

CONTENTS

CHAPTER 531. PAY UNDER THE GENERAL SCHEDULE SYSTEM

PARAGRAPH PAGE

SECTION A. INTRODUCTION TO PAY UNDER THE GENERAL SCHEDULE

- 1. Scope A-1
- 2. References A-1
- 3. Policy A-1

SECTION B. DETERMINING RATE OF BASIC COMPENSATION

- 1. Scope B-1
- 2. References B-1
- 3. Policy B-1
- 4. Salary Rate Determinations--Movements Involving
Service in General Schedule Positions..... B-1
- 5. Salary Rate Determinations--Movements From Non-General
Schedule Positions to General Schedule Positions B-4
- 6. Appointment Above Minimum Rate for a Candidate
With Superior Qualifications B-5

SECTION C. WITHIN-GRADE INCREASES

- 1. Scope and Exclusions..... C-1
- 2. References C-1
- 3. Definitions..... C-2
- 4. Responsibilities..... C-2
- 5. Earning a Within-Grade Increase..... C-2
- 6. Waiting Periods C-3
- 7. Equivalent Increase Determinationsc C-4
- 8. Acceptable Level of Competence Determinations C-5
- 9. Effective Date of Within-Grade Increases C-5
- 10. Effect of Temporary or Term Promotions C-5
- 11. Temporary Appointments..... C-6
- 12. Quality Step Increases C-6

APPENDIX

- A. Pay Conversion Instructions for General
Schedule Rates App. A-1

CHAPTER 531. PAY UNDER THE GENERAL SCHEDULE SYSTEM

(To Be Used With 5 CFR, Part 531)

SECTION A. INTRODUCTION TO PAY UNDER THE GENERAL SCHEDULE

1. SCOPE

This section applies to all employees occupying positions subject to 5 U.S.C. ch. 51.

2. REFERENCES

- a. 5 U.S.C. 5301
- b. 5 U.S.C. 5331 and 5332
- c. 5 Code of Federal Regulations, Part 531

3. POLICY

a. The policy of the VA is to determine the rate of basic pay which an employee is to receive in accordance with principles of the statutory plan for classification of General Schedule positions (5 U.S.C. 5101), the requirements of 5 U.S.C. 5331-5337, and implementing Office of Personnel Management regulations.

b. The pay administration system will be integrated with other aspects of human resources management administration to further human resources management and overall management objectives.

**CHAPTER 531. PAY UNDER THE GENERAL SCHEDULE SYSTEM
(To Be Used With 5 CFR, Part 531, Subpart B)**

SECTION B. DETERMINING RATE OF BASIC COMPENSATION

1. SCOPE

This section applies to all employees occupying positions subject to 5 U.S.C. ch. 51.

2. REFERENCES

- a. 5 U.S.C. 5331-5334.
- b. 5 U.S.C. 5337.
- c. 5 Code of Federal Regulations, Part 531, subpart B.
- d. VA Manual MP-6, part V, supplement No, 1.5.

3. POLICY

a. Initial salary rates will be set at the highest levels permitted by 5 CFR 531.203, subject to any limiting Office of Personnel Management regulations and Comptroller General decisions and unless otherwise specifically provided below. This policy is referred to as the "Earned Rate Rule."

b. The rationale for the earned rate rule is that the steps within a given grade are intended to reflect differences in individual proficiency which affect quality of performance. Typically, proficiency is acquired or enhanced gradually during one's tenure in his position, and is recognized by within-grade increases. Proficiency at least equivalent to that expected of employees at any of the step rates also may be gained through successful experience in a higher position. The purpose of the policy is to recognize proficiency acquired in this latter manner, to the extent possible.

c. The term "Earned Rate" refers to an individual's "highest previous rate" when such rate is recognized under the "Earned Rate Rule" for salary adjustment purposes.

4. SALARY RATE DETERMINATIONS--MOVEMENTS INVOLVING SERVICE IN GENERAL SCHEDULE POSITIONS

a. Persons Authorized To Make Determinations and Approve Rates. Subject to statutory and regulatory limitations and the policy provisions contained herein, the officials named below are authorized to determine and approve salary rates upon promotion, re-promotion, reassignment, change to lower grade, reemployment, reinstatement, and transfer of employees to positions for which they have personnel action approval authority;

- (1) Secretary, Deputy Secretary;

- (2) Administration Heads and Heads of staff offices;
- (3) Area Field Directors; and Network Directors;
- (4) Directors of field stations;

(5) Personnel officials having delegated appointing authority (ch. 250, this part), when so designated by the program officials named above for positions under their jurisdiction.

b. **Statutory and Regulatory Limitations.** Title 5, United States Codes, section 5334(b) sets forth certain minimum pay adjustment rules applicable to promotions of employees between General Schedule positions. Subject to these mandatory requirements, 5 CFR 531.203(c) generally provides agencies with discretion to set the pay of an employee who is reemployed, transferred, reassigned, promoted, re-promoted, or demoted at any rate for his grade which does not exceed his highest previous rate. If his highest previous rate falls between two steps of the new grade, he will be given the higher of the two as indicated in paragraph 3a.

c. **Limitations on Consideration of Prior and Non-VA Service.** In applying the provisions of subparagraph e below, the "highest previous rate" to which an eligible employee may have a vested right under the earned rate rule set forth above, shall apply only to rates received in General Schedule positions held in VA on or after October 15, 1963, the effective date of this policy, except as otherwise specified in a subparagraph e (2) and (5) and below. (NOTE: Instructions regarding crediting of non-General Schedule service are contained in par. 5.) Salary rates received in non-VA positions and rates received in VA positions prior to October 15, 1963, may be taken into account in fixing salary rates, if appropriate in the judgment of the authorizing official, but no right is vested in the employee to receive a rate based on such service.

d. **Criteria for Application of Earned Rate Rule.** The earned rate rule will be controlling only where the record indicates, in the authorizing official's judgment, that the experience gained in the position on which the rate is proposed to be based was of such quality and duration that the individual's total qualifications were likely thereby to have been enhanced. The following considerations will be taken into account in making this determination:

(1) A rate received by an employee in a position from which he had been removed for inefficiency or disciplinary reasons by reassignment, reduction in grade, or separation shall not be used as basis for an earned rate determination.

(2) The employee's tenure in the position on which the earned rate is based must have been sufficient to have demonstrated his ability to perform satisfactorily at such higher grade. One year's service will be considered as a reasonable minimum. Subject to the limitations of 5 CFR 531.203 (d), however, a shorter period may be acceptable if the factors in the individual case so warrant.

(3) Where an affirmative determination cannot be made for application of the earned rate rule, in the light of the above criteria, a salary rate shall be selected at any lower level within the grade, not below the minimum required by law or regulation. (See, however, subpar. e(4) below regarding reassignments for disciplinary reasons or for unsatisfactory service.) The rate selected in

such cases shall be that which in the authorizing official's judgment best represents equity to the employee and the VA, and affords reasonable internal alignment with the rates received by other groups of employees within the installation. The basis for selection of a rate lower than the normal rate under the earned rate rule should be documented in the individual's personnel folder.

e. Policy Implementation Guidelines. Guidelines to assist in implementing the above salary adjustment policy in specific types of personnel actions are set forth in the following subparagraphs:

(1) Promotion. On promotion, including transfer with promotion, an employee's salary will be set in accordance with the mandatory provisions of 5 U.S.C. 5334(b) or the provisions of this section regarding the application of the earned rate rule.

(2) Re-promotion. On re-promotion to a grade which an employee previously has held in VA, or to an intervening grade, his salary rate will be determined consistent with the provisions of subparagraph (1) above, or consistent with the earned rate rule, if appropriate, whichever results in the higher rate. The limitations of subparagraph c above on consideration of prior VA service shall not apply to these re-promotions. If application of the earned rate rule is not appropriate under the criteria specified, the salary shall be set at any lower step rate not less than the minimum required by subparagraph (1) above. If the re-promotion is to a grade not previously held in VA, or to an intervening grade, the salary shall be set based on the considerations specified in subparagraph (7) below, applicable to transfers.

(3) Changes to Lower Grade. The earned rate rule is for application in changes to lower grade, where the criteria set forth in subparagraph d above are met. The earned rate rule criteria shall be considered to be met when employee is to be involuntarily changed to a lower grade for nondisciplinary reasons. This will obviate the necessity for consideration of entitlement to salary retention (section E, this part), except where the existing salary rate of the employee is in excess of the maximum scheduled rate of the lower grade to which he is being reduced.

(4) Reassignment. The earned rate rule shall be applied in effecting reassignments between General Schedule positions, except where such reassignment is for disciplinary reasons or for unsatisfactory service. If an employee, otherwise eligible, who is receiving retained pay in excess of his grade under 5 U.S.C. 5363, is reassigned under circumstances in which his retained pay is terminated (see 5 CFR 536.209), his basis pay shall be set in accordance with 5 CFR 536.205.

(5) Mandatory Restoration and Reemployment Priority List. The earned rate rule shall be applied in effecting mandatory restorations and re-employments of former VA employees from the VA reemployment priority list.

(6) Other Re-employments and Reinstatements. The earned rate rule, if appropriate under the criteria established, shall be applied in effecting re-employments in cases other than those cited in subparagraph (5) above. However, the limitations of subparagraph c above, on consideration of prior and non-VA service shall apply. Where application of the earned rate rule is not appropriate, a lower rate within the grade shall be selected, based on consideration of the individual's pertinent employment history, the recency of experience, quality of performance, and other factors which

bear on his qualifications for the position in which re-employed. These consideration shall be related to the need for reasonable organizational pay alignment.

(7) Transfers. Consistent with the limitations of non-VA service, set forth in subparagraph c above, the earned rate rule will not routinely be applied in effecting transfer from another agency or branch of the Federal Government, whether by promotion, or change to lower grade, or otherwise. (NOTE: See subpar. (1) above, however, for mandatory adjustments on promotion actions.) Rather, the rate to be selected within the grade shall be that which in the authorizing official's judgment best represents equity to the employee and to the VA, taking into account the individual's qualifications as related to those possessed by other VA employees with whom he may work. The highest previous rate, if otherwise appropriate in the judgment of the authorizing official, shall be selected only if the service in which it was received meets the length and quality criteria specified in subparagraph d above.

(8) Retroactive Adjustments of Salary Rates. If sufficient data are not available to permit the making of a salary determination, the salary will be established initially at the lowest clearly appropriate rate of the grade. The following statement will be placed in the "Remarks" space of VA Form 5-4650: "Pay rate subject to retroactive adjustment upon verification of prior Federal service."

(9) Post-audit Adjustments. If an employee is changed to a lower grade because of failure to meet the qualification requirements of the higher graded position, the earned rate rule shall not apply to the salary received in such position. Instead, salary shall be fixed at the rate that would be received if the employee had remained in, or had been appointed to, the lower grade position. Such changes to lower grade shall be effective as of the date disapproval is received by the VA installation. For positions reduced on classification post-audit, initial rates of pay will be determined in accordance with the provisions of 5 CFR Part 536 or subparagraph (3) above, as appropriate.

(10) Simultaneous Salary Changes. Employees who are eligible for two salary changes effective on the same day may have the changes processed in the order which will give the employees the maximum benefit. (36 Comp. Gen. 217.)

5. SALARY RATE DETERMINATIONS--MOVEMENTS FROM NON-GENERAL SCHEDULE POSITIONS TO GENERAL SCHEDULE POSITIONS

This paragraph contains instructions for salary adjustments on position changes involving movements from non-General Schedule positions to General Schedule positions. These instructions also apply to crediting non-General Schedule service, where appropriate, in determining "highest previous rates" in connection with assignments to and movements between General Schedule positions.

a. Persons Authorized To Make Determinations and Approve Rates. The persons specified in paragraph 4a are authorized also to determine salary rates under the provisions of this paragraph.

b. Guidelines

(1) The provisions of 5 CFR 531.203(c), permitting the use of the highest previous rate in salary adjustments, apply equally to changes to General Schedule positions from non-General Schedule positions. Because of the difficulty of equating levels of work with salary levels for the many possible types of non-General Schedule positions, however, VA policy does not vest the right in an employee to receive the highest previous rate on such movements.

(2) The determination of the rate the person will receive--up to and including the highest previous rate--shall be within the discretion of the officials specified in paragraph 4a, subject to limitations imposed by statute, Office of Personnel Management regulations and decisions of the Comptroller General. The rate shall be equitable for the employee in consideration of the length and quality of his prior Federal employment other than in a General Schedule position. However, it shall be so fixed as to hold to a minimum inequities that might otherwise be produced in relation to rates received by other employees in the organization. Authorizing officials should be especially alert to the possibility of such inequities when considering highest rates attained in positions paid on a prevailing locality rate basis or other principle differing from the position classification concept.

6. AUTHORIZATION OF ABOVE-MINIMUM ENTRY RATES ON AN INDIVIDUAL BASIS

a. Authority. Under the provisions of 5 U.S.C. 5333(a), 5 CFR 531.203(b), and Federal Personnel Manual (FPM) chapter 338, subchapter 6, appointment at a rate above the minimum of a General Schedule grade may be made based on the superior qualifications of a candidate or a special VA need for the candidate's services.

(1) Veterans Health Administration GS employees who provide direct patient care services or services incident to direct patient services are covered by section F of MP-5, part II, chapter 3, and are not covered by this paragraph. -

(2) This authority is a pay-setting authority; it is not an appointing authority. Therefore, consideration of an above-minimum rate appointment may occur only after it has been determined that the candidate may be properly appointed. An above-minimum rate, however, must be approved prior to the effective date of appointment.

b. Delegations of Authority

(1) The Secretary, or designee, is the approving official for entry at an above-minimum rate in positions centralized to that office.

(2) Administration heads, Assistant Secretaries, other key officials, and Deputy Assistant Secretaries or their designees, recommend entry at above-minimum rates for positions in their organizations, which are centralized, to the Secretary. They, or their designees, approve entry at an above-minimum rate for positions in their Central Office organizations, which are not centralized to the Secretary and for field positions, centralized to their offices. They, or their designees, also approve above-minimum rates that exceed the 6 percent limit for non-centralized positions at field facilities in their organization.

(3) For non-centralized positions, facility Directors may approve entry at an above-minimum rate, which does not exceed 6 percent of the candidate's existing pay. This approval authority may not be further delegated.

c. Requirements

(1) Appointments at above-minimum rates under this authority will be fully justified in accordance with criteria outlined in 5 CFR part 531.203(b) and subchapter 6 of FPM chapter 338 and meet all legal and regulatory requirements. What may and may not be considered in determining a candidate's existing pay is discussed in FPM chapter 338 , subchapter 6.

(2) Office of Personnel Management regulations requires that consideration must be given to a recruitment bonus before approval of an above-minimum rate under this authority (5 CFR part 575). This requirement is predicated on the fact that an appointment with an above-minimum rate will be significantly more costly because it has a lasting effect on future pay entitlements and increases retirement, life insurance, and premium pay entitlements. A recruitment bonus is a one-time payment that does not affect future pay entitlements.

(3) This authority is to be used in individual cases of superior qualifications or special VA need. It is not to be used for occupational pay comparability or substituted for above-minimum entrance rates for an occupation or special salary rates for an occupation. Consideration is to be given to the effect approval may have on the morale of current employees and/or community relations.

(4) Above-minimum rates are authorized only for individuals entering Federal civilian service for the first time or those returning after a break in service of 90 days or more. However, this authority may be used for appointment or conversion of certain cooperative work study employees, District of Columbia employees, members of Commissioned Corps, Intergovernmental Personnel Act participants, and experts or consultants as provided by FPM chapter 338, subchapter 6. An above-minimum rate must be approved before the candidate enters on duty; retroactive adjustment is not permitted.

(5) An above-minimum rate may not exceed the rate for the tenth step of the grade.

d. Request. Requests for approval of an above-minimum rate under this authority must meet all of the requirements of this paragraph and must also satisfy the provisions of the FPM chapter 338, subchapter 6.

(1) Requests for centralized positions and for rates in excess of 6 percent of existing pay will be forwarded through organizational channels and the Office of Human Resources Management (OHRM/051) for technical review and concurrence prior to submission to the approving official.

(2) For Central Office positions, requests for approval will be submitted through organizational channels to OHRM (052) for technical review and concurrence prior to submission to the approving official.

(3) Justification for all above-minimum appointments will as a minimum, include:

(a) a description of recruitment efforts used and/or the likelihood of finding candidates from additional recruiting;

b) a description of the candidate's superior qualifications or the special need for the candidate's skill and a comparison of the candidate's skills to those of other available applicants (e.g., the candidates educational attainment, specific training, extensive knowledge and experience directly related to the duties of the position which materially exceed the qualifications of other candidates or which other candidates lack);

(c) documentation of the candidate's existing pay or current job offers (e.g., copies of current pay voucher or written job offers);

(d) explanation of how the proposed rate was determined to be appropriate (e.g., whether based on candidate's unique qualifications for job, existing pay, or competing job offers);

(e) the reasons for authorizing an advanced rate instead of, or in addition to, a recruitment bonus; and

(f) a copy of the position description.

e. **Reports.** For each above-minimum entry rate approved at the facility level, the Human Resources Management (HRM) Officer will submit to OHRM (051) a copy of the request for approval with supporting documentation and the signed approval within two pay periods of the employee's entry on duty.

f. Recordkeeping

(1) The facility HRM Officer or the Team Leader, Headquarters and Executive Resources Team, as appropriate, shall maintain a case file for each action which will contain the information required in paragraph 6d of this section and a copy of the local or Central office approval. Files will be retained for two years.

(2) A copy of the approval shall be filed in the employees Official Personnel Folder.

CHAPTER 531. PAY UNDER THE GENERAL SCHEDULE SYSTEM

SECTION C. WITHIN-GRADE INCREASES

1. SCOPE AND EXCLUSIONS

a. Scope. Except as provided in subparagraph b, this section applies to employees occupying permanent positions classified and paid under the General Schedule who are paid at less than the maximum step rate of their grades. Also covered are licensed physical therapists, registered or certified respiratory therapists and licensed practical or vocational nurses appointed under 38 U.S.C. 7401 who are paid at less than the maximum rate of their grades. This section includes employees who retain General Schedule grades and who are paid less than the maximum rate of their retained grades (see ch. 536, this part).

b. Exclusions:

(1) Employees covered by Performance Management and Recognition System (ch. 540, this part) (Note: PMRS Termination Act of 1993);

(2) Employees under the Federal Wage System (VA Supp. 532-1, this part);

(3) Employees receiving a retained rate of pay under chapter 536, this part;

(4) Veterans Health Administration employees appointed under chapter 73 of title 38, United States Code, except those appointed under 38 U.S.C. 7401 as provided in subparagraph a above;

(5) Nonappropriated Fund Veterans Canteen Service employees appointed under 38 U.S.C. 7802);

(6) Members of the Senior Executive Service (ch. 920, this part); and

(7) Non-U.S. citizen employees of the VA Regional Office, Manila, Republic of the Philippines (ch. 534, this part).

2. REFERENCES

a. 5 U.S.C. 5335 and 38 U.S.C.7403.

b. Section 402, Executive Order 11721, as amended.

c. 5 CFR, Part 531, subpart D.

d. Civilian Personnel Law Manual, Title I--Compensation.

e. United States Government Manual (Used to determine whether service is civilian employment in a branch of the Federal Government (executive, legislative or judicial) or with a Government corporation, and, therefore, creditable for within-grade increase purposes).

f. VA Manual MP-5, part I, chapter 430, "Performance Management System."

g. VA Manual MP-6, part V, supplement No. 1.5, Chapter 3, Section B, Appendix B, "Within Grade Increases."

3. DEFINITIONS

a. Acceptable Level of Competence means fully successful performance by an employee of the duties and responsibilities of his or her assigned position which warrants advancement of the employee's rate of basic pay to the next higher step rate of the grade of his or her positions, subject to the requirements in paragraph 5 below and section C of chapter 430 of MP-5, part I.

b. Calendar Week means a period of 7 consecutive days.

c. Equivalent Increase means an increase or increase in an employee's rate of basic pay equal to or greater than the difference between the rate of pay for the General Schedule grade and step rate occupied by an employee and the rate of pay for the next higher step rate of that grade.

d. Permanent Position means a position filled by an employee whose appointment is not designated as temporary by law and does not have a definite time limitation of 1 year or less. Permanent position includes a position to which an employee is promoted on a temporary or term basis for at least 1 year. Permanent position also includes competitive or excepted service term appointments of more than 1 year (5 CFR 316.305).

e. Scheduled Tour of Duty means any work schedule established in accordance with chapter 610, this part. For full-time employees, this includes a basic 40-hour workweek or an 80-hour biweekly work requirement. For part-time employees, this includes any regularly scheduled workweek of less than 40-hours or a biweekly work requirement of less than 80 hours.

4. RESPONSIBILITIES

a. Employees are responsible for earning their within-grade increase (see par. 5 below).

b. Management and Supervisory Officials are responsible for making acceptable level of competence determinations (see sec. C of ch. 430 of this manual).

c. Human Resources Management Officials shall advise employees and management officials on the policies and procedures contained herein.

5. EARNING A WITHIN-GRADE INCREASE

To be awarded a within-grade increase, an employee must meet all the following requirements which are established under 5 CFR 531.404:

a. Waiting Period. The employee must have completed the required waiting period for advancement to the next higher step rate of the grade of his or her position (see par. 6 below);

b. Equivalent Increase. The employee must not have received an equivalent increase during the waiting period (see par. 7 below); and

c. Acceptable Level of Competence. The employee's performance of the duties and responsibilities of his or her assigned position must be at an acceptable level of competence. To be determined at an acceptable level of competence, the employee's most recent rating of record must be at least fully successful (see sec. C of ch. 430 of MP-5, pt. I).

6. WAITING PERIODS

a. Creditable Service. To determine if service is creditable for within-grade increase purposes see 5 CFR 531.406.

b. Length of Waiting Period

(1) For full- and part-time employees with a regularly scheduled tour of duty, the waiting periods for advancement to the following steps in all the General Schedule grades are:

- (a) Steps 2, 3, and 4: 52 calendar weeks of creditable service;
- (b) Steps 5, 6, and 7: 104 calendar weeks of creditable service; and
- (c) Steps 8, 9, and 10: 156 calendar weeks of creditable service.

(2) Except as provided in 5 CFR 531.406(c), time in a non-pay status is creditable service in the computation of a waiting period for an employee with a scheduled tour of duty when it does not in the aggregate exceed:

- (a) Two workweeks in the waiting period for steps 2, 3, and 4;
- (b) Four workweeks in the waiting period for steps 5, 6, and 7; and
- (c) Six workweeks in the waiting period for steps 8, 9, and 10.

(3) For employees without a scheduled tour of duty, waiting periods shall be determined in accordance with 5 CFR 531.405(a)(2).

(4) Quality increases, as well as special advancements for performance or achievement for personnel appointed under 38 U.S.C. 7401(3), are not considered equivalent increases under paragraph 7b(4) below. However, these increase and advancements may place an employee in a waiting period that requires an additional 52 calendar weeks of creditable service before the employee is entitled to receive his or her next within-grade increase. See 5 CFR 531.407(c).

c. Commencement of Waiting Period. A waiting period begins:

- (1) On the first appointment as a Federal employee, regardless of tenure;

(2) On receiving an equivalent increase; or

(3) After a period in a non-pay status or a break in service (either alone or in combination) in excess of 52 calendar weeks, unless the non-pay status is creditable service for within-grade purposes under 5 CFR 531.406.

(NOTE: The waiting period is not interrupted by non-workdays intervening between an employee's last scheduled workday in one position and his or her first scheduled workday in a new position.)

7. EQUIVALENT INCREASE DETERMINATIONS

a. Determinations. Equivalent increase determinations shall be made in accordance with 5 CFR 531.407. It should be noted, however, that an employee promoted to a higher grade (including transfer with a promotion) has received an "equivalent increase," even if his or her rate of basic pay has not actually increased. This includes employees receiving pay retention under 5 U.S.C. 5363 (43 Comp. Gen. 507, 43 id. 701, 57 id. 646, 63 id. 105).

b. Exclusions. An increase in an employee's rate of basic pay shall not be considered an equivalent increase when it results from the following:

(1) A statutory pay increase. This includes a general pay increase for employees under the Performance Management and Recognition System made under section 5403 of title 5, United States Code, but not merit increases made under 5404 of that title. (All, a part of, or a zero merit increase under the Performance Management and Recognition System is considered an equivalent increase for the purposes of 5 U.S.C. 5335).

(2) The periodic adjustment of a wage schedule or the application of a new pay or evaluation plan under the Federal Wage System.

(3) The establishment of special salary rate ranges under 5 U.S.C. 5303 or 38 U.S.C. 4107(g), but not above-minimum entrance salary rates under 38 U.S.C. 4107(g). See 5 CFR 531.407(c)(3) and VA Manual MP-5, part II, chapter 3, section C, paragraph 7a(1) and (2). Above-minimum entrance rates granted under MP-5, part II, chapter 3, section D, are also not covered by this exclusion.

(4) A quality step increase under 5 U.S.C. 5336.

(5) Special advancements for performance or achievements under 38 U.S.C. 7304 and 7403.

(6) A rate received on a temporary or term promotion is not considered an equivalent increase in the employee's permanent grade (30 Comp. Gen. 82). However, an employee may receive an equivalent increase, if upon expiration of the temporary or term promotion, his or her pay is adjusted to a higher rate than he or she would have otherwise been entitled based on the maximum payable rate rule.

(7) An increase resulting from placement of an employee in a supervisory or managerial position who does not satisfactorily complete a probationary period established under chapter 300, this part, and who is returned to a position at the same grade and step held by the employee before such placement.

8. ACCEPTABLE LEVEL OF COMPETENCE DETERMINATIONS

Acceptable level of competence determinations shall be made in accordance with the procedures contained in section C of chapter 430 of MP-5, part I.

9. EFFECTIVE DATE OF WITHIN-GRADE INCREASES

a. Usual Effective Date. Except as provided in subparagraph b, the within-grade increase shall be effective on the first day of the first pay period following completion of the waiting period and compliance with other conditions of eligibility. If the waiting period ends on the first day of the pay period, it will not be awarded until the first day of the following pay period.

b. Exceptions

(1) When an employee's acceptable level of competence determination is delayed in accordance with section C of chapter 430 of MP-5, part I, and a favorable determination is subsequently made, the employee will be awarded the within-grade increase on the original due date.

(2) When an employee (whose within-grade has been withheld) requests reconsideration of the rating of record which served as a basis for withholding the within-grade increase, and that rating of record is changed from unacceptable or minimally successful to fully successful or better, the employee's within-grade increase will be effective on the date it was originally due.

(3) When an acceptable level of competence is achieved at some time after a negative determination, the effective date is the first day of the first pay period after the acceptable determination has been made (i.e., an additional and more current rating of record has been approved). See section C of chapter 430 of MP-5, part I.

10. EFFECT OF TEMPORARY OR TERM PROMOTIONS

An employee who receives a promotion designated in advance as temporary or term is entitled, on restoration to his or her former position, to any within-grade increases in his or her regular position to which he or she would have been entitled had he or she not received the temporary or term promotion (30 Comp. Gen. 82). Thus, when the duration of a temporary or term promotion exceeds the appropriate waiting period in a higher General Schedule grade, the employee is serving two waiting periods simultaneously. The waiting period for the within-grade increase in the regular grade is measured from the beginning of the waiting period in the regular position, while the waiting period in the higher grade will be measured from the date of the temporary or term promotion.

11. TEMPORARY APPOINTMENTS

Employees whose appointments are limited to 1 year or less are not eligible for within-grade increases. This includes permanent employees converted to appointments of 1 year or less, and employees given a series of appointments of 1 year or less, even though total service under those appointments may include sufficient creditable service to complete a waiting period.

12. QUALITY STEP INCREASES

Additional step increases may be granted to recognize outstanding performance. See section F, chapter 430, this part, for applicable criteria and instructions.