HRDG 4531 - Highest Previous Rate - Section B

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Subchapter 4531 - Highest Previous Rate
Section B - General Schedule: Basic Pay Determinations

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New Appointment	The rate of basic pay will be set at the minimum rate of the grade unless the provisions of 5 CFR 531.212 have been met for superior qualifications appointments. Refer to HRDG 4500, Recruitment and Retention Incentives, **Section D** - Superior Qualifications and Special Needs Pay Setting Authority and contact your servicing personnel office (SPO) for more information on these types of appointments.
Reinstatement, Reassignment, or Transfer	Except as provided below, the rate of basic pay is set using highest previous rate (HPR) or the maximum rate for the grade if HPR exceeds the maximum payable for the grade.
Position Change Without a Change in Grade	The maximum payable rate rule may be used for lateral movements (GS to GS) of employees through: • Transfers; • Reassignments, • Change in appointment type, • Change in official worksite, or • Other position change. If an employee is entitled to pay retention, HRD must apply the rules in 5 CFR 536.
Reinstatement	The rate of basic pay will be set using HPR unless: • The employee meets the conditions for the superior qualifications and special needs pay setting authority, **and** • Prior to the effective date of the appointment, management has chosen, in writing, to grant that rate of pay.

Voluntary Demotions	Voluntary demotion with prospect of repromotion: • HPR will not be granted upon a voluntary demotion to a position in which the employee has promotion potential equal to or greater than his/her former position and is expected to be repromoted within 120 days. • Pay in the lower grade will be set at the rate necessary to place the employee, when promoted, at the rate which would have been attained had the employee not been demoted. Voluntary demotion with **no** prospects of repromotion within 120 days when either the position has no promotion potential or the employee will not qualify for promotion within 120 days: • HPR will be granted unless the Program has written policy on how pay is set in these situations.
Demotion to Enter a Career Enhancement Program	Employees who voluntarily take a downgrade to enter a Pathways Program or similar upward mobility training program in Marketing and Regulatory Programs are entitled to HPR. Employees will be entitled to pay retention if their existing rate of pay exceeds the top step of the grade to which they are being demoted.
Demotion with Grade or Pay Retention	Pay rates for employees placed in a lower grade due to reduction-in-force or reclassification will be set following grade and pay retention regulations, if they otherwise qualify for these benefits.
Demotion for Cause	An employee demoted for either disciplinary or performance reasons receives the minimum rate of basic pay for the grade to which demoted. This grade and rate will be used to determine any future HPR decisions.
Geographic Conversion and Demotion	If after demotion, an employee’s worksite changes to a different geographic location with different pay schedules, then the pay rate must first be converted to the base rate before the maximum payable rate rule or grade and pay retention rules may be applied.

Supervisory/ Managerial Probationary Period Demotion	Pay is set at the lower grade as if the employee had not been promoted to the supervisory or managerial position, unless management determines to set pay at a higher rate based on a different (qualifying) reason under the maximum payable rate rule. 5 CFR531.215 (d)
Demotion from a Temporary Promotion	If the employee has occupied the position for at least 1 calendar year, HPR is granted and his/her rate of pay is based on the rate of pay received during the temporary promotion. If the temporary promotion is for less than 1 calendar year, the rate of pay is based on what the employee would have received had the temporary promotion not occurred.
GM Employees Returning to GS	GM employees may not receive HPR when GM status is lost due to disciplinary or performance-related reasons. Pay is set according to the instructions in 5 C. F. R. 531.242.
Seasonal Positions in Cotton and Tobacco Program, AMS	Seasonal positions filled initially under Schedule A appointments in the excepted service (under 5 CFR 213.3113[f][2]) in the Cotton and Tobacco Program, AMS will have pay set at step 1 of the grade. This is in accordance with AMS memorandum, "Request for Waivers - Use of Highest Previous Rate," Miller/Moore, 4/21/86.

Use the following chart in determining HPR:

		Mandatory	Prohibited	Optional
Determining HPR Chart	Intermittent, on-call, or as-needed work schedule		X	
	New appointment		X (Pay set at the minimum rate of the grade.) (2)	
	Reinstatement, reassignment, or transfer (at the same or higher grade)	X		
	Voluntary demotions (including a transfer to a lower grade) with prospects of immediate repromotion within 120 days.		X	
	Voluntary demotion (including a transfer to a lower grade) with no prospect of repromotion within 120 days.			X (3)
	Voluntary demotion (including by transfer) to enter a formal Career Enhancement Program (e.g., Upward Mobility Program) or similar MRP formal training program	X (4)		
	Demotion for cause		X	
	Demotion due to failure to satisfactorily complete a supervisory or managerial probationary period		X (5)	
	Demotion from a temporary promotion lasting at least 1 calendar	X		

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