

**DECISION****THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D.C. 20548

40911

95279

FILE: B-173815

DATE: July 5, 1974

**MATTER OF:** Date of periodic pay increase after change of pay period.

**DIGEST:** General Schedule employee in Department of the Army subject to reduction-in-force action effective May 22, 1973, who completed waiting period on May 19, 1973, for periodic step increase is not entitled to such increase to be considered in determining his saved pay in the grade to which he was demoted where beginning of next pay period is May 27, 1973, even though an agency change in pay periods during October 1972 incident to automation of payroll procedures had the effect of changing the beginning date of the subject pay period from May 20 to 27, 1973, since agency change was in accordance with applicable law and regulations and 5 U.S.C. 5335 provides that advancement to next higher rate within grade shall be at beginning of next pay period following completion of statutory waiting period.

This decision involves a review of the denial by the Department of the Army, Headquarters United States Army Air Defense Center and Fort Bliss, Management Information Systems Office, of a within-grade periodic pay increase to Mr. Charles W. Davies, Jr., a civilian employee of the Department of the Army.

The facts in this case are not in dispute. Mr. Davies' advancement from GS-12, step 6, to GS-12, step 7, was effective on May 24, 1970. He completed the required waiting period for advancement to step 8 on May 19, 1973. Prior to this date his supervisor had signed DA Form 2515 approving the advancement upon attainment of eligibility. Effective May 22, 1973, Mr. Davies was changed to a lower grade as a result of a reduction-in-force (RIF) action from GS-12, step 7, \$20,018 per annum, to GS-11, step 10, with a saved rate of pay of \$20,018 per annum, not to exceed May 21, 1975.

The record also shows that in October 1972, during Mr. Davies' waiting period, the pay period cycle for General Schedule employees at Fort Bliss had been modified as a result of the conversion of the civilian pay system for Fifth U.S. Army from manual to computerized. As a result of this conversion there was a shortened 1-week pay period in October 1972 which changed the beginning dates

B-173815

of the following pay periods. The net result of this change for Mr. Davies was that the beginning of his pay period in May 1973, when he was due for a periodic within-grade pay increase, was changed from May 20 to May 27, thus delaying the effective date of such increase until after the RIF action took place.

His claim to a within-grade pay increase was administratively denied on the ground that even though Mr. Davies had completed the required statutory waiting period for a within-grade pay increase, such increase did not become effective until May 27, the beginning of the first pay period following completion of the required waiting period.

Section 5504 of title 5, United States Code, provides that the pay period for an employee covers two administrative workweeks. Paragraph 2-6 of Army Regulations 37-105 of Finance and Accounting for Installations, Civilian Pay Procedures provides that "Pay periods will be established on a staggered basis when the number of employees paid so warrants, with approximately one-half of the employees being paid each week." Paragraph 3-4 of the regulations provides that "Under an ADP system of processing civilian pay, the single pay period system may be used in lieu of the staggered pay period system. Staggered pay period systems provide for payment of part of the accounts serviced one week and the remaining accounts on the alternate week. The method used is optional, as governed by local conditions." It appears that the change in the pay period cycle for Mr. Davies was made in accordance with the above authority. On review there is nothing to indicate that the agency acted other than within the applicable law and regulations in effecting the change in pay period.

Section 5335 of title 5, United States Code, provides in pertinent part that an employee:

"\* \* \* shall be advanced in pay successively to the next higher rate within the grade at the beginning of the next pay period following the completion of—

\* \* \* \* \*

"(3) each 156 calendar weeks of service in pay rates 7, 8, and 9 \* \* \*"

B-173815

Since the administrative agency had authority to change the pay period for the purpose stated and there is no evidence before us indicating that the administrative action was taken arbitrarily for the purpose of delaying the due date of the periodic step increases in pay of its employees and since such increases become effective at the beginning of the next pay period following completion of the required waiting period in the grade step, the administrative action taken in denying Mr. Davies' periodic step increase was in accord with the mandatory requirement of the statute.

Accordingly, Mr. Davies was not entitled to the periodic pay increase in question prior to his demotion or to saved pay based on the increased salary rate.

DEPUTY

DEPUTY  
Comptroller General  
of the United States