

Department of the Interior  
DEPARTMENTAL MANUAL

Personnel

Part 370 DM Addition to FPM

Chapter 536 Grade and Pay Retention

370 DM 536,1.1

Subchapter 1. Grade and Pay Retention

1.1 Purpose. This subchapter provides Departmental guidance for administering the grade and pay retention provisions of Title VIII of the Civil Service Reform Act (CSRA) of 1978, Public Law 95-454. The Act authorizes the Office of Personnel Management (OPM) to require agencies to:

- A. Report all vacancies (including impending ones);
- B. Take steps to assure that affected employees can acquire qualifications for selection to other positions;
- C. Establish a priority placement program; and,
- D. Place affected employees in positions in other agencies.

1.2 Policy. The Department will seek out and correct misclassified positions and provide aggressive priority placement assistance to employees covered by the Grade and Pay Retention provisions of Title VIII of CSRA of 1978.

1.3 Coverage. Grade and Pay Retention coverage under CSRA is described in 5 U.S.C. 5362 and 5363 and FPM Bulletin 536-1. Coverage is extended to employees in a reduction-in-force situation; employees whose positions have been reduced in grade by reclassification; employees who are placed in a lower graded position after declining an offer to transfer with their function outside of the commuting area; and, General Schedule employees on special pay schedules.

1.4 Definition. As used in this chapter the term "bureau(s)" refers to organizations as defined in 101 DM 2 and the servicing personnel organization(s) for the Office of the Secretary and Other Departmental Offices.

1.5 Classification Plan. Each bureau will develop an annual classification plan to identify and correct classification errors and to resolve position management problems. Each plan will include the following provisions:

- A. Provide for position management reviews and position classification surveys on a recurring basis within a 4 year bureauwide cycle;
- B. Provide that classification errors be corrected within 4 pay periods except in unusual situations;

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C. Provide for implementation of new position classification standards within 6 months (whenever extenuating circumstances require a longer time, the Department should be notified);

D. Provide for review of vacant positions for essentiality and proper classification before refilling.

1.6 Placement Plan. To the maximum extent practicable, vacancies in permanent positions at grades GS-15 and below and all Federal Wage System grades must be filled by selection of employees entitled to priority placement under provisions of this subchapter, when there are such eligibles qualified for vacancies which arise.

A. Responsibilities.

(1) The head of each bureau (and the Assistant Secretary - Policy, Budget and Administration for the Office of the Secretary) is responsible for developing and operating procedures consistent with this subchapter to assure that overgraded employees receive priority placement assistance within the bureaus for placement in appropriate and properly classified positions.

(a) Bureau procedures must provide for aggressive efforts to place overgraded employees in properly graded jobs in an area of sufficient size that there is reasonable opportunity for placement of most affected employees, and should, as appropriate, provide for training employees to acquire qualifications for selection to other jobs.

(b) In addition to providing for bureau employees, each bureau's procedures must allow for priority consideration of overgraded employees in other bureaus in the Department when there are such employees who are eligible and available when a vacancy occurs.

(c) Bureau procedures must include provision for maintaining records needed to operate and maintain the Department's priority placement efforts established under this subchapter. Records must include information which identifies employees entitled to assistance, vacancies filled, employees qualified and considered for each vacancy, and the action taken.

(2) Servicing personnel offices are responsible for assisting management officials in the development and operation of priority placement plans and for insuring that the provisions of such plans are followed when vacancies are filled.

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(3) Equal opportunity officials are responsible for assuring that affirmative action goals are not unreasonably affected. Bureau EEO officials must develop plans for assessment of affirmative action impact.

(4) The Director of Personnel, Office of Personnel (PPM), is responsible for establishing policies and guidelines and for giving general oversight to the operation of the priority placement plans established under this subchapter, for providing coordination of interbureau efforts under these plans, and for approving operating procedures developed by the bureaus.

B. Exceptions. Following are authorized exceptions to placement plans:

(1) The two types of career promotion as defined in Federal Personnel Manual (FPM) Chapter 335, Subchapter 1-5C(1) (a) and (b), and promotions suggested as exceptions to competitive promotion procedures under provisions of FPM Chapter 335, Subchapter 1-5C(2) and (4).

(2) Actions required to comply with regulatory or statutory provisions (e.g., Indian preference, RPL).

(3) Repromotion of an employee who was demoted in this Department not for cause and not at the employee's request.

(4) Reassignments when they can be made without reducing placement opportunities for employees entitled to assistance provided for under this subchapter.

(5) An exception approved by the Director of Personnel (PPM) when it is clearly established and fully documented that the exception is warranted and is determined to be essential to the effective conduct of a high priority program within the Department, including the achievement of Equal Opportunity Affirmative Action Goals.

(6) Employees not available for assignment within 90 days of their eligibility for assistance provided for by this subchapter.

(7) Employees who have stated their intention to retire within 12 months.

(8) Positions when filled under the Upward Mobility Program.

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C. Eligibility and Coverage. Under 5 U.S.C. 536(1), grade and pay retention are limited to employees "whose employment is other than on a temporary or term basis." OPM defines employment on a temporary or term basis as employment under an appointment having a definite time limitation or designated as temporary or term by law. Thus employees in both the competitive and excepted service with full-time, part-time or intermittent work schedules are eligible for assistance under this priority placement plan, provided they meet the eligibility criteria established by law. OPM regulations in 5 CFR 536.201-536.213 give specific information on entitlement, and attachment 2 of FPM Bulletin 536-1 provides detailed guidance for implementing the retroactive provisions of the grade and pay retention requirements.

(1) Full-time career and career-conditional employees are eligible for appropriate full-time positions in the competitive service.

(2) Employees serving under excepted or excepted-conditional appointments are eligible under the same conditions that apply to competitive service employees, except that their eligibility is limited to positions which can be filled under the same excepted authority as the one used for their current appointment.

(3) Career, career-conditional, excepted, and excepted-conditional employees serving on a part-time or intermittent basis are eligible; however, they may not be placed in full-time positions for which full-time employees eligible for assistance under grade/pay retention regulations are available.

(4) No employee is eligible for priority placement based on a temporary promotion or temporary reassignment. (5 CFR 536.203(b))

D. Extended Detail Authority. Extended details may be used as follows:

(1) Bureaus may detail employees in 120 day increments, to the same or lower grade for up to 1 year without Department approval.

(2) During major reorganizations as determined by the Office of Personnel (PPM), bureaus may detail employees to higher graded positions for up to 1 year. However, if an employee's services are needed in a higher grade for more than 120 days bureaus should, whenever possible, make temporary promotions.

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(3) Details to higher grade jobs which are not during major reorganizations determined as above must be limited to a maximum period of not more than 240 days.

(4) No detail to an unclassified position may exceed 120 days.

E. Areas of Consideration. To provide reasonable opportunities for placement of employees entitled to priority placement under this plan, all employees will be entitled to receive consideration in the local commuting area for appropriate vacancies which may occur in the Department, both within and outside the bureau in which they are employed.

(1) All eligibles are entitled to the priority placement programs of their employing bureaus, as approved by the Director of Personnel (PPM).

(2) All eligibles are entitled to the special placement provisions of this subchapter with respect to appropriate vacancies which arise within the Department in the same commuting areas as the one in which their permanent positions of record are located.

(a) To facilitate this, the Departmental Career Placement Assistance Program (DCPA) will be utilized to provide for inclusion of eligibles under this program under Category II, for the local commuting area of the employee's positions of record.

(b) Employees eligible for DCPA as provided herein shall be referred ahead of all others registered for DCPA under Category II.

(3) It is mandatory that bureaus assure that all of their employees covered by provisions of this subchapter are registered for DCPA within 60 days of the date they become eligible for assistance as provided for above, when employees are not placed within this period. Employees who decline inclusion under DCPA will be considered only in the bureaus in which their permanent positions of record are located.

(4) The period of eligibility for those who become eligible for DCPA under provisions of this subchapter is limited not to exceed their eligibility for grade and pay retention as provided for under provisions of Title VIII of the Civil Service Reform Act of 1978, Public Law 95-454.

F. Extent of Eligibility. Eligibility under priority placement plans for grade and pay retention is also subject to the following conditions and provisions:

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(1) An employee may be reassigned in accordance with a priority placement plan at any time after an overgrading problem is identified by a classification officer. When such reassignment is not accomplished sooner, eligibility for the program will begin on the date the supervisor is informed in writing of the action.

(2) An employee who is detailed to a lower graded position or to unclassified duties pending the establishment of a new position because of reorganization will be eligible for the priority placement program on the date the employee is given written notice of the detail or on the date of this issuance whichever is later.

(3) When a position with known promotion potential becomes vacant and there are employees covered by this subchapter who are qualified for the full or intermediate performance levels of the position, the position may be filled at any grade for which there are employees under the plans. However, the priority placement plans apply only to the placement of employees at their current grade, or a lower grade which they are willing to accept. They do not override the merit promotion requirements regarding competition in filling positions having known promotion potential. Employees covered by the plans must compete with other eligibles for positions with grade potential above their current grade.

(4) Eligibility will end in accordance with provisions contained in 5 CFR 536 of the OPM regulations.

G. Referral of Eligibles and Selection. Eligibles under this program shall be referred as follows:

(1) Unless a vacancy is to be filled under one of the exceptions provided for herein, the personnel office must refer to the selecting official the names of qualified employees who are entitled to priority placement assistance under this subchapter.

(2) Simultaneous referral of employees' names to more than one selecting official is appropriate if several vacancies occur during the same time period.

(3) For many positions the qualification requirements as specified in OPM Qualification Standards are appropriate without modification, and employees who meet those requirements will be considered qualified for a position under the provisions of this subchapter. For some positions, however, the duties and responsibilities are such that incumbents must possess certain

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job-related qualifications (selective factors) in addition to, or more specific than, those defined in the Standards. In FPM Chapter 332, Subchapter 4-4, the OPM describes the circumstances under which the use of selective factors are justified. If selective factors or mandatory knowledges, skills, and abilities have been approved by the personnel officer as essential for use in filling a position previously, an employee will have to meet those same factors to be considered qualified for the position. Any such factors which are used must be job related and must be recorded in writing. The record must clearly show why the use of them is justified, and the approval of them by the personnel office must be indicated.

(4) When referrals are properly made under provisions of this subchapter, any employee referred may be selected.

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~~1.7 Reporting Requirements. Each bureau Classification and Placement Plan will be reviewed annually to determine if there is any need for modification. A report on this review shall be submitted to the Chief, Division of Employment and Position Management, PPM, by October 31 of each year, together with a report of accomplishment during the previous year (3-DOI-79-024). The report of accomplishment should contain the kinds of information outlined in the Grade and Pay Retention Worksheet, Illustration 1 to this subchapter. Bureau progress will be monitored by the Department through approval of the annual plan reviews and reports, and program reviews of the various Interior personnel offices. The Department will direct bureaus to take corrective action as necessary to meet objectives of the Plan. Bureaus should also maintain the kinds of statistics outlined in the Classification Worksheet, Illustration 2 to this subchapter.~~

1.8 PME Relationship. In the implementation of CSRA, Title VIII, particular emphasis and initiatives will be required of each bureau in the conduct of comprehensive Personnel Management Evaluations (PME). In addition to the on-going programs which are always reviewed in the course of such an evaluation, all PME systems will be expanded to include a section covering grade and pay retention. This section will measure management commitment to the correction of misclassified positions and to aggressive priority placement assistance through assessment of the adequacy of the organization's progress and accomplishments in:

- A. Identifying overgraded or misclassified positions;
- B. Special studies undertaken to correct known problems and to establish improved classification patterns;

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- C. Position management achievements;
- D. Vacant positions restructured to provide career growth opportunities for women and minorities;
- E. Placing overgraded employees in valid positions for which they are qualified, (i.e., measurement of accomplishment vs. opportunities);
- F. Use of extended details during interim period;
- G. Skills assessment of overgraded employees for referral to properly graded positions;
- H. Application of priority consideration and results achieved; and
- I. Utilization of employee development programs and flexibilities in retraining employees impacted by grade/pay retention.



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Subchapter 3. Actions Covered.

3.1 Purpose. This subchapter provides Departmental policy and guidance on mandatory grade and pay retention requirements and the optional grade and pay retention authority provided in the Office of Personnel Management (OPM) regulations. The option enables management to grant grade and pay retention benefits to any eligible employee who is not otherwise entitled during a reorganization or reclassification announced by management in writing. This optional authority gives management additional flexibility in the planning of reductions in force and reorganizations. Further, personnel assignments can be made more easily during the process without negating or curtailing employee benefits.

3.2 Grade Retention.

A. Mandatory.

(1) Mandatory grade retention is required in the circumstances described in FPM 536,3.1.

(2) Employees who transfer to this Department while in receipt of grade retention from another agency are entitled to continue grade retention for the balance of the original two-year period. This entitlement ceases when an employee (a) has a break in service of one work day or more; (b) is demoted for personal cause or at his or her own request (i.e., to a position at a lower grade than the position to which the employee is reduced); (c) is placed in a position the grade of which is equal to or higher than the retained grade; or (d) elects in writing to waive entitlement to grade retention.

B. Optional.

(1) Bureaus can determine circumstances in a reorganization or reclassification which can be considered for an extension of grade retention beyond the mandatory requirements covered in FPM 536,3.1. In any extension of grade retention to employees not entitled to mandatory grade retention under FPM 536,3.1, the employee must meet the basic eligibility requirements in FPM 536,2.1, and the requirements in FPM 536,3.1(b) must be followed.

(2) Optional grade retention benefits may be extended to an eligible employee who declines to transfer with his or her function and, prior to separation for declining to transfer, is placed in a lower graded position provided that the transfer of function is to a location outside the employee's commuting area, and provided that the employee is not subject to a mobility agreement. This provision is intended to cover instances where employees are moved prior to receiving specific RIF notices or notices that their positions are being reduced.

(3) The decision as to whether grade retention will be granted to eligible employees is at the discretion of the Bureau Director concerned. In the Office of the Secretary the decision is at the discretion of the Assistant Secretary - Policy, Budget and Administration, based upon the recommendation of the management officials concerned.

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**3.3 Pay Retention.**

**A. Mandatory.**

(1) Mandatory pay retention is required in the circumstances described in FPM 536,3.2.

(2) Employees who transfer to this Department while in receipt of pay retention from another agency are entitled to continue pay retention. This entitlement ceases when an employee (a) has a break in service of one work day or more; (b) is entitled to a rate of basic pay that is equal to or greater than the rate to which he or she is entitled under pay retention; or (c) is demoted for personal cause or at his or her own request.

**B. Optional.**

(1) Bureaus may grant pay retention to eligible employees whose rate of basic pay would otherwise be reduced as the result of a management action.

(2) The decision as to whether pay retention will be granted to eligible employees is at the discretion of the Bureau Director concerned. In the Office of the Secretary the decision is at the discretion of the Assistant Secretary - Policy, Budget and Administration, based upon the recommendation of the management officials concerned.

**3.4 Grade and Pay Retention for SES Employees.**

**A. Grade Retention.** An SES employee who is entitled to grade retention would retain the equivalent grade under the General Schedule. (See 5 CFR 536.203(b).)

**B. Pay Retention.** An SES employee who is being involuntarily placed in a position in the General Schedule is eligible to retain the scheduled salary rate of the SES position. However, the maximum payable rate is subject to any statutory limitation for the General Schedule.