.1
24ED
24 October 1985

USNA INSTRUCTION 12532.1

From: Superintendent

Subj: USNA POLICY IN HIGHEST PREVIOUS RATE OF PAY FOR WAGE GRADE EMPLOYEES

Ref: (a) CMMI 532-1
(b) FPM Supplement 532-1

Encl: (1) Highest Previous Rate Determination Memo

1. Purpose. To provide guidance in the establishment of wage pay rates for those persons who have previously been employed at higher rates of pay in the Federal Government.

2. Scope. This instruction applies to all entities which receive civilian personnel services from the Academy's Civilian Personnel Department. The provisions of this instruction apply only to prevailing rate employees paid from appropriated funds or applicants for such positions.

3. Policy. It is the policy of the Department of the Navy, as stated in reference (a), not to use a step above the minimum step required by law or regulation unless it is in the interest of the Government. Therefore, it is the policy of the United States Naval Academy to use the minimum step rate except as may be authorized under the provisions of this instruction (paragraph 5). The following will be observed in determining the basic rate of compensation:

a. Reemployment. The rate of pay for an applicant selected for reinstatement or conversion from a temporary to a permanent appointment will usually be the first step of the grade to which appointed. Supervisors and selecting officials should take care to advise the potential employee of this policy to make sure that the applicant would accept such a salary rate if an offer of employment is made. On occasion, a rate above the minimum, not to exceed the applicant's highest previous rate, may be authorized under the provisions of this instruction.

b. Transfer. In the case of a transfer from the same or a higher grade, the rate will normally be the same as received immediately prior to the transfer.

c. Reassignments. Employees will normally be reassigned at their current grade and step. However, if the employee previously served at a higher previous rate, the supervisor may justify a higher rate upon reassignment.

d. Assignment based on return rights of employees assigned duty outside CONUS. Employees exercising return rights upon completion of an overseas assignment will normally be paid at a rate of basic compensation which is not less than the rate to which he/she would have been entitled had the employee not been assigned to overseas duty. This does not, however, preclude the justification of the use of highest previous rate.

e. Promotion. Upon promotion, an employee may be granted the highest previous rate as may be authorized under the provisions of this instruction.

f. Demotions

(1) Reduction in Force or Transfer of Function Placement. An employee of the Department of Defense who is separated or scheduled for separation by reduction in force or failure to accompany a function and who is placed through the Priority Placement Program or the Reemployment Priority List will have his/her pay fixed in the new grade, at a step rate which preserves for the employee, so far as possible, his or her last earned rate. For this purpose, "last earned rate" does not include the rate earned in a position or rating to which temporarily promoted nor does it include a night shift differential. This requirement does not preclude the use of the highest previous rate under these circumstances.

(2) Voluntary Change to a Lower Grade. When an employee voluntarily requests a change to a lower grade with no known growth potential, the highest

previous rate applies. However, when an employee is demoted at his/her own request with the prospect of repromotion back to the former grade as soon as possible under merit promotion rules (e.g., a demotion to acquire status), a rate in the lower grade will be selected, which upon promotion will place the employee back in the rate at the higher grade which he/she would have attained had he/she remained in that grade.

4. Eligibility. It is legally permissible, according to references (a) and (b), to set the basic rate of pay above the minimum when an employee is reemployed, transferred, reassigned, promoted or demoted. However, it is not permissible to base an employee's higher rate on:

- a. A rate received for a position of less than 90 days.
- b. A rate received for an appointment as an expert or consultant.
- c. A rate established under a new appointment for recognition of special qualifications.
- d. A rate of basic pay established under 5 U.S.C. 5303 - OPM authorization of special salary rates.

5. Exceptions

a. Basis. An exception in the stated policy of setting the rate of pay at the minimum step may occasionally be justified. The only valid basis for establishing the pay at the highest previous rate will be:

(1) The skill involved falls in a category that has caused serious recruitment difficulties because of shortage of qualified candidates; and/or

(2) The qualifications of the applicant are clearly superior to other applicants or employees on the rolls in similar positions.

b. Consideration of other Factors. Prior to recommending a higher than minimum step rate, the Selecting Official will give careful consideration to the needs of the activity and such matters as:

(1) The relationship between previous employment and the position for which being considered. Prior experience must be closely related to the position for which being considered and give positive evidence that such past experience will enable the applicant to perform the major duties of the position at a high level of performance with little or no training.

(2) Impact which setting the rate higher than the minimum will have on present employees at the same or higher grade level.

(3) Availability of funds.

6. Action

a. Selecting Officials are hereby authorized, when otherwise permissible, to recommend rates of pay above the minimum step per this instruction. In each case, selection of a rate above the minimum must be accompanied by acceptable rationale for the higher rate. Approval of the rationale by the Employment Officer, Civilian Personnel Department, is required.

b. The Employment Division, Civilian Personnel Department, will inform Selecting Officials when the use of highest previous rate is permissible and the maximum salary amount which may be considered. A copy of enclosure (1) will be used for this purpose.

c. All personnel will comply with the policy statements and procedural instructions contained herein. When a rate of pay above the minimum is requested, it is expected that the official recommending such action will have carefully considered all possible ramifications and will fully support such a request by indicating the specific superiority of the selected individual over other employees and applicants. Such cases are expected to be so unusual that the advantages of such actions will clearly be apparent and will readily provide a basis for the final decision by the approval authority.



C. R. LARSON

Distribution:

AA
CPD (30)

MEMORANDUM

From: Employment Officer, Civilian Personnel Department
To:

Subj: USE OF HIGHEST PREVIOUS RATE FOR SALARY DETERMINATION

Ref: (a) USNAINST 12532.1

1. Although it is not mandatory to set the pay above the minimum step, per reference (a), the salary for _____
NAME
may be set at any step from _____ up to and
GRADE STEP SALARY
including _____ based on a previous Federal appointment
GRADE STEP SALARY
as a _____ from _____ to _____.
GRADE STEP DATE DATE

2. After carefully reviewing the considerations discussed in reference (a), please provide necessary justification below, insert the step and salary selected, sign, date, and return this memo to the Employment Division.

RATIONALE:

SELECTED STEP AND SALARY

SIGNATURE AND TITLE

DATE

APPROVED/DISAPPROVED:

EMPLOYMENT OFFICER

DATE