



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

OFFICE OF GENERAL COUNSEL

B-222210

April 14, 1986

Mr. Eric R. Watkins  
1415 S. Porter  
Ridgecrest, California 93555

Dear Mr. Watkins:

We refer to your letter of February 14, 1986, with enclosures, in which you seek information and the assistance of this Office in correcting that which you believe was an improper use of the pay setting guidelines by your agency in your case.

You say that you had been a grade WG-7, step 3, employee with the Bureau of Land Management. You applied for and were selected for a grade GS-7 position. Upon selection you were informed that your position change was considered a demotion and that you would not retain your old salary rate (\$20,800), and your new salary rate was established at Step 5 of GS-7 (\$20,200). You say the reason why it was established at that step was that when you are promoted to full performance of your new position, grade GS-9, you will be paid no more than if you had remained a grade WG-7. It is your view that you should have been entitled to retain your old pay rate at the time of your position change and then eventually exceeding it when you are promoted to grade GS-9.

An official decision is not being rendered at your request on the question presented. However, the following comments may be of assistance to you.

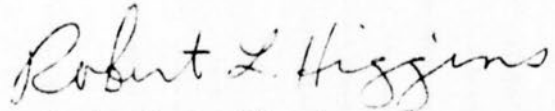
There are no fixed government-wide rules that govern the setting of an employee's rate of pay when he is reemployed, transferred, reassigned, promoted, or demoted. Under the provisions of 5 C.F.R. § 531.203(c), an agency has the discretionary authority to formulate its own policy and an employee does not have a right to be paid at the maximum allowable pay of his grade under the highest previous rate rule. In this connection, we are enclosing a copy of decision Robert E. Thompson, B-213594, June 28, 1984, involving a

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situation somewhat similar to yours. We hope it will help you better understand your agency's action in your case.

Sincerely yours,

A handwritten signature in cursive script that reads "Robert L. Higgins".

Robert L. Higgins  
Assistant General Counsel

Enclosure