

SUBCHAPTER S2

SCOPE OF SYSTEM

S2-1 General Coverage of System

a. Employees covered by the Federal Wage System.

- (1) Except as provided in subparagraphs (2) and (3) below, subchapter IV of chapter 53 of title 5, United States Code, applies to all prevailing rate employees in or under an agency.
- (2) Subchapter IV of chapter 53 of title 5, United States Code, does not apply to employees and positions described by section 5102(c) of title 5, other than by:
 - paragraph (7) of section 5102(c) of title 5, United States Code, to the extent that such paragraph (7) applies to employees and positions other than employees and positions of the Bureau of Engraving and Printing; and
 - paragraph 14 of section 5102(c) of title 5, United States Code.
- (3) Subchapter IV of chapter 53 of title 5, United States Code, except section 5348, does not apply to officers and members of crews of vessels excepted from chapter 51 of title 5, United States Code, by section 5102(c)(8) of that title.

b. Agency defined. Agency means an Executive agency, but does not include:

- (1) a Government controlled corporation;
- (2) the Tennessee Valley Authority;
- (3) the Alaska Railroad;
- (4) the Virgin Islands Corporation;
- (5) the Central Intelligence Agency;
- (6) the Panama Canal Commission;
- (7) the National Security Agency, Department of Defense;
- (8) the Bureau of Engraving and Printing;
- (9) the Nuclear Regulatory Commission; or
- (10) the General Accounting Office.

c. Prevailing rate employee means:

- (1) A person employed in or under an agency in a recognized trade or craft, or other skilled mechanical craft, or in an unskilled, semiskilled, or skilled manual labor occupation, and any other person, including a foreman and a supervisor, in a position having trade, craft, or labor experience and knowledge as the paramount requirement;
- (2) An employee of a nonappropriated fund instrumentality described by section 2105(c) of title 5, United States Code, who is employed in a recognized trade or craft, or other skilled mechanical craft, or in an unskilled, semiskilled, or skilled manual labor occupation, and any other person, including a foreman and a supervisor, in a position having trade, craft, or laboring experience and knowledge as the paramount requirement; and
- (3) An employee of the Veterans' Canteen Service, Department of Veterans Affairs, excepted from chapter 51 of title 5, United States Code, by section 5102(c)(14) of title 5 who is employed in a recognized trade or craft, or other skilled mechanical craft, or in an unskilled, semiskilled, or skilled manual labor occupation, and any other person, including a foreman and a supervisor, in a position having trade, craft, or laboring

experience and knowledge as the paramount requirement.

NOTE: The term “prevailing rate employee” is used interchangeably with the term “wage employee” throughout this operating manual.

- d. **Position defined.** Position means the work, consisting of duties and responsibilities, assignable to a prevailing rate employee.

S2-2 Special Schedules

There are many special schedules now in use on which determinations have not been made to either continue to pay employees special schedule rates or to bring them under the regular wage schedules of the wage system. These schedules, described in appendix V, have been adjusted under policies and practices of the establishing agency. As an interim measure they are continued as special schedules under the Federal Wage System until they have been reviewed and decisions have been made on the recommendations of the Federal Prevailing Rate Advisory Committee.

S2-3 Negotiated Agreements

- a. Section 9(b) of Public Law 92-392 specifies that the amendments to subchapter IV of chapter 53 of title 5, United States Code, shall not be construed to
 - abrogate, modify, or otherwise affect in any way, the provisions of any contract in effect on the date of enactment of this act pertaining to the wages, the terms and conditions of employment, and other employment benefits, or any of the foregoing matters, for Government prevailing rate employees and resulting from negotiations between Government agencies and organizations of Government employees;
 - nullify, curtail, or otherwise impair in any way the right of any party to such contract to enter into negotiations after the date of enactment of this act for the renewal, extension, modification, or improvement of the provisions of such contract or for the replacement of such contract with a new contract; or
 - nullify, change, or otherwise affect in any way after such date of enactment any agreement, arrangement, or understanding in effect on such date with respect to the various items of subject matter of the negotiations on which any such contract in effect on such date is based or prevent the inclusion of such items of subject matter in connection with the renegotiation of any such contract, or the replacement of such contract with a new contract, after such date.
- b. Section 704 of Public Law 95-454, the Civil Service Reform Act of 1978, reaffirmed the right of certain employees covered by section 9(b) of Public Law 92-392 to negotiate over terms and conditions of employment, and pay and pay practices. Section 704 does this by providing specific statutory authorization for the negotiation of wages, terms and conditions of employment, and other employment benefits traditionally negotiated by these employees in accordance with prevailing practices in the private sector.