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Superior Qualifications and Special Needs Pay-Setting Authority

A Mandatory Reference for ADS Chapter 471

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1. Overview

These guidelines set forth USAID's policy directives and required procedures for using the superior qualifications and special needs pay-setting authority to set the payable rate of basic pay for an employee above the minimum rate of the grade the candidate is being appointed (see [5 U.S.C. 5333](#) and [5 CFR 531.212 - Superior Qualifications and Special Needs Pay-setting authority](#)). This authority may be used when filling both permanent and temporary competitive or excepted service positions subject to the General Schedule (GS) pay setting rules and regulations.

2. Primary Responsibilities

- a. The **Office of Human Capital and Talent Management (HCTM), Deputy Chief Human Capital Officer (DCHCO)** is responsible for reviewing and approving superior qualifications and/or special needs salary rates at the step 6 or 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 administering all processes related to the superior qualifications and/or special needs pay-setting authority in USAID.
- c. The **Bureau Assistant Administrator and Independent Office Director** (or designee) is responsible for advising hiring managers on the use of the superior qualification and special needs pay setting authority in their Bureau/Independent Office (B/IO).
- d. The **Bureau Deputy Assistant Administrators (DAAs) and Independent Office Deputy Directors** are responsible for approving superior qualification determinations above the minimum rate of a grade up to step 5 of the GS grade level.
- e. The **B/IO Administrative Management Services (AMS) Staff** is responsible for reviewing superior qualifications or special needs requests for budgetary impact.
- f. The **Hiring Manager (Supervisor)** is responsible for initiating a request to set pay based on the superior qualifications of a candidate or as the special needs of the Agency.

3. Use of the Superior Qualifications and Special Needs Pay-Setting Authority

The hiring manager may use this authority to set salary above the minimum rate (Step 1) upon a declination of the initial job offer when necessary to recruit specific candidates who possess unusually high qualifications and/or unique experience, and skills that meet the Agency's special needs.

HCTM/HCSC/CSS administers setting pay above the minimum rate on a case-by-case basis. The authorization of advanced rates is based on a written justification by the hiring manager addressing the candidate's superior qualifications or a special need of the Agency for the candidate's services (see **Section 6. Pay Rate Determination**).

4. Applicability

The superior qualifications and special needs pay-setting authority may be used for the following:

- A first appointment (regardless of tenure) as a civilian employee of the Federal Government; or
- A reappointment that is considered a new appointment when the candidate has had a break in service of at least 90 calendar days from the last period of civilian employment within the Federal Government.

The Agency may use the superior qualifications and special needs pay-setting authority for a reappointment without requiring a 90 calendar day break-in-service if the candidate's civilian employment with the Federal Government during the 90-day period immediately preceding the appointment was limited to one or more of the following:

- Employment under a time-limited or non-permanent appointment in the competitive or excepted service, including employment through the Pathways Program;
- Employment under an appointment as an expert or consultant;
- Employment under a provisional appointment designated under [5 CFR 316.403 - Designation of provisional appointments](#); or
- Employment with the government of the District of Columbia (DC) when the candidate was first appointed by the DC government on or after October 1, 1987.

A candidate serving in a Non-Appropriated Fund and Instrumentality (NAFI) position, who moves from the NAFI position by appointment or reappointment to a GS position, is not eligible to have pay set under the superior qualifications or special need authority, since their NAFI employment is considered employment by the Federal Government.

Note on Former Members of Uniformed Services: The first-time appointment of former uniformed service members (including the Commissioned Corps of the Public Health Service) to a civil service (CS) position is considered a new appointment regardless of the time elapsed since their service. This also includes individuals

appointed to a CS position while on terminal leave pending retirement from the uniformed service.

5. Superior Qualifications or Special Needs Determination

The Agency may set the rate of basic pay of a newly-selected candidate above the minimum rate of the grade if the candidate meets one of the following criteria established in [5 CFR 531.212 \(b\)\(1\)-\(2\)](#):

a. Superior Qualifications. The Agency may determine that a candidate has superior qualifications, based on the following:

- Level, type, or quality of the candidate's skills or competencies demonstrated or obtained through experience and/or education;
- The quality of the candidate's accomplishments compared to others in the field; or
- Other factors that support a superior qualifications determination such as years of experience at grade level; education level; and if the position is supervisory or non-supervisory.

OR

b. Fills the Agency's special needs. The Agency may determine that a candidate fills a special agency need if one of the following is true:

- The type, level, or quality of skills and competencies or other qualities and experiences possessed by the candidate are relevant to the requirements of the position and are essential to accomplishing an important Agency mission, goal, or program activity; or
- The candidate fills the Agency workforce needs as documented in the Agency's Strategic Human Capital Plan.

The candidate's skills, competencies, experience, education, and/or accomplishments must be relevant to the requirements of the position to be filled. These qualities must be significantly higher than those minimally required for the position and/or be of a more specialized quality compared to those of other candidates.

6. Relationship between Superior Qualifications and Special Needs Pay Setting Authority and Recruitment Incentives

In determining whether to use the superior qualifications and special needs pay-setting authority and the level at which the candidate's payable rate of basic pay should be set,

the hiring manager must consider the possibility of authorizing a recruitment incentive under [5 CFR Part 575 Subpart A - Recruitment Incentives](#), instead of, or in addition to, an appointment above the minimum rate.

A recruitment incentive of up to 25 percent of basic pay (including any special rate or locality payment) may be paid to a candidate **newly appointed** to the federal service or returning to the federal service after a break in service of at least 90 calendar days, if it has been determined that the position is critical to the mission and is likely to be difficult to fill in the absence of an incentive. For more information, see [ADS 467maa, Implementation Guidelines for Authorizing Recruitment and Relocation Incentives, section 6.](#)

In rare cases, a candidate may receive both a recruitment incentive and an appointment above the minimum rate. However, before making such a recommendation, the supervisor must carefully consider the relative advantages and disadvantages of each form of payment, as follows:

- a. An appointment above the minimum rate permanently affects base pay. A higher rate of basic pay increases retirement, thrift savings, life insurance, and premium pay and has a continuing effect on the employee's future pay entitlement (for example, upon promotion, and affects the waiting period required for a within-grade increase). A recruitment incentive is a lump-sum cash payment that does not affect an employee's grade or step.
- b. An appointment above the minimum rate does not require a service agreement. A recruitment incentive is contingent upon the employee signing an agreement to work for the Agency for at least six months and up to four years.

7. Pay Rate Determination

When determining the step to set an employee's payable rate of basic pay using the superior qualifications and special needs pay-setting authority, the HCTM/HCSC HR Specialist and hiring manager must consider:

- a. The step at which pay has been set for employees who had similar qualifications (based on the level, type, or quality of the candidate's skills or competencies or other qualities and experiences) and who have been newly appointed to positions that are similar to the candidate's position (based on the position's occupational series, grade level, organization, geographic location, or other job-relevant factors), if applicable; and
- b. One or more of the following factors:
 - i. The level, type, or quality of the candidate's skills or competencies;

- ii. Significant disparities between federal and non-federal salaries for the skills and competencies required in the position to be filled;
- iii. Existing labor market conditions and employment trends, including the availability and quality of candidates for same or similar positions;
- iv. The success of recent efforts to recruit candidates for the same or similar positions;
- v. Recent turnover in the same or similar positions;
- vi. The importance or critical nature of the position to be filled and the effect on the Agency if it is not filled or if there is a delay in filling it;
- vii. The desirability of the geographic location, duties, and/or work environment associated with the position;
- viii. Agency workforce needs, as documented in the Agency's Strategic Human Capital Plan; or
- ix. Other relevant factors, except that the Agency must not consider the candidate's salary history (*i.e.*, existing salary or prior salary) or a salary from a competing job offer.

The factors relied upon from this **Section 7** in determining the step to set an employee's payable rate of basic pay using the superior qualifications and special needs pay-setting authority must be documented on [AID Form 471-1](#).

8. Superior Qualifications and/or Special Needs Appointment Approval Form, ([AID Form 471-1](#))

The Superior Qualifications and/or Special Needs Appointment Approval Form ([AID Form 471-1](#)) must be completed and approved by the appropriate approving official prior to the candidate entering on duty. The [AID Form 471-1](#), must include the following information:

- a. A description of the skills, education and/or experience the candidate possesses that makes them superior to the other candidates and how they directly relate to the step level being recommended; and
- b. An explanation of the reasons for authorizing a higher than minimum rate instead of, or in addition to, a recruitment incentive under [5 CFR Part 575 Subpart A - Recruitment Incentives](#).

9. Approval and Documentation Requirements

Each determination to authorize a pay setting above the minimum rate must be documented on the Superior Qualifications and Special Needs Approval Form ([AID Form 471-1](#)) and in the Remarks section of the appointment Standard Form 50 (SF-50), Notification of Personnel Action.

The approved Superior Qualifications and Special Needs Approval Form ([AID Form 471-1](#)) must be filed in the employee's electronic Official Personnel Folder (e-OPF) and the HCTM recruitment file.

10. Authority and References

In accordance with [5 U.S.C. 5333](#) and [5 CFR 531.212 - Superior Qualifications and Special Needs Pay-setting authority](#), HCTM/HCSC must periodically review and evaluate the use of the authority to ensure that each appointment above the minimum rate conforms to OPM regulations and requirements set forth in these guidelines.

11. Definitions

Superior Qualifications or Special Needs Appointment

An appointment made at a rate above the minimum rate of the appropriate GS grade under the authority of [5 U.S.C. 5333](#) because of the superior qualifications of the candidate or a special need of the Agency for the candidate's services.

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