Office of Personnel Management

§ 531.247 Maximum payable rate rule for GM employees.

(a) A rate received by a GM employee may qualify as a highest previous rate under § 531.222.

(b) As provided in §§ 531.221(a) and 531.241(b), if an employee loses status as a GM employee because of a transfer, promotion, demotion, or reassignment to a position in which the employee will no longer be a supervisor or management official, and if the employing agency after the action chooses to apply the maximum payable rate rule, the agency must follow the rules in § 531.221.

(c) If an employee retains GM status after an action that allows application of the maximum payable rate rule in § 531.221 to set the employee’s pay, the rules in § 531.221 may be applied in accordance with the following special provisions:

(1) In comparing the employee's highest previous rate to an applicable rate range for the grade in which pay is being set, do not identify the lowest step rate that equals or exceeds the highest previous rate. Instead, identify the rate in the rate range that equals the highest previous rate unless that highest previous rate is below the range minimum or above the range maximum. If the highest previous rate is below the range minimum, identify the minimum rate (step 1) of the grade. If the highest previous rate is above the range maximum, identify the maximum rate (step 10) of the grade.

(2) In applying § 531.221(b) for an employee whose highest previous rate is a GS rate, the highest previous rate must be compared to the GS rate range for the grade in which pay is currently being set, but which was in effect at the time the highest previous rate was earned. If the highest previous rate was earned while the current GS rate range was in effect, the rate identified under paragraph (c)(1) of this section is the maximum payable GS rate. Otherwise, based on the rate identified in paragraph (c)(1) of this section, the agency must determine the corresponding rate in the current GS rate range for the grade in which pay is currently being set. That corresponding rate is the maximum payable GS rate. If the highest previous rate was above the range

| Step A | Using the rates and ranges in effect immediately before the annual pay adjustment, find the difference between the GM employee’s GS rate and the minimum rate of the GS rate range for the employee’s grade. |
| Step B | Find the difference between the maximum rate and minimum rate of the GS rate range in effect immediately before the annual pay adjustment. (If the GS maximum rate was not payable because of the EX level V pay limitation in 5 U.S.C. 5303(f), use the uncapped maximum rate.) |
| Step C | Divide the result from step A by the result from step B. Carry this result to the seventh decimal place and truncate, rather than round, the result. This decimal factor represents the employee’s relative position in the rate range. |
| Step D | Using rates and ranges in effect after the annual pay adjustment, find the difference between the maximum rate and minimum rate of the new GS rate range for the employee’s grade. (If the GS maximum rate was not payable because of the EX level V pay limitation, use the uncapped maximum rate.) |
| Step E | Multiply the result from step D by the factor derived from step C. |
| Step F | Add the result from step E to the minimum rate of the employee’s current GS rate range and round to the next higher whole dollar. The resulting rate is the GM employee’s new GS rate (subject to the EX level V pay limitation). |

(b) [Reserved]

[70 FR 31291, May 31, 2005, as amended at 73 FR 66153, Nov. 7, 2008]

§ 531.245 Computing locality rates and special rates for GM employees.

Locality rates and special rates are computed for GM employees in the same manner as locality rates and special rates for other GS employees. The applicable locality payment or special rate supplement is added on top of the GM employee’s GS rate.

§ 531.246 Within-grade increases for GM employees.

GM employees are entitled to within-grade increases as provided under subpart D of this part. A within-grade increase may not cause a GM employee’s GS rate to exceed the maximum GS rate of his or her grade. GM employees may receive quality step increases as provided in subpart E of this part.

[73 FR 66153, Nov. 7, 2008]
minimum and below the range maximum, the corresponding rate in the
current GS rate range must be derived as follows:

Step A ........... Find the difference between the employee’s highest previous rate
and the minimum rate for the GS rate range (for the employee’s current grade) in effect at the time the highest previous rate was earned.

Step B ........... Find the difference between the maximum rate and the minimum
GS rate for the rate range identified in step A. (If the GS maximum rate was not payable because of the EX level V pay limitation, use the uncapped maximum rate.)

Step C ........... Divide the result from step A by the result from step B. Carry this result to the seventh decimal place and truncate, rather than round, the result. This decimal factor represents the employee’s relative position in the rate range.

Step D ........... Using the current GS rate range (for the employee’s current grade), find the difference between the maximum rate and the minimum rate. (If the maximum GS rate was not payable because of the EX level V pay limitation, use the uncapped maximum GS rate.)

Step E ........... Multiply the result from step D by the factor derived under step C.

Step F ........... Add the result from step E to the minimum rate for the employee’s current GS rate range and round to the next higher whole dollar. This rate is the maximum payable GS rate the agency may pay the employee (subject to the EX level V pay limitation).

(3) In applying §531.221(c) for an employee whose highest previous rate is a special rate, the highest previous rate (after any geographic conversion) must be compared directly to the current highest applicable rate range for the employee’s position of record and official worksite after reassignment. Thus, the rate identified under paragraph (c)(1) of this section is the maximum payable rate of basic pay.

Subpart C [Reserved]

Subpart D—Within-Grade Increases

SOURCE: 46 FR 2319, Jan. 9, 1981, unless otherwise noted.

§ 531.401 Principal authorities.

The following are the principal authorities for the regulations in this subpart:

(a) Section 2301(b)(3) of title 5, United States Code, provides in part that “appropriate incentives and recognition should be provided for excellence in performance.”

(b) Section 5301(a)(2) of title 5, United States Code, provides that “pay distinctions be maintained in keeping with work and performance distinctions.”

(c) Section 5338 of title 5, United States Code, provides that “The Office of Personnel Management may prescribe regulations necessary for the administration” of General Schedule pay rates, including within-grade increases.

(d) Section 4 of the Performance Management and Recognition System Termination Act of 1993 (Pub. L. 103–89) provides that “the Office of Personnel Management shall prescribe regulations necessary for the administration of this section.”

§ 531.402 Employee coverage.

(a) Except as provided in paragraph (b) of this section, this subpart applies to employees who—

(1) Are classified and paid under the General Schedule;