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HRDG 4531 - Highest Previous Rate - Section C

Last Modified:

Subchapter 4531 - Highest Previous Rate Section C - Calculating HPR in the General Schedule

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Introduction

Once it has been determined that an employee is entitled to highest previous rate (HPR), the process in the General Schedule (GS) and the Federal Wage System (FWS) used to determine the HPR depends on whether HPR was earned in the FWS or the GS. These two processes are covered separately.

Voluntary Demotions (GS)

For pay setting examples, see:

[**Fact Sheet: Pay Action Examples Other than Promotions and Grade and Pay Retention**](#)

and contact your SPO for additional guidance.

Demotion for Cause (GS)

A demotion for cause is a reduction in grade based on the conduct or unacceptable performance of an employee. An employee demoted for cause has pay set at step 1 of the grade. This rate will be used to determine any future entitlement to HPR.

Example: A GS-9, step 5 (\$32,125) is demoted to GS-7, because of unacceptable performance. Pay is set at GS-7, step 1 (\$23,171). GS-9, step 5, cannot be used as the employee's HPR in future pay-setting actions.

When an employee voluntarily accepts a reassignment from a special salary rate position to a lower-paid non-special rate position, the special salary rate may be used as the basis for HPR when:

- The employee is reassigned to a position within USDA,
- The special rate of pay is the employee's current rate of pay, and
- Management determines that the need for the services of the employee and his/her contribution to the program will be greater in the position to which being reassigned.

Special Salary Rates (GS)

For information on when an employee is involuntarily reassigned from a special rate position to a non-special rate position, or when special salary rates are reduced or terminated, see your agency guidance on grade and pay retention or contact your SPO.

The Directors, ABS, Riverdale-Washington Business Site and Minneapolis Business Site have the authority to approve requests to use a special salary rate as HPR. This authority may be redelegated one supervisory level lower.

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