

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DEPARTMENTAL PERSONNEL MANUAL SYSTEM

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SUBJECT: Grade and Pay Retention Entitlement for Employees with
Temporary Appointments

This letter is to clarify the entitlement to grade and pay retention for those employees given temporary appointments after a reduction in force and with no break in service. The Office of Personnel Management has recently determined that the temporary nature of an appointment following a reduction in force does not affect an employee's entitlement to grade and pay retention if the employee is otherwise eligible.

One of the basic eligibility requirements for grade and pay retention is that an employee's appointment prior to the downgrade must have been on other than a temporary or term basis. An employee downgraded or separated from a temporary or term appointment has no entitlement to grade and pay retention. However, acceptance of a temporary or term appointment after a reduction in force does not disqualify an otherwise eligible employee for grade and pay retention so long as the appointment prior to the reduction in force was on other than a temporary or term basis.

This policy applies to actions taken on or after January 29, 1981 when the final regulations on grade and pay retention became effective. Questions may be directed to Gail Batt, 426-4140.


Director, Personnel and Training

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**U.S. Department of
Transportation**
Office of the Secretary
of Transportation

Office of Personnel
and Training

FEB 5 1981

TO: Robert L. Fairman

The new regulations on grade and pay retention give agencies some discretion concerning when they may extend grade and/or pay retention to employees.

In connection with the transition, we have run into a couple of cases where former Schedule C secretaries have been offered positions back in the competitive service, but we couldn't match their former salary in the salary range of the lower-graded position.

In keeping with the intent of the grade and pay retention regulations, we feel this would be an appropriate situation for the Department to establish a policy of granting pay (not grade) retention. It may also serve as an enticement in the future to attract highly qualified competitive service secretaries to Schedule C positions, if they know that if they are returned to the competitive service, they won't lose money.

Because of the nature of the positions involved, we feel that you should sign this issuance.

A handwritten signature in dark ink, appearing to be the name of the official responsible for the issuance.