

**DECISION**

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

**FILE:** B-217104

**DATE:** September 30, 1985

**MATTER OF:** M. H. Todd - Conversion from Prevailing  
Rate System to Federal Wage System -  
**DIGEST:** Application of Annual Pay Comparability  
Adjustment

Department of Navy questions payment of October 1982 annual pay comparability adjustment to printing and lithographic employee at the Charleston Naval Shipyard, whose position was converted from an agency-established special printing wage schedule to the Federal Wage System (FWS) in December 1980. Navy questions applicability of adjustment because previous wage schedule upon which employee's retained grade was based was abolished effective September 1982. Employee is entitled to full comparability adjustment which became due in October 1982, based on the rate of basic pay for his new FWS position pursuant to instructions issued by the Office of Personnel Management.

ISSUE

This decision is in response to the appeal by Mr. M. H. Todd from a determination made by the Naval Civilian Personnel Command, Department of the Navy, not to pay him an annual pay comparability adjustment in 1982.

The issue in this decision is the entitlement of an employee to the 1982 annual pay comparability adjustment after the employee's position was converted from an agency-established special printing wage schedule to the Federal Wage System (FWS) in December 1980. The employee's previous printing and lithographic wage schedule, upon which his agency had been basing wage adjustments during the 2-year period, was abolished in September 1982 before the 1982 comparability adjustment became due. For the following reasons, we hold that the employee is entitled to the full comparability adjustment which became due in October 1982 under 5 U.S.C. § 5307 (1982), based on the rate of basic pay for his new FWS position.

BACKGROUND

The Navy reports that Mr. Todd and 14 other employees at the Charleston Navy Shipyard, Charleston, South Carolina, who had been classified as printing and lithographic (P and L) employees under the agency-established special printing schedule designated as "WP," were reclassified into the FWS (designated as "XP") in December 1980. This reclassification was taken at the direction of the Office of Personnel Management (OPM) and the instructions for the establishment of the new pay plan for printing and lithographic employees under the FWS were provided in Federal Personnel Manual (FPM) Letter No. 532-119, August 28, 1981. This reclassification action entitled the affected employee to 2 years grade retention and to indefinite pay retention under 5 U.S.C. §§ 5362 and 5363 (1982) because the new XP schedule would have otherwise resulted in a loss of pay. In 1981 these employees received the pay comparability adjustment. However, in September 1982 the old special printing (WP) schedules were eliminated. The Navy reports that:

"this resulted in nothing on which to base the 'retained grade' entitlements. There was no WP schedule to increase \* \* \*. These converted, retained, FWS jobs had a maximum rate of pay less than the amounts Mr. Todd and his coworkers had been receiving as retained WP's. There was simply no authority to grant these employees the 4.8 percent comparability adjustment."

DISCUSSION

Title VIII of the Civil Service Reform Act of 1978, Pub. L. No. 95-454, 92 Stat. 1111 (1978), provides that an employee who is placed in a lower grade as a result of reclassification of the position, is entitled to retain for a period of 2 years the grade held immediately before that placement or reduction. 5 U.S.C. § 5362. It also provides the authority for granting an employee indefinite pay retention. 5 U.S.C. § 5363. In addition to specifying criteria and conditions for the application of the grade and pay retention provisions, the law (5 U.S.C. § 5365) authorizes

B-217104

OPM to extend the application of these provisions to other individuals and situations to which they would not otherwise apply. See 5 C.F.R. § 536.101 (1984).

As noted previously, OPM has issued instructions for the reclassification of printing and lithographic wage employees in FPM Letter 532-119. Attachment 2 to the FPM Letter contains the following guidance at paragraph 4(d) and (g):

4. Conversion from agency-established special printing wage rate schedules to FWS special 3-step printing wage rate schedules in the 13 designated special schedule areas.

"d. \* \* \* If the employee's position is reduced in grade as a result of application of the standards, the equivalent grade will be retained by the employee for 2 years during which time the employee will receive 100 percent of the amount of each increase in the pay of the retained grade granted pursuant to an FWS special printing schedule survey.

\* \* \* \* \*

"g. An employee who retains his or her scheduled rate of pay at the time of mechanical conversion and whose position is downgraded upon application of FWS job-grading standards under step 2 of the conversion will, during the two-year grade retention period, receive the same percentage increase given to the maximum step of his or her retained (equivalent) grade as a result of an FWS special printing survey. \* \* \*

As indicated in paragraph 4(g) of attachment 2 to the FPM Letter, set forth above, an employee who retains his pay at the time of the conversion and is downgraded as was Mr. Todd, will during the 2-year grade retention period receive the same percentage increase given to the maximum step of his retained or equivalent grade as a result of an FWS special printing survey. Since the printing and lithographic wage schedule upon which Mr. Todd's pay was

B-217104

based prior to the conversion of his position to the FWS was abolished in September 1982, under paragraph 4(g), above, the operative grade upon which his percentage increase is to be based is his new "equivalent" grade under the "XP" schedule to which he was converted. Therefore, it is the full comparability percentage increase, found to be applicable by the FWS special printing survey for 1982, that is to be applied to Mr. Todd's equivalent grade.

Our Office has been informally advised by OPM's Wage Systems Division that it concurs in the position that the 1982 comparability pay increase should have been granted based on the new equivalent grade assigned to Mr. Todd under the "XP" schedule pursuant to the conversion process to the FWS.

Therefore, the employee's retained pay and comparability pay adjustment should be determined in accordance with the foregoing.

*for* *Milton J. Dowlan*  
Comptroller General  
of the United States