



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

USNAINST 12550.3

24/ED

19 February 1985

CH-1 (7 Oct 85)

USNA INSTRUCTION 12550.3

From: Superintendent

Subj: USNA POLICY IN THE USE OF HIGHEST PREVIOUS RATE OF PAY

Ref: (a) FPM 531
(b) FPM Supplement 990-2
(c) CMMI 531.2

Encl: (1) Highest Previous Rate Determination Memorandum

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

2. Cancellation. USNA Instruction 12552.4D

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

4. Policy. It is legally permissible, under references (a) and (b) to set the basic rate of pay above the minimum when an employee is reemployed, transferred, reassigned, promoted, or demoted, but it is not permissible to base an employee's higher rate on a rate received under a temporary position of 90 days or less. It is the policy of the Department of the Navy, as stated in reference (c), 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 policy 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 minimum step of the grade to which appointed. Supervisors and selecting officials should take care to advise the potential employee of this policy to ensure 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 (paragraph 5).

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. In the case of a transfer to a higher grade from another Federal installation, the rate in the new grade will be that one (but not above the maximum rate) which exceeds the previous grade by an amount equal to two within-grade increases of the grade from which he/she was promoted or transferred.

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 that rate upon reassignment. (See paragraph 5).

d. Promotions. Upon promotion, an employee's rate in the new grade will be that one (but not above the maximum rate) which exceeds the previous grade by an amount equal to two within-grade increases of the grade from which he or she was promoted. However, if the employee previously served at an even higher rate, the supervisor may justify that rate upon promotion. (See paragraph 5).

e. Demotions

(1) Reduction-in-Force Placement. A Department of Defense employee who is being adversely affected through reduction-in-force action and appointed

CH-1

19 February 1985

by reassignment, transfer, or reemployment while on a Reemployment Priority List or registered in the Priority Placement Program will have the pay rate fixed in the new position which preserves, insofar as possible, the employee's last earned rated.

(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 back will place the employee in the rate at the higher grade which he/she would have attained had he/she remained in that grade.

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 such an exception will be when:

(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 department head 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

CH-1 a. Selecting Officials are hereby authorized, when otherwise permissible, to recommend rates of pay above the minimum step in accordance with 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.

CH-1 b. The Employment Officer, 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 be clearly apparent and will readily provide a basis for the final decision by the approval authority.


W. D. STRAIGHT
Deputy for Operations

Distribution:
AA
CPD (40)

MEMORANDUM

From: Employment Officer, Civilian Personnel Department
To:

Subj: USE OF HIGHEST PREVIOUS RATE FOR SALARY DETERMINATION

Ref: (a) USNAINST 12550.3

1. Although it is not mandatory to set the pay above the minimum step, per (R
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), (R
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

Enclosure (1)



DEPARTMENT OF THE NAVY
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ANNAPOLIS, MARYLAND 21402-5000

USNAINST 12550.3 CH-1
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USNA INSTRUCTION 12550.3 CHANGE TRANSMITTAL 1

From: Superintendent

Subj: USNA POLICY IN THE USE OF HIGHEST PREVIOUS RATE OF PAY

Encl: (1) Highest Previous Rate Determination Memorandum

(R)

1. Purpose. To issue change 1 to subject instruction.
2. Action
 - a. On page 1 of basic instruction change enclosure (1) to read "Highest Previous Rate Determination Memorandum."
 - b. Substitute the new enclosure (1) for old enclosure (1).
 - c. On page 2, paragraph 6a, substitute "Selecting Officials" for "Heads of Cost Centers," and in paragraph 6b, substitute "Selecting Officials" for "Cost Center Heads."
3. Cancellation. When the change has been made.


W. D. STRAIGHT
Deputy for Operations

Distribution:
AA
CPD (50)