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Civilian Personnel

Wages and Salaries—Overtariff Supplements for Local National Employees in Germany

*This regulation supersedes AE Regulation 690-76, 15 October 2009.

For the Commander:

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Summary. This regulation prescribes policy and procedures for requesting and granting overtariff supplements in the Army in Europe.

Summary of Change. This regulation has been revised to include administrative changes and update organizational titles.

Applicability. This regulation applies to local national employees—

- Employed by the U.S. Forces in Germany under the provisions of the *Tarifvertrag vom 16. Dezember 1966 für die Arbeitnehmer bei den Stationierungstreitkräften im Gebiet der Bundesrepublik Deutschland (TV AL II)* (Collective Tariff Agreement II), except for personnel employed by USAFE and its tenant activities. For the purpose of this regulation, the U.S. Forces includes all activities serviced by the United States Army Civilian Human Resources Agency, Europe Region (CHRA-E), and the Army and Air Force Exchange Service, Europe (AAFES-Eur).
- Paid from appropriated or nonappropriated funds.
- In Civilian Support organizations in Germany.

NOTE: The terms civilian personnel advisory center and CHRA-E Regional Operations Center as used in this regulation do not apply to AAFES-Eur. Except for the parts of this regulation that specifically refer to AAFES-Eur, the Commander, AAFES-Eur, may use internal forms and establish internal systems and procedures to meet the purpose of this regulation.

Supplementation. Organizations will not supplement this regulation without USAREUR G1 (AEAGA-CL) approval.

Forms. This regulation prescribes AE Form 690-76A. AE and higher level forms are available through the Army in Europe Library and Publishing System (AEPUBS) at <https://aepubs.army.mil/>.

Suggested Improvements. The proponent of this regulation is the USAREUR G1 (AEAGA-CL, DSN 379-6575). Users may suggest improvements to this regulation by sending DA Form 2028 to the USAREUR G1 (AEAGA-CL), CMR 432, APO AE 09081.

Distribution. C (AEPUBS).

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Glossary

1. PURPOSE

This regulation prescribes—

- a. Policy on paying overtariff supplements (OTSs) in addition to the basic wages or salaries established in the *Tarifvertrag vom 16. Dezember 1966 für die Arbeitnehmer bei den Stationierungstreitkräften im Gebiet der Bundesrepublik Deutschland (TV AL II)* (Collective Tariff Agreement II).
- b. Authority, responsibilities, and procedures for requesting and granting an OTS.

2. REFERENCES

- a. **Publication.** AE Pamphlet 690-60, Tariff Agreements That Apply to Persons Employed by the U.S. Forces in Germany (English Translation).

b. Forms.

(1) DA Form 2028, Recommended Changes to Publications and Blank Forms.

(2) AE Form 690-70E, Notification of Employment Status/*Mitteilung über den Stand des Arbeitsverhältnisses*.

(3) AE Form 690-76A, Non-U.S. Forces Versus U.S. Forces Pay Data.

3. EXPLANATION OF ABBREVIATIONS AND TERMS

The glossary defines abbreviations and terms.

4. POLICY

a. General. OTSs solve recruitment and retention problems caused when compensation for specific jobs is higher in the local host-nation community than the minimum compensation established in the *TV AL II*.

b. Specific.

(1) Documented evidence must prove that *TV AL II* compensation is insufficient to recruit or retain employees in a specific job, job category, or location because of higher compensation in the local host-nation community.

(2) An OTS will be granted only when there are recruitment or retention problems. Recruitment problems exist when it is not possible to recruit a sufficient number of employees because of (a) or (b) below. Retention problems exist when (a) and (b), and either (c) or (d) below apply:

(a) A skill is in short supply.

(b) Local companies actively compete for the skill or offer employment in other jobs for which U.S. Forces employees qualify, with better wages or salaries and employment conditions.

(c) U.S. Forces activities experience an excessive turnover because of the conditions in (a) and (b) above.

(d) A single position or a small group of positions requires special skills and the loss of incumbents would have an adverse effect on the activity's ability to accomplish its mission.

(3) Management officials, with the assistance of civilian personnel advisory centers (CPACs), are responsible for determining the need for an OTS and, if needed, for requesting approval of an OTS from the Civilian Personnel Division (CPD), Office of the Deputy Chief of Staff, G1, HQ USAREUR.

c. Approval Authority.

(1) CPD is the approval authority for—

(a) OTSs affecting two or more employees in a job category, regardless of the amount of the OTS.

(b) OTS payments exceeding 10 percent of the basic pay for individual positions.

(c) Other OTS payments for which approval authority is not delegated in (2) below.

(2) USAREUR general officer (GO) commanders and the Commander, Army and Air Force Exchange Service, Europe (AAFES-Eur), may approve OTS payments of up to 10 percent over the current tariff rates for individual employees. This authority will not be delegated. No OTS will be approved for more than one employee in the same job category at any given time. On receipt of the OTS approval, management officials will attach a copy of it and its rationale to the request for personnel action (RPA) (Nature of Actions “Other Pay”) and route it to the United States Army Civilian Human Resources Agency, Europe Region (CHRA-E), RPA Direct Box. The Local National Division, CHRA-E Regional Operations Center, will review the rationale for OTS approved for local national (LN) employees for compliance with the provisions in b(2) above. If the rationale for OTS approval reveals evidence that the provisions of b(2) above are not met, the CHRA-E will send a copy of the RPA and the rationale for OTS to the USAREUR G1 (AEAGA-CL), CMR 432, APO AE 09081, for review and a decision.

d. Amount.

(1) Within the framework of delegated approval authority in c(2) above, USAREUR GO commanders and the Commander, AAFES-Eur, may approve an OTS only in the amount necessary to solve recruitment and retention problems.

(2) CPD may approve an OTS only when the sum of the benefits and allowances granted by the U.S. Forces does not meet the average total compensation offered by private employers. Appendix A provides instructions on how to assess individual pay components for total compensation comparisons.

(3) When an OTS has been approved for two or more employees in a job category, management officials may use the amount of OTS paid to employees on the current payrolls to hire employees in the same job category. Below is an example:

The initial OTS amount approved was €150. After absorption, the OTS paid to employees on current payrolls amounts to €120. The employee hired in the same grade level may be granted an OTS in the amount of €120.

NOTE: The OTS will be absorbed as prescribed in f(1)(b) below.

(4) The CHRA-E Regional Operations Center or AAFES-Eur will not adjust pay rates of employees on current payrolls before the first day of the month following the date of approval, unless otherwise directed by CPD.

(5) The CHRA-E Regional Operations Center, CPACs, and AAFES-Eur will—

(a) Observe the labor market, employment conditions, and trends that may affect economy pay and fringe benefits.

(b) Verify previously obtained data when significant changes occur in the labor market.

(c) Submit requests for adjustment of approved OTSs based on changed economic, recruitment, or retention situations to CPD.

e. Discontinuation. The OTS will be discontinued when the employee is placed in another position with changed employment conditions for which no OTS is approved.

f. Absorption.

(1) The CHRA-E Regional Operations Center or AAFES-Eur will—

(a) Not change OTS amounts approved as a percentage of the basic earnings for 2 years after the effective date of the OTS, with the exception of (b) below. From that point on, each time the tariff increases, the CHRA-E Regional Operations Center or AAFES-Eur will reduce OTS by 10 percent of the initial OTS amount, which will result in full absorption of the OTS amount after approximately 12 years. For the purpose of these calculations, fractions of euros will be rounded up to the next full euro amount.

(b) Ensure that OTS for employees hired in the same job category and grade level after the OTS is approved is reduced at the same time that OTS for employees who were on the payrolls at the effective date of the initial OTS payment is reduced. The following are examples:

1. Example 1. The initial OTS payment was approved effective 1 March 2007 in the amount of €150. The employee was hired on 1 March 2009 and granted an OTS in the amount of €150. With each tariff increase thereafter, the OTS will be reduced by €15 (10 percent of the initially approved OTS amount) until fully absorbed.

2. Example 2. The initial OTS payment was approved effective 1 March 2006 in the amount of €150. The employee was hired on 1 March 2009 and granted an OTS in the amount of €135. With each tariff increase thereafter, the OTS will be reduced by €15 (10 percent of the initially approved OTS amount) until fully absorbed.

(c) Discontinue OTS amounts of €10 or less per month at the time of the next tariff increase.

(2) If the basis for granting the OTS no longer exists (recruitment and retention problems no longer exist or the skills for which the OTS was granted are no longer required and, therefore, loss of the incumbent would have no adverse effect on the essential mission of the activity), the OTS will be reduced by the total amount of future tariff increases until fully absorbed. A decision by management officials to do this is subject to works-council codetermination. When applicable, the severely handicapped employee representative group must be heard. Once the decision has been made, management officials will inform the servicing CPAC that the basis for granting the OTS no longer exists and provide the names of employees affected. The CPAC will provide the information to the CHRA-E Regional Operations Center. The CHRA-E Regional Operations Center will then reduce the OTS when the tariff increases.

(3) CPD may deviate from the method of OTS absorption in (1) above to solve recruitment and retention problems involving certain job categories. For example, for employees in pay scale C, an OTS that equals the difference between step 1 and step 3 may be approved. At the time of the next two step increases, the OTS may be reduced by the amount that the base pay increases. CPD will determine the appropriate method of OTS absorption at the time of OTS approval, in coordination with the Head Works Council, USAREUR, under the codetermination procedure. The employee will be informed of the alternate absorption method by an explanatory statement in block 18 on AE Form 690-70E.

5. PROCEDURES

a. Requests for Approval. OTS requests must be made in writing. Approval of OTS requests depends on the availability of funds for the additional expense. According to applicable agreements, CPD must coordinate certain OTS requests with other components of the U.S. Forces, other Sending State Forces, and the German *Bundesministerium der Finanzen* (Federal Ministry of Finance) before approving them. The servicing CPAC will coordinate with colocated components of the U.S. Forces before submitting requests to ensure that the U.S. Forces pay comparable salaries and wages.

b. Procedures for Requesting an OTS. In accordance with paragraph 4c(1), management officials will—

(1) Send the OTS request through the CPAC and the CHRA-E Regional Operations Center or AAFES-Eur to the USAREUR G1 (AEAGA-CL), CMR 432, APO AE 09081.

(2) Include the following information with the OTS request:

(a) Type of vacant positions by grade level.

(b) Dates that positions became vacant.

(c) Number of vacant positions.

(d) Total number of employees in each job category and grade level for which an OTS is requested.

(e) An analysis of the labor market (supply and demand for the job or job category).

(f) A comparison of U.S. Forces and local compensation (AE Form 690-76A) for each grade level if local companies actively compete for the skill or offer employment with better wages or salaries and employment conditions in other jobs for which U.S. Forces employees qualify. Appendix B provides instructions for completing AE Form 690-76A.

(g) A statement of fund availability.

(3) Obtain new data from reliable sources when current local wage and salary data is not available from previous local wage surveys or when the data is older than 12 months. Appendix A provides procedures for collecting, reviewing, analyzing, and consolidating data. U.S. Forces job data (including general working conditions) must be comparable with local wage or salary data. CPAC personnel will make contacts to obtain the data. After completing the local wage and salary survey, the CPAC will provide the total compensation rates to management officials to prepare OTS requests.

c. Personnel Records. If an OTS is granted according to paragraph 4, both the English and German statements below will be entered in block 18 of AE Form 690-70E.

€ _____ per month overtariff supplement (OTS) is paid on a voluntary basis. If pay increases in the future, the OTS will be reduced according to the provisions of AE Regulation 690-76, paragraph 4f(1) or (2). An OTS in the amount of €10 or less per month will be discontinued at the time of the next tariff increase. The OTS will be discontinued when the employee is placed in another position with changed employment conditions for which no OTS is approved.

Eine außertarifliche Zulage von _____ € wird als freiwillige Zulage gezahlt. Bei zukünftigen Lohn-/Gehaltserhöhungen wird die außertarifliche Zulage entsprechend den Bestimmungen von Abs. 4f(1) oder (2) von AE Regulation 690-76-G gekürzt. Eine außertarifliche Zulage von monatlich 10,00 € und weniger wird bei der nächsten Tarifierhöhung gestrichen. Die außertarifliche Zulage wird nicht fortgezahlt, wenn der Arbeitnehmer eine andere Stelle mit geänderten Arbeitsbedingungen antritt, für die keine außertarifliche Zulage genehmigt ist.

6. RELEASE OF INFORMATION

Information on requests or approvals of OTS amounts and individual OTS determinations will not be released to anyone who does not have an official need to receive the information.

APPENDIX A LOCAL WAGE AND SALARY SURVEY

A-1. PROCEDURES

Local economy wage and salary surveys will be conducted as necessary to substantiate paying an overtariff supplement.

a. The Civilian Personnel Division (CPD), Office of the Deputy Chief of Staff, G1, HQ USAREUR, will supervise and participate in surveys when recruitment and retention problems—

(1) Affect a large number of positions in several job categories.

(2) Are the result of general difficulties to recruit and retain employees in an area rather than just for an individual job category.

b. The servicing civilian personnel advisory center (CPAC) or Army and Air Force Exchange Service, Europe (AAFES-Eur), will report cases in a(1) and (2) above to CPD before a survey starts.

A-2. AREA DEFINITIONS

The local survey area is the area surrounding U.S. Forces worksites. This is the area where most employees of the U.S. Forces live. The local survey area is also the area where employees may change jobs without changing residence. The survey area may include a larger recruitment area when the local survey area has an insufficient industrial base or an insufficient labor pool from which to recruit employees in the skills and numbers needed.

A-3. INDUSTRIAL COVERAGE

The servicing CPAC or AAFES-Eur will obtain data from companies, preferably three or more, that compete with the U.S. Forces for employees in the local survey area. The number and types of companies surveyed will depend on the number and category of positions for which recruitment or retention problems exist. To ensure comparable employment situations, small family-run operations, bankrupt companies, and firms in violation of governing laws and contracts will not be used for data collection. Data collectors will maintain the confidentiality of data collected from non-U.S. Forces employers. Data collectors who violate this confidentiality will be subject to corrective or disciplinary action (or both).

A-4. TOTAL COMPENSATION COMPARISON

a. The total compensation comparison must include the following pay components:

(1) Base pay. Base pay is the basic rate of pay for each job as reported by the company. Base pay includes the tariff rate, possible overtariff pay supplements, and any other pay items (for example, incentive pay, performance allowance).

(2) Christmas bonus.

(3) Annual leave bonus.

(4) End-of-year bonus.

(5) Property-accrual payments.

(6) Other pay (any other recurring payments made directly to all employees in the same category surveyed).

b. Items of pay and rates excluded from total compensation comparison are—

(1) Supplements (for example, overtime pay, shift differentials, holiday pay, Sunday pay).

(2) Severity allowance, remote-area allowance, recreation programs, and similar items.

(3) Other pay components provided to selected employees based on status not related to the job (for example, marriage bonus, Family or children allowance, funeral expenses).

(4) Rates for skill levels not required by U.S. Forces activities.

(5) Saved or retained pay (for example, income-protection supplement, personal supplement, voluntary incumbency allowance).

(6) Rates for trainees or for supervisory jobs (unless included in the survey).

(7) Rates based on part-time or temporary employment, shift work, work during odd hours, piecework, or linework.

(8) Payments-in-kind (for example, free or discounted housing, meals, company products, transportation, work clothing).

A-5. METHOD OF PRICING PAY

Weighted averages must be computed for each pay component to compare non-U.S. Forces pay with U.S. Forces pay. Rates will be computed on a monthly or hourly basis, depending on the pay schedule established in the *Tarifvertrag vom 16. Dezember 1966 für die Arbeitnehmer bei den Stationierungsstreitkräften im Gebiet der Bundesrepublik Deutschland (TV AL II)* (Collective Tariff Agreement II). This data will be entered on AE Form 690-76A.

a. Base Pay.

(1) The weighted average is found by separating the employees of all companies surveyed into groups according to their base-pay rate. Multiply the total number of employees in each pay category by their base-pay rate, as in the example below.

Number of Employees		Base-Pay Rate		Product
10	x	2,354	=	23,540
3	x	2,446	=	7,338
5	x	2,573	=	12,865
1	x	2,599	=	2,599
19				46,342

(2) After totaling the number of employees and totaling the products, divide the product total by the total number of employees to find the weighted average. In the above example, the weighted average is 2,439 (46,342 divided by 19).

(3) If a company has reported an hourly rate and the *TV AL II* gives a monthly rate, the rate must be recomputed to a monthly rate by multiplying the hourly rate by the annual workhours and dividing the product by 12. Compute the annual workhours based on the regular workhours established in the *TV AL II*.

b. Bonuses and Benefits. The weighted average for Christmas bonuses, annual leave bonuses, end-of-year bonuses, property-accrual payments, and other pay must be computed using the method in subparagraph a above for base pay.

c. Workweeks. If the company has a shorter or longer workweek than the U.S. Forces, recompute the monthly base pay and other pay components to find the pay rates applicable to the workweek established in the *TV AL II*. Recompute by dividing the U.S. Forces workweek by the company workweek, then add or subtract .0038 for each day of annual leave granted by the company if the amount granted is more or less than 30 days. This will determine the time-off factor. Multiply the company pay by the time-off factor, as in the following examples:

(1) The company has a 37-hour workweek (as opposed to a 38.5-hour workweek in the U.S. Forces) and grants 31 days of annual leave. Divide 38.5 by 37 to get 1.0405. Add .0038 for a time-off factor of 1.0443. Multiply the company pay by 1.0443 to find the pay rate for a 38.5-hour workweek and 30 days of annual leave.

(2) The company has a 39-hour workweek (as opposed to a 38.5-hour workweek in the U.S. Forces) and grants 29 days of annual leave. Divide 38.5 by 39 to get 0.9872. Subtract .0038 for a time-off factor of 0.9834. Multiply the company pay rate by 0.9834 to find the pay rate for a 38.5-hour workweek and 30 days of annual leave.

APPENDIX B

INSTRUCTIONS FOR COMPLETING AE FORM 690-76A

Data collectors will use AE Form 690-76A to compare non-U.S. Forces pay items collected during local wage and salary surveys with U.S. Forces pay items. The comparison data documents the need for overtariff supplement payments. To complete AE Form 690-76A, data collectors will enter the following information in the form blocks as listed below:

Date. Enter the date of the survey.

Locality. Enter the name of the location where the survey is being conducted.

Job title. Enter the title officially established for the job surveyed.

U.S. Forces wage/salary group/step. Enter the U.S. Forces wage or salary group that applies to the job under the *Tarifvertrag vom 16. Dezember 1966 für die Arbeitnehmer bei den Stationierungsstreitkräften im Gebiet der Bundesrepublik Deutschland (TV AL II)* (Collective Tariff Agreement II). When the applicable *TV AL II* wage/salary schedule provides steps, add the current average step.

Economy survey data. Enter the weighted average for each pay component computed for all companies surveyed according to appendix A, paragraph A-5.

U.S. Forces data.

- **Base pay.** Base pay is the tariff wage rate for “blue-collar” workers or the tariff-salary rate of the average step for “white-collar” workers in the job concerned.
- **Christmas bonus.** The Christmas bonus is 6.33 percent of the annual base pay.
- **Leave bonus.** The leave bonus is 2 percent of the annual base pay.
- **Property accrual.** Property accrual payments will be based on the *TV AL II*.
- **Other pay.** Other pay is not applicable.

GLOSSARY

SECTION I ABBREVIATIONS

AAFES-Eur	Army and Air Force Exchange Service, Europe
AE	Army in Europe
AEPUBS	Army in Europe Library and Publishing System
AR	Army regulation
ARIMS	Army Records Information Management System
CHRA-E	United States Army Civilian Human Resources Agency, Europe Region
CPAC	civilian personnel advisory center
CPD	Civilian Personnel Division, Office of the Deputy Chief of Staff, G1, Headquarters, United States Army Europe
DA	Department of the Army
GO	general officer
HQ USAREUR	Headquarters, United States Army Europe
LN	local national
NATO	North Atlantic Treaty Organization
OTS	overtariff supplement
RPA	request for personnel action
<i>TV AL II</i>	<i>Tarifvertrag vom 16. Dezember 1966 für die Arbeitnehmer bei den Stationierungsstreitkräften im Gebiet der Bundesrepublik Deutschland (Collective Tariff Agreement II)</i>
U.S.	United States
USAFE	United States Air Forces in Europe
USAREUR	United States Army Europe

SECTION II TERMS

absorption

Reduction and eventual elimination of an overtariff supplement.

job category

Positions in the same occupational series that may include different duties, titles, and grade levels.

local national employee

An individual employed according to the labor law of Germany as modified by the provisions of the Supplementary Agreement to the NATO Status of Forces Agreement, Article 56.

overtariff supplement

A voluntary pay supplement above applicable tariff rates, used to establish pay rates that are competitive with local rates for comparable work.

Tarifvertrag vom 16. Dezember 1966 für die Arbeitnehmer bei den Stationierungsstreitkräften im Gebiet der Bundesrepublik Deutschland (Collective Tariff Agreement II)

A tariff agreement providing minimum employment conditions for local national employees of the Sending State Forces in Germany.