



DoD INSTRUCTION 1400.25, VOLUME 531

DoD CIVILIAN PERSONNEL MANAGEMENT SYSTEM: PAY UNDER THE GENERAL SCHEDULE

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Approved by:	Matthew P. Donovan, Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Purpose: This issuance is composed of several volumes, each containing its own purpose. In accordance with the authority in DoD Directive 5124.02:

- This instruction establishes and implements policy, establishes procedures, provides guidelines and model programs, delegates authority, and assigns responsibilities regarding civilian personnel management within the DoD.
- This volume, in accordance with DoD Directive 1400.25, establishes policy, delegates authority, assigns responsibilities, and authorizes the procedures for determining the rate of basic pay and awarding quality step increases (QSIs).

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY.

This volume:

a. Applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the “DoD Components”).

b. Does not apply to alternative personnel systems (e.g., the Acquisition Demonstration, Science and Technology Reinvention Laboratories, and the Defense Civilian Intelligence Personnel System).

1.2. POLICY.

It is DoD policy that pay under the General Schedule will be consistent with:

a. The requirements of Sections 5333, 5334, and 5336 of Title 5, United States Code (U.S.C.); Section 1586 of Title 10, U.S.C.; and Parts 430 and 531 of Title 5, Code of Federal Regulations (CFR).

b. The policies and procedures established by this volume.

SECTION 2: RESPONSIBILITIES

2.1. ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND RESERVE AFFAIRS.

Under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness, the Assistant Secretary of Defense for Manpower and Reserve Affairs has overall responsibility for the development of DoD civilian personnel policy covered by this volume.

2.2. DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR CIVILIAN PERSONNEL POLICY.

Under the authority, direction, and control of the Assistant Secretary of Defense for Manpower and Reserve Affairs, the Deputy Assistant Secretary of Defense for Civilian Personnel Policy supports the development of civilian personnel policy covered by this volume and monitors its execution by DoD Components, ensuring consistent implementation and continuous application throughout the DoD.

2.3. DIRECTOR, DEPARTMENT OF DEFENSE HUMAN RESOURCES ACTIVITY.

Under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness, the Director, Department of Defense Human Resources Activity, provides support to the Deputy Assistant Secretary of Defense for Civilian Personnel Policy, as appropriate, in execution of the duties and responsibilities of this volume.

2.4. DOD COMPONENT HEADS.

The DoD Component heads with independent appointing authority:

- a. Must apply the guidelines and documentation criteria for setting advanced in-hire rates of pay in accordance with Section 531.212(c), Part 531 of Title 5, CFR.
- b. Must consider a recruitment incentive before providing advanced rates. Documentation to use the superior qualifications and special needs pay setting authority must include reasons for authorizing an advance rate instead of, or in addition to, a recruitment incentive.

SECTION 3: PROCEDURES

3.1. DETERMINING RATE OF BASIC PAY.

a. Superior Qualifications and Special Needs Pay Setting Authority.

(1) Authority.

Use of superior qualifications and special needs pay setting authority to set pay above the minimum rate at all grade levels in accordance with Section 5333 of Title 5, U.S.C., and Section 531.212 of Title 5, CFR, is delegated through component and command channels to officials who exercise personnel appointing authority, normally the head of an installation or activity.

(2) Responsibilities.

(a) Officials to whom the use of superior qualifications and special needs pay setting authority is delegated must consider the criteria at Section 531.212(c) of Title 5, CFR, when setting pay above the minimum rates.

(b) In determining whether to use the superior qualifications and special needs pay setting authority and the level at which the employee's payable rate of basic pay should be set, officials must consider authorizing a recruitment incentive.

b. Pay Setting Using Maximum Payable Rate Rule.

(1) The authority to apply the maximum payable rate rule and set pay considering an employee's highest previous rate in accordance with Section 5334(a) of Title 5, U.S.C., and Sections 531.221 and 531.247 of Title 5, CFR, is delegated through component and command channels to officials who exercise personnel appointing authority, normally the head of an installation or activity.

(2) The use of a maximum payable rate is discretionary. Officials delegated this authority must develop and apply guidelines to ensure consistent treatment of employees when highest previous rates are considered to set pay on reemployment, reinstatement, reappointment, change of appointment, transfer, reassignment, promotion, change to lower grade, or termination of grade or pay retention. Calculations of maximum payable rates will be determined in accordance with Section 531.221 of Title 5, CFR.

c. Pay Setting Return from Duty Outside the United States.

Section 1586 of Title 10, U.S.C., preserves the full benefit of pay entitlements of a career-conditional or career employee in the competitive service who rotates overseas pursuant to Volume 1230 of DoD Instruction 1400.25. When such an employee exercises return rights from an overseas assignment and the overseas service was satisfactory, the employee is entitled to a rate of basic pay not less than the rate to which he or she would have been entitled had the employee not been assigned to duty outside the United States, including any applicable within grade increase(s).

d. Demotion for Cause.

When an employee is demoted for cause (actions taken in accordance with either Chapter 43 or 75 of Title 5, U.S.C.), the employee's pay must be set at a rate in the lower grade that does not exceed the rate of pay held immediately before the action causing the reduction. Organizations must develop and apply guidelines for setting the pay of an employee who is reduced in pay for cause.

3.2. QSI.

a. Organizations may award a QSI, in accordance with Section 5336 of Title 5, U.S.C., and Subpart E of Part 531 of Title 5, CFR, only in accordance with Volume 451 of DoD Instruction 1400.25.

b. A QSI, which provides for faster than normal movement within the rate range of a grade, may not be awarded to an employee in a position that is not a "permanent position," as defined in Section 531.403 of Title 5, CFR.

GLOSSARY

G.1. ACRONYMS.

ACRONYM	MEANING
CFR	Code of Federal Regulations
QSI	quality step increase
U.S.C.	United States Code

G.2. DEFINITIONS.

Unless otherwise noted, these terms and their definitions are for the purpose of this issuance.

TERM	DEFINITION
demotion	A change of an employee while continuously employed, from: <ul style="list-style-type: none">• One General Schedule grade to a lower grade, with or without a reduction in pay; or• A higher rate paid in accordance with an authority other than Subchapter III of Chapter 53 of Title 5, U.S.C., to a lower rate within the General Schedule.
maximum payable rate	The highest amount at which an employee's pay may be set when the highest previous rate is considered. It may be higher or lower than the highest previous rate.
QSI	Defined in Volume 451 of DoD Instruction 1400.25.

REFERENCES

Code of Federal Regulations, Title 5

DoD Directive 1400.25, "DoD Civilian Personnel Management System," November 25, 1996

DoD Directive 5124.02, "Under Secretary of Defense for Personnel and Readiness (USD(P&R))," June 23, 2008

DoD Instruction 1400.25, Volume 451, "DoD Civilian Personnel Management System: Awards," November 4, 2013

DoD Instruction 1400.25, Volume 1230, "DoD Civilian Personnel Management System: Employment in Foreign Areas and Employee Return Rights," July 26, 2012

United States Code, Title 5

United States Code, Title 10