HRDG 4500 - Recruitment and Retention Incentives - Section D

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Subchapter 4500 - Recruitment and Retention Incentives
Section D - Superior Qualifications and Special Needs Pay Setting Authority

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What are Superior Qualifications and Special Needs Pay Setting Authority?

The Superior Qualifications and Special Needs Pay Setting Authority (SQA) is designed to help Agencies compete with the private sector to attract applicants with superior or unique qualifications. SQA is not intended to match a candidate's existing rate of pay (current salary or competing job offer) rather it is a tool to help USDA attract the best talent while maintaining a fiscal responsibility to offer the most cost effective salary to attract a candidate. Salary alone does not translate into superior qualifications. An SQA must be based on the candidate's experience, skills, training, and/or Agency need.

SQA and Special Needs Pay Setting Authority allows you to set a new employee's pay at a step above step 1 of the General Schedule, not to exceed step 10 of the grade.

Note: Regulations require that when considering an SQA, agencies must determine whether a recruitment incentive could meet the need instead of using the SQA. If an incentive would meet the need then it must be used in lieu of an SQA.

Definitions

Superior Qualifications means that a candidate has unusually high, unique or superior qualifications suited for the position in comparison with other qualified candidates and a loss of salary and/or benefits would result if the candidate were to accept employment at step 1 of the grade.

Special Need means a documented need for a specific set of skills and/or expertise where recruitment efforts have had limited success. It means:

- An individual who is singularly suited to a unique Departmental function;
- An individual who has special though not necessarily superior qualifications that meets the needs of a position, or,
- A documented area of chronic labor shortage.

When to Use the SQA

Use this authority for high quality candidates entering the Federal civilian service to fill any GS-1 through GS-15 position (including permanent and temporary positions in the competitive or excepted service):

- Upon initial appointment (new appointment regardless of tenure) or
- Returning to Federal employment **after a break** in service of 90 calendar days or more (5 CFR 531.212(a)(2)]). ("Federal government" means all entities of the U. S. Government, including the U. S. Postal Service and the Postal Rate Commission and District of Columbia employees hired before 10/01/87.)
- For a reappointment without requiring a 90-day break in service if the candidate's civilian employment with the Federal government during the 90-day period preceding the new appointment was limited to one or more of the following (5 CFR 531.212[a][3]):
  - Under a time-limited or non-permanent appointment in the competitive or excepted service (including employment under the Pathways Internship Program under 5 CFR 213.3402[a])
  - Under an appointment as an expert or consultant under 5 U.S.C. 3109 and 5 CFR 304,
  - Under a provisional appointment under 5 CFR 316.403.

NOTE: The decision to use this authority must be made **prior to** making an official offer of employment at a rate above step 1 and the candidate entering on duty. This means that the written justification and forms (**AD-3077**, MRP Forms **145-R** and **147-R**, if applicable), must be completed and approved (signed/dated) **prior to** the official offer of employment being made and the employee entering on duty. Applicants must be advised that any offer made is tentative until the request is approved.

Coverage	SQA applies to all MRP and FAS journeyman (full performance level [FPL]) / senior level (e.g., such as a branch chief) GS and GM employees covered by 5 U. S. C. 6301(2). To use this authority for other than journeyman / senior level positions, approval must be obtained from the Director, OHRM. HRO will work on the Program's behalf to request such approval. SQA for Federal Wage System (FWS) employees is explained in **OPM's Operating Manual for the FWS**. This policy does not cover FWS employees.
Amount of SQA that May Be Granted	The SQA rate: • Approximates the candidate's existing rate of pay; • May not exceed the existing rate of pay by more than 20% including incentives, consulting pay or fringe benefits; and, • May not exceed step 10 of the grade offered. (DR 4000-531-002, Section 5, dated 05/27/14)

When determining the rate of pay to offer the applicant it is important to ensure that:

- The initial offer is sufficiently competitive to attract the applicant.
- Equity is maintained between the pay of the new appointee and the current employees performing comparable work within the work unit.
- The decision to offer SQA is based on the candidate’s credentials which are not commonly found in the agency workforce or candidate pool.
- The selected candidate’s competencies clearly exceed those of the other candidates.
- A variety of factors are considered, including, but not limited to exceptional or high level work experience, professional licenses, and post-graduate degrees related to the position being filled when compared to others in the field.

The following factors must be addressed (as applicable) in the written justification.

- **Matching Income**. Superior qualification by itself is not sufficient to justify an appointment above the minimum. It must be shown that accepting the appointment at step one of the grade would cause the applicant to forfeit existing income or income which he/she is likely to earn.
- **Fringe Benefits.** Consider fringe benefits if they substantially exceed the government's benefits package. It is not proper to consider fringe benefits that are illegal for the government to provide, e.g., transportation to and from work.
- **Cost of Living.** Take into account the location where the salary was or would be earned and compare it to the payable rates of basic pay in the same location. Salaries which appear to be the same may be significantly different when differences in the cost of living are included.
- **Other Sources of Income.** Applicants may have other sources of income, e.g., consulting fees, bonuses, pay increases. Accepting a Federal position may require giving these up usually due to a conflict of interest or scheduling

Relationship to Recruitment Incentives	Regulations require that when considering an SQA, agencies must determine whether a recruitment incentive could meet the need instead of using the SQA. If an incentive would meet the need then it must be used in lieu of an SQA. However, in certain situations, the disparity between the employee's current income and the Federal pay scale is so great that both an appointment above the minimum and a recruitment incentive may be deemed necessary. If this is the case then it is important to document both actions thoroughly. For information on the Recruitment Incentive please see **HRDG Section E of this subchapter.**

Justification Criteria

Your written justification to pay a starting salary above Step 1 must be based on meeting one of the following criteria:

- The candidate has superior qualifications and would forfeit income to accept the position. Describe how the individual's experience, education, and/or accomplishments are significantly higher than other candidates in the field. The superior qualifications must be relevant to the position being filled and above the qualifications that are minimally required for the position and/or be more specialized when compared to other candidates. The fact that an individual has superior qualifications, by itself, is not sufficient to justify appointment above the minimum. It must be shown that accepting the appointment at the first step of the grade would cause the applicant to forfeit existing income or income which he or she is likely to earn, or
- The candidate fills a special agency need. Describe how the type, level, or quality of the individual's skills, competencies, experience and/or education is essential to accomplishing an important agency mission, goal, program activity or work force need [as documented by the agency's strategic human capital plan].

Note: To justify that a candidate would have to forfeit income to accept the position, you must fill out Form MRP 147-R (112.48 KB), Annual Salary Computation Sheet for Superior Qualifications Appointments. In addition, attach written documentation of the current salary rate or the job offer that is being used to justify a higher salary rate.

Your justification (and/or any attached documentation) must also address:

- The reason(s) for authorizing the higher rate instead of or in addition to a recruitment incentive (see Section E), and
- The recruiting sources used along with a description and results of recent recruitment efforts.

In your justification, remember to identify the factor(s) used from the Pay Rate Determination Factors section above and explain how each directly relates to the step at which pay is set.

Recommending Official

The recommending official is the Program's Deputy Administrator (DA) or equivalent (for Program's without DAs). Programs may not re-delegate this authority to a lower level.

Each Agency Administrator is delegated the authority to approve SQAs. This authority has been re-delegated as indicated below:

Agency	Approval Authority
AMS	Director, Human Resources Division (HRD)
APHIS	Director, HRD
FAS	Chief Operating Officer and the Director, HRD

Approving Official

The authority may not be re-delegated further. (5 CFR 531.212[e], DR 4000-531-002 dtd 05/27/14). Please note that for certain senior level appointments, the following may apply:

If the position to be filled reports directly to the . . .	**Then the regulations (5 CFR 531.212 [e]) require that the deciding official be at least one level higher than the employee's (candidate's) supervisor. The deciding official must be the . . .**
Program's Deputy Administrator	Agency Administrator.
Agency's Administrator	Under Secretary for the mission area.

To make an SQA, follow this process:

Step	Who?	Does What?
1	Requesting Official (typically the first level supervisor/ selecting official)	• Consults with HRO on using this authority and discusses the use of other available options, e.g., recruitment incentive. • Consults the Justification Criteria in this section and develops a written justification. • Completes MRP Form **145-R** and **147-R** (129.42 KB), if applicable. • Provides HRO with a list of recruiting sources used along with a description and results of recent recruitment efforts. • Obtains the candidate's written declination of the GS step1 offer. • Ensures the completed package contains the required supporting information using **MRP Form 149, Superior Qualifications and Special Needs Appointment (SQA) Requesting Official's Checklist** (246.66 KB)**.** • Forwards completed package to the servicing HRO for review and guidance. **Note:** When using MRP **147-R** (129.42 KB), remember to attach documentation of the current salary rate or job offer if that is being used to justify a higher salary rate. **Note: The request must be approved before the official offer of employment is made**.

Records

~~In addition to the record requirements on the Records/Reports Chart in **Section A**,~~ The HRO also must maintain the following information:

- Employee Name
- Organizational Title
- City, County, State of Official Duty Station
- Appointment Date
- Position Title, Series , Grade & Step
- Annual (Starting) Salary
- Copy of Signed Justification
- Name of Authorizing Official
- Date of Authorization
- Position Title of Authorizing Official
- Nature of action (e.g., career-conditional appointment). ~~(See DR 4030-335-002, Merit Promotion and Internal Placement dated July 22, 2015.)~~
- **Copy of AD-3077**
- Copy of **MRP 145-R**, Superior Qualifications and Special Needs Appointments.
- Copy of the written justification.
- **MRP Form XX, SQA - HRO Staffing Review Checklist** (14.39 KB), if applicable.
- **MRP Form 149, Superior Qualifications and Special Needs Appointment (SQA) Requesting Official's Checklist** (246.66 KB)
- Applicants resume or other form submitted as application for Federal employment.
- A copy of the position description.
- List of recruiting sources used along with a description and results of recent recruitment efforts.
- Copy of Job Opportunity Announcement/Vacancy Announcement.
- Declination of step 1 offer from employee.
- Copy of **MRP 147-R** (129.42 KB), Annual Salary Computation Sheet for Superior Qualifications Appointments with supporting documentation.

Note: Programs submit above information to the SPO within 60 calendar days.

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