



Department of Defense INSTRUCTION

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USD(P&R)

SUBJECT: DoD Civilian Personnel Management System: Pay Under the General Schedule

- References:
- (a) DoD Directive 5124.02, "Under Secretary of Defense for Personnel and Readiness (USD(P&R))," June 23, 2008
 - (b) Sections 5333, 5334, and 5336 of title 5, United States Code
 - (c) Section 1586 of title 10, United States Code
 - (d) Parts 430 and 531 of title 5, Code of Federal Regulations

1. PURPOSE

a. This Instruction is composed of several volumes, each containing its own purpose. The purpose of the overall Instruction is to establish and implement policy, establish procedures, provide guidelines and model programs, delegate authority, and assign responsibilities regarding civilian personnel management within the Department of Defense.

b. In accordance with the authority in Reference (a), this Volume of this Instruction implements DoD policy on "Pay Under the General Schedule" under chapter 53 of Reference (b), Reference (c), and Reference (d).

2. APPLICABILITY. This Volume 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 Department of Defense (hereafter referred to collectively as the "DoD Components").

3. PROCEDURES. Procedures for determining the rate of basic pay and awarding Quality Step Increases are in the enclosure.

4. RELEASABILITY. UNLIMITED. This Instruction is approved for public release and is available on the Internet from the DoD Issuances Web Site at <http://www.dtic.mil/whs/directives>.

5. EFFECTIVE DATE. This Volume is effective immediately.

Enclosure
Procedures

ENCLOSURE

PROCEDURES

1. DETERMINING RATE OF BASIC PAY

a. Advanced In-Hire Rates

(1) Authority. The authority to use superior qualifications appointments to set advanced in-hire rates at all grade levels under Reference (b) and section 531.212 of Reference (d), 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 appointments is delegated must apply the guidelines and documentation criteria for setting advanced in-hire rates of pay under sections 531.212(c)(1)-(10) of Reference (d).

(b) Officials making a superior qualifications appointment must consider a recruitment incentive before providing advanced rates. Documentation of a superior qualifications appointment must include reasons for authorizing an advance rate instead of, or in addition to, 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 under section 5334(a) of Reference (b) and sections 531.221 and 531.247 of Reference (d), 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 to whom the use of the maximum payable rate rule is delegated must develop and apply criteria guidelines to ensure consistent treatment of employees when highest previous rates are considered to set pay on reinstatement, reappointment, reemployment, change of appointment, transfer, reassignment, promotion, or change to lower grade. Calculations of maximum payable rates will be determined in accordance with section 531.221 of Reference (d).

c. Pay Setting on Return from Duty Outside the United States. Reference (c) preserves the full benefit of pay entitlements of a career-conditional or career employee who rotates overseas. When 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 under either chapter 43 or 75 of Reference (b)), 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.

2. QUALITY STEP INCREASE (QSI)

a. Organizations may award a QSI, under section 5336 of Reference (b) and subpart E of part 531 of Reference (d), only in accordance with Volume 451, section 10, of this Instruction. Organizations must ensure that a QSI is awarded only in recognition of the highest level of sustained performance above that normally found in the type of position concerned.

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 does not meet the definition of "permanent position" under section 531.403 of Reference (d).