

**UNITED STATES DEPARTMENT OF AGRICULTURE**  
**FOOD SAFETY AND INSPECTION SERVICE**  
WASHINGTON, DC

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<h1 style="margin: 0;">FSIS DIRECTIVE</h1>	4536.1 REVISION 2	7/7/88
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**GRADE AND PAY RETENTION**

**I. PURPOSE**

This directive provides for the administration of grade and pay retention.

**II. CANCELLATION**

Cancel FSIS Directive 4536.1, dated 3/26/82.

**III. REASON FOR REISSUANCE**

Paragraph VIII. is amended to clarify application of pay retention in localized work reductions.

**IV. REFERENCE**

FSIS Directive 4274.1, FSIS Placement Plan

**V. FORMS AND ABBREVIATIONS**

The following will appear in its shortened form in this directive:

RIF                      Reduction-in-Force

**VI. POLICY**

To provide, to the extent permitted by regulations, grade and pay retention benefits to eligible employees to lessen the adverse financial impact of certain involuntary reductions in grade.

## VII. **GRADE RETENTION**

A. Employees placed in a lower grade position because of a RIF or reclassification of their position are entitled to retain for a period of 2 years the grade held immediately before the placement (except when based on temporary or term employment) if the following conditions are met:

1. **RIF.** The employee must have served for 52 consecutive weeks or more in a grade higher than the position in which the employee is placed, if the placement is the result of a RIF.

2. **Reclassification.** The position occupied by the employee must have been classified at a higher grade level for a continuous period of 1 year immediately before the reduction if the employee is to receive grade retention brought about by reclassification.

B. Employees receiving grade retention will, for the 2 year period of time, continue to be paid at the rate of their former position, including any within-grade increases and other pay adjustments affecting that position.

C. Loss of eligibility for, or termination of, grade retention will occur in the following situations:

1. The employee is separated from federal service for 1 workday or more.
2. The employee is demoted either at his or her request or for disciplinary or performance reasons.
3. The employee elects to waive grade retention benefits.
4. The employee is placed in, or declines a reasonable offer of, a position the grade of which is equal to or higher than the retained grade.

## VIII. **PAY RETENTION**

A. Employees affected by the actions specified below are entitled to continue to receive the basic rate of pay (except when based on temporary or term employment) received immediately before the action which would otherwise result in a reduction in pay. (Such pay may not exceed 150 percent of the maximum rate of the grade in which they are placed.)

1. Expiration of grade retention.
2. Any actions which would meet the requirements for grade retention and the employee is not otherwise eligible for grade retention.
3. The reduction or elimination of special salary rates.
4. Placement of an employee in a formal development program such as upward mobility or career development.

+ 5. Placement of an employee in a lower grade position as a result of the adverse impact of a job abolishment. Such placement may be in any geographic location but will not normally result in any relocation costs to FSIS.

6. Placement of an employee not adversely impacted, but who volunteers for a lower grade position in a work reduction situation. Such placement may be in any geographic location but will not normally result in any relocation costs to FSIS.

B. Employees receiving the benefits of pay retention are entitled to receive only 50 percent of any pay comparability increases.]+

C. Loss of eligibility for, or termination of, pay retention will occur if the employee:

1. Has separated from federal service of 1 workday or more.
2. Is entitled, under usual pay fixing guidelines, to a rate of pay equal to or greater than the retained rate of pay.
3. Declines a reasonable offer of a position with a rate of basic pay which is equal to or higher than the retained rate of pay.
4. Is demoted for disciplinary or performance reasons or at the +[employee's request. Acceptance of a lower grade position in a work reduction situation is **NOT** considered a demotion at the employee's request.]+

#### IX. **REASONABLE POSITION OFFERS**

An offer of a position, in order to be considered a reasonable one, must meet the following conditions:

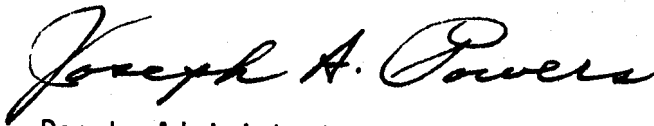
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- A. The offer must be in writing and must include an official position description of the offered position.
- B. The offer must inform the employee that entitlement to grade or pay retention will be terminated if the offer is declined and also state any appeal rights.
- C. The offered position must be of equal grade or higher than the position creating the grade or pay retention entitlement.
- D. The offered position must have a work schedule (full-time, part-time, etc.) of no less than the position creating entitlement to grade retention.
- E. The offered position must be in the same commuting area as the employee's current position, unless the employee is subject to a mobility agreement.

**X. PLACEMENT OF EMPLOYEES RECEIVING RETAINED GRADE OR PAY**

FSIS Directive 4274.1 contains provisions for the servicing personnel offices and management officials to make every effort, using priority +[placement procedures, to place certain employees receiving retained grade or pay in positions commensurate to the current rate of pay. Priority placement consideration in FSIS will not be given to employees on pay retention due to:

- A. A reduction or elimination of special rates.
- B. Placement of an employee in a formal development program such as upward mobility or career development.
- C. Placement of an employee not adversely impacted in a work reduction but who volunteered for a lower graded position. (See subparagraph VIII. A.6.)]+

A handwritten signature in black ink, reading "Joseph A. Powers". The signature is written in a cursive, flowing style.

Deputy Administrator  
Administrative Management