UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice PM-2673

For: State and County Offices

Processing Change to Lower Grade Actions for County Office Employees

Approved by: Associate Administrator for Operations and Management

1 Processing Grade and Pay Retention Actions

A Background

Some employees that are downgraded or required to change to a lower grade because of reclassification, reorganization, or termination of shared management operations are eligible to retain their current grade and pay for a period of time according to 27-PM.

B Purpose

This notice reminds State and County Offices of the requirements and processing instructions for grade and pay retention actions for County Office employees, to include:

- eligibility for grade and/or pay retention
- Proper Nature of Action Codes (NOAC) from the Guide to Processing Personnel Actions
- termination of grade retention
- termination of pay retention.

C Eligibility for Grade Retention

County Office employees under permanent appointment, who are downgraded because of reduction in force (RIF) or reclassification, shall be entitled to retain the higher grade for a 2-year period, effective on the date of the reduction, if:

- the reduction was involuntary and not at the employee's request

- CED or employee has served at least 52 consecutive weeks in 1 or more positions at a grade or grades higher than the position to which demoted.

Disposal Date	Distribution
September 1, 2009	State Offices; State Offices relay to County Offices

1 Processing Grade and Pay Retention Actions (Continued)

C Eligibility for Grade Retention (Continued)

Grade retention shall end if an affected employee:

- has a break in service of 1 workday or more
- is demoted for personnel reasons or at own request
- is placed in or declines a reasonable offer of a position that is equal to or higher than the retained grade
- requests in writing to have grade retention benefits terminated
- completes the required 2-year grade retention period.

D Eligibility for Pay Retention

When an employee's entitlement to grade retention terminates at the end of the 2-year grade retention period, the employee shall be entitled to retained pay if the employee's salary exceeds step 10 of the lower grade. Pay retention shall end if an affected employee:

- has a maximum rate at the lower grade that becomes equal to, or exceeds, the retained rate because of reduced cost-of-living adjustments
- has a workday break in service of 1 day or more
- declines a reasonable offer of a position that is equal to or higher than the rate to which the person is entitled
- is demoted for personal cause, misconduct, delinquency, inefficiency, or at the employee's request.

1 Processing Grade and Pay Retention Actions (Continued)

E Tips for Coding Change to Lower Grade Actions

Tips for coding change to lower grade are provided in the following table.

Type of Action	NOAC	Remark	Pay Rate Determinant	Other
Change To Lower Grade – No Grade or Pay Retention	713 (Change to Lower Grade)	K23	Regular Rate - O	
Change to Lower Grade – Grade and Pay Retention Authorized	740 (Position Change)	X61, X37, and X45	A - Retained Grade With Different Position Employee retains grade for a 2-year period, but is occupying a different position than that held before the grade reduction.	
Termination of Grade Retention	866 (Termination of Grade Retention)	X40	J or K	Process when the 2-year grade retention period ends; if applicable place employee in pay retention.
Retained Pay			K - Retained Pay With Different Position Employee is receiving a retained rate of pay, but is currently occupying a different position than that held before the reduction in grade or other action that otherwise would have resulted in a reduction in basic pay. The employee's pay rate may have been reduced to 150 percent of the maximum rate of basic pay payable for the present grade of the position.	General Pay Increase While on pay retention, the employee is entitled to 50 percent of the increase in the maximum step of the grade for the position held at the time of the increase.

1 Processing Grade and Pay Retention Actions (Continued)

F Tips for Processing Grade Retention Actions (NOA 740) in EmpowHR

Tips for processing grade retention are provided in the following table.

Compensation Screen	
Field	**Instruction**
"Pay Rate Determinant" This field defaults to Regular Rate O.	Change the data or select from the drop-down list to A = Rtnd Grade Different Position.
"Pay", "*Table", "Grade" Enter the applicable information in each field or search data by clicking on the search icon.	Enter grade to which employee is going.
"Step" (Across from Pay/*Table/Grade) This field defaults to **1** or search by clicking the search icon. The Step field is used to indicate a specific salary within a grade, level, class, rank, or pay band.	Enter step 0.
"Rtnd PP", "Table", "Grade" Enter the applicable information in each field or search data by clicking on the search icon.	Enter the grade that is being retained.
"Step" (across from Rtnd PP/Table/Grade)	Enter step that is being retained.
"Grade Entry Date"	Enter the applicable date or select a date from the calendar icon.
Grade and Pay Retention Box in EmpowHR (located on the compensation screen)	
"Retention Rights End Date" Enter the applicable date or select a date from the calendar icon.	Enter the date (2 years) that retained grade will end. **Hint:** Remember leap year.
"Retained Occ Series Code"	Enter applicable series code.
"Retained Occ Function Code"	Blank.
"Retained Pay Table"	Enter 0000.
"Retained Grade"	Enter the retained grade.
Compensation Screen (Pay Area)	
"Base Pay"	Automatically populated.
"Locality"	Automatically populated.
"Adjusted Pay"	Automatically populated.
"Total Pay"	Automatically populated.

1 Processing Grade and Pay Retention Actions (Continued)

G Tips for Processing Pay Retention Actions in EmpowHR

Tips for processing pay retention are provided in the following table.

Compensation Screen	
Field	**Instruction**
"Pay Rate Determinant" This field defaults to Regular Rate-O.	Change the data or select from the drop-down list to K = Rtnd Pay Different Position.
"Pay", "*Table", "Grade" Enter the applicable information in each field or search data by clicking on the search icon.	Enter grade to which employee is going.
"Step" (Across from Pay/*Table/Grade) This field defaults to 1 or search by clicking the search icon. The Step field is used to indicate a specific salary within a grade, level, class, rank, or pay band.	Enter step 0.
"Rtnd PP", "Table", "Grade" Enter the applicable information in each field or search data by clicking on the search icon.	Blank.
"Step" (across from Rtnd PP/Table/Grade)	Blank.
"Grade Entry Date"	Enter the applicable date or select a date from the calendar icon.
Grade and Pay Retention Box in EmpowHR (Located on the compensation screen)	
"Retention Rights End Date "	Blank.
"Retained Occ Series Code"	Blank.
"Retained Occ Function Code"	Blank.
"Retained Pay Table"	Blank.
"Retained Grade"	Blank.
Compensation Screen (Pay Area)	
"Base Pay"	Enter the retained rate amount to include locality pay.
"Locality"	Blank.
"Adjusted Pay"	Automatically populated.
"Total Pay"	Automatically populated.

H Contact

If there are questions about this notice, State Offices shall contact either of the following:

- Empower Help Desk in Kansas City at 816-926-6225
- Michael Rafferty at 202-401-0432.