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**SECTION I. PAY RETENTION UNDER FWS (Reserved)**

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**VA SUPPLEMENT 532-1. FEDERAL WAGE SYSTEM  
(To Be Used With FWS Operating Manual, Subch. S8)**

**SECTION H. PAY ADMINISTRATION AND ESTABLISHING WORK  
SCHEDULES**

**1. SCOPE**

This section applies to employees in positions exempted from the General Schedule by 5 U.S.C. 5102(c)(7) and subject to the FWS (Federal Wage System).

**2. REFERENCES**

- a. Subchapter IV, chapter 53, title 5, United States Code.
- b. 5 CFR Parts 532 and 610.
- c. Federal Personnel Manual: FWS Operating Manual, section S8 and appendix J and 5 CFR Part 610.
- d. Chapter 610, this part.
- e. VA Manual MP-6, part V, supplements No. 1.5 and 2.2.

**3. POLICY**

The above references and the provisions of this section shall be used to determine rates of basic pay and to establish work schedules for FWS (Federal Wage System) employees.

**4. AUTHORITY TO APPROVE SALARY RATES**

Subject to the limitations contained in 5 CFR Part 531 and FWS Operating Manual, and consistent with the provisions of this chapter, VA officials are authorized to approve salary rates when they have personnel action approval authority (see ch. 250, this part).

**5. ESTABLISHING WORK SCHEDULES**

a. General. The provisions of 5 CFR Part 610 and chapter 610 of this part apply to employees under the FWS. This includes flexible and compressed work schedules authorized under section B of chapter 610, this part.

b. Scheduling Work Requirements

(1) The supervisor shall schedule the work of his or her employees to accomplish the mission of the work unit. the supervisor shall schedule an employee's regularly scheduled administrative workweek so that it corresponds with the employee's actual work requirements.

(2) When the supervisor knows in advance of an administrative workweek that the specific days and/or hours of a day actually required of an employee in that administrative workweek will differ from those required in the current administrative workweek, he or she shall reschedule the employee's regularly scheduled administrative workweek to correspond with those specific days and hours. The supervisor shall inform the employee of the change, and he or she shall record the change on the employee's time card and any other applicable documents for recording work schedules.

(3) If it is determined that the supervisor should have scheduled a period of work as part of the employee's regularly scheduled administrative workweek and failed to do so in accordance with subparagraphs (1) and (2) above the employee shall be entitled to the payment of premium pay for that period of work as regularly scheduled work under subpart E of 5 CFR Part 532. In this regard, it must be determined that the supervisor:

(a) Had knowledge of the specific days and hours of the work requirement in advance of the administrative workweek; and

(b) Had the opportunity to determine which employee had to be scheduled, or rescheduled, to meet the specific days and hours of that work requirement.

(4) Employee's regularly scheduled workweeks shall not be changed after the beginning of the administrative workweek.

## **6. APPLICATION OF PAY RATES TO FEDERAL WAGE SYSTEM EMPLOYEES**

a. New Appointments. Except as provided in subparagraph b and 5 CFR 532.403(c), a new appointment shall be made at the minimum rate of the grade.

b. Appointments Above Minimum Rates in Recognition of Special Qualifications. Appointing officials may make a new appointment at any step rate of the appropriate grade in recognition of skills and experience of an exceptional or highly specialized nature in a particular trade or craft. Such appointments may only be made, however, when it is not possible to recruit an applicant at the minimum rate and VA has a specific need for the applicant's special qualifications. When an appointment above the minimum rate is made, the following statement will be placed in the "Remarks" section of the 50-B, Notification of Personnel Action: "Salary rate approved under FWS Operating Manual, section S8-3b(1)." Reasons for the determination will be recorded on the VA Form 5-4652, Request for Personnel Action.

c. Position or Appointment Change. Subject to the provisions of MP-5, Part I, chapter 536 and subparagraphs d and e below, when an employee is reemployed, transferred, reassigned, promoted, or changed to a lower grade, the salary may be set at any step rate of the grade which does not exceed the highest previous rate; however, if the highest previous rate falls between two step rates, employees may be paid at the higher step rate. If the highest previous rate was earned on a General Schedule or another pay system other than the Federal Wage System, it is the current rate for the same grade and rate of that schedule.

d. Criteria for Determining Pay Rate and Computing Highest Previous Rate

(1) Evaluation of Previous Experience. A rate above the minimum rate of the grade will only be approved where the record indicates that the experience in the previous position, on which the higher rate is proposed to be based, was of such quality and duration that the individual's qualifications for the position in which being placed have been appreciably enhanced. The employee's tenure in the position on which the rate is based must also have been sufficient to demonstrate ability to perform satisfactorily in that grade. Thus, except as provided in subparagraphs d(3), E(2)(B) and (3) below, an employee is to have at least 1 year of continuous service at a particular grade to have the service considered when computing the highest previous rate.

(2) Equity and Internal Alignment. The rate selected shall represent equity to the employee and the VA, and afford reasonable internal alignment with rates received by similar employees at the station.

(3) Removal From a Position for Failure To Satisfactorily Complete the Managerial/Supervisory Probationary Period

(a) An employee who, for reasons of managerial/supervisory performance, does not satisfactorily complete the managerial/supervisory probationary period will be placed, except as provided in subparagraph (b) below, in a position of not lower grade and pay than the one the employee left to accept the managerial/supervisory position.

(b) A non-supervisory or non-managerial employee who is demoted into a position in which a probationary period is required, and who, for reasons of managerial/supervisory performance, does not complete the probationary period is entitled to be placed in a position at the same grade and pay as the position in which he or she was serving during the probationary period.

(4) Objectionable Use of the Highest Previous Rate. When an employee is demoted at his or her request, with the prospect of re-promotion back to the former grade as soon as possible under merit promotion rules, the appointing official will select a rate in the lower grade which upon promotion back will place the employee in a rate of the higher grade which he or she would have attained if he or she had remained at that grade. (NOTE: If the employee is eligible for pay retention as a result of the personnel action, the change to a lower grade is not considered to be at the employee's request. See subparagraph e(2)(b) below.)

(5) Special Salary Rates and Purchase and Hire Schedules. When an employee's rate of basic pay is an above-minimum entrance rate or special salary rate established under 5 U.S.C. 5303 or 38 U.S.C. 7455(a) (i.e., an employee on such rates moving to a Federal Wage System position), a rate under subparagraph 6b of this section (i.e., appointment above the minimum rate in recognition of superior qualifications), or a rate under subparagraph 5b of section E of this chapter (i.e., purchase and hire rates), the employee's highest previous rate for the position shall be the rate to which he or she would have been entitled had such rates not applied to him or her.

(6) Computation of the Highest Previous Rate. Instructions for computing the highest previous rate are contained in subparagraph (1) through (5) above, 5 CFR 532.401 and FWS Operating Manual, section S8-3e.

(e) General Pay Fixing Guides. The following guidance is provided for specific types of personnel actions. To determine the nature of a personnel action, i.e., whether it is a promotion, reassignment, transfer, change to lower grade, etc., refer to paragraph 7 below and the applicable definitions in 5 CFR 532.401 or FWS Operating Manual, section S8-2.

(1) Promotion

(a) Upon promotion, an employee is entitled to the lowest scheduled rate of the grade to which promoted which exceeds his or her existing scheduled rate of basic pay (including a retained rate or a rate being received on a temporary promotion) by at least 4 percent of the representative rate of the grade from which promoted (5 CFR 532.407).

(NOTE: Fractions of less than 1 cent may not be rounded down if it would result in an increase of less than 4 percent. Unpublished Comp. Gen. B-205372, July 23, 1982.)

(b) If, upon promotion, there is no rate in the grade to which promoted which meets the above requirements, the employee shall be paid the maximum rate of the grade to which promoted or his or her existing scheduled rate of basic pay if that rate is higher.

(c) When a promotion is to a different wage area, the employee's entitlement to pay will be determined as if there were two pay actions--a promotion and reassignment--and these actions will be processed in the order which gives the employee maximum benefit.

(d) When promoted, an employee may be given a higher rate under the provisions of subparagraphs c or d, if it would result in a higher rate than would otherwise result from applying the provisions of subparagraph e.

(2) Changes to a Lower Grade

(a) Except as provided in subparagraph (b) below, an employee changed to a lower grade may, under the provisions of subparagraphs c and d above, be paid at any rate of the grade which does not exceed his or her highest previous rate.

(b) An employee changed to a lower grade following an action covered by pay retention (see ch. 536, this part) is entitled to the lowest scheduled rate of basic pay in the employee's grade after the action is taken which equals or exceeds his or her current rate of basic pay. If there is no such rate, the employee is entitled to retain his or her existing rate of basic pay or 150 percent of the maximum rate of basic pay for the grade after the action is taken, whichever is less.

(3) Reassignment. When an employee is reassigned to another position, he or she may be paid a rate above the minimum rate of the grade under the provisions of subparagraphs c d; however, an employee will be given the lowest step rate of the grade which equals or exceeds his

or her current rate of basic pay if he or she is involuntarily reassigned by management for reasons which are not related to discipline or performance.

(4) Transfer and Reemployment. A rate above the minimum of the grade may be approved under the provisions of subparagraphs c and d above. The rate selected, however, will be that which represents organizational pay alignment, taking into account the candidate's qualifications compared to those possessed by similar employees with whom he or she may work.

f. Simultaneous Pay Changes. If an employee is entitled to two pay changes on the same date, they will be processed in the order which gives the employee the greatest benefit.

g. Retroactive Adjustment of Salary Rates. Pay determinations made under this section are discretionary administrative determinations which will not be made on a retroactive basis. However, as an exception to this rule, if sufficient data are not available to permit making a salary determination, the salary rate will be established initially at the lowest clearly appropriate rate of the grade. The following statement will be placed in the "Remarks" section of the SF 50-B: "Pay rate subject to retroactive adjustment upon verification of prior Federal service."

## **7. SALARY RATE DETERMINATIONS--MOVEMENTS BETWEEN PAY SYSTEMS, WAGE SCHEDULES AND WAGE AREAS**

a. Federal Wage System to General Schedule Positions. Salary adjustments or changes from FWS to General Schedule positions shall be accomplished in accordance with instructions contained in 5 CFR Parts 531 and 536; paragraph 5, section B, chapter 531, this part; and chapter 536, this part. The nature of these actions (promotion, change to a lower grade or reassignment) shall be determined in accordance with the definitions contained in 5 CFR Part 531.202. A comparison of representative rates shall not be used to make such determinations. (NOTE: When an employee moves from a position in which he or she is paid an hourly rate of basic pay to a position covered by the General Schedule salary system, it is necessary to establish an equivalent annual rate for pay administration purposes. To do this, multiply the employee's hourly rate of basic pay by 2087. The 2087 multiplier is also to be used to determine an hourly rate employee's retained rate if he or she is entitled to pay retention as a result of his or her movement to a position covered by the General Schedule salary system.)

b. Movements to Federal Wage System Positions, Between Wage Schedules and Between Different Wage Areas. A comparison of the representative rates will be made to determine the nature of these actions where different types of wage schedules are involved, whether in the same or different wage areas. The representative rate is also used to determine the nature of the job change when an employee moves to the FWS. For further information concerning representative rates, see FWS Operating Manual, section S8-2a(6).

**8. NIGHT SHIFT DIFFERENTIAL, PREMIUM PAY, AND ENVIRONMENTAL DIFFERENTIAL**

a. Definitions. For the purposes of this paragraph the term "day" means the period commencing at midnights and ending the following midnight. The term "week" means a calendar week, Sunday through Saturday.

b. Night Shift Differential is to be computed in accordance with FWS Operating Manual, section S8-4c and 5 U.S.C. 5343. to assist in determining entitlement to night shift differential, the appropriate supervisor is responsible for notifying the timekeeper of employee's regularly scheduled tours of duty and changes thereto.

c. Premium Pay. Overtime, holiday and Sunday premium pay are to be computed in accordance with the instructions contained in FWS Operating Manual, section S8-4 and 5 CFR Part 551, as appropriate.

d. Environmental Differential. In the performance of assigned duties, and employee is entitled to an environmental differential for exposure to a hazard, physical hardship, or working condition of an unusually server nature which cannot be practically eliminated. Determination of entitlement and payment will be made in accordance with FPM Supplement 532-1, section S8-7. Authorization or payment of environmental differential will be made only by the field station Director, or designee. It is the responsibility of field station Directors to observe fully the objectives set forth in paragraph a of section S8-7, and to exercise the use of every, protective facility, device, or precautionary measure to assure an employee's full safety in the performance of officially assigned duties.

**9. WITHIN-GRADE INCREASES**

a. Entitlement. An employee paid under a regular Federal Wage System pay schedule who has rating of record of fully successful or better (see 5 CFR 430.204(d)) shall advance to the next higher step rate within the grade at the beginning of the first applicable pay period following completion of:

- (1) 26 calendar weeks of creditable service in step 1;
- (2) 78 calendar weeks of creditable service in step 2; and
- (3) 104 calendar weeks of creditable service in each of steps 3 and 4.

b. Beginning of New Waiting Period. A new waiting period begins:

(1) At the beginning of the first appointment, regardless of tenure, in the Federal Government or the Government of the District of Columbia

(2) On the first day of a period of service after a break in service or time in a non-pay status of 52 weeks; or

(3) On receipt of an equivalent increase (see subpar. d below).

c. Creditable Service. The following periods are creditable service for within-grade purposes:

(1) Time during which an employee is in receipt of pay from a branch of the Federal Government of the District of Columbia, or a non-appropriated fund instrumentality of the VA (Veterans Canteen Service), Department of Defense or Coast Guard. This includes periods of leave with pay.

(2) Time during which an employee with a prearranged regularly scheduled tour of duty is in a non-pay status to the extent that the non-pay status does not exceed:

(a) One workweek in the waiting period for step 2;

(b) Three workweeks in the waiting period for step 3; or

(c) Four workweeks in the waiting period for step 4 and 5.

(3) Time during which an employee or former employee is on a leave of absence or is separated from federal service and is entitled to continuation of pay or compensation under subchapter I of chapter 81, title 5, United States Code.

(4) Time during which a former employee is serving with the Armed Forces during a period of war or national emergency if the employee left the civilian position to enter the Armed Forces and:

(a) Is employed no later than 52 weeks after separation from active military duty; or

(b) Is restored to the civilian position after separation from active military duty or release from hospitalization following separation from active military duty.

(5) For other instances of creditable service see 5 CFR 532.417(c)(5) through (8).

d. Equivalent Increases

(1) Except as otherwise provided in this subparagraph, an equivalent increase means an increase or increases in an employee's scheduled rate of pay, equal to or greater than the amount of a within-grade increase for the grade in which the employee is serving.

(2) When an employee has served in more than one grade during the waiting period under consideration, and it is necessary to determine whether the employee received an equivalent increase in a prior grade, an equivalent increase is an increase or increases in the scheduled rate of pay equal to or greater than the amount of the within-grade increase between steps of the prior grade.

(3) When the employee receives more than one increase in his or her scheduled rate of pay during the waiting period under consideration, no one of which is an equivalent increase, the first and subsequent increases are added until they amount to an equivalent increase at which time the employee is considered to have received an equivalent increase.

(4) For the purposes of subparagraphs (2) and (3) above, the waiting period under consideration is the waiting period immediately proceeding an employee's current entry into the rate of the grade in which he or she is serving.

(5) The following increases are not counted as equivalent increases:

(a) Application of a new or revised schedule or application of a new pay or evaluation plan;

(b) Payment of additional compensation in the form of non-foreign post differentials or non-foreign cost-of-living allowances;

(c) Adjustment of the General Schedule (this provision is applicable to an employee whose service in a General Schedule position is being considered in connection with a within-grade increase in a wage job to which the employee has been changed);

(d) Premium pay for overtime, night or holiday duty;

(e) Environmental differential;

(f) Rates above the minimum rate of the grade in recognition of special qualification or for special hard-to-fill occupations (see par. 6b above):

(g) Correction of an error in a previous demotion or reduction in pay;

(h) Temporary limited promotion (i.e., promotion known in advance to be temporary) which is filled by a change to a lower grade back to the former grade or to a different lower grade;

(j) Re-promotion to a former or intervening grade of an employee whose earlier change to lower grade was not for cause or at the employee's request; and

(k) An increase resulting from a quality step increase. (This provision is applicable to an employee whose service in a General Schedule position is being considered in connection with a wage job to which he or she has been changed.)

(6) When an employee is changed from a job other than a wage job to a wage job, determination of whether the change resulted in an equivalent increase will be made by comparing the increase received, if any, with 4 percent of the representative rate of the grade to which changed.

(7) When an employee is changed from one wage job to another wage job which is subject to a different wage schedule (such as supervisory to nonsupervisory or vice versa), determination of

whether the change resulted in an equivalent increase will be made by comparing the increase received, if any, with 4 percent of the representative rate of the grade to which changed.

e. Effective Date

(1) A within-grade increase is effective on the first day of the first pay period after an employee becomes entitled to the increase. Employees completing the requirements for a within-grade increase on the first day of a pay period will receive the within-grade increase on the first day of the following pay period.

(2) When the effective date of a within-grade increase and the effective date of other personnel actions occur at the same time, the actions will be processed in the order which give the employee the maximum benefit.

(3) When a within-grade increase is delayed beyond the proper effective date through administrative oversight, error or delay, the increase will be effective as of the date it was properly due.

(4) When an improper personnel action is corrected in accordance with a mandatory statutory or regulatory requirement, the waiting period is not extended and begins on the date it would have begun had the improper personnel action not occurred.