


Approved for Release
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Date

**DEPARTMENT OF COMMERCE
OFFICE OF HUMAN RESOURCES MANAGEMENT**

HUMAN RESOURCES (HR) BULLETIN # 037, FY06

SUBJECT: Exceptions to the 12-Month Rule in Senior Executive Service pay setting

EFFECTIVE DATE: Upon release of this HR Bulletin

EXPIRATION DATE: Effective until canceled or superseded

SUPERSEDES: N/A

BACKGROUND: Pursuant to 5 CFR 534.404 (c), a senior executive's rate of basic pay may not be adjusted more than once during a 12-month period. This is commonly referred to as the 12-month rule. In certain circumstances, however, a determination may be made to increase a senior executive's pay. Specifically, 5 CFR 534.404 (c)(4)(ii) allows that a senior executive's pay may be increased if the agency head or designated senior assessment official determines that a pay increase is necessary to reassign a senior executive to a position with substantially greater scope and responsibility or to recruit a senior executive with superior leadership or other competencies from a position in another agency.

PURPOSE: The purpose of this HR Bulletin is to establish the procedure by which exceptions to the 12-month rule may be requested as part of submissions requesting approval of selection or reassignment actions.

PROCEDURES: Bureaus wishing to provide more than one pay adjustment in a 12-month period must specify in their selection or reassignment request transmittals that they are seeking an exception to the 12-month rule and specifically address why the exception is justified. The pay rate analysis should also note the rationale supporting the request. The CD-590 must include the following additional language in Section VII. Agency Remarks and Approval, as applicable:

(Bureau name) requests a (number) percent increase in (employee name) salary from (current salary) to (proposed salary). The Department's Senior Assessment Official has determined that pursuant to 5 CFR 534.404 (c)(4)(ii), this pay increase, an exception to the 12-month rule, is necessary to reassign (Employee name) to this position of substantially greater scope and responsibility.

OR

(Bureau name) requests a (number) percent increase in (employee name) salary from (current salary) to (proposed salary). The Department's Senior Assessment Official has determined that pursuant to 5 CFR 534.404 (c)(4)(ii), this pay increase, an exception to the 12-month rule, is necessary to recruit (Employee name), a senior executive with superior leadership or other competencies from a position in another agency.

REFERENCES: Public Law 108-136, 5 U.S.C. 5383, and 5 CFR 534.404(c)(4)(ii)

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