

SUBCHAPTER S4 WAGE SCHEDULES

S4-1 General

- a. **Applicability of wage schedules.** Regular schedule (nonsupervisory, leader, and supervisory) wage rates are established for each wage area. Special schedules are established where they are necessary and meet the conditions prescribed under this subchapter and in subchapter 12. Unless specifically excluded by the Office of Personnel Management (OPM) under the special criterion, all prevailing rate employees within a wage area are paid rates from the appropriate regular wage schedules.
- b. **Wage area.** A wage area is a geographic area defined by OPM within which a single set of wage schedules is applied uniformly by Federal installations to covered occupations.
- c. **Basis for wage rates.**
 - (1) Wage rates for nonsupervisory schedules reflect the general level of rates paid by private employers in the same wage area for kinds and levels of work performed in the Federal service.
 - (2) Wage rates for leader and supervisory schedules are derived from the rates of the regular nonsupervisory schedules by means of established formulas which, when used in conjunction with the separate leader and supervisory grading plans and structures, provide pay differentials above the rates of workers led or supervised which are reasonably in line with those in private industry.
- d. **Administration of wage rates.** Instructions governing the application and use of wage schedules in fixing the rate of pay for individual employees upon initial employment and following changes, for example, between grades, schedules, or local wage areas are in subchapter S8, Pay Administration.

S4-2 Regular Pay Schedules

- a. **Grade structures.**
 - (1) Regular locality wage schedules have grade structures as follows:

<i>Schedules</i>	<i>Grades</i>
<i>Regular nonsupervisory schedule</i>	<i>15</i>
<i>Regular leader schedule</i>	<i>15</i>
<i>Regular supervisory schedule</i>	<i>19</i>

- (2) Each job is placed in its proper grade in accordance with OPM standards and instructions.
- b. **Step rates; nonsupervisory, leader, and supervisory schedules.**
 - (1) Each grade of a regular nonsupervisory, leader, and supervisory wage schedule has five step rates with:
 - The first step at 96 percent of the payline rate;
 - The second step at 100 percent of the payline rate;

- The third step at 104 percent of the payline rate;
 - The fourth step at 108 percent of the payline rate;
 - The fifth step at 112 percent of the payline rate.
- (2) Nonsupervisory, leader, and supervisory employees usually are hired at the first rate of the appropriate grade. Such employees having a work performance rating of satisfactory or better, as determined by the head of the agency, shall advance automatically to the next higher step within the grade at the beginning of the first applicable pay period following the completion of:
- 26 calendar weeks of service in step 1;
 - 78 calendar weeks of service in step 2;
 - 104 calendar weeks of service in steps 3 and 4.
- c. **Service with armed forces or essential non-Government civilian employment.** The benefits of successive step increases shall be preserved for prevailing rate employees whose continuous service is interrupted in the public interest by service with the armed forces or by service in essential non-Government civilian employment during a period of war or national emergency.

S4-3 Special Schedules and Rates

- a. **Special schedules used in exceptional circumstances.** Ordinarily, regular wage schedules set the pay of all wage employees in a wage area. However, special rates or schedules are sometimes required under exceptional circumstances.
- b. **Conditions for authorizing special schedules.** Special rates or schedules are authorized by OPM in individual wage areas when prevailing rates for specific types of jobs are so far above the maximum rates of regular wage schedules that the agencies are seriously handicapped in recruiting and retaining qualified employees at the regular schedule rates. This condition might apply to jobs associated with industries usually covered by regular wage surveys (e.g., model makers in manufacturing); to jobs identified with industries not usually included in regular wage survey coverage (e.g., lithographic and printing); or to jobs peculiar to a single industry which are subject to unusual work and employment conditions directly affecting the rates paid (e.g., the construction industry).
- c. **Grade and rate structures.** When practicable, special schedules have the same grade, job ranking, and step rate structure as regular schedules; only the wage rates are different. Where the use of grades is not appropriate, rates only are specified for each individual job. There may also be situations that require the use of a special pay schedule with differences in grade structure and number and use of step rates to be consistent with special industry practices. In each situation involving departure from regular schedule practices, the authorization for the special schedule includes instructions for its application and administration.