



Employee NSPS Transition Bulletin PAY SETTING UPON MOVEMENT FROM NSPS TO GS

15 March 2010

During the transition from NSPS to GS, pay will be set in two different ways. Most employees will move (transition) with their organizations and remain in the same position description (PD). Other employees may move voluntarily to positions with other PDs either by applying on a vacancy announcement or through other voluntary actions such as reassignment. The former group will have their pay set in one manner; in the latter situation we will employ a different method. The two methods are outlined below.

Pay setting for employees upon organizational transition from NSPS to GS:

When an NSPS employee converts out of NSPS to GS with his/her organization, the employee will convert to the GS grade assigned to the position description (PD) for the employee's NSPS position. Pay will be set on one of the ten steps within the GS grade to which the position is converted. If the employee's pay falls between two of the GS steps, his/her pay will be set at the next higher step. If the employee's pay is lower than step one of the appropriate GS grade, the employee's pay will be set at step one. If the employee's pay is higher than step ten of the applicable GS grade, pay retention will apply. Retained pay is governed by rules that apply to all GS employees. Employees on retained pay receive 50% of the general pay increase (January increase) for step ten of the applicable GS grade until his/her pay is encompassed within the GS pay range. Pay retention continues until an event occurs that ends eligibility (see http://www.opm.gov/oca/pay/HTML/pay_retention.asp for a list of these events).

Initial Pay setting for employees moving voluntarily from NSPS to GS positions:

1. Before an NSPS employee voluntarily moves to a GS position, a "virtual GS grade" must be established by comparing the employee's current NSPS pay to the pay ranges of the GS grades encompassed by the employee's NSPS pay band. If the employee's pay band encompasses more than one GS grade, the employee's NSPS adjusted salary (as defined in 5 CFR 9901-304) is compared with the step 4 rate of the highest GS grade encompassed within his/her assigned pay band. If the employee's salary equals or exceeds the step 4 of the highest GS grade, the employee's virtual grade will be the highest GS grade in the pay band.
2. If the employee's NSPS adjusted salary is lower than the step 4 of the highest GS grade encompassed within his/her assigned pay band, the adjusted salary is compared with the second highest grade in the employee's band. If the employee's adjusted salary equals or exceeds step 4 of the second highest grade, the employee's virtual grade will be the second highest GS grade in the pay band. This process is repeated for each successively lower grade within the pay band until a grade is found at which the employee's adjusted salary equals or exceeds the step 4 rate of that grade.
3. After identifying the "virtual grade," the "virtual rate" is established by comparing the employee's adjusted salary to the pay range for the "virtual GS grade" determined in accordance with the paragraph above. If the employee's adjusted salary falls within the applicable GS pay range for the established virtual grade, the virtual rate will be equal to the employee's current adjusted salary; if the current salary is lower than step 1, the virtual rate will be set at step 1; if it is greater than the maximum virtual grade pay range, the virtual rate will be set at the maximum step rate.
4. The employee's "virtual grade and rate" are used in applying the GS pay setting rules as the employee moves to a new PD. If the "virtual grade" is higher than the grade of the position to which

the employee is assigned, the placement is a change to lower grade, pay is set based on the virtual rate, and the employee cannot receive retained pay. If the virtual grade and grade of the new position are the same, the placement is a reassignment. If the virtual rate is equal to the pay assigned to a specific step, the pay will remain the same. If the virtual rate is between steps, GS pay will be set at the next higher step. If the new position is a higher grade than the "virtual grade", the placement is a promotion and pay will be increased by at least the equivalent of two GS steps over the virtual rate.

Lee Ann Eudaily
NSPS Program Manager
HQDA, Asst G-1 for Civilian Personnel