

OFFICE OF PERSONNEL MANAGEMENT

Laboratory Personnel Management Demonstration Project; Department of the Army, U.S. Army Medical Research and Materiel Command (MRMC), Fort Detrick, Frederick, Maryland

AGENCY: Office of Personnel
Management.

ACTION: Notice to make a change to the MRMC **Federal Register** notice, Part III, Vol. 63, No. 41, published on March 3, 1998, specifically page 10454, Section V, Conversion, paragraph e, the prorated buyout of the within-grade increase.

SUMMARY: 5 U.S.C. 4703 authorizes the Office of Personnel Management (OPM) to conduct demonstration projects that experiment with new and different personnel management concepts to determine whether such changes in personnel policy or procedures would result in improved Federal personnel management.

The National Defense Authorization Act for Fiscal Year 1995, Pub. L. 103-337, 108 STAT. 2663, authorizes the Department of Defense (DoD), with the approval of OPM, to carry out personnel demonstration projects at DoD Science and Technology (S&T) Reinvention Laboratories. This notice makes a change to the MRMC Personnel Management Demonstration Project pursuant to 5 C.F.R. 470.315.

DATES: This notice may be implemented beginning on the date of publication.

FOR FURTHER INFORMATION CONTACT: MRMC: Carol Dick, U. S. Army Medical Research and Materiel Command, Attn: MCHD-CP 810 Schreider Street, Suite 120, Fort Detrick, Maryland 21702-5000, phone 301-619-2247.

OPM: Gail W. Redd, U. S. Office of Personnel Management, 1900 E Street NW, Room 7458, Washington, DC 20415, phone 202-606-1521.

SUPPLEMENTARY INFORMATION:

1. Background

OPM approves S&T Laboratory Personnel Management Demonstration Projects and published the MRMC final plan in the **Federal Register** on Tuesday, March 3, 1998, Vol. 63, No. 41. The MRMC demonstration project involves simplified job classification, paybanding, a performance-based compensation system, employee development provisions, and modified reduction-in-force procedures.

2. Overview

The MRMC published its final project plan on March 3, 1998. The final plan incorporated changes made as a result of specific comments received during the public comment period and hearings. Those comments also brought new and different perspectives to the attention of those responsible for implementing, overseeing, and evaluating the project.

One comment referred to the negative impact that the receipt of a lump sum payment instead of an increase to basic rates of pay has on an employee. The lump sum payment for the prorated within-grade increase buyout is described in the conversion procedures in the project plan. Upon closer examination, it was decided that adding the buyout amounts to base pay instead of paying it in a lump sum is more beneficial to employees and will contribute to their "high three" years for retirement purposes. A change in the manner of payment from lump sum to base pay increase, therefore, is appropriate.

Office of Personnel Management.

Janice R. Lachance,
Director.

I. Executive Summary

This project was designed by the Department of the Army with participation of and review by the Department of Defense (DoD) and the Office of Personnel Management (OPM). The purpose of the project is to achieve the best workforce for the Army MRMC mission, adjust the workforce for change, and improve workforce quality.

The foundations of the project are based on the concepts of linking performance to pay for all covered positions; simplifying paperwork and the processing of classification and other personnel actions; emphasizing partnerships among management, employees, and unions representing covered employees; and delegating classification and other authorities to line managers.

II. Introduction

A. Purpose

The purpose of this notice is to amend the way the within-grade increase buyouts will be paid to employees. Changes are hereby made to the **Federal Register**, Part III, Laboratory Personnel Management Demonstration Project, Department of the Army, U. S. Army Medical Research and Materiel Command, Fort Detrick, Frederick, Maryland; Notice, Vol. 63, No. 41, Tuesday, March 3, 1998; page 10454,

Section V, Conversion, replace paragraph e in its entirety as follows:

e. Under the current pay structure, employees progress through their assigned grade in step increments. Since this system is being replaced under the demonstration project, employees will be awarded that portion of the next higher step based upon the portion of the waiting period they have completed prior to the date of implementation. The prorated payment will be added to base pay and paid on the first day of the first pay period on or after the 1-year anniversary of the date of implementation of the demonstration project. The payment will be an increase to base pay commensurate with the number of full weeks accrued toward the next higher step prior to the conversion effective date. Employees will not be eligible for this base pay increase if their performance is below Fully Successful at the time of conversion. There will be no prorated payment for employees who were at step 10 or receiving a retained rate at the time of conversion into the demonstration project. The prorated payment may be provided only to the extent that it does not cause the employee's base pay to exceed the maximum rate of the employee's band. Rules governing within-grade increases under the current Army performance plan will continue in effect until the implementation date.

Those employees added to MRMC by involuntary actions such as transfer of function, BRAC, etc., after initial implementation, will be awarded that portion of the next higher step based upon the portion of the waiting period they have completed at the time they convert into the demonstration project (but no earlier than one year after the implementation of the project.) Employees at step 10, or receiving retained rates, will not be eligible for an increase to base pay since they are already at or above the top of the step scale. Also, employees will not be eligible for this base pay increase if their performance is below Fully Successful at the time of conversion.

All other provisions of the approved MRMC Personnel Management Demonstration Project will apply. Employee notification will be made by delivery of copies of the amendment to union officials and MRMC employees included in the project, and by posting on the Internet.

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