

DOC Demonstration Project

Processing Guide



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NOTE: Portions of this manual were revised June 04, 2003

GENERAL INFORMATION ABOUT THE DEPARTMENT OF COMMERCE DEMONSTRATION PROJECT

The Department of Commerce Personnel Demonstration Project (Demo Project) under OPM authority 5 USC 4703 was effective as of March 29, 1998. The project covers all General Schedule (GS) and PMRS (GM) positions. Agencies covered by the Demo Project include: TA, ESA/BEA, NTIA/ITS, and units of NOAA/NMFS, OAR, and NESDIS.

5 USC 3104 (ST) Positions—Employees who are in 5 USC 3104 (ST) positions are included in the project to the extent that, as part of the performance pool, their ratings are entered and bonuses are paid through the Performance Payout and Annual Comparability Increase System (PPACIS). They may receive extra service credit for RIF purposes if their scores are in the top 30 percent of scores within a performance pay pool. ST employees do not receive salary increases based on performance. The demo authority (VGL) is not used when ST actions are processed. Comparability increases are not paid through the PPS but are given when authorized by the President as in the past.

Performance Payout and Annual Comparability Increase System (PPACIS)—The automated performance payout system is used by supervisors and pay pool managers to create files containing performance ratings, scores, performance salary increases, and bonus amounts each year after the end of the performance cycle. The data collected is transmitted directly to NFC and the resulting actions will generate SF-50Bs. The annual comparability increase is generated out of the same system. All documentation (*other than SF-50Bs*) including performance plans are maintained by the supervisor and pay pool manager.

An employee hired under the Student Temporary Employment Program (STEP), (*excepted service authority code "213.3202a"*) or a Temporary Faculty appointment (*excepted service authority code "213.3102o"*) will receive a rating if the employee has worked at least 120 days during the rating cycle and is in a covered position as of September 30. The employee is not eligible to receive a pay increase. The employee is never eligible for a bonus.

A STEP or Temporary Faculty employee is only eligible for a pay increase at the end of the academic year (*within 60 days after the end of the term*). The employee does receive the annual comparability increase as long as the employee is not on a Performance Improvement Plan or received a unsatisfactory performance rating.

An employee hired under the Student Career Experience Program (SCEP) authority will receive a rating if the employee has worked at least 120 days during the rating cycle and are in a covered position as of September 30. The employee's salary will contribute to the increase and bonus pools and are included in the pools for payout purposes. Increases in salary is received through pay for performance.

Detail Actions—Detail actions should not be processed in the NFC system unless required by the Guide to Processing Personnel Actions.

Pay Tables—Pay tables for each locality and for each special rate grouping within each locality under the Demo Project have been published and are accessible on the DOC web site (ohrm.doc.gov). DOC Demo Project Team will adjust and reissue the tables whenever comparability increases are approved.

The salary for every pay band is capped at different levels depending on circumstances controlling the cap, e.g., the cap for a special rate general engineer will be different than that of a physical scientist, who is not eligible for a special rate. In all cases, the maximum salary cap for base pay is Executive Level IV. Separate pay tables have been created for each circumstance. The pay table number should be left blank in PMSO. An exception: If the position is in the Washington, D.C., area and the title suffix code on the Master Record is "T," "Y," "B," or "C" on the Individual Record (IP), put "0000" (4 zeroes) in the pay table field code.

Retained Grade/Pay—The same rules apply to the Demo Project as those in the General Schedule in determining eligibility for retained grade/pay. Actions are processed in the same manner as those in the General Schedule.

General Coding Information—For coding purposes: pay plan=career path, grade=pay band, step=interval. Locality pay is included in the base salary. Pay rate determinant codes "5," "6," or "7" will not be used. Employees entitled to special rate salary will be coded "0."

The guidance provided in this document should be used to supplement OPM's Guide to Processing Personnel Actions, the Demonstration Project Operating Procedures, and other pertinent regulations and guidance.

DEMO SPECIFIC PROCESSING

Nature-of-Action (NOA) Codes, Authority, and Associated Remarks

Various actions required by the project require agency specific NOAs, authorities, and/or remarks.

Hiring Employees into the Project—A second authority (VGL) is always required when hiring (*new hire, transfer, reassignment, or promotion*) an employee into organizations covered by the project. If two authorities are required by OPM, and VGL would be the third authority, then use the remark code VGL which will print out the authority literal in remarks area of the SF-50B.

NOA	Appropriate OPM Nature-of-Action Code (<i>identified in the <u>Guide to Processing Personnel Actions</u></i>)	
1st Authority	Appropriate OPM authority (<i>identified in the <u>Guide to Processing Personnel Actions</u></i>)	
2nd Authority	VGL	5 USC 4703
Demo Remark	VGL	"VGL 5 USC 4703" (<i>Used only when it is necessary to use three authorities.</i>)
Demo Remark	510	"Appointment is subject to completion of an initial 3-year probationary period beginning ____." (<i>Only used when employee is required to serve a probationary period and is hired into a research and development position, functional code 11 or 13.</i>)

If hired using Direct Examination

NOA	Appropriate OPM Nature-of-Action Code	
1st Authority	BWA	<i>DOC Demo, (name of installation issuing certificate, e.g., MASC, CASC, etc.), Cert No. ____.</i>
2nd Authority	VGL	5 USC 4703
Demo Remark	510	"Appointment is subject to completion of an initial 3-year probationary period beginning ____." (<i>Only used when employee is required to serve a probationary period and is hired into a research and development position, functional code 11 or 13.</i>)
Demo Remarks	VGL	"VGL 5 USC 4703" (<i>Used only when it is necessary to use three authorities.</i>)

Note: Conversion actions to new appointments also require VGL as the second authority. If an employee is competitively reassigned to a new position in the same Career Path and Pay Band and the salary was negotiated to a higher level, then a second authority (VGL) is required.

NOA 721 Reassignment
1st Authority Appropriate OPM authority - competitive action
2nd Authority VGL 5 USC 4703
Remark CM3 "Base pay adjust - competitive selection."

If processing a Reassignment action which removes eligibility for supervisory performance pay (moving to a non-supervisory position) and the employee is in interval 4 or 5, salary must be set at the maximum of interval 3. (Be sure to zero out the special employee code.)

NOA 721 Reassignment
1st Authority Appropriate OPM authority
Remark CM2 "Entitlement to performance pay no longer applicable. Base pay adjusted to maximum rate of pay range."

Employees on temporary student and faculty appointments are eligible for pay adjustments at the end of the academic year in lieu of the annual performance pay increase.

NOA 894 Pay Adjustment
Authority VGL 5 USC 4703
Remark CM4 "Base pay adjusted for student or faculty member at completion of an academic school year or additional year of teaching or research."

Change in Duty Station actions may require two actions if the locality pay changes with the movement. If locality pay is adjusted, a pay adjustment also must be processed.

NOA 792 Change in Duty Station
Authority UNM (Agency directive or administrative order authorizing change.)
NOA 894 Pay Adjustment
Authority VGL 5 USC 4703
Remark Pending Salary (*increase/decrease*) of ___ % due to locality change. (Use the generic remark code 499 until a number is assigned.)

Step Change—When an employee slips to a lower interval because he/she is on a PIP and does not receive the ACI in January a step change must be processed.

NOA 899 Step Change

Authority VGL 5 USC 4703

Annual Cost of Living Increase (ACI) based on successful completion of a Performance Improvement Plan (PIP).

NOA 894 Pay Adjustment

1st Authority QWM Reg 531.205

2nd Authority ZLM Executive Order Number

Remark 499 ACI granted based on successful performance.

Effective date would be the next pay period after the successful completion of PIP.

Recruitment Payment—A service agreement is required and authorization must be documented by the appropriate OPMB (*may be redelegated*) before pay can be processed. The authorizing agreement (*Figure 1*) should be filed on the right-hand side of the OPF. Maximum limit is \$10,000 or 25 percent of base pay, whichever is higher. Payments must be concluded within 36 months.

NOA	815	Recruitment Bonus
Authority	VPF	5 USC 5753
Remark	507	“Recruitment payment of \$_____ to be paid in a lump sum. Service agreement has been signed _____.”
Remark	Pending	“Recruitment payment of \$_____ to be paid in increments. Service agreement has been signed on _____.” (<i>Use the generic remark code 499 until a number is assigned.</i>)

Retention Payment—A document authorizing a retention payment must be approved by the appropriate OPMB (*may be redelegated*). The document (*Figure 2*) should be filed on the right-hand side of the OPF. Maximum limit is \$10,000 or 25 percent of base pay, whichever is higher. Payments must be concluded within 36 months.

NOA	983	Retention Allowance
Authority	VGL	5 USC 4703
Remark	515	“Retention payment of \$_____ to be paid in increments.”

Base salary is the total amount of the Retention Payment (i.e., \$5000.00 enter \$5000.00 as Base Salary). This action documents the action for the OPF, but does not actually pay the employee. **You must prepare a manual pay document to generate payment.** In your instructions, be sure to identify that taxes need to be paid, and year-to-date fields should be updated.

AD-343 Suggested Language:

Block 11: Nature of Action to be taken

Retention Allowance total payment of \$_____ to be paid in increments of \$_____ for _____ pay periods. The taxes need to be paid and year-to-date fields should be updated.

Block 13: Explanation of Circumstances which require this

Employee received retention allowance for the total amount of \$_____ to be paid in increments of \$_____ for _____ pay periods. Dollar amount was input into the system and not percentage. Employee is on the DOC Demonstration Project and 983 Retention Allowance changes the personnel system but not the payroll system. Taxes need to be paid and year-to-date fields should be updated.

**DEPARTMENT OF COMMERCE
DEMONSTRATION PROJECT
RECRUITMENT PAYMENT SERVICE AGREEMENT**

Figure 1

Employee: _____ SSN: _____

Position: _____ Career Path/Series/Pay Band: _____

Duty Station: _____ Operating Unit: _____

Payment Amount: \$ _____ (maximum is \$10,000 or 25 percent of salary, whichever is higher)

Lump Sum: _____ Or In Biweekly Payments of: \$ _____
(not to exceed 78 pay periods)

Agreement Time Requirement: _____
(6 to 36 months)

Justification for Payment:

In return for the payment specified above, I agree to accept the position and the terms of employment specified below.

- 1) I understand that if the performance of my duties in this position is rated Unsatisfactory, my employment may be terminated, and I am obligated to repay the amount of the payment received.
- 2) I understand that if my employment is terminated during the specified period for conduct-related reasons (action taken under Chapter 752 of 5 C.F.R.), I am obligated to repay the amount of the payment received.
- 3) I understand that if I accept employment with another organization, including one elsewhere in the Department of Commerce or in another agency of the Federal Government, or if I separate from the Federal service, I am obligated to repay the amount of payment received on a pro-rated basis, unless waived.

EMPLOYEE SIGNATURE _____ DATE _____

AUTHORIZED OFFICIAL _____ DATE _____

cc: Employee, Supervisor, OPF

**DEPARTMENT OF COMMERCE
DEMONSTRATION PROJECT
RETENTION PAYMENT AUTHORIZATION**

Figure 2

Employee: _____ SSN: _____

Position: _____ Career Path/Series/Pay Band: _____

Duty Station: _____ Operating Unit: _____

Payment Amount: \$ _____ (maximum is \$10,000 or 25 percent of salary, whichever is higher)

Paid In Biweekly Payments of: \$ _____
(not to exceed 78 pay periods)

Appointment Type: _____

Justification for Payment:

EMPLOYEE SIGNATURE _____ DATE _____

AUTHORIZED OFFICIAL _____ DATE _____

cc: Employee, Supervisor, OPF

TERMINATION ACTIONS

The following remarks are required for all actions processed which move the employee out of the Demo Project:

Remark Code: Pending "The Date of Last Equivalent Increase was _____."
(Use the generic code 499 until a remark code is assigned.)

Remark Code: 512 "Position above is equivalent to grade ____ step _____. The salary in block 12 includes locality pay of _____ %."

NOTE: In addition, the information in these remarks should be provided on the SF-75 to a gaining agency.

The Demo Pay Conversion Worksheet on Page 13 can be used to set the pay equivalent from Demo to GS (Reference Page 13)

Information to help you determine Date of Last Equivalent Increase (DLEI)–

Remarks-pending. Once the employee is eligible to be rated (*employed in the Demo Project for 120 days*) the first pay period in November in the year he/she was last eligible for a rating (*whether or not a pay increase was given*) is the DLEI.

If the employee does not have an opportunity for a rating and a performance pay out (*either not in the Demo Project 120 days or not in a covered position on September 30*), then the 3 percent cumulative rule applies. For example, an employee would not be eligible to receive a payout if he/she joins the Demo Project and leaves the Demo Project before September 30 in the same fiscal year.

Information to help you determine the grade, step, locality percentage in the General Schedule– Remarks-512.

To fill the grade and step blanks in the remark, the following instructions should be followed:

1. Make sure you are using the correct pay charts for comparison. On the top left-hand side of the Demo Pay Table it lists the corresponding GS table, e.g., 4 DEN = DENSP, OPM Special Rate Pay Table 0305 = DEN016. Always compare demo base salary to the corresponding locality chart not the base rate chart (*unless the demo chart is a base rate chart*).
2. Determine the ranges of each pay band:
 - A. If the pay band equals a single grade, then the band has to equal that grade. Determine what step in the grade is equivalent to the salary. If salary is between steps, the higher step is appropriate.
 - B. For multi-grade bands always start comparisons at the highest equivalent GS grade in the band. If the employee has been placed in the ZP/ZA Career Path,

remember that two-grade intervals apply when determining the appropriate grade. If the employee has been placed in the ZT/ZS Career Path, then one-grade intervals apply. For example, if the employee currently is determined to be in the ZP or ZA Career Path, Pay Band II, the equivalent grade pattern is GS 5/7/9. If the salary is equal to or greater than step 4 of the GS 9 then that grade is the equivalent grade. If the salary is less than step 4 of the GS-9, then move to the next highest grade of the band (*in this case GS 7*) and do the same comparison. If the salary is equal to or greater than step 4, then that is the appropriate grade. If the salary is lower, then proceed to the next lower grade (*GS 5*) and repeat the comparison. After the grade has been determined find the step by comparing salaries in the appropriate grade. If the salary is in between steps, then the high step is used.

The following should be considered when determining grade. These are the exceptions to the process identified above:

1. After determining that a salary is lower than step 4 in a higher grade but more than step 10 in the lower grade, then the higher grade is appropriate.
2. If the employee is converted to the Demo by means of a lateral action, then the employee's grade can be no lower than the grade he/she held just prior to entering the Demo Project.
3. In Pay Band I of the ZP and ZA Career Paths, students without a bachelor's degree or comparable experience are converted no higher than a GS 4.

To fill the locality pay percentage blank for the remark, check the current year rate on the bottom left-hand corner of the appropriate Demo Pay Table. For example the figure 0.0916 should be represented as 9.16 percent in the remark.

An information sheet (*sample next two pages*) about the Demo Project must be placed on the top of the right-hand side of the OPF. It should be attached to SF-75 information also.

**INFORMATION ABOUT
THE DEPARTMENT OF COMMERCE DEMONSTRATION PROJECT**

The Department of Commerce is conducting a Personnel Management Demonstration Project under OPM Authority 5 USC 4703. The project involves pay, performance, staffing, and classification systems which differ from other Federal systems. Occupational series are grouped into career paths, and former GS/GM grades are grouped into pay bands, as shown in the chart below. Employees do not receive within-grade increases.

Gaining agencies may use the chart provided below to compare relevant GS grades to project pay bands:

CAREER PATHS	PAY BANDS									
Scientific and Engineering (Pay Plan: ZP)	I		II		III	IV		V		
Scientific and Engineering Technician (Pay Plan: ZT)	I		II		III	IV	V			
Administrative (Pay Plan: ZA)	I		II		III	IV		V		
Support (Pay Plan: ZS)	I	II	III	IV	V					
Corresponding GS Grade	1 2	3 4	5 6	7 8	9 10	11 12	13	14	15	

Career Path Definitions

(ZP) Scientific and Engineering: Professional technical positions, e.g., engineering, physical science, biological, mathematical, computer and social science occupations; and student trainee positions in these disciplines. (Two-grade interval positions)

(ZT) Scientific and Engineering Technician: Non-professional technical positions that support scientific and engineering activities through the application of various skills and techniques, in the technical, physical science, biological, mathematical, and computer fields; and student trainee positions in these fields. (One-grade interval positions)

(ZA) Administrative: Professional specialist positions in administrative and managerial fields, e.g., accountants, administrative officers, public information, program management and analysis; and student trainee positions in these fields. (Two-grade interval positions)

(ZS) Support: Positions that provide administrative support through the application of typing, clerical, secretarial, assistant, and similar knowledge and skills; and student trainee positions for training in these fields. (One-grade interval positions)

The remark on the Notice of Personnel Action, SF-50B, which terminates the employee from the Demonstration Project indicates the equivalent grade and step in the General Schedule. It also reflects what percentage of the salary is considered locality pay for pay setting purposes. Locality pay is considered base pay in all situations under the project, but the locality percentage indicated in the remark on the last SF-50B be subtracted from base salary for pay setting purposes.

The Date of Last Equivalent Increase is also provided in the Remarks section of the SF-50B.

Any questions concerning employees covered by the Department of Commerce Personnel Demonstration Project should be referred to: *(Servicing HRA)*

SALARY CONVERSION FROM DEMO PAY TO GS

Employee's current pay: Pay Plan _____ Pay Band _____ Interval _____ Salary
\$ _____

(ZS & ZT = one grade intervals) (ZA & ZP = two grade intervals)

Pay Band _____ is equal to GS _____/4 \$ _____

_____ /4 \$ _____

_____ /4 \$ _____

_____ /4 \$ _____

_____ /4 \$ _____

Present salary of \$ _____ must meet or exceed one of the above salaries. (See item IV-A, page 67455 of Federal Register, Vol 62, #247)

Pay Band _____ converts to GS grade- _____

Look at the salary chart representing the duty station of the employee. Employee's current salary of \$ _____ must meet or exceed one of the steps listed for the converted grade of GS _____. (See item IV-B, page 67455 of Federal Register, Vol 62, #247)

Salary converts to Step _____

Employee's converted pay is set at:

GS _____ / _____ Locality % = _____ % Date of Last Equivalent Increase = _____

Pay set by:

NAME

Concur: _____
(HR Advisor Initials)

TITLE

(Date) _____

(Date)

DEMO SPECIFIC REMARK CODES

- 505 "May exceed maximum rate of pay band up to 6%, based on performance."
- 507 "Recruitment payment of \$_____ to be paid in a lump sum. Service agreement has been signed on _____."
- Pending "Recruitment payment of \$_____ to be paid in increments. Service agreement has been signed on _____."
- 510 "Appointment is subject to completion of 3-year initial probationary period beginning _____."
- 512 "Position above is equivalent to grade ____ step _____. The salary in block 20a includes payment of _____%."
- 515 "Retention payment of \$_____ to be paid in increments."
- 785 "New salary includes a performance pay increase of \$_____."
- 811 "This action involves a change in pay system. There is no change in appointment or position title."
- 830 "Reassignment to Demonstration Project-Alternative Personnel Management System-as authorized by 5 USC 4703."
- CM2 "Entitlement to performance pay no longer applicable. Base pay adjusted to maximum rate of pay range."
- CM3 "Base pay adjusted - competitive selection."
- CM4 "Base pay adjusted for student or faculty member at completion of an academic school year or additional year of teaching or research."
- Pending "Salary (*increase/decrease*) of _____% due to locality change."
- Pending "The Date of Last Equivalent Increase was _____."
- VGL "VGL 5 USC 4703."

AWARDS CODES

- C042 "Performance bonus."

SUPERVISORY PERFORMANCE PAY

The following special employee codes will be used to identify eligibility for increases of pay beyond interval 3 of each pay band.

Special Employee Code = 10 Used when the DPMB has approved an exception to the interval 3 pay cap for non-supervisory (supervisory/managerial code other than 2) employee. File DPMB approval on the right-hand side of the OPF. *(Review case to determine continued eligibility for exception if employee changes positions.)*

Special Employee Code = 12 Used when the employee's supervisory code is 2. Supervisory employees may exceed the interval 3 pay cap by up to 6 percent through performance increases. *(In most cases the supervisory code must be 2 and the special employee code must be 12 before an employee's salary can be increased beyond interval 3 of the band.)*

It is the responsibility of each line organization to obtain an agreement (*sample next page*) signed by the employee before he/she enters interval 4 through performance. The signed document should be placed on the right-hand side of the OPF.

The special employee code should not be entered into the NFC system until the signed document has been received by the HR office. The system will reject the performance increase action if the employee is moving into interval 4 or 5 and the HR office has not entered the special employee code into the system.

NOTE: Whenever the employee's eligibility for the supervisory performance pay is terminated, the special employee code must be zeroed out.

(Memorandum clarifying supervisory performance pay)

MEMORANDUM FROM: Manager's Name

TO: Supervisor's Name
Organizational Location

SUBJECT: Eligibility for Supervisory Performance Pay

This is to inform you that your placement in a supervisory position (Position Number _____) under the Department of Commerce Demonstration Project entitles you to earn supervisory performance pay. Specifically, as a Demonstration Project supervisor, you are eligible to earn a salary up to 6 percent higher than the maximum rate of Interval 3 of your pay band. The higher salary can be reached through performance pay increases granted through the regular performance appraisal cycle.

Under the Demonstration Project, supervisory performance pay is considered a part of basic pay. The granting of supervisory performance pay is not considered a promotion or a competitive action. Upon reassignment to a position that no longer meets the Demonstration Project definition of "supervisor" (as defined in the Federal Register Notice of December 24, 1997), any supervisory performance pay you to which you are entitled will be canceled, and your salary will be reduced accordingly. The cancellation of supervisory pay does not constitute an adverse action, and there is no right of appeal under 5 U.S.C. Chapter 75. Pay retention under 5 U.S.C. 5363 will not apply.

If you have any questions, please contact me, and I will address them promptly.

I understand that any entitlement to supervisory pay above Interval 3 under the Demonstration Project will cease upon my movement out of a Demonstration Project supervisory position as defined in the Federal Register Notice of December 24, 1997.

Acknowledgment of Receipt:

Supervisory Employee Signature

Date

Attachment

cc: Official Personnel Folder

PROBATIONARY PERIOD

There is no change in the probationary period requirements established by OPM for newly appointed employees in the ZT, ZA, and ZS career paths. The same is true for positions in the ZP career path except for newly appointed employees who are assigned to research and development positions as identified by the functional codes 11 or 13. ZP employees identified with either of these functional codes will serve a 3-year probationary period. However, the probationary period may be terminated by the supervisor at any time after 12 months.

Ticklers (CD-35) have been established to print at the end of 9 months, 21 months, and 33 months. The NFC data base will not automatically zero out the probationary/trial period commencing date at the end of the first year. The probationary period may be terminated by the supervisor at any time after the 12th month. When the supervisor determines that the probationary period is complete, an update 6 action code must be processed to zero out the probationary/trial period commence date.

For ZP career path R&D employees serving a 3-year probationary period, a cover memorandum (*see next page*) explaining the additional options to the supervisor should be attached to the CD-35. This requirement can easily be identified by checking the remark on the initial SF-50B indicating the need to serve (Remark Code 510), or the functional code on the PMSO coding sheet. The supervisor must be proactive each year in determining whether the probationary period is over or should be continued into the following year.

The CD-35 and the signed cover sheet should be filed in the EPF.

NOTE: The 3-year time frame for probationary periods cannot be applied to trial periods even if the position has been assigned a functional code of 11 or 13.

(Cover memo to go with probationary forms for positions covered by a 3-year probationary period.)

Memorandum For: Supervisor

From: HR Designate

Subject: Probationary/ Trial Period Report (CD-35)
Concerning probationary period for: (Employee)

The attached CD-35 indicates that the employee named is reaching the end of his/her probationary period. But since he/she is in the ZP Career Path in the DOC Demonstration Project, and is covered under a one to three year probationary period, you may choose to extend his probationary period rather than terminate it.

At this time, you have the option to extend the probationary period by completing and returning this form letter. If you extend the probationary period, you may terminate it at any time up to the end of the three year period by notifying this office in writing that you wish to do so.

To end the probationary period at this time, complete, sign and return the CD-35 form.

This notice is generated at the end of each of the three years until the probationary period is completed, unless you terminate the probationary period before then.

You must be proactive in this matter, and return the form indicating your choice no later than _____.

_____ Extend for the second year

_____ Extend for the third year

Signature

Date

Approved by the DPMB June 4, 2003

SOME HISTORICAL NOTES ON THE CONVERSION PROCESS

All covered positions were moved into the project effective March 29, 1998, using Nature of Action NOA, 894 (Pay Adjustment), and authority code, VGL (5 USC 4703).

Additionally, a personnel action (NOA 984 - Share of Equivalent Increase, VGL- 5 USC 4703, award code C043) effective March 29, 1998, was effected paying each eligible employee the value of his/her next equivalent increase (WGI) was processed based on the following formula:

If GS:

- Step 1. Determine waiting period based on step. Adjust WGI SCD for excess LWOP by 80 hour increments -1 year (over first 80), 2 years (over first 160), 3 years (over first 240).
- Step 2. Determine days in waiting period (number of days between last WGI and effective date of conversion).
- Step 3. Determine percentage of completed days in waiting period - 1 year (365 days), 2 years (730 days), or 3 years (1,095 days).
- Step 4. Determine WGI lump sum payout (percentage of completed days in the waiting period x the WGI total amount).
- Step 5. Determine if lump sum payout would exceed maximum salary for the grade (payout + minimum of the salary of the grade). If the total equals more than the maximum of the range, the pay out is reduced by the dollar amount over the top of the range.

If GM:

- Step 1. Determine waiting period based on salary.

Steps 2 through 5 are same as the GS calculation.

Employees on temporary promotion were paid based on their permanent (lower graded) salary and not the salary they were receiving at the time of conversion. Employees entering the project in the covered organizations after that date have no entitlement to a payout.

The WGI-SCD date was zeroed out during the conversion process since employees will no longer be eligible for within-grade increases or quality step increases.

All employees converted to the project kept their current PMSO MR/IP number.

During the first year only, OPMBs were authorized by the DPMB to approve within-band increases to accommodate those employees who would have received career promotions during the year had it not been for pay banding. (If the career promotion was to the next pay band, this instruction did not apply.) After receiving OPMB approval, the personnel action was effective at the beginning of the next pay period. The NOA used was 894, Pay Adjustment, and the 2nd Authority was VGL, 5USC 4703.