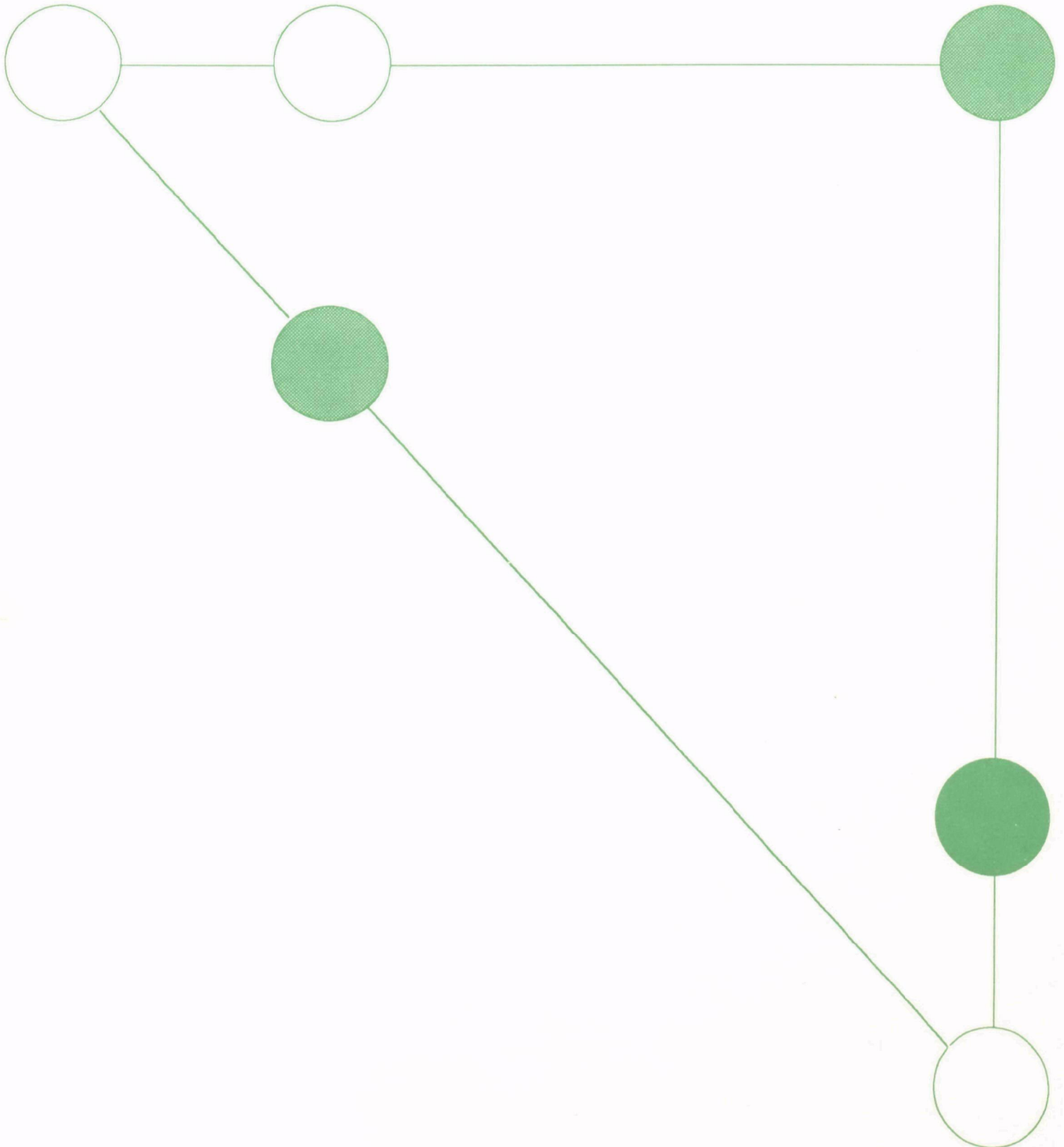





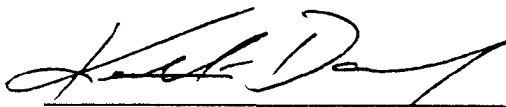
Pay Flexibilities Guide



Acknowledgement

Our thanks and appreciation go to the people who have contributed to implementing the Federal Employees Pay Comparability Act of 1990. In the spirit of Total Quality Management, several Agency-wide work groups assisted us in developing an integrated, EPA-wide approach to using these new pay flexibilities. These work groups included representatives from the following organizations:

Office of the Administrator;
Office of General Counsel;
Office of Inspector General;
Office of the Comptroller;
Office of Research and Development;
Office of Policy, Planning and Evaluation;
Office of Solid Waste and Emergency Response;
Office of Water;
Office of Administration and Resources Management;
Human Resources Officers and staff.


Hector Suarez, Director, Policy and Research Division
Kenneth F. Dawsey, Director, Office of Human Resources Management

HUMAN RESOURCES MANAGEMENT PRODUCTS/SERVICES QUALITY ASSESSMENT

The Office of Human Resources Management, through publications such as this Pay Flexibilities Guide, is working to meet your needs. We would like to know whether our pay reform efforts and tools such as this guide are "hitting the mark" to make your human resources management job easier. We also would like your views on other products or services we could develop or improve. Please respond to each item in regard to your personnel management functions as a supervisor.

Section I. Comments on the Pay Flexibilities Guide

This section includes statements about the Pay Flexibilities Guide. Please indicate the extent to which you agree with each statement.

	Strongly Agree	Agree	Disagree	Strongly Disagree
(1) The information in the guide is useful to me.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) The information is presented at the right level of detail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) The information is presented in a clear, understandable manner . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Other comments or suggestions _____				

Section II. Assessment of Key Programs

This section lists a number of initiatives for improving Human Resources Management in EPA. Please help us prioritize these projects. The response options range from "Very Important" to "Not Needed."

Recruitment

	Very Important	Somewhat Important	Little Importance	Not Needed
(5) Develop new recruiting tools including general brochures, occupation-specific brochures such as "Careers In Chemistry", and a new recruitment display. . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(6) Provide recruitment training workshops	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(7) Develop a college relations program focusing on institutions with sizeable numbers of minority students. . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(8) Implement a national advertising campaign to attract minorities, women, and the disabled.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Detach Here)

Merit Promotion

	Very Important	Somewhat Important	Little Importance	Not Needed
(9) Minimize paperwork	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(10) Reduce the number of interviews required.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(11) Establish a streamlined referral process as an alternative to merit promotion.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(12) Support the development of tailored Merit Promotion Plans for each AAship and Region.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Performance Management

	Very Important	Somewhat Important	Little Importance	Not Needed
(13) Eliminate numerical ratings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(14) Provide generic standards for managerial effectiveness in performance agreements for supervisors, managers, and SES members.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(15) Eliminate the 2% minimum performance award for outstanding ratings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(16) Provide performance management training programs for all supervisors and managers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Detach Here)

Section III. Future Initiatives

We have listed a number of potential new programs and projects. These are only a sampling of innovations in Human Resources Management that could be introduced. Please indicate the importance of each to your organization.

	Very Important	Somewhat Important	Little Importance	Not Needed
(17) Performance Management Demonstration Projects (Test radically different performance appraisal and recognition processes that will suit EPA's organizational culture.) . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(18) Pay Band Demonstration Projects (Combine current pay grades into fewer, broader pay bands; give managers more discretion in setting their employees' pay levels.) . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(19) Clerical Workforce Quality Improvement (Undertake initiatives to improve performance of the clerical support staff, such as intensified training.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(20) "Manage to Payroll" Demonstration Projects (Give managers classification authority commensurate with their budget authority.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- | | Very
Important | Somewhat
Important | Little
Importance | Not
Needed |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| (21) Self-managed Work Teams Demonstration Projects
(Give teams of professional/technical employees most
functions now performed by first-level supervisors.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (22) Phased Retirement Program (Establish options such as
part-time employment for employees nearing retirement
to encourage them to stay at EPA for a longer period.) . . | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (23) EPA Pay Manual and Managers' Pay Handbook
(Prepare two publications, one updating all pay
directives for technical people handling pay, the other a
user-friendly, quick-and-dirty handbook so managers
will know what to consider.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (24) Hiring Handbook (Prepare a user-friendly guide for
managers about the hiring process, complete with
explanations of the the various options for filling jobs,
sample completed forms, and a section explaining what
is required to qualify for each occupation.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (25) Other Initiatives (Please suggest other innovative projects or programs that might help you to recruit and
retain key employees or make your human resources management job easier.) | | | | |

Section IV. Communications

This section concerns materials that have been disseminated regarding strategic planning and management development. Please indicate the degree to which you are familiar with each program.

- | | Have not
received
document | Received
document | Studied
document |
|--|----------------------------------|--------------------------|--------------------------|
| (26) EPA's Strategic Directions Brochure (with the theme of "EPA...
Preserving Our Future Today") | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (27) EPA's Strategic Plan (also with the theme of "EPA...Preserving Our
Future Today") | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (28) EPA's Management Development Policy | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Section V. Respondent Data

This section will help us to compare input from persons at different levels, specialties, and organizations. Please select the one most appropriate response for each item below.

- (29) I am a supervisor at the: ☐ First-level ☐ Second-level ☐ Third or Higher-level
- (30) Specialty ☐ scientist/eng ☐ admin/resources mgmt ☐ info mgmt ☐ human resources ☐ legal ☐ other
- (31) Location ☐ Headquarters ☐ Regional Office ☐ Laboratory ☐ Other

Thank you for taking the time to complete this survey. The information you provide will help us to develop more responsive products and services. Our focus is on supporting you in carrying out your human resources management responsibilities.

To make your job as a manager or supervisor easier, we plan to consult with you periodically to call attention to needed improvements in our products and services, and to identify areas that could benefit from innovative approaches.

To return this survey, please fold and staple this document so that the pre-printed return address is outside.

**Office of Human Resources Management
Policy and Research Division
Research and Innovations Branch (PM-224)**

ATTN: QAS

(Detach Here)

FOREWORD

This Pay Flexibilities Guide includes summaries of all major components of the Federal Employees Pay Comparability Act of 1990 (FEPCA). The Office of Personnel Management (OPM) has issued interim regulations implementing most provisions of the Act. EPA organizations have been authorized to use all the new pay flexibilities.

This Guide is intended as a quick reference for managers and human resources staff. It provides an overview of new forms of compensation that managers may wish to use to help meet their recruitment and retention objectives.

Final EPA policies, and procedures will be developed and issued after OPM issues its final implementing regulations.

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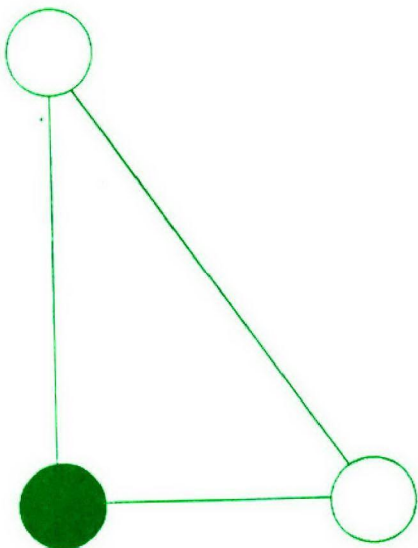
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Recruitment Incentives



Recruitment and Relocation Bonuses

Highlights

EPA can pay a lump-sum **recruitment bonus** of up to 25 percent of basic pay to an employee being newly appointed to the Federal government. The position to which the candidate is being appointed must be hard-to-fill, and the applicant must have outstanding qualifications. In exchange for the bonus, the new employee must agree to remain with EPA for a specific period of time (minimum of one year).

EPA may also offer a **relocation bonus** to a high-quality Federal employee accepting a hard-to-fill job in a different commuting area. The candidate must be currently employed by EPA or by another employer in the executive, legislative, or judicial branches of the Federal government. Like a recruitment bonus, a relocation bonus may be any amount up to 25 percent of basic pay, and is paid in a lump sum. The employee will complete a service agreement specifying that the period of service must be at the new duty station (minimum of one year).

A broad range of positions qualify for these bonuses: Executive Schedule, SES, Senior Level, Scientific or Professional (STs), Presidential appointees, PMRS (merit pay) and GS positions.

Approval Levels

Action	Approved By
<i>Approve Bonuses for:</i>	
Deputy Administrator Assistant Administrators Regional Administrators	Administrator
Executive Schedule Presidential appointees	Deputy Administrator
Senior Level Scientific or Professional (ST) SES	Assistant Administrator (OARM)
GS/GM-15 & below Law Enforcement Officers	Assistant Administrators Associate Administrators Regional Administrators (May be redelegated.)

Status

Requirements and procedures for paying these bonuses are contained in EPA's Interim Recruitment and Relocation Bonus Plan (6/91).

EPA organizations were authorized to begin approving bonuses in a memorandum from the Director, Office of Human Resources Management (7/2/91). This memorandum also transmitted copies of the Interim Recruitment and Relocation Bonus Plan.

The Interim Plan will be in effect until the final plan is issued. Development of the final plan must await publication by OPM of final regulations.

Additional Information

EPA Interim Recruitment and Relocation Bonus Plan (6/91)

OPM interim regulations
(5 CFR 575)

5 USC 5753, as amended by
FEPCA

Superior Qualifications Appointments

Highlights

Appointments above the first step of a grade, up to step 10, may be authorized for new employees. This includes employees receiving their first appointment to the Federal government and former Federal employees following a break in service of at least 90 days. To be eligible for this type of appointment, a candidate must have superior qualifications, or EPA must have a special need for the employee's services. This authority may be used when filling positions at any grade level, including Merit Pay positions, up through GS/GM-15. (Formerly, these appointments could be made only at grade 11 and above.)

If an appointing official wishes to set the candidate's starting pay at a level above 20 percent over the level of pay from his/her current employer, prior approval of OPM is required.

Approval Levels

Action	Approved By
Appointments at rates not more than 20 percent above candidate's current pay or bona fide offer	Human Resources Officers
Appointments over 20 percent above candidate's current pay	OPM

Status

EPA organizations were authorized to begin making these appointments in the Pay Reform Guide (3/1/91).

A memorandum from the Director, Office of Human Resources Management (11/91) transmitted copies of the Interim Policy on Appointments above the Minimum.

The Interim Policy will be in effect until EPA's final policy document is issued. Development of the final policy must await publication by OPM of final regulations.

Additional Information

EPA's Interim Policy on Appointments above the Minimum Rate (10/91)

5 USC 5333(a), as amended by FEPCA

OPM interim regulations (5 CFR 531)

Advances in Pay

Highlights

New Federal appointees with special financial needs may be given advances in pay. These advances may be any amount up to 70 percent of their biweekly basic pay for two pay periods. The advance is to be paid back within 13 pay periods, through payroll deduction.

Advances will be approved according to certain criteria: change in residence, change in duty station, prior unemployment, or other instances of financial hardship.

Approval Levels

Action	Approved By
Advance pay	Human Resources Officers or their designees

Status

Requirements and procedures for making advances in pay are contained in the EPA Interim Policy on Advances in Pay (10/91).

EPA organizations were authorized to begin approving advances in pay in a memorandum from the Director, Office of Human Resources Management (11/91). This memorandum also transmitted advance copies of the Interim Policy on Advances in Pay.

The Interim Policy will be in effect until EPA's final policy document is issued. Development of the final policy must await publication by OPM of final regulations.

Additional Information

EPA Interim Policy on Advances in Pay (10/91)

5 USC 5524a, as amended by FEPCA

OPM interim regulations (5CFR 550)

Travel and Relocation Expenses for Interviewees and New Appointees

Highlights

EPA may pay certain travel expenses for job applicants to attend pre-employment interviews. The Agency may now also pay some relocation expenses for employees newly appointed to the Federal government. Formerly, payment of these expenses was limited to certain shortage categories.

These payments are not employee entitlements. Payments may be authorized based upon the availability of funds and the desirability of conducting interviews for a particular job or offering a recruiting incentive to a particular candidate.

Payments will be approved according to the requirements, criteria, and procedures contained in Office of the Comptroller Policy Announcement No. 91-10.

Approval Levels

Action	Approved By
Approve payment of travel expenses for pre-employment interviews	Travel Authorizing Official (See Travel Delegation 1-17-A)
Approve relocation expenses for new appointees	Travel Authorizing Official (See Travel Delegation 1-17-A)

Status

EPA offices were authorized to begin making these payments when Office of the Comptroller Policy Announcement No. 91-10 was issued (8/13/91).

Payments may be approved retroactive to 2/14/91.

Additional Information

Office of the Comptroller Policy Announcement No. 91-10

General Services Administration
(GSA) Federal Travel
Regulation (41 CFR 301-304)

OPM interim regulations
(5 CFR 572)

5 USC 5706a

Reemployment of Retirees

Highlights

In special circumstances, EPA may request approval from OPM to hire Federal civilian or military retirees/annuitants without reducing their pay or annuities. Normally, the salary or pension of a reemployed annuitant is reduced. EPA may request such appointments when there has been exceptional difficulty in hiring or retaining highly-qualified employees, or when there is a rare need to retain a particular employee with critically-needed skills. EPA may also seek to make such appointments to temporary positions to cope with emergencies threatening life or property.

All requests to make such appointments will be sent to the Assistant Administrator, Office of Administration and Resources Management (OARM) for review and transmittal to OPM.

Requests will be prepared according to the requirements and procedures in the EPA Interim Policy on Reemployment of Retirees or Annuitants without Reduction in Annuity or Pay (7/91).

Approval Levels

Action	Approved By
Review requests to appoint retirees/annuitants	AA (OARM)
Approve appointments	OPM

Status

EPA organizations were authorized to begin requesting approvals of these appointments in the Pay Reform Guide (3/1/91).

A memorandum from the Director, OHRM (11/91) transmitted the Interim Policy on Reemployment of Retirees or Annuitants without Reduction in Annuity or Pay.

The Interim Policy will be in effect until EPA's final policy document is issued. Development of the final policy must await publication by OPM of final regulations.

Additional Information

EPA Interim Policy on Reemployment of Retirees or Annuitants without Reduction in Annuity or Pay (10/91)

5 USC 5532, 8344, 8468, as amended by FEPCA

OPM interim regulations (5 CFR 550, 553)

Staffing Differentials

Highlights

The President may grant differentials of 5 percent of basic pay to employees in two categories of positions: those in grades 5 or 7, or those in two-grade-interval series. If such differentials are established, OPM may reduce or eliminate them as other provisions of pay reform take effect, such as local comparability adjustments.

Because OPM has not yet published any implementing regulations for staffing differentials, we have no additional information.

Approval Levels

Action	Approved By
Designate groups to receive differentials	the President

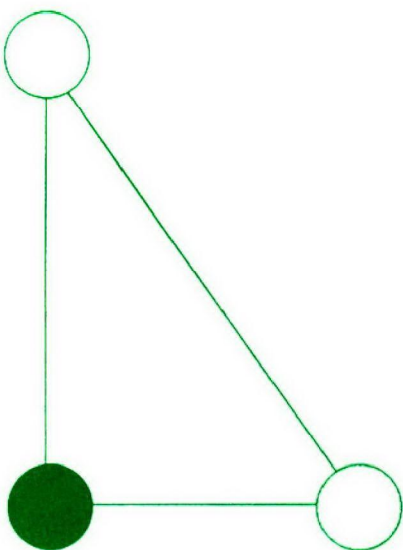
Status

No differentials have yet been established. OPM is proposing a technical amendment to FEPCA to make a third category of positions eligible: any combination of the first two categories now eligible. 5 USC has not yet been amended to include a provision for staffing differentials.

Additional Information

FEPCA, section 209

Retention Incentives



Retention Allowances

Highlights

EPA can pay an allowance of up to 25 percent of basic pay in order to retain an employee likely to leave the Federal government for employment in the non-Federal sector.

The allowance may be approved in order to keep a highly-qualified employee in a hard-to-fill position that is critical to program accomplishment. A broad range of positions qualify for the allowance: Executive Schedule, SES, Senior Level, Scientific or Professional (STs), Presidential appointees, PMRS (merit pay) and GS positions. The allowance is not paid in a lump sum, but as a percentage of basic pay added to each biweekly pay check. The allowance must be reviewed and reauthorized annually.

Requirements and procedures for paying these allowances are contained in EPA's Interim Retention Allowance Plan (6/91).

Approval Levels

Action	Approved By
Approve retention allowances for:	
Deputy Administrator	Administrator
Associate Administrators Regional Administrators	Deputy Administrator
Executive Schedule Presidential appointees Senior Level Scientific or Professional (ST) SES GS/GM Law Enforcement Officers	AA (OARM)

Status

EPA organizations were authorized to begin requesting allowances in a memorandum from the Director, Office of Human Resources Management on 7/2/91. This memorandum also transmitted copies of the Interim Retention Allowance Plan.

The Interim Plan will be in effect until the final plan is issued. Development of the final plan must await publication by OPM of final regulations.

Additional Information

EPA Interim Retention Allowance Plan (6/91)

OPM interim regulations
(5 CFR 575)

5 USC 5754, as amended by
FEPCA

Interim Geographic Adjustments

Highlights

The President may authorize geographic adjustments of up to 8 percent in areas where there are significant pay disparities, widespread recruitment and retention problems, and at least 5,000 Federal employees. This is an immediate relief measure which will be phased out as local comparability adjustments are phased in, beginning in 1994.

Interim geographic adjustments are to be used as part of base pay when computing other forms of compensation, such as retirement annuities, life insurance benefits, overtime pay and hazard pay.

Employees already receiving local special pay rates, such as many clerical workers, are not provided the full adjustment since their special pay rate already reflects the local cost of living. They receive the difference between the level of the special pay rate and the amount of the adjustment. Employees on national special pay rates receive the full adjustment, as their special pay rate is not based on the local cost of living.

Approval Levels

Action	Approved By
Pay interim geographic adjustment	the President

Status

Three geographic areas have been designated to receive the adjustment. Employees in the New York, San Francisco, and Los Angeles metropolitan areas have been receiving an adjustment of 8 percent since 1/91.

Several bills have been introduced in Congress to authorize interim geographic adjustments in several other high-cost areas.

Additional Information

FPM Letter 531-62 (990-2)
(1/28/91)

FPM Bulletin 531-143 (990-2)
(1/30/91)

Annual Pay Adjustments

Highlights

Beginning with the 1/92 pay adjustment, annual pay adjustments will be tied to changes in the Employment Cost Index (ECI), which measures the cost of wages and salaries in the private sector. For 1992 and 1993, the annual adjustment will equal the percentage change in the ECI. Beginning in 1994, the annual adjustment will equal the ECI, minus .5 percent. This is because the overall goal of FEPCA is to bring Federal pay to within 5 percent of pay in the non-Federal sector. Also in 1994, local comparability increases begin.

Because of the long lead time required by the Federal budget planning cycle, the index used is that for the quarter ending in September two years before the annual increase. For example, the index for the quarter ending 9/90 showed an increase of 4.2 percent over the preceding year. The 1/92 adjustment will therefore increase Federal employees' pay by 4.2 percent.

The President has discretion to change the amount of the annual adjustment. From 1992 to 1994, this discretion is limited. If the ECI increase is below 5 percent, the President may reduce the adjustment only in the event of war or severe economic conditions, defined as two consecutive quarters of negative GNP growth.

If the ECI increase is above 5 percent, the President may reduce the annual adjustment to 5 percent or more, citing a national emergency or serious economic condition affecting the general welfare. It may be reduced to a level below 5 percent in cases of war or severe economic conditions (two consecutive quarters of negative GNP).

Approval Levels

Action

Alter amount of annual adjustment, as determined by ECI formula

Approval Level

the President

Status

Annual adjustments based on the new ECI formula begin 1/92.

Additional Information

5 USC 53, as amended by FEPCA

Local Comparability Adjustments

Highlights

Locality pay adjustments will begin in January 1994. The goal of these pay increases is to reduce the disparity between Federal and non-Federal pay to no more than 5 percent. The pay gap is to be gradually narrowed in successive annual locality adjustments over a period of 9 years, from 1994 through 2003. Localities to receive these adjustments will be selected based on surveys by the Bureau of Labor Statistics (BLS). Areas where the pay gap is 5 percent or less will not receive an adjustment.

The locality adjustments of 1994 are to reduce the pay gap in each area by 20 percent. Thereafter, the annual locality adjustments are to reduce it by 10 percent.

For 1994 comparability increases, there is a funding cap of \$1.8 billion already in place. To reduce total locality pay below this amount, the President must cite war or severe economic conditions (two successive quarters of negative GNP).

Approval Levels

Action	Approved By
Determine amount of locality comparability adjustments	the President, based on recommendations of the Pay Agent

Status

The BLS has begun studies to identify geographic areas eligible for locality comparability adjustments.

Additional Information

5 USC 5304, as amended by FEPCA

Special Salary Rates

Highlights

Two new measures affect special salary rates:

As in current law, special pay rates may be authorized by OPM for occupations for which the Government has had difficulty in recruitment and retention. FEPCA has added another category--occupations for which the Government's recruitment and retention efforts "are likely to become" difficult. Conditions that may support special pay rates have been expanded to include: a significant pay gap between the Federal and non-Federal sectors within an area, location, or occupational group; the remoteness of the work site; the undesirability of working conditions (including exposure to toxic substances or other occupational hazards); or other appropriate circumstances.

FEPCA increases the amount OPM can authorize for special pay rates by 30 percent. Before this legislation, special rates could be no higher than the regular rate for step 10 of a grade. Now, they can be up to 30 percent more than step 10 of a grade. In effect, this means that special pay for step 1 of a grade could be 60 percent higher than the regular rate for step 1 of a grade.

Regional Administrators, Assistant Administrators, and Associate Administrators may submit requests for special pay rates to the Assistant Administrator, OARM, for transmittal to OPM.

Approval Levels

Action	Approved By
Determine which groups will receive special salary rates	OPM
Determine amount of special salary rates	OPM

Status

These provisions became effective on 2/3/91.

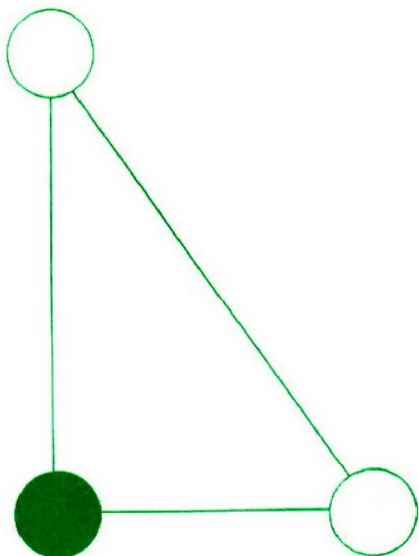
Additional Information

OPM interim regulations
(5 CFR 530.303)

5 USC 5305,
as amended by FEPCA

Retention Incentives

New Pay Systems



Critical Pay

Highlights

The Office of Management and Budget (OMB), in consultation with OPM, will allocate 800 positions Government-wide as **Critical Pay** positions. These positions require an extremely high level of expertise in a scientific, technical, professional, or administrative field. They must be essential to an agency's mission, and additional compensation must be necessary for recruitment and retention. Pay for Critical Pay positions in EPA may be set by the Administrator at any level up to the rate for Executive Level I, or even higher with written Presidential approval.

Approval Levels

Action	Approved By
Request Critical Pay designation for EPA positions	OHRM, Executive Resources and Special Programs Division
Allocate Critical Pay positions to agencies	OMB, with OPM consultation

Status

The Executive Resources and Special Programs Division, OHRM, has asked OMB to allocate a number of positions to EPA.

Additional Information

OMB Bulletin No. 91-09,
Critical Position Pay
Authority (3/7/91)

5 USC 5377, as amended by
FEPCA

Senior - Level Pay System

Highlights

A new pay system for Senior-Level and Scientific and Technical (ST) positions replaces the GS-16 through GS-18 grade structure. EPA may set pay rates for these positions in a range from 120 percent of the minimum pay for GS-15 to the rate for Executive Level IV. EPA is required to develop written procedures, methods, and criteria for setting pay for these employees.

Approval Levels

Action	Approved By
Set and adjust pay rates for Senior-Level positions	Assistant Administrator (OARM); has been redelegated to the Deputy Assistant Administrator (OARM)

Status

The Executive Resources and Special Programs Division, OHRM, is developing an interim policy on EPA's new pay system for Senior-Level and Scientific and Technical (ST) positions.

Additional Information

5 USC 5376, as amended by FEPCA

OPM interim regulations (5 CFR 319)

FPM Letter 534-9 (5/2/91)

Pay System for Administrative Law Judges

Highlights

Three levels of basic pay are established for administrative law judges. These pay levels are based on various percentages of the pay rate for Executive Level IV. The pay cap for these positions has been raised from Executive Level V to Executive Level IV.

Status

The new pay system was implemented in EPA 2/91.

Approval Levels

Action	Approved By
Establish basic pay levels	OPM

Additional Information

5 USC 5372, as amended by FEPCA

OPM interim regulations (5 CFR 930, Subpart B)

Law Enforcement Pay System

(Criminal Investigators)

Highlights

OPM, in consultation with law enforcement agencies and employee groups, is developing a proposal for a new, separate pay system for law enforcement officers. This must be submitted for Congressional consideration by 1/1/93. Until that new system is in place, law enforcement officers' pay will be affected by a number of new provisions:

- ☐ Pay for grades 3 through 10 is increased through special pay rates. For grades 3 through 7, the increases will be phased in during a two-year period, from 1991 through 1992. For grades 8 through 10, the total increase will occur in 1992.
- ☐ Locality adjustments of between 4 and 16 percent (depending on the location) will be paid in 8 metropolitan areas: Los Angeles, New York, San Francisco, Boston, San Diego, Washington, Chicago, and Philadelphia.
- ☐ EPA may pay up to \$15,000 or 25 percent of base pay as a relocation bonus for moving to a high-cost area.
- ☐ EPA may pay bonuses of up to 5 percent of base pay for foreign language proficiency.
- ☐ Scheduled overtime will be paid at the rate of time and one-half of GS-10, step 1, or the straight hourly rate of the employee, whichever is higher.
- ☐ Employees may not receive biweekly compensation exceeding 150 percent of GS-15, step 1, or Level V of the Executive Schedule, whichever is less. The annual pay limitation is the rate of Executive Level I.
- ☐ The mandatory retirement age is changed from 55 to 57.

Approval Levels

Action	Approved By
Pay relocation bonuses	Assistant Administrators
Pay foreign language proficiency bonus	Associate Administrators
	Regional Administrators
	(May be redelegated.)

Status

These provisions were all effective by 3/28/91.

Additional Information

5 USC 5305, Chapter 45, subchapter III, 8335b, 8425(b), 5542(a), 5547, and 5541, as amended by FEPCA

Special Occupational Pay Systems

Highlights

Special occupational pay systems may be established for groups with exceptional needs. These will be developed and approved only in rare situations by the President's Pay Agent. Currently, the Pay Agent consists of the Secretary of Labor, the Director of OMB, and the Director of OPM.

Status

Two studies preliminary to establishing special occupational pay systems have been initiated by OPM. These cover law enforcement occupations and health care occupations.

Approval Levels

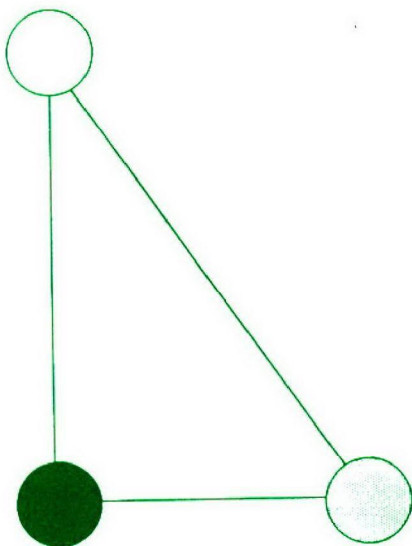
Action	Approved By
Establish special occupational pay systems	Pay Agent

Additional Information

5 USC, Chapter 53, subchapter IX.

Retention Incentives

New Performance Management Provisions



Time Off Incentive Awards

Highlights

Employees may be given time off as an incentive award, with no loss of pay or charge to leave. A time off incentive award may be given for superior accomplishments or other personal contributions to the quality, efficiency or economy of Government operations. A maximum of 40 hours off may be given for any single contribution, and an employee may be given no more than 80 hours off in one year. Time off must be used within 120 days of the award.

Approval Levels

Action	Approved By
Approve time-off award up to one day	Branch Chiefs and above
Approve time-off award more than one day	Branch Chiefs and above

Status

The Employee Participation and Communication Division issued a new directive on time off incentive awards (10/91). It will be incorporated in the EPA Awards Manual as Chapter 9. Use of these awards is now authorized.

Additional Information

All employees pamphlet, Time-off Awards (10/91)

EPA Awards Manual, Chptr. 9

Chapter 5 USC 4502, as amended by FEPCA

Interim OPM regulations (5 CFR 451, Subpart C)

Pay-for-Performance System

Highlights

FEPCA establishes the policy of extending pay for performance to the GS workforce. A pay-for-performance system for GS employees is to be developed by 10/92, with the goal of linking an employee's pay to his/her level of performance. OPM, in conjunction with a Pay-for-Performance Labor-Management Committee, is to develop legislative proposals for the new system. If successfully enacted, the new system could be implemented by 10/93.

Approval Levels

Action	Approved By
Establish new pay-for performance system	Congress, based upon recommendations of Pay-for Performance Committee

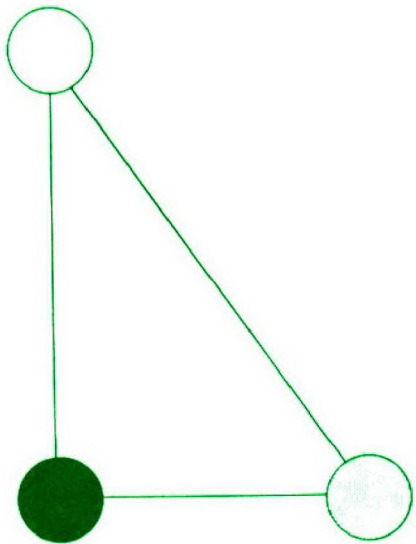
Status

The Pay-for-Performance Committee met for the first time on 4/10/91, and is conducting research preparatory to developing its proposals.

Additional Information

FEPCA, section 111.

Miscellaneous Pay Provisions



Lifting the Biweekly Limitation on Earnings

Highlights

The biweekly earnings limitation on premium pay, which is the rate for GS-15, step 10, may be lifted for work directly related to resolving emergencies threatening life or property. EPA has authority to lift the biweekly limitation for employees working on natural disaster emergencies. OPM may approve lifting the biweekly cap in other types of emergencies. Even when the biweekly limitation is waived, however, the annual cap of GS-15, step 10 remains in effect.

Approval Levels

Action	Approved By
Lift biweekly earnings limitation in natural disasters in Headquarters	Administrator Assistant Administrators Associate Administrators or their designees
Lift biweekly earnings limitation in natural disasters in field locations	Regional Administrators or their designees
Lift biweekly earnings limitation in non-natural disaster emergencies	OPM

Status

The current EPA requirements and procedures for lifting the biweekly earnings limitation were effective with the issuance of EPA's Interim Policy on Limitations on Pay on 10/91.

Additional Information

EPA Interim Policy on Limitations on Pay (10/91)

5 USC 5547, as amended by FEPCA

OPM interim regulations (5 CFR 550.105 - 550.107)

Overtime Pay under FLSA

Highlights

The requirement to compute overtime pay for employees covered by the Fair Labor Standards Act (FLSA) under both Title 5 and FLSA provisions has been eliminated. Now, overtime pay for employees covered by the FLSA is computed only under the FLSA. Also, for the purpose of calculating overtime pay under the FLSA, hours in a paid nonwork status (such as annual leave) are now considered to be hours of work.

Approval Levels

Not applicable

Status

New FLSA overtime computation rules were effective on 5/4/91.

Additional Information

5 USC 5542, 5543, 5544,
as amended by FEPCA

OPM interim regulations
(5 CFR 532, 550, and 551)

Overtime Pay for Law Enforcement Officers

(Criminal Investigators)

Highlights

There is a new rule for computing overtime pay for law enforcement officers (Criminal Investigators). If the employee's rate of basic pay exceeds the rate for GS-10, step 1, his/her overtime pay is the greater of:

- ☐ one and one-half times the rate of basic pay for GS-10, step 1 (including any interim geographic adjustment or locality-based comparability payment and any special salary rate), or
- ☐ the employee's rate of basic pay (including any interim geographic adjustment or locality-based comparability payment and any special salary rate).

Law enforcement officers' premium pay is now subject to a higher biweekly limit than that for other GS employees. These law enforcement personnel may receive biweekly aggregate compensation equal to 150 percent of the rate for GS-15, step 1 (including any locality-based comparability payment or special pay rate that may be in effect), or Level V of the Executive Schedule, whichever is less.

Approval Levels

Action	Approved By
Authority to authorize or approve overtime	Associate Administrators Assistant Administrators Office Directors Regional Administrators Directors of Headquarters Staff Offices (May be redelegated.)

Status

New overtime pay rate and increased biweekly pay cap for law enforcement officers were effective on 11/5/90.

Additional Information on increased overtime pay for law enforcement officers:

5 USC 5542, as amended by FEPCA

OPM interim regulations (5 CFR 550.113(b))

Additional Information on the law enforcement officers' biweekly limitation:

EPA Interim Policy on Limitations on Pay (10/91)

5 USC 5547, as amended by FEPCA

OPM interim regulations (5 CFR 550.107)

Other Overtime Provisions

Highlights

The law has revised the method of computing overtime pay and computing annual premium pay for regularly-scheduled standby duty. The maximum overtime rate that may be paid (equivalent to the rate for GS-10, step 1) now includes any applicable locality-based comparability payment for GS-10, step 1 and any applicable special pay rate for the GS-10, step 1, level. The method of computing compensatory time off has also been changed to include any applicable locality payment or special pay rate for the GS-10, step 10, level. In order to be included in computing either overtime pay or compensatory time off, a special pay rate for GS-10 (step 1 or 10, as applicable) must appear in a published special pay rate schedule.

Approval Levels

Not applicable

Status

Increased overtime pay/compensatory time for employees receiving locality pay and some employees on special pay rates was effective on 2/14/91.

OPM is considering issuing new special pay rate schedules that will include a special rate for GS-10, step 1, to be used for the purpose of computing overtime. Until such new schedules are issued, overtime for employees on special pay rate schedules that do not include a rate for GS-10, step 1, will be computed using the regular rate for GS-10, step 1.

Additional Information

5 USC 5542(a), 5543, 5545(c)(1), as amended by FEPCA

OPM interim regulations (5 CFR 550.111, 550.113, 550.114, 550.141, and 550.144)

Hazardous Duty Pay

Highlights

New regulations have eliminated the requirement that hazardous duty pay can only be provided for irregular or intermittent hazardous work. We can now pay hazardous duty pay to occupations performing hazardous work on a recurring basis. Generally, hazard pay still can not be paid when the hazardous duty has been taken into account in the classification of the position. There are now provisions in place, however, for OPM to waive this restriction.

Regional Administrators, Assistant Administrators, and Associate Administrators may submit requests for waivers to the Assistant Administrator, OARM, for transmittal to OPM.

Approval Levels

Action	Approved By
Authorize payment of hazard pay for special categories of positions	OPM

Status

New hazardous duty pay regulations were effective on 5/4/91.

Additional Information

5 USC 5545, as amended by FEPCA

OPM interim regulations (5 CFR 550)

Supervisory Differentials

Highlights

A differential may be paid to a GS employee who supervises one or more civilian employees who are not covered by the GS pay system, such as wage grade employees. Commissioned Corps officers of the Public Health Service are excluded, as they are not civilian employees. The differential may be paid when, without it, the supervisor would be paid less than one or more of the non-GS subordinates. The differential may be up to 3 percent above the pay of the highest paid, non-GS-civilian subordinate. Payment of the differential is discretionary; it is not an entitlement.

Approval Levels

Action	Approved By
Pay differential	Assistant Administrators Associate Administrators Regional Administrators (May be redelegated to Division Directors level.)

Status

EPA organizations were authorized to begin approving the differentials in a memorandum from the Director, Office of Human Resources Management (11/91). This memorandum also transmitted advance copies of the Interim Policy on Supervisory Differentials.

The Interim Policy will be in effect until EPA's final policy document is issued. Development of the final policy must await publication of final regulations by OPM.

Additional Information

EPA Interim Policy on Supervisory Differentials (10/91)

OPM interim OPM regulations (5 CFR 531, 575)

5 USC, chapter 57

Uniform Allowances

Highlights

The maximum annual allowance for uniforms has been raised to \$400. Formerly, the limit was \$125. Uniformed Services personnel, or staff who are issued uniforms, are not eligible for the allowance.

Status

EPA organizations were authorized to raise the allowance in the Pay Reform Guide (3/1/91).

Approval Levels

Action	Approved By
Approve raise in uniform allowance	Assistant Administrators Associate Administrators Regional Administrators (May be redelegated.)

Additional Information

5 USC 5901, 5902, and 5903,
as amended by FEPCA

Aggregate Limitation on Pay

Highlights

All EPA employees are subject to an aggregate limitation on pay. This restriction primarily affects employees in positions above the GS-15 level, such as SES and Executive Schedule. During a calendar year, an employee's aggregate compensation cannot exceed the rate for Executive Level IV. (For 1991, that limit is \$138,900). The new aggregate limitation supersedes the fiscal year maximum that formerly limited pay for SES employees; SES employees are now covered by the new calendar year limitation. Both discretionary (optional) and non-discretionary (payments to which an employee is entitled) forms of compensation are included in the aggregate limitation. A few types of payments are excluded when computing aggregate compensation. Currently, these include premium pay, overtime pay, and severance pay.

Non-discretionary compensation that was not paid during a calendar year because of the aggregate limitation must be paid in a lump sum at the beginning of the next calendar year. In rare cases, discretionary payments withheld because of the limitation may also be deferred and paid in a lump sum. Currently, non-GS employees may not receive such deferred compensation if it is the result of a performance-based cash award, a recruitment or relocation bonus, or a retention allowance.

Approval Levels

Not applicable.

Status

Instructions for administering the aggregate limitation were issued in the Interim Policy on Limitations on Pay (10/91).

The Interim Policy will be in effect until EPA's final policy document is issued. Development of the final policy must await publication of final regulations by OPM.

Additional Information

EPA Interim Policy on Limitations on Pay (10/91)

5 USC 5305, 5307, as amended by FEPCA

OPM interim regulations (5 CFR 530, 550)

Pay Fixed by Administrative Action

Highlights

Some employees' pay is fixed by administrative action; that is, it may be set by the Administrator or his/her designee rather than by established pay schedules and pay rates. For these employees, the maximum pay has been changed from the top rate for GS-18 to the rate for Level IV of the Executive Schedule. For 1991, this change raises the maximum from \$97,317 to \$108,300. Currently, all EPA employees whose pay is fixed by administrative action are at the GS-15 level and below; this provision will have no impact on them.

Approval Levels

Not applicable

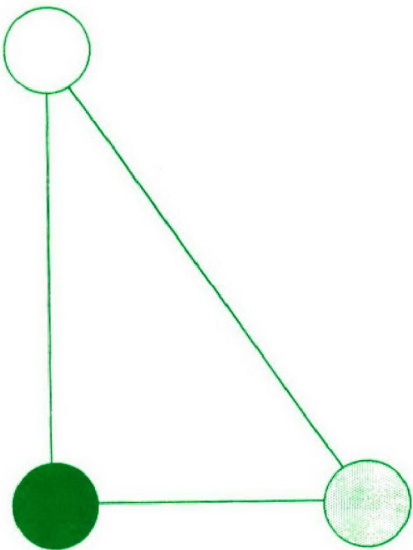
Status

This change was effective 2/14/91.

Additional Information

5 USC 5373, as amended by FEPCA

Charts



Comparison of Major New Recruitment Incentives

Type of Authority	Purpose	Approval Authority	Coverage	Applies	Limits on Pay	May be Used in Combination with
1) Recruitment Bonuses	to enable EPA to fill a position with a high quality candidate from outside the Federal Government	Administrator, Deputy Administrator, AA(OARM), RAs, AAs, Associate Administrators (depending on level and location of position). May be redelegated.	GS/GM, senior-level scientific or professional (ST), SES, law enforcement officers, Executive Schedule, Presidential appointees; others with OPM approval	case-by-case	subject to EX-I aggregate pay limitation	special rates, above-minimum entry rates, waiver of dual compensation limitations for retirees, critical pay authority, travel expenses, advances in pay
2) Relocation Bonuses (up to 25% of basic pay)	to enable EPA to fill a position with a high-quality current Federal employee who must relocate to accept the position	same as above	same as	case-by-case	subject to EX-I aggregate pay limitation	special rates, retention allowances, waiver of dual compensation limits for retirees, critical pay authority
3) Above-Minimum Entry Rates (superior qualifications appointments)	to enable EPA to recruit an individual with high or unique qualifications or for whom the Government has a special need	Human Resource Officers (or OPM, if the rate sought exceeds current pay by more than 20%)	GS/GM	case-by-case	cannot exceed maximum rate of grade	special rates, recruitment bonuses, waiver of dual compensation limitations for retirees

Chart 1

Type of Authority	Purpose	Approval Authority	Coverage	Applies	Limits on Pay	May be Used in Combination with
4) Advances in Pay	to enable EPA to advance pay to new appointees experiencing financial hardship	Human Resource Officers	All new appointees to the Federal government	case-by-case	subject to EX-I aggregate pay limitation	recruitment bonuses, relocation expenses, above-minimum entry rates, special rates, critical pay authority
5) Travel Expenses for Pre-employment Interviews and Relocation Expenses for New Appointees	to enable EPA to pay pre-employment interview expenses and some relocation expenses in certain cases, thereby increasing the pool of active candidates for first appointments	Travel Authorizing Officials	All new appointees to the Federal government	case-by-case	subject to EX-I aggregate pay limitation (relocation expenses)	recruitment bonuses, above minimum entry rates, advances in pay, special rates, critical pay authority
6) Retirees -- Reemployment of Retirees without Reduction in Annuity or Pay	to enable EPA to recruit or retain a uniformed services or civilian retiree when there is exceptional difficulty in recruiting or retaining a qualified	OPM (may be delegated to agencies in rare situations)	any pay system or position	none	subject to EX-I aggregate pay	recruitment bonuses, above-minimum entry rates, special rates, critical pay authority

Comparison of Major New Retention Incentives

Chart 2

Type of Authority	Purpose	Approval Authority	Coverage	Applies	Limits on Pay	May be Used in Combination with
1) Retention Allowances	to enable retention of high-quality employees or those for whom EPA has special need <i>and</i> who probably would otherwise leave the Federal government	Administrator Deputy Administrator AA(OARM) (depending on level of the position)	same as above	case-by-case	subject to EX-I aggregate pay limitation	special rates, critical pay authority
2) Special Rates	to provide higher pay rates to address recruitment or retention problems across an occupation resulting from higher non-Federal rates, remoteness of location, undesirable working conditions, or other	OPM	any pay system established by Federal statute	all positions covered in grades, occupational series, and locations	basic pay (including special rate) cannot exceed EX-V	recruitment bonuses, relocation bonuses, retention allowances, above-minimum entry rates, waiver of dual compensation limitations

New Pay Authorities - Table of Approval Levels		
Official	Approves	Approves and Forwards Requests
Administrator	Recruitment and relocation bonuses for Deputy Administrator	
	Retention allowances for Deputy Administrator, Assistant Administrators, Associate Administrators, and Regional Administrators	
	Designates natural disaster emergencies affecting more than one region or Headquarters organization	
Deputy Administrator	Recruitment and relocation bonuses for Executive Schedule and Presidential Appointees	
	Retention allowances for Executive Schedule and Presidential Appointees	
Assistant Administrator for Administration and Resources Management (OARM)	Recruitment and relocation bonuses for Senior Level, Scientific and Professional (ST); and SES	
	Retention allowances for Senior Level, Scientific and Professional (ST); SES; GS/GM-15 and below; and Law Enforcement Officers (Criminal Investigators)	
	Sets and adjusts pay rates for Senior Level and Scientific and Professional (ST) positions; has been redelegated to the Deputy AA (OARM)	
		To OPM for approval to appoint Federal retirees without reduction in annuity or pay
		To OPM to request special salary rates
		To OPM for new hazard pay coverage (i.e., Criminal Investigators)
		To OPM for superior qualifications appointments (when rate is 20 percent above the candidate's current salary)

Official	Approves	Approves and Forwards Requests
Assistant Administrators and Associate Administrators	Recruitment and relocation bonuses for GS/GM-15 and below and Law Enforcement Officers (Criminal Investigators) -- may be redelegated	
	Designate natural disaster emergencies (affecting only their Headquarters organizations)	To Director (OHRM) for transmittal to OPM to lift the biweekly limitation on earnings in non-natural disaster emergencies
	Supervisory differentials (may be redelegated to Division Director level)	
		To AA (OARM) for transmittal to OPM to request special salary rates
		To AA (OARM) for approval of bonuses for ST, SES, ES, Presidentially appointed and other categories (other than GS/GM and Criminal Investigators)
		To AA (OARM) for transmittal to OPM to request approval to hire Federal retirees without reduction in annuity or pay
		To AA (OARM) for transmittal to OPM requesting new hazard pay coverage (i.e., Criminal Investigators)
Regional Administrators	Recruitment and relocation bonuses for GS/GM-15 and below and law enforcement officers (may be redelegated)	
	Designate natural disaster emergencies (affecting only their regions)	To AA (OARM) for transmittal to the Administrator for designation of natural disaster emergencies affecting more than one region or Headquarters organization
	Supervisory differentials (may be redelegated to Division Director level)	
		To AA (OARM) for transmittal to OPM to request special salary rates
		To AA (OARM) for transmittal to OPM requesting new hazard pay coverage (i.e., Criminal Investigators)
Director, Office of Human Resources (OHRM)	Lifts the biweekly limitation on earnings in natural disaster emergencies designated by the Assistant Administrator	To OPM to lift the biweekly limitation on earnings in non-natural disaster emergencies

Official	Approves	Approves and Forwards Requests
Human Resource Officers	Superior qualifications appointments (when rate is 20 percent or above the candidate's current salary)	To AA (OARM) for transmittal to OPM when rate is more than 20 percent above the candidate's current salary
	Advances in pay	
	Lift the biweekly limitation on earnings for natural disaster emergencies designated by Regional Administrators, Assistant Administrators, or Associate Administrators	
Travel Authorizing Officials	Approves payment of pre-employment interviews and expenses to the first post of duty	
OPM	Special pay rates	
	Hazardous duty pay for Criminal Investigators	
	Appointments of Federal retirees without reduction in annuity or pay	
	Superior qualifications appointments (when rate is more than 20 percent above the candidate's current salary)	
	Lifts the biweekly limitation on earnings in non-natural disaster emergencies	
OMB	Critical pay positions	
Pay Agent	Special occupational pay systems	
President	Interim geographic adjustments	
	Changes in annual pay adjustments	
	Changes in local comparability adjustments	
	Staffing Differentials	
Congress	Pay-for-performance system for GS employees	