



# United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240



OCT 12 2007

## Memorandum

To: Solicitor  
Inspector General  
Assistant Secretaries  
Heads of Bureaus and Offices

From: *Sharlyn A. Grigsby*  
Sharlyn A. Grigsby  
Director, Office of Human Resources

Subject: Departmental Policy on Superior Qualifications and Special Needs Pay Setting

The Office of the Assistant Secretary - Policy, Management and Budget, Office of Human Resources, is issuing a new Personnel Bulletin to all Departmental offices establishing policy on Superior Qualifications and Special Needs Pay Setting. This new guidance provides for systematic practices and procedures across the entire Department. The new guidance is intended to clarify program requirements implemented by the U. S. Office of Personnel Management under Title 5 of the United States Code of Federal Regulations, Part 531.212.

The attached Personnel Bulletin describes to all Bureaus and equivalent organizations an important employment incentive. All Department Human Resources Offices will now use this guidance when determining eligibility for Superior Qualifications and Special Needs Pay Setting.

If you have any questions, please contact Michael Ballew on (202) 513-0755 or by e-mail at <Michael\_Ballew@ios.doi.gov>.

## Attachment

cc: Deputy Secretary  
Chief of Staff  
Bureau/Equivalent Office Human Resources Officers



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**PERSONNEL BULLETIN NO:** 07-09

**SUBJECT:** Departmental Policy on Superior Qualifications and Special Needs Pay Setting.

1. This bulletin establishes the Department of the Interior's policy on superior qualifications and special needs pay setting. It supersedes previous guidance issued under Personnel Management Bulletin No. 93-9 (338), dated June 14, 1993.

2. **Authorities:** 5 United States Code 5333; 5 Code of Federal Regulations, Section 531.212.

3. **Policy:** The Department hereby establishes a policy on superior qualifications and special needs pay setting in accordance with the regulations issued by the Office of Personnel Management in 5 CFR, section 531.212. Heads of Bureaus and equivalent organizations will be responsible for administering this policy.

**a. Covered Employees.**

Under 5 U.S.C. 5333 and 5 CFR 531, superior qualifications and special needs pay setting may be applied to employees covered under the General Schedule pay system or to employees in a category approved by the OPM for coverage at the request of the head of an Executive Agency. The superior qualifications and special needs pay setting authority may be used for:

1. A first appointment (regardless of tenure) as a civilian employee of the Department;
2. A reappointment that is considered a new appointment under 5 U.S.C. 5333 and when the employee has a break in service of at least 90 days;
3. A reappointment that is considered a new appointment under 5 U.S.C. 5333 and when the employee does not have a break in service of at least 90 days but meets any of the following criteria:
  - a. The previous employment was under a time-limited or nonpermanent appointment in the competitive or excepted service;
  - b. Employment under an appointment as an expert or consultant under 5 U.S.C. part 304;
  - c. Employment under a provisional appointment designated under 5 CFR 316.403.

4. Service as an employee of a non-appropriated fund instrumentality of the Department of Defense or United States Coast Guard is not considered employment by the Federal Government under 5 CFR 531.212 except for employees covered by 5 CFR 531.216. If the employee is covered by 5 CFR 531.216, upon appointment or reappointment to a GS position they are not eligible to have the pay set under the superior qualifications or special needs authority since their NAFI employment is considered employment by the Federal Government.

**b. Approving Officials.**

The heads of Bureaus, equivalent offices or their designee are granted authority to approve an appointment based on superior qualifications and/or special needs. This authority may be further delegated at the discretion of the head of the Bureau or equivalent office to the level that best serves the interest of the organization. An authorized approving official within the Bureau or equivalent office must be at least one level higher than the supervisor of the employee receiving superior qualifications and special needs pay setting. The authorized approving official will determine whether an employee meets the all statutory requirements and will ensure the documentation in support of their determination is maintained. Decisions to approve or disapprove the use of the superior qualifications and special needs pay setting authority for employees in the Immediate Office of the Secretary will be made by the Assistant Secretary - Policy, Management and Budget with the concurrence of the Director of the servicing Human Resources Office. These requests must be submitted through the appropriate Assistant Secretary or equivalent official to the Assistant Secretary - PMB. Except for positions within the Office of the Secretary, the heads of Bureaus or equivalent office retain the right to approve or disapprove superior qualifications and special needs pay setting authority for their workforce.

**c. Criteria for Determination.**

The following criteria must be met or considered in authorizing the use of superior qualifications and special needs pay setting. A Bureau or equivalent office may set the payable rate of basic pay of a newly appointed employee or reappointed employee above the minimum rate of the grade under this section if the candidate meets one of the following criteria:

1. **The candidate has superior qualifications.** A Bureau or equivalent office may determine that a candidate has superior qualifications based on the level, type, or quality of the candidate's skills or competencies for the position being filled. These skills and competencies may be demonstrated or obtained through work experience and/or education. The Bureau or equivalent office may also determine the quality of the candidate's accomplishments compared to others in the field or develop other factors

that support a superior qualifications determination. All of the skills and competencies used to justify a superior qualifications appointment must be relevant to the requirements of the position to be filled. These skills and competencies must be significantly higher than what is needed to be considered minimally qualifying for the position.

2. **The candidate fills a special need.** A Bureau or equivalent office may determine that a candidate fills a special need if their type, level, or quality of skills and competencies are relevant to the requirements of the mission, goal, or program activity in order to approve superior qualifications pay setting. A Bureau or equivalent office may also determine that the position is difficult to fill. A candidate also may meet the special needs of the Bureau or equivalent office work force requirements as documented in the Department's strategic human capital plan.

#### **d. Pay Rate Determination**

A Bureau or equivalent office may consider one or more of the following factors to determine the step within the General Schedule at which to set an employee's payable rate of basic pay using the superior qualifications and special needs pay setting authority:

1. The level, type, or quality of the candidate's skills or competencies;
2. The candidate's existing salary, to include recent salary history, or salary documented in a competing job offer. The Bureau or equivalent office must take into account the location where the salary was or would be earned and comparing the salary to payable rates of basic pay in the same location;
3. Significant disparities between Federal and non-Federal salaries for the skills and competencies required in the position to be filled;
4. Existing labor market conditions and employment trends, including the availability and quality of candidates for the same or similar positions;
5. The success of recent efforts to recruit candidates for the same or similar positions;
6. Recent turnover in the same or similar positions;

7. The importance or criticality of the position to be filled and the effect on the Bureau or equivalent office if the position is not filled or if there is a delay in filling it;
8. The desirability of the geographic location, duties and/or work environment associated with the position;
9. Bureau or equivalent office workforce needs, as documented in the Department's strategic human capital plan, Bureau workforce plan; or
10. Other relevant factors that can be documented by the Bureau or equivalent office.

**e. Consideration of Recruitment Incentive**

A Bureau or equivalent office must first consider the use of authorizing a recruitment incentive under 5 CFR part 575, subpart A. They must document their decision to offer or not offer a recruitment incentive in the case folder/merit promotion file and the memorandum requesting the superior qualifications and special pay setting. The offer must be in writing, along with the candidate's refusal to accept the position with the recruitment incentive, and must be documented in the memorandum requesting approval.

**f. Approval and Documentation**


The Bureau or equivalent office must approve each request to use the superior qualifications and special needs pay setting authority prior to the candidate entering on duty. Each request and the subsequent approval/disapproval must be made in writing and reviewed by the authority noted in paragraph b. of this personnel bulletin. The Bureau must document in writing all of the reasons for the use of the superior qualifications and special needs pay setting authority:

1. The superior qualifications of the candidate and the Bureau or equivalent office's need for these skills and competencies;
2. An explanation of the factors and the supporting documentation used to justify the rate at which the candidate's pay is set. The written documentation must explain how these factors directly related to the rate approved; and
3. The reasons for authorizing a higher than minimum rate instead of or in addition to a recruitment incentive.

**g. Program Oversight and Evaluation.**

Bureaus and equivalent offices will include review of use of these authorities in their internal personnel management evaluation programs. This review shall be accomplished at least annually and the results made available upon request.

The Department point of contact on this policy is Michael Ballew, and he can be reached on (202) 513-0755 or via email at <Michael\_Ballew@ios.doi.gov>.

  
Sharlyn A. Grigsby  
Director, Office of Human Resources