

MS 622 Direct Hire Within-Grade Salary Increases

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1.0 Purpose

This Manual Section establishes criteria and procedures governing the administration of Within-Grade Increases (WGI) and Meritorious Step Increases (MSI) for Peace Corps Direct Hire employees. This Manual Section does not apply to personal services contractors.

2.0 Authority

22 USC §2506(a)(2) (Section 7(a) of the Peace Corps Act, as amended)

22 USC §3966 (Foreign Service Act of 1980, Section 406)

3.0 Applicability

The provisions of this Manual Section apply to full-time and part-time employees, except the following:

- (a) Employees appointed by the President with the advice and consent of the Senate;
- (b) Senior Foreign Service employees (FE);
- (c) Foreign Service National employees (FSN);

- (d) Experts/Consultants (EE); and
- (e) Temporary employees (appointments limited to less than 1 year).

4.0 Definitions

- (a) **Acceptable Level of Competence** is performance by an employee identified by the supervisor as satisfactory, as defined in the performance plan, and that warrants advancement of the employee's Rate of Basic Pay to the next higher step of the grade of his or her position. An employee covered by MS 626 *Performance Appraisal System* whose current performance with respect to any critical element is unsatisfactory, as defined in MS 626, is not performing at an acceptable level of competence.
- (b) **Calendar Week** is a period of any seven consecutive calendar days.
- (c) **Creditable Service**, for the computation of a Waiting Period, includes all civilian employment in any branch of the Federal Government (executive, legislative, or judicial) or with a Government corporation as defined in section 103 of title 5, United States Code. Service credit is given during this employment for periods of annual, sick, and other leave with pay; advanced annual and sick leave; and service under a temporary or term appointment. Depending on the specific provision of law or regulation, service may be creditable for the completion of one Waiting Period or for the completion of successive Waiting Periods. Paragraph (a) below identifies service which is creditable in the computation of a single Waiting Period. Paragraph (b) identifies service which is creditable in the computation of successive Waiting Periods.
 - (1) Service creditable for one Within-Grade Increase:
 - (i) Military service as defined in 5 USC §8331(13) is Creditable Service in the computation of a Waiting Period when an employee is reemployed with the Federal Government not later than 52 calendar weeks after separation from such service or hospitalization continuing thereafter for a period of not more than one year.
 - (ii) Time in a non-pay status (based upon the tour of duty from which the time was charged) is Creditable Service in the computation of a Waiting Period for an employee with a Scheduled Tour of Duty when it does not exceed an aggregate of:
 - (A) Two workweeks in the Waiting Period for an employee at less than step 10 of the applicable grade;
 - (B) Four workweeks in the Waiting Period for an employee at or above step 10 of the applicable grade.
 - (2) Service creditable for successive Within-Grade Increases.

- (i) A leave of absence from a position in which an employee is covered by this subpart, whether the employee is on leave without pay or is considered to be on furlough, is Creditable Service in the computation of Waiting Periods for successive Within-Grade Increases when:
 - (A) The employee is absent for the purpose of engaging in military service as defined in section 8331(13) of title 5, United States Code, and returns to a pay status through the exercise of a restoration right provided by law, Executive order, or regulation;
 - (B) The employee is receiving compensation for a work related injury or illness under subchapter I of chapter 81 of title 5, United States Code;
 - (C) The employee is performing service that is creditable under section 8332(b)(5) or (7) of title 5, United States Code; or
 - (D) The employee is temporarily employed by another agency in a position covered by this subpart.
- (ii) The period during which a separated employee is in receipt of injury compensation under subchapter I of chapter 81 of title 5, United States Code, as a result of an injury incurred by the employee in the performance of duty is Creditable Service in the computation of Waiting Periods for successive Within-Grade Increases when the employee is reemployed with the Federal Government.
- (d) **Equivalent Increase** is either (1) a WGI; (2) a promotion; (3) a voluntary change in pay system that includes an increase to an employee's Rate of Basic Pay equal to or greater than the difference between the grade and step for which selected and the next higher step within the grade; or, (4) within-level pay increase earned under a pay for performance or similar system. An MSI or statutory pay increase is not considered an Equivalent Increase.
- (e) **Meritorious Step Increase (MSI)** is an additional step increase in recognition of high-quality performance above that ordinarily found in the type of position concerned.
- (f) **Rate of Basic Pay** means the rate of pay fixed by law or administrative action for the position held by an employee before any deductions and exclusive of additional pay of any kind.
- (g) **Scheduled Tour of Duty** is any work schedule established for an employee in accordance with the regular procedures for the establishment of workweeks (see MS 630). For a full-time employee this includes the basic 40-hour workweek. For a part-time employee this is any regularly scheduled work of less than 40-hours during the administrative workweek.

- (h) ***Waiting Period*** means the minimum time requirement of Creditable Service to become eligible for consideration for a WGI.
- (i) ***Within-Grade Increase (WGI)*** means a periodic increase in an employee's Rate of Basic Pay from one step of the grade of his or her position to the next higher step of that grade.

5.0 Policy

5.1 General

Each supervisor has a basic responsibility for ensuring that the employees under his or her direction have a full understanding of their duties and responsibilities and are informed in writing as to what constitutes the levels of performance required in order to receive a WGI or MSI. Through continuing evaluation, assistance, and direction, supervisors endeavor to develop employees' potential in the positions to which they are assigned. Supervisors shall ensure that WGIs are not awarded on an automatic basis. If an employee's work is not of an Acceptable Level of Competence at the end of the prescribed Waiting Period, the WGI is withheld until the employee's performance reaches an Acceptable Level of Competence. Supervisors shall likewise ensure that MSIs are granted only for performance which clearly merits such an increase.

5.2 Within-Grade Increases (WGIs)

5.2.1 Entitlement to WGI

An employee paid at less than the top step of his or her grade shall be advanced to the next higher step of that grade upon meeting the three following requirements:

- (a) The employee must have completed the required Waiting Period;
- (b) The employee must not have received an Equivalent Increase during the Waiting Period;
and
- (c) The employee's performance must be at an Acceptable Level of Competence, as determined by the employee's supervisor and reviewing official.

5.2.2 Length of Waiting Periods

5.2.2.1 Full or Part-Time Employees

For employees with scheduled tours of duty, the Waiting Periods are as follows:

- (a) For advancement to steps 2 through 10, the Waiting Period is 52 calendar weeks.
- (b) For advancement to steps 11 through 14, the Waiting Period is 104 calendar weeks.

5.2.2.2 Intermittent Employees

An employee without a prearranged regularly Scheduled Tour of Duty is given one day's credit towards the Waiting Period for each day in a pay status. The Waiting Periods are as follow:

- (a) For advancement to steps 2 through 10, the Waiting Period is 260 days of Creditable Service in a pay status over a period of not less than 52 calendar weeks.
- (b) For advancement to steps 11 through 14, the Waiting Period is 520 days of Creditable Service in a pay status over a period of not less than 104 calendar weeks.

5.2.2.3 Time in a Non Pay Status

Time in a non-pay status (based upon the tour of duty from which the time was charged) that is in excess of the allowable amount shall extend a Waiting Period by the excess amount (see paragraph 4.0 above defining Creditable Service).

5.2.3 Commencement of a Waiting Period

A Waiting Period begins:

- (a) On the first appointment as an employee of the Federal Government;
- (b) On receiving an Equivalent Increase; or
- (c) After a period of non-pay status or a break in service (alone or in combination) in excess of 52 calendar weeks, unless the non-pay status or break in service is Creditable Service (see paragraph 4.0 above).

When an employee converts from a non-covered position (such as a temporary or expert appointment) to a covered position, time in the non-covered position will count toward the Waiting Period for the first WGI unless the employee receives an Equivalent Increase upon conversion to the covered position.

5.2.4 Communication of Performance Requirements

Employees who are covered by MS 626 *Performance Appraisal System* shall be informed by their supervisors of the specific performance requirements that constitute an Acceptable Level of Competence within the time frame and according to the provisions of MS 626 *Performance Appraisal System*.

5.2.5 Acceptable Level of Competence Determinations

5.2.5.1 Responsibility

Supervisors and reviewing officials shall determine which employees are performing at an Acceptable Level of Competence.

5.2.5.2 Performance Period

An Acceptable Level of Competence determination shall be based on an employee's performance of the duties and responsibilities of his or her assigned position during the Waiting Period except when an employee has not been informed of the specific requirements for performance at an Acceptable Level of Competence at least 30 days before the end of a Waiting Period.

When an employee has not been informed of the specific requirements for performance at an Acceptable Level of Competence at least 30 days before the end of a Waiting Period, the employee shall be advised that his or her determination is postponed and informed of the specific requirements for performance at an Acceptable Level of Competence. The determination shall be based on a period of 90 days during which the employee has had a reasonable opportunity to demonstrate performance at an Acceptable Level of Competence. If the employee is performing at an Acceptable Level of Competence during the period, the WGI will be retroactive to the original due date. If a determination is made that the employee is not performing at an Acceptable Level of Competence, the procedures for withholding a WGI shall be followed (see paragraph 5.2.5.3.2 below).

If an employee is reduced in grade because of unacceptable performance, his or her new WGI date shall be based on the effective date of the grade reduction.

5.2.5.3 Certification

[Form AD-658P \(Within-Grade Increase Record\)](#) will be issued to the supervisor by the Office of Human Resources approximately ninety (90) days before completion of the employee's Waiting Period.

5.2.5.3.1 Affirmative Determination

If the first line supervisor determines that the employee's performance is of an Acceptable Level of Competence, he or she will sign the Within-Grade Increase Record in the affirmative (part II) and forward the certificate to the second level supervisor as the reviewing official for approval and signature. The form will then be returned to HR at least 30 days before the completion of the Waiting Period. The employee will be given a copy of the SF-50 effecting the WGI.

5.2.5.3.2 Negative Determination

If a supervisor determines that an employee's performance is not at an Acceptable Level of Competence, a negative determination shall be communicated to the employee in writing as soon as possible after the completion of the Waiting Period (normally within 14 days) and shall:

- (a) Set forth the reasons for the determination and the areas in which the employee must improve his or her performance in order to be granted a WGI, and
- (b) Inform the employee of his or her right to request a reconsideration determination.

Both the Within-Grade Increase Record, with the supervisor's and reviewing official's signatures in Part III, and a copy of the determination notification to the employee will be forwarded to HR.

5.2.5.4 Reconsideration of a Negative Determination

5.2.5.4.1 Request for Reconsideration

An employee, or an employee's personal representative, may request reconsideration of a negative determination by filing a written grievance in accordance with MS 655 *Direct Hire Employee Grievances* or, for bargaining unit members, Article 20 of the Collective Bargaining Agreement between American Federation of State, County, and Municipal Employees Local 3548 and Peace Corps.

5.2.5.4.2 Representation

The Agency may disallow, as an employee's personal representative, an individual whose activities as a representative would cause a conflict of interest of position, an employee whose release from his or her official duties and responsibilities would give rise to unreasonable costs to the Government, or an employee whose priority work assignment precludes his or her release from official duties and responsibilities. Representation for employees in an exclusive bargaining unit is governed by the negotiated agreement.

5.2.5.5 Continuing Evaluation

After a WGI has been withheld, the supervisor may grant the increase at any time after he or she determines that the employee has demonstrated sustained performance at an Acceptable Level of Competence. At a minimum, a determination whether the employee's performance is at an Acceptable Level of Competence shall be made after each 52 calendar week period following the original due date for the WGI.

5.2.6 Effective Date for Within-Grade Increase (WGI)

5.2.6.1 Initial Affirmative Determination

Except as provided in paragraph 5.2.6.2 below, a WGI shall be effective on the first day of the first pay period following completion of the required Waiting Period and in compliance with the conditions of eligibility.

5.2.6.2 Affirmative Determination after a Negative Determination

When an Acceptable Level of Competence is achieved at some time after a negative determination, the effective date is the first day of the first pay period after the Acceptable Level of Competence determination has been made.

5.2.6.3 Corrective Action

A WGI which was delayed solely by administrative error, delay, or oversight will be processed, once the error has been identified, retroactive to the effective date that would have applied had there not been such administrative error, delay, or oversight. A successful reconsideration of a negative determination will also be processed retroactive to the effective date that would have applied had a positive determination been made initially.

5.3 Meritorious Step Increases (MSIs)

5.3.1 Criteria

To be considered for an MSI, an employee must:

- (a) Perform all critical elements of his or her assigned position at a level that substantially exceeds an Acceptable Level of Competence (i.e., exceptional or outstanding) so that, when viewed as a whole, the employee's performance is at a high level of quality;
- (b) Sustain performance at that level for a period of time sufficient to conclude that such a level is characteristic of his or her performance and is expected to continue in the future (in no case may this period be less than 90 days);
- (c) Be expected to remain for at least 60 days in the same position, or in a similar position at the same grade level;
- (d) Not have received an MSI within the preceding 52 calendar weeks; and,
- (e) Not be at the top step of his or her grade.

5.3.2 Meritorious Step Increases vs. Incentive Awards

In addition to an MSI, incentive awards (see *MS 662 Peace Corps Incentive Awards Program*) are also available to supervisors for granting monetary or honorary recognition for excellence in performance. In some instances, although the employee will enjoy the benefits of a lump-sum cash award for a shorter length of time, the contribution may be of such a nature that a special achievement or an honorary award is more appropriate than an MSI. A cash award and an MSI may not be granted on the basis of the same performance.

(See section 5.5.2 of MS 662 which outlines the Meritorious Step Increase approving officials in each award category, i.e. Director's Distinguished Service Award, Meritorious Service Award, and Award of Commendation.)

5.3.3 Procedures

The procedures related to requesting and granting a Meritorious Step Increase are included in the *MS 662 Peace Corps Incentive Awards Handbook* maintained by the Office of Human Resources.

6.0 Effective Date

The effective date of this Manual Section is the date of issuance.