

DEPARTMENT OF THE ARMY
HEADQUARTERS, FORT SAM HOUSTON
Fort Sam Houston, Texas 78234-5000

FSH Regulation
No. 690-12

20 November 1987

Civilian Personnel
OPTIONAL PAY-FIXING

Issue of supplements to this regulation by subordinate commanders is prohibited unless specifically approved by Headquarters, Fort Sam Houston.

All masculine pronouns used in this regulation are intended to refer to the feminine gender as well unless otherwise indicated.

1. PURPOSE. This regulation establishes policies governing the fixing of pay in various civilian personnel actions where administrative discretion in pay setting is provided for in Office of Personnel Management (OPM) or Department of the Army regulations.

2. SCOPE. This regulation is applicable to all activities receiving civilian personnel servicing from the Fort Sam Houston Civilian Personnel Office who have civilian employees paid from appropriated funds. Where this regulation is in apparent conflict with existing or subsequently negotiated labor agreements, this regulation is controlling.

3. POLICY

a. Appropriate use will be made of optional pay-fixing when the circumstances warrant. Each case will be judged separately by the Civilian Personnel Office in accordance with the criteria contained in succeeding paragraphs.

b. The specific rate of pay will be set in each individual case at the time the action is taken. If a decision is made to afford an employee the benefit of a former rate of pay but it is not possible to obtain proof of the former rate prior to taking the action, the action may be processed at the minimum step rate of the grade, subject to upward adjustment. In such cases, a statement to that effect will be recorded on the Standard Form 50 (Notification of Personnel Action) to serve as the basis for retroactive adjustment of pay through issuance of a correction SF 50. 

c. The Civilian Personnel Officer is authorized, whenever there are practical difficulties and/or unnecessary hardships created by complying with the strict letter of this pay policy, to make appropriate use of pay fixing features authorized in Title 5, Code of Federal Regulations, Parts 530, 531, 532, 534, 536, 540, 550, and 551, and corresponding Department of Defense and Army regulations. Each variation will be judged separately in light of

*This regulation supersedes FSH Reg 690-12, 4 Mar 81.

established policies and the particular mitigating circumstances. Where a variation is considered warranted, the circumstances will be documented for the record so that like variations shall be granted whenever like conditions exist.

d. Pay of employees set under the provisions of this regulation may not exceed the maximum payable rate for General Schedule employees or the highest previous rate for Federal Wage System employees.

4. PROMOTION. Pay will normally be fixed in accordance with appropriate OPM regulations governing promotions. Consideration may be given to higher rate of pay based on previous employment in the same occupational series in the same or higher grades than that to which promoted. If the previous rate falls between two rates, pay will be set at the lower rate.

5. REASSIGNMENT. Pay will be fixed at the same rate in the new position as that of the former position.

6. EMPLOYEE-INITIATED DEMOTIONS TO POSITIONS HAVING NO KNOWN PROMOTION POTENTIAL.

a. In demotions that do not meet the criteria in OPM and Army regulations for the granting of pay retention and other demotions determined to be voluntary, the employee's existing rate of pay will be matched, if possible. If the existing rate of pay falls between two rates of the lower grade, the lower of the two rates will be selected.

b. Employees whose demotions meet the criteria for the granting of pay retention will have their pay set in accordance with those regulations. If the existing rate of pay falls between two rates of the lower grade, the higher of the two rates will be selected.

c. An employee requesting change to lower grade within 30 days after promotion to a position in which he/she has become dissatisfied will normally have his/her pay returned to the rate that would have been held had the promotion not occurred. If the change to lower grade is to an intervening grade, the rate that would have been held in the original grade had the promotion not occurred is determined. This rate is then matched as closely as possible to a rate in the intervening grade; if the rate falls between two rates in the intervening grade, the lower of the two will be selected.

7 EMPLOYEE-INITIATED DEMOTION TO POSITIONS WITH KNOWN PROMOTION POTENTIAL.

a. If the demotion to a position with known promotion potential is in a program that meets the requirements of OPM and Army regulations for the granting of pay retention (e.g., intern, Upward Mobility), pay will be set in accordance with those regulations. If the employee's existing rate falls between two rates of the lower grade, the higher of the two rates will be selected.

b. If the demotion is not to a position in a program that meets the requirements for the granting of pay retention, pay will be set at a rate which upon promotion will place the employee in the rate of the higher grade which would have been attained had he/she remained in that grade.

8. MANAGEMENT-INITIATED DEMOTION BASED ON FAILURE TO MEET REQUIREMENTS OF SUPERVISORY/MANAGERIAL PROBATION. Employees will be placed in the rate of pay that would have been attained if he/she had not been placed in the supervisory or managerial position. If the change to lower grade is to an intervening grade, the employee will be placed in a rate of pay which matches as closely as possible the rate of pay that would have been attained had he/she not been placed in the supervisory or managerial position; if this rate falls between two rates of the intervening grade, pay will be set at the higher rate.

9. MANAGEMENT-INITIATED DEMOTION BASED ON UNSATISFACTORY PERFORMANCE.

a. Pay will be set at the same step level in the lower grade as was held in the higher grade (e.g., step 4 in the higher grade to step 4 in the lower grade).

b. If an employee is in grade, pay, or salary retention at the time of demotion, the effects of the loss of that grade, pay, or salary retention will be applied first in determining the step rate on which to base the new step rate following demotion.

10. DEMOTION FOLLOWING TEMPORARY PROMOTION. Pay will be fixed at the rate held in the lower grade before the temporary promotion with the addition of any within-grade increases earned in the lower grade while temporarily promoted.

11. TRANSFER/CONVERSION.

a. If the transfer/conversion is to the same grade, pay will be set at the rate currently held. If the transfer/conversion is to a higher grade, pay will be set as prescribed in paragraph 4 for promotions. If the transfer/conversion is to a lower grade, pay will be set as prescribed in paragraphs 6 or 7 as appropriate.

b. Permanent employees who accept intervening temporary employment scheduled to last 90 days or more within three years after their last nontemporary employment will have their pay set upon conversion to permanent employment based on either the intervening temporary employment or on the last rate held on a nontemporary basis (or current equivalent), whichever is higher.

12. REINSTATEMENT.

a. For reinstatements within three years after the last separation, the following will apply:

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(1) For reinstatements to the same grade as that in which last employed, pay will be set at the last rate held or current equivalent.

(2) For reinstatements to a higher grade as that in which last employed, pay will be set at the last rate held or current equivalent. If the last rate held is between two rates of the grade to which reinstated, pay will be set at the higher rate.

(3) For reinstatements to a lower grade than that in which last employed, the provisions of paragraph 6 or 7 will apply, using the last rate held or current equivalent as the current rate.

b. For reinstatements more than three years after the last separation, pay will be set at the minimum rate of the grade to which reinstated, except for reemployed annuitants whose annuity is not stopped. In those cases, pay will be set at the last rate held or current equivalent.

13. APPOINTMENTS USING OPM OR DELEGATED EXAMINING AUTHORITIES

a. For appointees with no prior Federal civilian service, pay will be set at the minimum rate of the grade.

b. For appointees with prior Federal civilian service, pay will be adjusted in the same manner as in paragraphs 11 or 12, whichever is appropriate.

c. Appointments above the minimum rate because of superior qualifications may be used where appropriate.

14. TEMPORARY APPOINTMENTS.

a. For appointees with no prior Federal civilian service, pay will be set at the minimum rate of the grade.

b. For appointees with prior Federal civilian service, pay will be adjusted in the same manner as paragraphs 11 or 12, whichever is appropriate

15. APPOINTMENTS FROM OTHER PAY SYSTEMS.

a. Employees who are being appointed from the Panama Canal Employment System will have their pay set based either on the last Federal civilian position held outside the Panama Canal Employment System on a permanent basis or on the position held in the Panama Canal Employment system on a permanent basis, whichever is higher.

b. Employees who are being appointed from the U.S. Postal Service will have their pay set based on their Postal Service positions only if they have successfully completed a probationary period with the Postal Service. If the employee has not successfully completed a probationary period with the Postal Service, pay will be set without regard to the Postal Service rate.

16. U.S. ARMY RESERVE UNITS OUTSIDE THE FORT SAM HOUSTON COMMUTING AREA. In addition to the policies outlined above, pay for employees in U.S. Army Reserve units outside the Fort Sam Houston commuting area may be set at any rate that does not exceed the maximum payable rate or highest previous rate. Payment of a rate of pay higher than that which would be payable under the paragraphs above is not mandatory and must be justified by the existence of a shortage of applicants and the need to pay a higher rate of pay based on conditions in the appropriate labor market where the vacancy exists.

17. PAY ADJUSTMENTS FOR GENERAL SCHEDULE SUPERVISORS OF FEDERAL WAGE SYSTEM EMPLOYEES.

a. Work assignments should be made in such a manner as to avoid situations where General Schedule employees supervise Federal Wage System employees who receive a higher rate of basic compensation. Therefore, changes in work organization or assignment to eliminate the need for adjustment will be considered before adjusting the rate of pay of a General Schedule supervisor under this authority.

b. Pay adjustments can be made for supervision of Federal Wage System supervisors, but this situation is expected to be rare, especially when the employee supervised is a General Foreman.

c. If changes in organization or work assignment are not possible and the requirements of OPM and Army regulations are fully met, a General Schedule supervisor is entitled to a rate of pay not exceeding the maximum rate of the General Schedule grade which most nearly matches the regular rate of pay of any Federal Wage System employee for whom the supervisor regularly has responsibility for supervision. If the Federal Wage System rate of pay falls between two rates of the General Schedule grade, the higher rate will be selected.

d. The work situations requiring adjustments under this paragraph will be reviewed

(1) When the incumbent of the General Schedule supervisory position changes

(2) When the incumbent of the Federal Wage System position requiring the adjustment is no longer under the regular supervision of the General Schedule supervisor.

(3) When there is a change in the wage schedule of the Federal Wage System position on which the adjustment is based.

(4) When there is a change in the salary schedule of the General Schedule supervisor.

e. If there is no longer a need for a pay adjustment, the pay of the General Schedule supervisor will be set at the rate to which he/she would have been entitled had the pay adjustment not occurred.

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18. REFERENCES.

- a. FPM Supplement 990-2
- b. FPM Supplement 532-1
- c. AR 690-900-2.

The proponent of this regulation is the Civilian Personnel Office, Fort Sam Houston. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) to the Commander, Fort Sam Houston, ATTN: AFZG-CP, Fort Sam Houston, Texas 78234-5000.

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