

Appendix V

Listing of Agency Special Wage Schedules and Rates for Nonappropriated Fund Employees Documented Under the Federal Wage System

- a. **Coverage under Federal Wage System.** The purpose of this documentation is to identify and list the major agency payment methods that are on other than a time rate basis, such as commission, piece rates, or consideration of tips. The listing of the special schedules and rates for nonappropriated fund (NAF) employees includes information relating to the identification of the basis for the rates, a statement concerning the evaluation plan, and the identification of the using agency. OPM considers use of special schedules and rates appropriate when agencies would be seriously handicapped in recruiting and retaining employees at regular schedule hourly rates.
- b. **Special wage schedules.**

The Federal Wage System job grading and pay structure under which NAF employees will be paid will go into operation area by area as local wage surveys are conducted and uniform pay schedules are placed into effect. Current agency practices with respect to special wage schedules or rates for employees in an area on other than a time rate basis may generally be continued for those types of special schedules covered by this appendix until such time as the area converts to the Federal Wage System. However, some modifications to current practices may be required as a result of Public Law 92-392. For example, the law provides that employees under the Federal Wage System shall be paid no less than either the current Federal minimum wage rate or the applicable State or Municipal minimum wage rate, whichever is highest.

OPM will undertake a program which will involve an in-depth study of each special schedule category to determine the most appropriate pay treatment for each of these special schedule categories and to assure that equitable pay treatment is afforded all special schedule employees of all agencies who are performing similar work in the same wage area. However, when the appropriate agency wage-fixing authority determines, after appropriate consultation with labor organization representatives, that an earlier change in pay practices is required, such a change may be made earlier.

This supplement contains the instructions setting pay for NAF employees as required under the law. Instructions such as those relating to night shift differential, pay retention, and labor organization participation are applicable to employees covered under the special wage schedules.

A. Department of Defense Schedules

(1) Army and Air Force Exchange Service

Schedules: Commission (percentage of sales) rate for Army and Air Force Exchange Service (AAFES) installation exchange activities.

Employee Coverage:

| Occupation | Allowable commission percentage range |
|---|--|
| Automotive mechanic | 40-65 |
| Barber | 57-85 |
| Beautician | 50-70 |
| Food service worker (snack stand attendant) | 9-10 |
| Watch repairer | 60 |

Basis for Rates: Industry practice on a nationwide basis. (For Automotive Mechanic, a survey of local establishments is made.) Percentage rates adjusted in accordance with 12-week and annual reviews of operating results, hours, and earnings. Additional compensation based on total activity sales may be applied to supervisors of automotive activities, barbershops, and beauty parlors.

Evaluation Plan: 7-grade schedules, except for a 10-grade schedule for Automotive Mechanic.

Schedule Areas: Agencywide.

(2) U.S. Marine Corps

Schedules: Commission (percentage of gross sales) rate for U.S. Marine Corps activities.

Employee Coverage:

Automotive Mechanic
Barber
Beautician
Service Station Attendant
Shoe Shiner

Basis for Rates: Percentage rates based on local wage surveys. Additional supervisory compensation based on total activity sales may be granted.

Evaluation Plan: Six to 20 level grading structures which may apply to either or both nonsupervisory and supervisory employees.

Schedule Areas: Agencywide.

Schedules: Piece rate for Dry Cleaner and Presser, U.S. Marine Corps activities.

Basis for Rates: Rates based on local wage surveys. Additional supervisory compensation based on total activity sales may be granted.

Evaluation Plan: Six to 20 level grading structures which may apply to either or both nonsupervisory and supervisory employees. Employees may be paid two separate piece rates—one rate for a certain quota of piecework and a second rate for piecework in excess of that quota.

Schedule Areas: Agencywide.

(3) Navy Exchange Service Command

Schedules: Special pay plans for Navy Exchange Service Command.

Employee Coverage:

| ALTERNATE PAY PLANS | | |
|----------------------------|--|---|
| Occupation | Allowable commission percentage range | Hourly rate plus commission |
| Automotive mechanic | 60-70 | \$2.52 plus 50% |
| Barber | 55-94 | From \$0.13 plus 70% to \$2.50 plus 75% |
| Beautician | 50-75 | From \$0.43 plus 70% to \$1.70 plus 30% |
| Radio/TV repairman | 50-65 | From \$3.46 plus 65% to \$3.79 plus 10% |
| Shoe shiner | 62-75 | From \$1.10 plus 90% to \$1.90 plus 65% |
| Watch repairer | 50-90 | From \$0.72 plus 60% to \$3.00 plus 50% |

Basis for Rates: Earnings are set so as to be comparable to those of private industry and regular schedule employees performing essentially the same level of work. Private industry data are collected during regular surveys if possible.

Evaluation Plan: No formal grading structure.

Schedule Areas: Agencywide.

Schedules: Commission (percentage of sales) rate for Navy Exchange Service Command.

Employee Coverage:

| Occupation | Allowable commission percentage range |
|-------------------|--|
| Cobbler | 35-62 |
| Engraver | 65 |
| Tailor/seamstress | 60-73 |

Basis for Rates: Earnings are set so as to be comparable to those of private industry and regular schedule employees performing essentially the same level of work. Private industry data are collected during regular surveys if possible.

Evaluation Plan: No formal grading structure.

Schedule Areas: Agencywide.

Schedules: Special pay plans for Laundry/Dry Cleaning Operator, Navy Exchange Service Command.

| ALTERNATE PAY PLANS | |
|----------------------------|--|
| Flat piece rate | Hourly rate plus piece rate |
| 50% to 70% | \$1.76 to \$2.12 per hour plus variable piece rate |

Basis for Rates: Earnings are set so as to be comparable to those of private industry and regular schedule employees performing essentially the same level of work. Private industry data are collected during regular surveys if possible.

Evaluation Plan: No formal grading structure. Under hourly rate plus piece rate plan,

minimum hourly rate is guaranteed. In addition, work in excess of a stated quota of finished pieces per hour is paid at a prescribed rate for each additional finished piece.
Schedule Areas: Agencywide.

B. Department of Transportation Schedules

Schedules: Piece rate for Barber, U.S. Coast Guard.

Basis for Rates: Local practices, except for Alaska rates which were negotiated with Barbers.

Evaluation Plan: No formal grading structure.

Schedule Area:

Alaska:

C.G. Base, Kodiak
Seventeenth C.G. District, Juneau

California:

Twelfth C.G. District, San Francisco

Connecticut:

C.G. Academy, New London

Hawaii:

Fourteenth C.G. District, Honolulu

Maryland:

C.G. Yard, Curtis Bay

New Jersey:

C.G. Training Center, Cape May
Third C.G. Base, Gloucester City

North Carolina:

C.G. Air Base, Elizabeth City

Virginia:

C.G. Port Safety Station, Norfolk

C. Department of Veteran Affairs Schedules

Schedules: Piece rate for Barber and Beautician, Veterans' Canteen Service.

Basis for Rates: Rates (percentage of individual sales) based on local wage surveys.

Percentage must be 65-99 percent of employee sales. Earnings fall within range of Federal or State minimum wage (whichever is higher) and highest rate of VCS local wage schedule (step 5, grade 10).

Evaluation Plan: For the first six months of employment, hourly rate for leave and holiday pay is step 3 of grade 5 of VCS local wage schedule. After 6-month period, hourly rate is computed on basis of earnings during that period.

Schedule Areas: Agencywide.