

(3) A reduction in grade at the employee's request.

[45 FR 65498, Oct. 3, 1980, as amended at 47 FR 30229, July 13, 1982; 50 FR 11794, Mar. 25, 1985; 50 FR 35494, 35499, Aug. 30, 1985; 50 FR 40179, Oct. 1, 1985; 58 FR 65535, Dec. 15, 1993; 59 FR 40793, Aug. 10, 1994; 59 FR 66332, Dec. 28, 1994; 64 FR 69173, Dec. 10, 1999]

**§ 531.205 Pay schedule conversion rules at the time of an annual pay adjustment under 5 U.S.C. 5303.**

(a) On the effective date of a pay adjustment under 5 U.S.C. 5303, the rate of basic pay of an employee subject to the General Schedule shall be initially adjusted, except as provided in paragraph (b) of this section, as follows:

(1) If an employee is receiving basic pay immediately before the effective date of his pay adjustment at one of the rates of a grade in the General Schedule, he shall receive the rate of basic pay for the corresponding numerical rate of the grade in effect on and after such date.

(2)(i) Except as provided in paragraphs (a)(2)(ii) through (iv) of this section, an agency shall determine the annual pay adjustment under 5 U.S.C. 5303 for a GM employee (as defined in § 531.202) as follows:

(A) Subtract the minimum rate of the range of the employee's position in effect on the day immediately preceding the pay adjustment from the employee's rate of basic pay on the day immediately preceding the pay adjustment;

(B) Subtract the minimum rate of the range in effect immediately preceding the pay adjustment from the maximum of that rate range;

(C) Divide the result of paragraph (a)(2)(i)(A) of this section by the result of paragraph (a)(2)(i)(B) of this section, carry the result to the seventh decimal place, and truncate, rather than round, the result;

(D) Subtract the minimum rate of the new rate range for the grade from the maximum rate of that range;

(E) Multiply the result of paragraph (a)(2)(i)(C) of this section by the result of paragraph (a)(2)(i)(D) of this section; and

(F) Add the result of paragraph (a)(2)(i)(E) of this section to the minimum of the new rate range and round

to the next higher whole dollar amount.

(ii) The rate of basic pay of an employee which is at the minimum or maximum of the rate range in effect on the day preceding the pay adjustment shall be adjusted to the minimum or maximum of the new rate range, respectively.

(iii) The rate of basic pay of an employee which is less than the minimum rate of the rate range of the employee's position shall be increased by the full amount of the annual pay adjustment under 5 U.S.C. 5303 applicable to the rate range of the grade of the employee's position.

(iv) An employee who is receiving retained pay shall receive one-half of the annual pay adjustment under 5 U.S.C. 5303, as required by 5 U.S.C. 5363(a).

(3) Except as provided in 5 U.S.C. 5363 and part 536 of this chapter, if an employee is receiving basic pay immediately before the effective date of his or her pay adjustment at a rate in excess of the maximum rate of his or her grade, the employee shall receive his or her existing rate of basic pay increased by the amount of increase made by the pay adjustment under 5 U.S.C. 5303 in the maximum rate for the employee's grade.

(4) If an employee, immediately before the effective date of his pay adjustment, is receiving, pursuant to section 2(b)(4) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of pay determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111), plus subsequent increases authorized by law, he shall receive an aggregate rate of pay equal to the sum of his existing aggregate rate of pay on the day preceding the effective date of his adjustment, plus the amount of increase made by the pay adjustment under 5 U.S.C. 5303 in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate pay at a higher rate by reason of the operation of any provision of law; but, when this position becomes vacant, the aggregate rate of pay of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to paragraph (a)(4) (i) and (ii) of this section, the amount of the

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increase authorized by this section shall be held and considered for the purposes of section 208(b) of the Act of September 1, 1954, to constitute a part of the existing rate of pay of the employee.

(b) Rates of basic pay authorized under section 5305 of title 5, United States Code, paid to an employee subject to the General Schedule shall be adjusted by reason of a pay adjustment under 5 U.S.C. 5303 in accordance with § 530.307 of this part.

[45 FR 65498, Oct. 1980, as amended at 50 FR 35499, Aug. 30, 1985; 57 FR 2432, Jan. 22, 1992; 58 FR 65536, Dec. 15, 1993; 59 FR 11700, Mar. 14, 1994; 59 FR 40793, Aug. 10, 1994]

### § 531.206 Setting pay upon movement from nonappropriated fund instrumentalities.

(a) Unless the employee is eligible to receive a higher rate of basic pay under § 531.203(c) of this part, the initial rate of basic pay under the General Schedule of an employee of the Department of Defense or the Coast Guard who moves voluntarily, without a break in service of more than 3 days, from a position in a nonappropriated fund instrumentality of the Department of Defense or the Coast Guard, respectively, may be set at any rate within the grade of the General Schedule position that does not exceed the highest previous rate of basic pay received by the employee during his or her service in a position in a nonappropriated fund instrumentality, as described in 5 U.S.C. 2105(c).

(b) Unless the employee is eligible to receive a higher rate of basic pay under paragraph (c) of this section, the initial rate of basic pay under the General Schedule of an employee of the Department of Defense or the Coast Guard who is moved involuntarily, without a break in service of more than 3 days, from a position with substantially the same duties in a nonappropriated fund instrumentality of the Department of Defense or the Coast Guard, respectively, shall be set at the rate for the lowest step of the General Schedule grade in which pay is being set, for which the rate of basic pay is equal to or greater than the employee's rate of basic pay under the nonappropriated

fund instrumentality immediately before the move.

(c) Unless an employee is entitled to receive a higher rate of basic pay under paragraph (b) of this section, the initial rate of basic pay of an employee who is moved involuntarily, without a break in service of more than 3 days, from a position under a nonappropriated fund instrumentality of the Department of Defense or the Coast Guard to a position in the civil service employment system of the Department of Defense or the Coast Guard, respectively, may be set—

(1) At any rate within the grade of the General Schedule position that does not exceed the highest previous rate of basic pay received by the employee during his or her service in a nonappropriated fund instrumentality, as described in 5 U.S.C. 2105(c);

(2) Under the maximum payable rate rules in § 531.203(c) of this part; or

(3) Under the authority to grant pay retention in § 536.104(c) of this part.

[57 FR 12404, Apr. 10, 1992]

### Subpart C—Special Pay Adjustments for Law Enforcement Officers

SOURCE: 57 FR 2432, Jan. 22, 1992, unless otherwise noted.

#### § 531.301 Definitions.

In this subpart:

*Law enforcement officer* means a law enforcement officer as defined in § 550.103 of this part with respect to whom the provisions of chapter 51 of title 5, United States Code, apply, including members of the Senior Executive Service.

*Official duty station* means the duty station for an employee's position of record as indicated on his or her most recent notification of personnel action, excluding a new duty station for an assignment that is followed immediately (*i.e.*, within 3 workdays) by a reduction in force resulting in the employee's separation before he or she is required to report for duty at the new location. For an employee who is authorized to receive relocation allowances under 5 U.S.C. 5737 in connection with an extended assignment, the temporary duty