



OHRM-2004-02

Office of Human Resources Management Policy Memorandum

Subject: Implementation Guidelines for Authorizing Appointments Above the Minimum Rate

The purpose of this memorandum is to provide guidelines for authorizing appointments above the minimum rate. The superior qualifications authority or advanced in hire is intended to improve the Federal Government's ability to compete with non-federal employers for top-quality candidates. It is not intended solely to match the selected candidate's existing pay. Individual hires at advanced rates must meet certain eligibility requirements.

2. REFERENCES.

- A. 5 Code of Federal Regulations (CFR), Part 531 Subpart B, 531.203 Superior Qualifications Appointments.
- B. 5 Code of Federal Regulations (CFR), Part 575, Subpart A.

3. APPLICABILITY.

This authority may be used when:

A. Filling permanent or temporary positions subject to the General Schedule in either the competitive or the excepted service; and

B. The candidate is a new appointee to the Federal Government or is being re-appointed after a break in service of at least 90 calendar days from his or her last period of Federal employment or employment with the District of Columbia. This authority normally cannot be used for a current Federal Government employee who is moving to a different job. In limited situations, this authority may be used when the individual is working in a position that is not full-time, permanent, or the principal employment of the candidate, in accordance with exceptions found in 5 CFR 531.203(b).

4. RESPONSIBILITIES.

A. Managers may go over salary bidding beginning at the first step of a grade. Managers shall not make a firm salary commitment to a candidate but may agree only to seek approval for an advanced pay rate. The candidate should be cautioned against resigning from current employment until the proposed pay rate is approved and a firm offer is made. The superior qualifications must be approved prior to the candidate's appointment date.

B. Managers shall prepare documentation in support of a superior qualifications appointment in accordance with the justification criteria identified at Attachment 1.

C. The Human Resources Specialist is responsible for advising managers on the requirements for superior qualifications appointments; determining whether a manager's justification addresses the criteria for authorizing an advanced rate and meets requirements set forth in these guidelines; the possibility of authorizing a recruitment bonus as an alternative to setting pay at a step higher than that needed to match the candidate's salary; keep the manager apprised of the status of the request for an advanced rate of pay; and ensuring that all documentation for the appointment is received prior to transmittal to the Human Resources Director or as redelegated for review and approval/ disapproval. A checklist to facilitate this procedure is provided as Attachment 2.

D. The Human Resources Director, or as redelegated, shall approve or disapprove each request for a superior qualifications appointment for soundness of recommendation and consistency, and may recommend a recruitment bonus instead of, or in addition to, the advanced rate.

E. ITA/Office of Human Resources Management (OHRM) is responsible for reviewing and evaluating the justification package to ensure that the candidate meets all the requirements for an advanced rate of pay; completing and approving the Superior Qualifications Checklist and Approval form; and processing the personnel action effecting the appointment above the minimum rate.

5. POLICY

A. Each superior qualifications appointment shall be approved before the candidate enters on duty. There is no provision for an adjustment in pay after appointment.

B. A superior qualifications determination may be based either on the relevance of the candidate's experience and education to the particular work he or she will do or on the quality of the candidate's accomplishments compared to others in the field. When the applicant is considered for a shortage category position, (i.e., positions that have been identified as hard to fill), a basically qualified candidate may be found superior without having unusual accomplishments based on a finding that he or she is better able to perform the needed work than other candidates who were recruited or who could reasonably be expected to respond to renewed recruiting efforts.

C. In determining what would be expected of a well-qualified candidate and what would make a candidate superior, managers shall consider the overall quality of candidates available and particular requirements of the position being filled.

D. An advanced rate may not be above step 10 of the grade for which the candidate is applying.

E. In determining whether an employee should receive a superior qualifications appointment and if so, at what level the employee's pay should be set, consideration shall be given to the possibility of authorizing a recruitment bonus.

6. JUSTIFICATION FOR THE REQUESTED RATE.

There is no set formula to determine propriety of a rate within the grade. Each case shall be evaluated with consideration to available well-qualified candidates, bona-fide and confirmed competing offers, existing compensation of the candidates, the possibility of authorizing a one-time recruitment bonus, and the necessity for an advanced rate.

7. EXISTING PAY/ACTUAL INCOME AS A DETERMINANT.

A. A determination to approve or disapprove an advanced rate will be based in part on existing pay. What income will the candidate forfeit by accepting federal employment? A person's existing pay or actual income is what he or she would earn in his or her current position or in a position for which the candidate has a current firm offer.

B. Military pay may be considered as existing pay for the purpose of making a superior qualifications appointment as long as the appointee is leaving military service (whether by resignation or retirement) solely to accept the civilian position.

C. Fringe benefits that are substantially better than those offered by the Federal government such as health and life insurance may be considered as existing pay if they differ substantially from those available in the federal service. If the individual is retiring from military service, do not consider benefits that will continue after retirement.

D. If a candidate has no current income or a bona-fide offer, consideration shall be given to whether the candidate has a reasonable prospect of obtaining employment at a particular salary level.

8. DOCUMENTATION REQUIRED.

All requests for superior qualifications appointments shall, at a minimum contain the following documentation:

A. A memorandum prepared by the appropriate Manager (i.e., hiring supervisor) to the Human Resources Director, or as redelegated, that fully documents justification for the superior qualifications appointment. The documentation shall be in accordance with the justification criteria at Attachment 1.

B. A current position description for the job being filled.

C. The candidate's resume for federal employment on which the selection was based.

D. The vacancy announcement advertising the position and identification of other recruitment sources used.

E. All appropriate certificates referred to the manager/supervisor for selection.

F. A copy of the candidate's latest earnings statement, previous year's W-2 (Wage and Tax Statement) or some other official documentation verifying the employee's earnings.

9. ITA/OHRM PROCEDURES.

A. Upon receipt of the office's request, the servicing HR Specialist will:

1. Review the package to ensure that it contains all necessary documentation;
2. Evaluate the package to ensure that the individual requested meets all requirements for an advanced rate of pay under this authority; and
3. Review regulations to ensure that the appointment itself conforms to all legal and regulatory requirements.

B. Once the above review has been completed, the HR Specialist will:

1. Complete, sign, and date a Superior Qualifications Checklist and Approval form attesting to his/her recommendation; and
2. Forward the package to his/her Team Leader for review.

C. If the Team Leader agrees with the Specialist's recommendation, he/she will forward the package to the Director, EASD for review prior to forwarding to the HRO for final approval.

D. Once final approval has been obtained, the HR Specialist will inform the office of the approval.

E. The HR Specialist will ensure the following information appears on the SF-52:

1. In Part F, Remarks for SF-50, remark code P04 - Superior Qualifications Appointment Made Under 531.203(b)
2. In Part B, item number 29 (Pay Rate Determinant) - The number 7 should always be used.

F. After the entrance-on-duty of the new appointee, the HR Assistant preparing the Official Personnel Folder (OPF) will include the Superior Qualifications Checklist and Approval form, the bureau justification memorandum, and any supporting documentation (in addition to the required appointment papers) on the right side of the OPF.

Approved



Doris W. Brown
Human Resources Officer

04-29-04

Date

Attachment 1

SUPERIOR QUALIFICATIONS APPOINTMENT JUSTIFICATION
CRITERIA

Requests for superior qualifications appointments must address all criteria reflected in the following paragraphs:

1. Is the individual entering the government for the first time or returning to federal employment after a break in service of 90 days or more? (If the answer is no, the individual may not be eligible for a superior qualifications appointment.)

2. Is the position being filled subject to a special pay rate? If yes, make sure the proposed rate is set on the basic scale within the authorized special pay range.

3. Is the candidate within reach on a certificate of eligibles or eligible for reinstatement, direct hire, or noncompetitive appointment? (Superior Qualifications is a pay setting authority. This means that the candidate has to be within reach on a certificate of eligibles and appointable).

4. Qualifications Documentation. Are the candidate's qualifications demonstrably superior to what would be expected from other well-qualified candidates for the job being filled? The following points shall be addressed as appropriate, when documenting this factor.

A. Describe the special need of the agency that justifies the superior qualifications appointment. Documentation should include why the candidate's qualifications are unique and required by the agency.

B. Include a comparison of the candidate's qualifications with those of other well-qualified and available candidates. The comparison must document why the candidate's qualifications are superior and how the experience, education or other factors relate directly to the position as described in the position description. For example, if many candidates showed high-level experience or education directly pertinent to the position, a superior candidate would demonstrate an outstanding reputation in the field through publications, lectures, or leadership roles in professional organizations.

C. If the candidate is being considered for a shortage category position, as defined by either a direct hire authority or special pay rate for the agency geographic area, describe how his or her background would enable him or her to better perform the needed work than other candidates who were recruited or who could reasonably be *expected* to respond to renewed recruiting efforts.

5. Salary Documentation. Document information regarding an applicant's actual income/existing pay. What income will the candidate forfeit by accepting federal employment? Document reasons for requesting a rate that exceeds the candidate's existing pay. Explain reasons for requesting an advanced rate instead of, or in addition to, a recruitment bonus.

A. Consider actual income from the candidate's present position and any current firm bona-fide offers of other employment. A candidate's actual income is what he or she would earn in his or her current position or in a position for which the candidate has a current, firm bona-fide offer. (A bona-fide offer must be in writing and must clearly offer current employment. The offer must include enough specific information to distinguish it from general correspondence). A candidate who is leaving his or her current employment (for example, one who is retiring from military service, without an offer of employment or whose employer is going out of business) would not have income for actual pay purposes under the provisions of this authority. Rather, that candidate's income must be considered based on a current employment offer or on a reasonable expectation of employment. This consideration should include such issues as current market salaries for similar positions and the number of available candidates to select from. Possible sources of market salary information include review of paid advertisements for similar positions and qualification requirements, professional society publications, Bureau of Labor Statistics information, salary and benefit studies conducted for other organizations, and the like. Considerable research may need to be conducted to assure that the candidate would indeed be well qualified for such positions.

B. Consider the difference in fringe benefits when there is a significant variance between what the Federal Government offers versus the private sector. For example, when a private firm provides health insurance and a pension plan at no cost to the employee.

C. Consider earnings from any outside employment that have been a regular part of the candidate's total income and that the candidate will not be able to continue as a federal employee. Note however, that it is not appropriate to base an assumption of continuing income on a single bonus or consulting assignment that is out of line with the candidate's recent salary history unless the candidate has a commitment for continued earnings at that rate.

D. Do not use annualized or full-time equivalent income if a candidate is paid on a less than full-time basis.

E. Do not consider income that would be unaffected by the federal job offer (e.g., income from real estate rentals).

F. Include a copy of the candidate's latest earnings statement, a copy of the previous year's W-2 (Wage and Tax Statement) or some other official documentation verifying the employee's earnings, i.e. 1099 forms. Examples of inadequate documentation include bank statements, lists of income sources and amounts prepared by applicants, and copies of other similar documents.

SUPERIOR QUALIFICATIONS CHECKLIST AND APPROVAL FORM

***This form must be completed and placed on the right side of the Official Personnel Folder (OPF) of any applicant who is approved for an appointment at an advanced rate under this authority.

Name: <i>(Last, First, M.I.)</i>	Grade/Step Requested
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OFFICE/POSITION: _____

APPOINTMENT

1. The appointing authority? _____

2. Is the authority appropriate? Yes No

QUALIFICATIONS

1. Does the justification memorandum show that the candidate's qualifications are demonstrably superior to what would be expected of a well-qualified candidate and that the employee is forfeiting income?
 Yes No

OR

2. Does the justification memorandum and the resume clearly show the candidate has a unique combination of education and experience that meets a special need of the agency?..... Yes No

EXISTING PAY/SALARY HISTORY

The justification memorandum discusses the following (check all that apply):

Salary <input type="checkbox"/>	Fringe Benefits <input type="checkbox"/>	Bonuses <input type="checkbox"/>	Other Outside Income <input type="checkbox"/>
<input type="checkbox"/> Bona Fide Offers	<input type="checkbox"/> Shortage Category	<input type="checkbox"/> Reasonable Expectation of Employment	
<input type="checkbox"/> Avg Salary for Occupation	<input type="checkbox"/> Special Need		
<input type="checkbox"/> Forfeited Income			

Is all required documentation provided (salary, education, income forfeiture, etc.)? Yes No

- Memorandum from Manager with justification for a superior qualifications appointment
- Copy of position description
- Description of the superior qualifications
- Candidate's Resume package
- Vacancy announcement advertising the positions and identification of other recruitment sources
- All Certificates referred to the manager for selection
- Income verification (W-2, tax return, check stub, or 1099)

FOR OFFICIAL USE ONLY

Recommended by: _____ _____
Human Resources Specialist *Date*

Concurrence: _____ _____
Team Leader *Date*

Concurrence: _____ _____
EASD Director *Date*

Approved **Grade/Step Approved for:** _____ **Disapproved** _____

_____ _____
Human Resources Officer *Date*