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ADS Chapter 471

Pay Under the General Schedule

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ADS 471 – Pay Under the General Schedule
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This chapter has been revised in its entirety.

Table of Contents

471.1	OVERVIEW	3
471.2	PRIMARY RESPONSIBILITIES	3
471.3	POLICY DIRECTIVES AND REQUIRED PROCEDURES	4
471.3.1	Minimum Payable Rate.....	4
471.3.2	Maximum Payable Rate Rule	4
471.3.3	Geographic Conversion Rule	5
471.3.4	Superior Qualifications and Special Needs Pay-Setting Authority	5
471.3.5	Within-Grade Increases.....	6
471.3.6	Quality Step Increases	7
471.3.7	Approval and Documentation Requirements.....	7
471.4	MANDATORY REFERENCES	7
471.4.1	External Mandatory References	7
471.4.2	Internal Mandatory References	7
471.5	ADDITIONAL HELP	7
471.6	DEFINITIONS	8

ADS 471 – Pay Under the General Schedule

471.1 OVERVIEW

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This chapter provides the policies for setting the pay of Civil Service (CS) employees under the General Schedule. The General Schedule (GS) [classification](#) and pay system covers the majority of civilian federal employees in professional, technical, administrative, and clerical positions.

The GS base pay schedule is adjusted with an across-the-board pay increase based on nationwide changes in the cost of wages and salaries of private industry workers. Most GS employees are also entitled to locality pay, which is a geographic-based percentage rate that reflects pay levels for non-federal workers in certain geographic areas as determined by [surveys conducted by the U.S. Bureau of Labor Statistics](#).

471.2 PRIMARY RESPONSIBILITIES

Effective Date: 09/30/2024

a. The **Office of Human Capital and Talent Management (HCTM), Deputy Chief Human Capital Officer (DCHCO)** is responsible for reviewing and approving new employees' superior qualifications and/or special needs pay-setting salary determinations set at step 6 and above on the GS pay scale.

b. The **Office of Human Capital and Talent Management, Human Capital Services Center, Civil Service Staffing Division (HCTM/HCSC/CSS)** is responsible for:

1. Consulting with hiring managers on salary determination issues;
2. Administering the grade and pay retention provisions provided under [5 USC Chapter 53, Subchapter VI, Grade and Pay Retention](#) and [5 CFR Part 536 - Grade and Pay Retention](#);
3. Administering all processes related to the superior qualifications and/or special needs pay-setting authority; and
4. Denying Within Grade Increase (WGI) in accordance with 5 CFR 531.

c. The **Office of Human Capital and Talent Management, Center for Performance Excellence (HCTM/CPE)** is responsible for providing supervisors guidance regarding deficiencies in employee performance.

d. The **Office of Human Capital Talent Management, Employee and Labor Relations (HCTM/ELR)** is responsible for consulting with and providing guidance to supervisors when an employee's performance is not at an acceptable level of competence and is not meeting performance expectations for a within-grade increase.

e. **Bureau Assistant Administrators (AAs) and Independent Office Directors** (or designees) are responsible for advising supervisors/hiring managers on the use of the superior qualification and special needs pay-setting authority.

f. The **second level manager** is designated by the Agency as the official who will reconsider negative determinations with regard to denying a within-grade increase.

g. The **hiring manager (supervisor)** is responsible for:

1. Working with the Human Resource Specialist in determining and justifying the appropriate salary for new employees;
2. Initiating a request to make an appointment based on the superior qualifications of a prospective candidate or based on the candidate's experience and/or the special needs of their office;
3. Obtaining guidance from HCTM/ELR regarding employee performance issues; and
4. Informing employees when their WGI will not be processed due to not having an acceptable level of competence.

h. **Bureau and Independent Office (B/IO) Administrative Management Services (AMS) Staff** are responsible for notifying HCTM/CPE and HCTM/ELR when employees do not have an acceptable level of competence.

471.3 POLICY DIRECTIVES AND REQUIRED PROCEDURES

Effective Date: 09/30/2024

The Human Resource Advisor and hiring manager in HCTM/HCSC/CSS must adhere to [5 CFR Part 530 -- Pay Rates and Systems \(General\)](#), [5 CFR Part 531 - Pay Under the General Schedule](#), [5 CFR Part 536 - Grade and Pay Retention](#), and [5 USC Chapter 53, Subchapter III](#) when determining pay under the GS.

471.3.1 Minimum Payable Rate

Effective Date: 09/30/2024

Newly selected candidate's salary must be set at step 1 on the GS pay scale for the grade level selected. If the candidate declines the salary offer, the hiring manager may consider superior qualifications if the candidate has superior qualifications or there is a special need for the candidate's services (see section **471.3.3** and [ADS 471maa, Superior Qualifications and Special Needs Pay-Setting Authority](#) for more information).

471.3.2 Maximum Payable Rate Rule

Effective Date: 09/30/2024

The maximum payable rate rule in [5 CFR 531.221 - Maximum payable rate rule](#) must be followed when setting salaries for a candidate that is a current or previous federal government employee (see [5 CFR Part 531 Subpart B - Using a Highest Previous Rate Under the Maximum Payable Rate Rule](#)). This rule allows hiring managers to use previous federal government salaries as the basis for setting pay. In applying this rule, the Agency must consider the step at which pay has been set for other employees of similar experience or education level performing similar work in the organization.

The following situations are exceptions to applying the maximum payable rate rule:

- a. Downgrade for conduct or performance reasons. Pay will be set at two steps lower than the maximum payable rate;
- b. Downgrade after a temporary promotion of one year or less. Pay will be set as though there had been no temporary promotion; or
- c. When the employee takes a voluntary change to a lower grade. To prevent rapid pay advancement through voluntary changes to a lower grade and subsequent promotions, pay is set at the rate in the lower grade where, on later promotion, it will not be more than it would have been without the change to lower grade. However, the maximum payable rate rule applies when the change to a lower grade is to a position identified as a mission critical occupation.

471.3.3 Geographic Conversion Rule

Effective Date: 09/30/2024

When a candidate's official worksite is changed to an area where different locality pay schedules apply, the geographic conversion rule in [5 CFR 531.205 - Converting pay upon change in location of employee's official worksite](#) must be applied. The geographic conversion rule requires that before any other pay-setting action is taken, the candidate's rate of basic pay must first be converted to a corresponding rate on the pay schedule that would apply to the candidate's existing position of record if they were already stationed at the new official worksite. The only exception is for a general pay adjustment, which is processed prior to a geographic conversion.

471.3.4 Superior Qualifications and Special Needs Pay-Setting Authority

Effective Date: 09/30/2024

The hiring manager may use the superior qualifications and special needs pay-setting authority to set the rate of basic pay above step 1 for a candidate newly appointed into the Federal Government. Superior qualifications may be used for any GS position or grade level up to GS-15, including permanent and temporary positions in the competitive or excepted service. Superior qualifications may also be considered for an employee being reappointed after a break in service of 90 calendar days or more (see [5 USC 5333](#) and [5 CFR 531.212 - Superior qualifications and special needs pay-setting authority](#)).

The following information must not be considered when setting salary for a candidate newly appointed to a position in the Federal Government in:

- A candidate's existing salary,
- A candidate's recent salary history, or
- Salary documented in a competing job offer (see [5 CFR 531.212\(a\)\(5\)\(c\)\(2\)](#)).

See [ADS 471maa, Superior Qualifications and Special Needs Pay-Setting Authority for more information](#).

471.3.5 Within-Grade Increases

Effective Date: 09/30/2024

WGI applies to employees who occupy permanent positions that are subject to the GS classification and pay system. They do not apply to employees on a temporary appointment or an appointment with a definite time limitation of one year or less. For more information, see [5 CFR Part 531 Subpart D - Within-Grade Increases](#) and [Office of Personnel Management's Fact Sheet: Within-Grade Increases](#).

An employee's most recent performance rating of record or level of competence must be at least "Fully Successful" to have an acceptable level of competence for a WGI. WGIs will process automatically for employees with a "Fully Successful" or higher rating of record. For more information, see [ADS 462, Employee Evaluation Program, Civil Service](#).

When an employee receives a rating of record or level of competence that falls below "Fully Successful," the supervisor must consult with HCTM/ELR regarding the process for denying the WGI procedures.

The employee must be given written notification of the denial of WGI. The written notification must include the following information:

1. The reasons for the negative determination and how the employee must improve their performance to be granted a WGI; and
2. Information on the employee's right to secure reconsideration of the negative determination, as well as the time limits within which the employee may request reconsideration (for more information, see [5 CFR 531.410 - Reconsideration of a negative determination](#)).

An employee's second level supervisor is the Agency designated official who can reconsider the negative determination. Once a WGI has been denied, the supervisor may approve a WGI at any time thereafter once the employee is determined to be performing at a Fully Successful level.

471.3.6 Quality Step Increases

Effective Date: 09/30/2024

A Quality Step Increase (QSI) is a performance-based award given to employees who have consistently demonstrated high quality performance during the most recent rating period (see [ADS 462](#) and [ADS 491, USAID Incentive Awards Program](#) for more information regarding employee recognition). Regulations governing the granting of a QSI are found in [5 CFR Part 531 Subpart E - Quality Step Increases](#).

471.3.7 Approval and Documentation Requirements

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Each determination in setting salary must be documented in the Remarks section of the appointment Standard Form 50 (SF-50), Notification of Personnel Action. The approved documentation must be filed in the employee's electronic Official Personnel Folder (e-OPF) and the HCTM recruitment file.

471.4 MANDATORY REFERENCES**471.4.1 External Mandatory References**

Effective Date: 09/30/2024

- a. [5 CFR Part 530 - Pay Rates and Systems \(General\)](#)
- b. [5 CFR Part 531 - Pay Under the General Schedule](#)
- c. [5 CFR Part 536 - Grade and Pay Retention](#)
- d. [5 USC, CHAPTER 53, SUBCHAPTER III: GENERAL SCHEDULE PAY RATES](#)
- e. [5 USC, CHAPTER 53, SUBCHAPTER VI: GRADE AND PAY RETENTION](#)

471.4.2 Internal Mandatory References

Effective Date: 09/30/2024

- a. [ADS 461, Foreign Service and Senior Foreign Service Performance Management and Development Programs](#)
- b. [ADS 462, Employee Evaluation Program, Civil Service](#)
- c. [ADS 471maa, Superior Qualifications and Special Needs Pay-Setting Authority](#)

471.5 ADDITIONAL HELP

Effective Date: 09/30/2024

There are no Additional Help documents for this chapter.

471.6 DEFINITIONS

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See the [ADS Glossary](#) for all ADS terms and definitions.

Acceptable Level of Competence

For Civil Service employees under the General Schedule, an acceptable level of competence means performance by an employee that warrants advancement of the employee's rate of basic pay to the next higher step of the grade of their position. (Chapter 471)

Calendar Week

A period of any seven consecutive calendar days. (Chapter 471)

Change to Lower Grade

(Also called “demotion”) Personnel action that moves an employee, while serving continuously in the same agency, to a position at a lower grade when both the old and new positions are under the General Schedule. (Chapter 471)

Geographic Conversion Rule

A rule under [5 CFR 531.205 - Converting pay upon change in location of employee's official worksite](#) that must be applied when an employee's official worksite is changed to an area covered by a different locality schedule. (Chapter 471)

Maximum Payable Rate Rule

A special rule that allows an agency to set pay for a General Schedule employee at a rate above the rate that would be established using normal rules, based on a higher rate of pay the employee previously received in another federal job. (Chapter 471)

Mission Critical Occupations

Occupations agencies consider core to carrying out their missions. Such occupations usually reflect the primary mission of the organization without which mission-critical work cannot be completed. (Chapter 471)

Permanent Position

A position filled by an employee whose appointment is not designated as temporary by law and does not have a definite time limitation of one year or less. “Permanent position” includes a position to which an employee is promoted on a temporary or term basis for at least one year. (Chapter 471)

Promotion

The change of an employee to a position at a higher grade level within the same job classification system and pay schedule, or to a position with a higher rate of basic pay in a different job classification system and pay schedule. (Chapter [418](#) and [471](#))

Quality Step Increase

An additional within-grade increase (WGI) used to recognize and reward General

Schedule (GS) employees at any grade level who display outstanding performance. (Chapter 471 and [491](#))

Rate of Basic Pay

The rate of pay fixed by law or administrative action for the position held by a GS employee before any deductions, including a GS rate, a law enforcement officer (LEO) special base rate, a special rate, a locality rate, and a retained rate, but exclusive of additional pay of any other kind. For the purpose of applying the maximum payable rate rules in [531.216](#) and [531.221](#) using a rate under a non-GS pay system as an employee's highest previous rate, *rate of basic pay* means a rate of pay under other legal authority which is equivalent to a rate of basic pay for GS employees, as described in this definition, excluding a rate under [531.223](#). See ([5 CFR 530.308](#), [531.610](#), [536.307](#), [Chapter 423 - Senior Executive Service](#), and [Chapter 470 - Pay Under the Foreign Service](#)). (Chapter 471)

Reassignment

The change of an employee within the Agency from one position to another without promotion or demotion. (Chapter 471)

Superior Qualifications and Special Needs Pay-Setting Authority

The authority under [5 USC 5333](#) and [5 CFR 531.212 - Superior qualifications and special needs pay-setting authority](#), that allows an agency to make an appointment at a rate above the minimum rate of the appropriate GS grade because of the superior qualifications of the candidate or a special need of the agency for the candidate's services. (Chapter 471)

Waiting Period (for within-grade increase)

The minimum time requirement of creditable service to become eligible for consideration for a within-grade increase. (Chapter 471)

Within-Grade Increase

A periodic increase in an employee's rate of basic pay from one step of the grade of their position to the next higher step of that grade. (Chapter 471)

471_093024