Description

The decision to end the PHHRS Demonstration Project will result in the conversion of approximately 2,800 PHHRS employees back to the General Schedule (GS) pay system.

Key Points

- The target date for the conversion is Pay Period 3 (effective February 9, 2014).
- A team of subject matter experts (SMEs) in classification and staffing/pay setting from Human Resources Management Division (HRMD) and Human Resources Operation Division (HROD) are working to ensure the successful conversion of PHHRS employees back to GS.
- As a general rule, each employee will be returned to the grade that he/she held in GS prior to conversion into PHHRS <u>if</u> the employee did not have any position changes that resulted in his/her official movement from their pre-PHHRS position. If the position did not exist prior to PHHRS, grade determinations will be made based upon the work performed in the position.
- Each employee's individual position will be reviewed by an HR Specialist in consultation with the assigned Program Officials prior to the conversion.
- Once conversion is complete, position and salary reviews will occur, and any necessary corrections will be made.

Timeline and Process

September

• Developed an automated tool to assist with PHHRS to GS conversion activities

October - December

- Review former GS position descriptions (PDs) to determine appropriate grade for all PHHRS employees.
- Write GS PDs for employees without previously established GS PDs.
- Determine functional requirements and test systems (NFC and EmpowHR) for mass processing.
- Update and download information to various systems.

January

- Establish initial GS step and salary for each employee.
- Ensure all positions have PDs.

February

• Convert employees back to the GS system.

Frequently Asked Questions

1. What will my salary convert out to be on the GS?

Each employee's final result will be different depending on his/her specific factors. However, the following 3 steps apply to all employees in the conversion out process:

- 1. Determination of GS-equivalent Grade
- 2. Determination of GS-equivalent Step/Rate
- 3. Determination of Last Equivalent Increase Date

A general example of the process for setting pay and determining the new GS withingrade increase (WGI) date follows:

Assume an employee's GS position is classified at the GS-12, and the salary with locality is \$77,935. We look at the GS-12 pay table for the employee's locality to see where his/her salary falls. In this scenario, the salary falls between steps 3 (\$77,768) and 4 (\$80,198). Since pay cannot be set lower than an employee's current salary, the employee's pay will be set at the GS-12 step 4 with a salary of \$80,198, an increase of \$2,263.

The determination of the employee's WGI date is based on the date the employee last received a pay increase (e.g., payout, promotion, etc.). In most cases, the employee's last increase will be the PHHRS payout on January 12, 2014. In the previous example, the employee's pay was set at the GS-12 step 4. Under the GS pay system, there is a 2-year (104-week) waiting period between steps. Therefore, the employee is eligible for the step 5 on January 10, 2016 – two years after his/her last pay increase.

2. <u>I was a GS-12 step 8 when we went to the new PHHRS</u>. Now my salary is the equivalent of a <u>GS-13 due to increases from the performance payouts</u>. Will I lose money when the Agency <u>converts me back to the GS</u>?

Assuming that you did not change from your original position, you would be placed at the same grade as your position prior to PHHRS. However, if your salary is above the GS-12 step 10, you will keep your current salary and be placed on pay retention.

Generally, pay retention allows for employees whose pay exceeds the 10th step of their grade to retain their rate of pay until their pay rate is able to be placed on the GS pay scale for their grade. During the time they are on pay retention they receive 50 percent of any general pay increases. For information on pay retention, go to the following OPM website: <u>http://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/pay-retention/</u>.

3. <u>I was a GS-13 Step 5 when we went to the new PHHRS</u>. I was placed into pay band AP-4 which is equivalent to a GS-12/13. Will I be subject to a grade reduction?

Assuming that you did not change from your original position, you would be placed at the same grade as your position prior to PHHRS. Using your current salary including locality, you would be placed on the step/salary that meets or exceeds your current salary.

4. <u>Once I have been converted back to GS</u>, when will I get my next within-grade increase (WGI)?

Employees who occupy permanent positions earn WGIs upon meeting the following three requirements established by law:

- The employee's performance must be at an acceptable level of competence. To meet this requirement, an employee's most recent performance rating of record must be at least Level 3 ("Fully Successful" or equivalent).
- The employee must have completed the required waiting period for advancement to the next higher step.
- The employee must not have received an increase in pay that would have resulted in the start of a new waiting period (equivalent increase-See 5 CFR 531.407.).

The required waiting periods established by law for advancement to the next higher step follow:

Advancement from	Requires
step 1 to step 2	52 weeks of creditable service in step 1
step 2 to step 3	52 weeks of creditable service in step 2
step 3 to step 4	52 weeks of creditable service in step 3

Advancement from	Requires
step 4 to step 5	104 weeks of creditable service in step 4
step 5 to step 6	104 weeks of creditable service in step 5
step 6 to step 7	104 weeks of creditable service in step 6
step 7 to step 8	156 weeks of creditable service in step 7
step 8 to step 9	156 weeks of creditable service in step 8
step 9 to step 10	156 weeks of creditable service in step 9

For more information about WGI's, go to the OPM website: <u>http://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/within-grade-increases/</u>.

5. <u>I competed and was selected for a PHHRS position that has career ladder promotion potential</u> to a higher pay band. Will I still receive my promotion once we convert back to <u>GS</u>?

FSIS employees, who at the time of conversion into GS are in a career ladder to a higher pay band (i.e. have not reached the top level of that career ladder), will be eligible for a noncompetitive promotion to a higher grade. For example, if at the time of conversion to GS, a career ladder employee under PHHRS is at the AP-3 level (with promotion potential to the AP-4 level), the employee will be placed in an equivalent GS career ladder position of GS 9/11/12. It is important to note that only one promotion may be received within a 52-week period.

6. <u>My salary is above the maximum for my pay band upper range extension (URE)</u>. What <u>happens to my salary when we convert back to the GS?</u>

Employees in the URE with a salary above their pay band at the time of conversion back to GS will receive pay retention. Employees receive pay retention if their PHHRS salary is above the step 10 of the GS grade to which they are being converted (i.e., salary is above GS-12 step 10).

Employees remain on pay retention until their rate of pay is able to be placed on the pay scale for their assigned position. While on pay retention they receive an increase equal to 50 percent of any Annual General Increases (AGIs). For example, if the step 10 base salary is \$93,175 and the AGI is 1% (or the equivalent of \$932), the employee receives \$466 (50%). The new base salary is \$93,641 plus any applicable locality pay increase.

7. Will I receive a yearly increase under GS?

Yearly performance-based pay increases were specific to the PHHRS Demonstration

Project and are not permitted under the GS system. However, under GS, the ability to grant Quality Step Increases (QSIs) remains, as well as entitlement to periodic withingrade increases (WGIs) and any annual general pay increases approved by the President.