



THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301-4000

FORCE MANAGEMENT AND PERSONNEL

16 JUN 1992

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY, (MRA) ASSISTANT SECRETARY OF THE NAVY, (M&NA) ASSISTANT SECRETARY OF THE AIR FORCE, (MRIA&E) DIRECTORS OF DEFENSE AGENCIES DIRECTOR, ADMINISTRATION AND MANAGEMENT PRESIDENT, UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES CHIEF, NATIONAL GUARD BUREAU

SUBJECT: Grade and Pay Retention

Our memorandum of November 2, 1990, permits the granting of grade retention when an employee is placed in a lower graded position due to a situation which we predetermine is comparable to a reduction in force (RIF).

Accordingly, we have determined that grade retention will be granted to otherwise eligible employees who are placed through the Priority Placement Program (PPP), including those resulting from early registration, even though the employee does not have a specific RIF notice.

Sara B. Ratcliff

SARA B. RATCLIFF

Deputy Assistant Secretary of Defense Civilian Personnel Policy and Equal Opportunity

Per Denise Boerum  
DoD FAs  
Does not apply if selected from PPP based on registration function of a transfer of function.



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08 NOV 1998

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MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY, (MRA) ASSISTANT SECRETARY OF THE NAVY, (MNA) ASSISTANT SECRETARY OF THE AIR FORCE, (MRAIAE) DIRECTORS OF THE DEFENSE AGENCIES DEPUTY ASSISTANT SECRETARY OF DEFENSE ADMINISTRATION PRESIDENT, UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES CHIEF, NATIONAL GUARD BUREAU

SUBJECT: Grade and Pay Retention

Our memorandum of 13 February, 1987 provided grade and pay retention instructions for DoD employees.

Paragraph a, Grade Retention, subparagraph (1) is revised as follows:

(1) When an employee receives a reduction in force notice proposing a change to lower grade or separation, or when an employee is placed in a situation which has been determined in advance by this office to be comparable to a reduction in force, and accepts a lower graded position at the same or another DoD activity. If the position accepted is not a grade lower than one which has been offered by his or her activity, grade retention will be granted. If the position accepted is at a grade lower than one which has been offered by the activity, grade retention may be granted, provided management determines that placement in the position is in the Government's interest.

The situation which the Defense Logistics Agency is currently experiencing involving the establishment and planned abolition of the Transition Management Offices (TMOs) within the Defense Contract Management Command has been determined by this office to be the equivalent to a reduction in force and employees of the TMOs are entitled to grade retention if they accept lower graded positions within DoD.

Added Agency normally will go to OSD ahead of time but request permission

Sara B. Ratcliff

SARA B. RATCLIFF Deputy Assistant Secretary of Defense (Civilian Personnel Policy)

Standard memo routing slip with fields for To, From, Cc, Date, and Phone.



**FORCE MANAGEMENT  
AND PERSONNEL**

**THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE**

WASHINGTON, D.C. 20301-4800

**13 FEB 1987**

**MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY, (M&RA)  
ASSISTANT SECRETARY OF THE NAVY, (MRA&L)  
ASSISTANT SECRETARY OF THE AIR FORCE (MRA&L)  
DIRECTORS OF THE DEFENSE AGENCIES  
DEPUTY ASSISTANT SECRETARY OF DEFENSE  
(ADMINISTRATION)  
PRESIDENT, UNIFORMED SERVICES UNIVERSITY OF  
THE HEALTH SCIENCES  
CHIEF, NATIONAL GUARD BUREAU**

**SUBJECT: Grade and Pay Retention**

Our memoranda of May 18, and September 17, 1981 provided grade and pay retention instructions for DoD employees under the authority of FPM Bulletin 536-9 of January 22, 1981. Based on recommendations received from throughout the DoD community, we have determined that several revisions should be made. For personnel actions occurring on or after March 1, 1987, grade and pay retention entitlement determinations are to be made in accordance with the guidance contained in this memorandum. The guidance in this memorandum applies to Federal Wage System employees as well as General Schedule employees.

a. Grade Retention: Section 536.103(b) of OPM's final regulations authorizes, under certain circumstances, the head of the agency to offer grade retention to employees who meet the general eligibility requirements, but do not have a specific entitlement by law or OPM Regulation. Within DoD, grade retention will be extended in the following situations:

(1) When an employee receives a reduction in force notice proposing change to lower grade or separation and accepts a lower graded position at the same or another DoD activity. If the position accepted is not a grade lower than one which has been offered by his or her activity, grade retention will be granted. If the position accepted is at a lower grade than one which has been offered by the activity, grade retention may be granted, provided management determines that placement in the position is in the Government's interest.

(2) When an employee in an organization undergoing realignment or reduction, but who would not be affected personally, requests a change to lower grade. If management determines that the employee's change to lower grade would result in placement in a more suitable position for that employee and in a lessening or avoidance of the impact of the reduction in force on other employees, grade retention will be granted.

Enclosure (1)  
to Enclosure (2)

(3) In other circumstances, as determined by addresses, resulting from personnel actions initiated by management to further the agency's mission, to the extent that the intent of applicable law and regulation is met.

b. Pay Retention: Section 536.104(b) of OPM's final regulations authorizes the head of the agency to provide pay retention to employees who meet the general eligibility requirements, but do not have an entitlement by law or OPM regulation, and whose rates of basic pay would otherwise be reduced as the result of a management action. Within DoD, pay retention will be extended in the following situations:

(1) When an employee would otherwise be granted grade retention under a. (1) or a. (2), but does not meet the time requirements as specified in 5 U.S.C. 5352.

(2) When an employee accepts a lower graded position designated in advance by the activity as being hard-to-fill under criteria similar to those used for extending special rates under FPM Chapter 530, Subchapter 3.

(3) When an employee is reduced in grade upon return from an overseas assignment in accordance with the terms of a preestablished agreement. This includes employees who are released from the period of service specified in their current transportation agreement due to a management initiated action, and employees who have completed more than one year under their current agreement and who are released from the specified period of service because of compelling personal reasons of a humanitarian or compassionate nature, such as may involve physical or mental health or circumstances over which the employee has no control. Also included are those nondisplaced overseas employees with no obligation to return who are covered by Part I, Chapter 6, Paragraph C3c of DoD 1400.20-1-M.

(4) When an employee declines an offer to transfer with his or her function to a location outside the commuting area, or is identified with such function but receives no offer at the gaining activity, and is placed in a lower graded position at the losing activity or any other DoD activity.

(5) When an employee accepts a lower graded position offered by the activity for nondisciplinary reasons of ill health under criteria similar to those used in meeting the responsibilities for selective placement in lieu of disability retirement, as described in FPM Chapter 306, Subchapter 9.

(6) When an employee occupying a position under a Schedule C appointment is placed, other than for cause or at the employee's request, in a position at a lower grade in the competitive service or another Schedule C position.

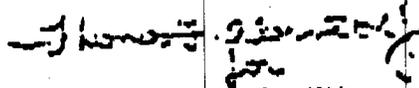
(7) When an employee occupying an Army or Air Force reserve technician position has or is scheduled to lose eligibility through no fault of his or her own (i.e., "status quo" employee) and accepts placement in a lower graded non-reserve technician position.

(8) When an employee occupying a National Guard technician position loses military status through no fault of his or her own and accepts placement in a lower graded competitive service position.

(9) When an employee not serving under a mobility agreement whose job is abolished declines an offer within the competitive area but outside the commuting area and is placed in a lower graded position in the commuting area.

(10) When an employee applies through a formal recruitment program and is selected for a position at an overseas location. In such cases, all potential applicants must be advised in writing that pay retention will be offered to successful applicants whose pay would otherwise be reduced if selected for the position.

(11) In other circumstances, as determined by addressees resulting from personnel actions initiated by management to further the agency's mission, to the extent that the intent of the law and regulations governing grade and pay retention is met.



CLAIRE E. FREEMAN  
Deputy Assistant Secretary of Defense  
(Civilian Personnel Policy)