



NASA Procedural Requirements

COMPLIANCE IS MANDATORY

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Request Notification of Change (NASA Only)

Subject: NASA Pay and Compensation Policy

Responsible Office: Office of Human Capital Management

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Chapter 2. General Pay Provisions

2.1 References

- 5 U.S.C. Part III, Subpart D, Chapter 53, Pay Rates and Systems.
- 5 Code of Federal Regulations (CFR) Part 530, Pay Rates and Systems (General).
- 5 CFR Part 531, Pay Under the General Schedule.
- 5 CFR Part 536, Grade and Pay Retention.

2.2 Highest Previous Rate — Maximum Payable Rate

2.2.1 OIC of Headquarters Offices and NASA Center Directors are authorized to set pay using the maximum payable rate rule under 5 CFR § 531.221, Maximum Payable Rate Rule. This authority may be delegated in writing.

2.2.2 NASA's general policy is to set pay for NASA employees and Federal employees hired from outside the Agency at the maximum rate permitted by law and regulation. An exception to this general policy may be made for the following reasons:

- a. Nonavailability of funds.
- b. Relevance of the employee's prior experience, on which the highest previous rate is based, to the present position.
- c. Voluntary change to lower grade to a position with known promotion potential. Pay may be set in the lower grade so that upon re-promotion, pay will be set at the rate the employee would have attained had he or she not been changed to the lower grade.
- d. Change to lower grade for cause. Centers will establish procedures for setting pay for change to lower grade actions for cause. Pay may be set below the employee's current rate.
- e. Expiration of a temporary promotion. When an employee returns to his or her permanent position, pay must be set at the rate he or she would have earned in the absence of the temporary promotion. However, if the temporary promotion lasted one year or longer, the rate received during the temporary promotion may be used to determine the employee's highest previous or maximum payable rate to set pay in the lower grade.
- f. Internal pay alignment considerations.

2.2.3 Centers may establish pay-setting policies that identify additional criteria to be considered when determining whether an employee could receive the maximum payable rate benefit.

2.2.4 When the maximum payable rate is authorized and that rate of pay falls between two rates of the new grade, the employee will be paid the higher rate.

2.3 Within Grade and Quality Step Increases

Refer to NPR 3430.1, NASA Employee Performance Communication System (EPCS), for provisions pertaining to within grade and quality step increases.

2.4 Grade and Pay Retention

2.4.1 OICs of Headquarters Offices and NASA Center Directors are responsible for determining whether to grant employees optional grade or pay retention under 5 CFR § 536.202, Optional Grade Retention, or 5 CFR § 536.302, Optional Pay Retention. This authority may be delegated in writing.

2.4.2 Grade retention may be given to an employee not entitled to mandatory grade retention that will or might be reduced in grade as the result of a reorganization or reclassification decision announced in writing by management, when the granting of grade retention is judged to be appropriate and equitable. The move to a lower grade may occur before the employee has received a specific Reduction-In-Force (RIF) notice or a notice that the employee's position is being reduced. The move to a lower grade may be initiated as an informal process by the employee or by management. If the action suggested is not accepted, and formal reclassification or RIF procedures are applied, mandatory grade retention entitlements may exist.

2.4.3 Pay retention may be given to an employee who is not entitled to mandatory grade retention or mandatory pay retention and whose rate of basic pay would otherwise be reduced as a result of a management action.

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