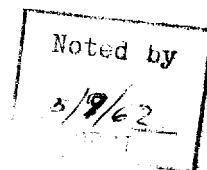
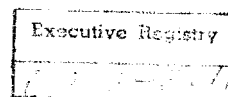


DD/S62-1618



MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Federal Salary Reform Act of 1962

1. This memorandum suggests action on the part of the Director of Central Intelligence. Such requested action is contained in paragraph 6.

2. Attached is a proposed letter for your signature to the Chairman of the House Post Office and Civil Service Committee commenting on the Federal Salary Reform Act of 1962, H. R. 10480, which is the President's proposal for reform of the Federal statutory pay systems. This letter supports the legislation and urges its enactment.

3. As the letter states, while the Agency is exempt by statute from the Classification Act of 1949, as a matter of policy the Agency has utilized the general schedules, i. e., the pay grade classifications of the Classification Act. The House Committee is well aware of the Agency policy in this respect. Therefore, in fact, the Agency does have a vital interest in any general legislation affecting salary systems in the Federal Government.

4. As to the proposed legislation itself, it should be noted that this is an Administration-sponsored bill and proposes fundamental overhaul of the major salary systems of the Federal Government including the Classification Act, the Foreign Service Act, the Postal

Field Service, and the Department of Medicine and Surgery in the Veterans Administration. Appropriate grades within each of these systems have been established as being equatable to specific grades in other systems so that there is a degree of comparability between the various systems. In addition, the bill attempts to establish a basis of comparability for Federal salaries and industry salaries although admittedly falling short in the topmost grades.

5. This proposal was the result of a massive study and coordination effort involving State Department, Post Office, Veterans Administration, Civil Service Commission, Bureau of the Budget, White House, Bureau of Labor Statistics, and others. The Bureau of Labor Statistics alone was authorized \$600,000 by the Congress for its studies on this subject. Because of the far-reaching effects of the proposed legislation, obviously it is complex. We have attached for information the bill itself, H.R. 10480 (TAB A), Statement of Purpose and Justification and Section-by-Section Analysis (TAB B), and Summary Analysis of the President's Proposal for Reform of Federal Statutory Salary Systems (TAB C). This latter publication prepared by the Civil Service Commission is the most succinct statement of the purposes of the proposed legislation.

6. I believe the Agency not only has a legitimate interest in this legislation but, further, it should express its endorsement of the legislation to the House Committee. I have been advised at the staff level that the Chairman would welcome our support of this legislation. On the Senate side apparently their thinking has not sufficiently crystallized that an expression of Agency interest would be useful at this point. Further, the Bureau of the Budget also advised, on an informal basis, that they would have no objection to our endorsing the legislation. Therefore, it is recommended that the attached letter be signed by you.

[Redacted Signature]

Legislative Counsel

STAT

Atts - 4

TABS A, B, and C

Letter to Honorable Tom Murray

Distribution:

- Orig - DCI w/atts
- 1 - DDCI w/atts
- 1 - ER w/att ltr only
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- 1 - D/Personnel w/atts

CONCURRENCE:

[Redacted Signature]

Director of Personnel

1 MAY 1962

STAT

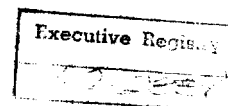
Approved For Release 2003/03/28 : CIA-RDP80B01676R003100200018-9

1 - Comptroller w/atts

1 - Leg. C. w/o atts

OGC/LK:JSW:mks (27 Apr 62)

7 MAY 1962



Honorable Tom Murray, Chairman
Post Office and Civil Service Committee
House of Representatives
Washington 25, D. C.

Dear Mr. Murray:

I have studied with great care the President's proposal for reform of the Federal statutory salary systems embodied in H. R. 10480. As you know, although the Agency is exempted by statute from the provisions of the Classification Act of 1949, as amended, we have adhered to the classification schedules in that Act in the salary and personnel programs of the Agency. Therefore, the Agency is concerned with and vitally interested in efforts to improve pay administration generally within the Federal Government.

The underlying objectives of the President's proposal in part are stated by defining the functions of a public salary system which are to control payroll expenditures with equity to both the employee and the taxpayer and to support recruitment and retention of the high quality personnel required to carry out Government programs. These objectives are, of course, basic objectives in the Agency's salary administration program. The comparability principle and the flexibility in the proposed legislation are significant forward-looking improvements in the Federal pay system.

I believe that enactment of the Federal Salary Reform Act of 1962 would exert a strong force for improved management in the Federal service generally. Therefore, I would like to convey to you my strong endorsement of this legislation and urge its enactment by the Congress.

Sincerely,

(Signed) JOHN A. McCONE

John A. McCone
Director

ER:

no file if necessary. If not,
return to Legislative Counsel

o/pcc 5/9

MEMORANDUM FOR: **THE DIRECTOR**

Attached is a proposed letter for your signature to Chairman Murray of the House Post Office and Civil Service Committee expressing approval of the objectives of the President's proposal for reform of the Federal statutory pay systems (H. R. 10480) and supporting the proposed legislation on the subject. The Bureau of the Budget has advised informally that they approve of the Agency taking the initiative on this and would like to see a copy of our letter prior to dispatch.

~~30 April 1962~~
(DATE)

Legislative Counsel

FORM NO. 101 REPLACES FORM 10-101
AUG 54 WHICH MAY BE USED.

(47)

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TAB
A.

Approved For Release 2003/03/28 : CIA-RDP80B01676R003100200018-9

87TH CONGRESS
2D SESSION

H. R. 10480

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 1962

Mr. MURRAY introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To reform the major statutory salary systems of the Federal Government; to establish appropriate relationships among them; to adopt and apply the principle of Government-private enterprise salary comparability; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—GENERAL POLICY

4 SHORT TITLE

5 SEC. 101. This Act may be cited as the “Federal Salary,
6 Reform Act of 1962”.

7 DECLARATION OF POLICY

8 SEC. 102. The Congress hereby declares that, whereas
9 the functions of a Federal salary system are to fix salary

2

1 rates for the services rendered by Federal employees so as
2 to make possible the employment of persons well qualified
3 to conduct the Government's programs and to control ex-
4 penditures of public funds for personal services with equity
5 to the employee and to the taxpayer, and whereas fulfillment
6 of these functions is essential to the development and main-
7 tenance of maximum proficiency in the civilian services of
8 Government, then, accordingly, Federal salary fixing shall
9 be based upon the principles that—

10 (a) There shall be equal pay for substantially equal
11 work, and pay distinctions shall be maintained in keep-
12 ing with work and performance distinctions; and

13 (b) Federal salary rates shall be comparable with
14 private enterprise salary rates for the same levels of
15 work.

16 Salary levels for the several Federal statutory salary systems
17 shall be interrelated, and salary levels shall be set and hence-
18 forth adjusted in accordance with the above principles.

19 IMPLEMENTATION OF POLICY

20 SEC. 103. In order to give effect to the policy stated in
21 section 102, the President: (1) shall direct such agency
22 or agencies, as he deems appropriate, to prepare and sub-
23 mit to him annually a report which compares the rates of
24 salary fixed by statute for Federal employees with the
25 rates of salary paid for the same levels of work in private

1 enterprise as determined on the basis of appropriate annual
2 surveys conducted by the Bureau of Labor Statistics, and,
3 after seeking the views of such employee organizations as
4 he deems appropriate and in such manner as he may pro-
5 vide, (2) shall report annually to the Congress (a) this
6 comparison of Federal and private enterprise salary rates
7 and (b) such recommendations for revision of statutory
8 salary schedules, salary structures, and compensation policy,
9 as he deems advisable.

10 SEC. 104. (a) Whenever the President or such agency
11 or agencies as he may designate shall find that the salary
12 rates in private enterprise for one or more occupations in
13 one or more areas or locations are so substantially above the
14 salary rates of statutory pay schedules as to handicap signifi-
15 cantly the Government's recruitment or retention of well-
16 qualified persons in positions compensated under (1) the
17 Classification Act of 1949, as amended (5 U.S.C. 1113 (b)),
18 (2) the Postal Field Service Compensation Act of 1955,
19 as amended (39 U.S.C. 3542-3544), (3) the pay scales for
20 physicians, dentists, and nurses in the Department of Medi-
21 cine and Surgery of the Veterans' Administration (38
22 U.S.C. 4107), or (4) the Foreign Service Act of 1946, as
23 amended (22 U.S.C. 866, 867, and 870), the President or
24 such agency or agencies as he may designate may establish
25 for such areas or locations higher minimum rates of basic

1 salary for one or more grades or levels, occupational groups,
2 series, classes, or subdivisions thereof, and may make cor-
3 responding increases in all step rates of the salary range for
4 each such grade or level: *Provided*, That in no case shall
5 any minimum salary rate so established exceed the highest
6 salary rate prescribed by law for the grade or level.

7 (b) Rates of basic compensation established under sub-
8 section (a) may be revised from time to time by the Presi-
9 dent or by such agency or agencies as he may designate.
10 Such actions or revisions shall have the force and effect of
11 law.

12 (c) Any increase in rate of basic compensation estab-
13 lished under this section shall not be regarded as an "equiva-
14 lent increase" in compensation within the meaning of section
15 701 (a) of the Classification Act of 1949, as amended, and
16 section 3552 of title 39 of the United States Code.

17 SEC. 105. The functions, duties, and regulations of the
18 departments of the Civil Service Commission with respect
19 to this title, the Classification Act of 1949, as amended,
20 the Postal Field Service Compensation Act of 1955, as
21 amended, the Foreign Service Act of 1946, as amended, and

1 chapter 73 of title 38 of the United States Code, shall be
2 subject to such policies and rules as the President may issue.
3 Among other things, the President's policies and rules may
4 provide for—

5 (1) preparing and reporting to him the annual com-
6 parison of Federal salary rates with private enterprise
7 rates,

8 (2) obtaining and reporting to him the views of
9 employee organizations on such annual comparison, and
10 on other salary matters,

11 (3) reviewing and reporting to him on the adequacy
12 of the Federal statutory salary structures for the Fed-
13 eral programs to which they apply,

14 (4) reviewing the relationship of Federal statutory
15 salary rates and private enterprise salary rates in specific
16 occupations and local areas, and

17 (5) providing step-increases in recognition of extra
18 competence, providing for appointment at salary rates
19 above the minimum, and providing for properly relating
20 supervisory salary rates paid under one system to those
21 of subordinates paid under another system.

6

1 TITLE II—PAY SYSTEM OF THE CLASSIFICATION

2 ACT OF 1949

3 SHORT TITLE

4 SEC. 201. This title may be cited as the “Classification
5 Act Amendments of 1962”.

6 BASIC COMPENSATION SCHEDULES

7 SEC. 202. (a) That part of the first sentence of section
8 602 of the Classification Act of 1949, as amended (5 U.S.C.
9 1112), immediately before the colon, is amended by strik-
10 ing out “eighteen” and inserting “twenty” to read as fol-
11 lows:

12 “The General Schedule shall be divided into twenty
13 grades of difficulty and responsibility of work, as fol-
14 lows:”.

15 (b) Such section 602 is further amended by adding, fol-
16 lowing the definition of grade GS-18, two new grades,
17 GS-19 and GS-20, as follows:

18 “Grade GS-19 includes all classes of positions
19 placed in such grade by the President as provided in
20 section 505 (c) of this Act.

21 “Grade GS-20 includes all classes of positions placed
22 in such grade by the President as provided in section
23 505 (b) of this Act.”.

24 SEC. 203. (a) Section 603 (b) of the Classification Act

1 of 1949, as amended (74 Stat. 298; 5 U.S.C. 1113 (b)), is
 2 amended to read as follows:

3 “(b) The following compensation schedule for the Gen-
 4 eral Schedule shall become effective on the first day of the
 5 first pay period which begins on or after January 1, 1963:

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1.....	\$3,225	\$3,330	\$3,435	\$3,540	\$3,645	\$3,750	\$3,855	\$3,960	\$4,065	\$4,170
GS-2.....	3,540	3,645	3,750	3,855	3,960	4,065	4,170	4,275	4,380	4,485
GS-3.....	3,800	3,905	4,010	4,115	4,220	4,330	4,455	4,580	4,705	4,830
GS-4.....	4,110	4,250	4,390	4,530	4,670	4,810	4,950	5,090	5,230	5,370
GS-5.....	4,565	4,715	4,865	5,015	5,165	5,315	5,465	5,615	5,765	5,915
GS-6.....	5,035	5,205	5,375	5,545	5,715	5,885	6,055	6,225	6,395	6,565
GS-7.....	5,540	5,725	5,910	6,095	6,280	6,465	6,650	6,835	7,020	7,205
GS-8.....	6,090	6,295	6,500	6,705	6,910	7,115	7,320	7,525	7,730	7,935
GS-9.....	6,675	6,900	7,125	7,350	7,575	7,800	8,025	8,250	8,475	8,700
GS-10.....	7,290	7,535	7,780	8,025	8,270	8,515	8,760	9,005	9,250	9,495
GS-11.....	7,960	8,225	8,490	8,755	9,020	9,285	9,550	9,815	10,080	10,345
GS-12.....	9,380	9,695	10,010	10,325	10,640	10,955	11,270	11,585	11,900	12,215
GS-13.....	10,965	11,336	11,695	12,060	12,425	12,790	13,155	13,520	13,885	14,250
GS-14.....	12,665	13,090	13,515	13,940	14,365	14,790	15,215	15,640	16,065	16,490
GS-15.....	14,495	14,975	15,455	15,935	16,415	16,895	17,375	17,855	18,335	18,815
GS-16.....	16,400	16,945	17,490	18,035	18,580	19,125	19,670	-----	-----	-----
GS-17.....	18,350	18,960	19,570	20,180	-----	-----	-----	-----	-----	-----
GS-18.....	20,315	-----	-----	-----	-----	-----	-----	-----	-----	-----
GS-19.....	22,245	-----	-----	-----	-----	-----	-----	-----	-----	-----
GS-20.....	23,000	-----	-----	-----	-----	-----	-----	-----	-----	-----

6 (b) The rates of basic compensation of officers and
 7 employees to whom subsection (a) of this section applies
 8 shall, subject to the provisions of paragraph (8) of this sub-
 9 section, be initially adjusted as follows:

10 (1) If the officer or employee is receiving basic compen-
 11 sation immediately prior to the effective date of subsection
 12 (a) of this section at the first, second, third, fourth, fifth,
 13 sixth, or seventh scheduled rate, or at the first, second,
 14 or third longevity rate of a grade below grade 11
 15 of the General Schedule of the Classification Act of 1949,
 16 as amended, he shall receive a rate of basic compensation at

1 the corresponding first, second, third, fourth, fifth, sixth,
2 seventh, eighth, ninth, or tenth rate of the appropriate grade
3 in effect on and after such date.

4 (2) If the officer or employee is receiving basic com-
5 pensation immediately prior to the effective date of sub-
6 section (a) of this section at the first, second, third, fourth,
7 fifth, or sixth scheduled rate, or at the first, second, or
8 third longevity rate of grade 11, 12, 13, or 14 of the
9 General Schedule of the Classification Act of 1949, as
10 amended, he shall receive a rate of basic compensation at
11 the corresponding first, second, third, fourth, fifth, sixth,
12 seventh, eighth, or ninth rate of the appropriate grade in
13 effect on and after such date.

14 (3) If the officer or employee is receiving basic compen-
15 sation immediately prior to the effective date of subsection
16 (a) of this section at the first, second, third, fourth, or fifth
17 scheduled rate, or at the first, second, or third longevity rate
18 of grade 15 of the General Schedule of the Classification
19 Act of 1949, as amended, he shall receive a rate of basic
20 compensation at the corresponding first, second, third, fourth,
21 fifth, sixth, seventh, or eighth rate of such grade in effect
22 on and after such date.

23 (4) If the officer or employee is receiving basic compen-
24 sation immediately prior to the effective date of subsection

1 (a) of this section at the first, second, third, fourth, or fifth
2 rate of grade 16 of the General Schedule of the Classification
3 Act of 1949, as amended, he shall receive a rate of basic
4 compensation at the corresponding first, second, third, fourth,
5 or fifth rate of such grade in effect on and after such date.

6 (5) If the officer or employee is receiving basic com-
7 pensation immediately prior to the effective date of subsection

8 (a) of this section at the first, second, third, fourth, or fifth
9 rate of grade 17 of the General Schedule of the Classification
10 Act of 1949, as amended, he shall receive a rate of basic
11 compensation at the corresponding first, second, third, fourth,
12 or fifth rate of such grade in effect on and after such date.

13 (6) If the officer or employee is receiving basic compen-
14 sation immediately prior to the effective date of subsection

15 (a) of this section at the rate of grade 18 of the General
16 Schedule of the Classification Act of 1949, as amended, he
17 shall receive a rate of basic compensation at the correspond-
18 ing rate of such grade in effect on and after such date.

19 (7) If the officer or employee is receiving basic compen-
20 sation immediately prior to the effective date of subsection

21 (a) of this section at a rate between two scheduled or two
22 longevity rates, or between a scheduled and a longevity rate,
23 of a grade of the General Schedule, he shall receive a rate

1 of basic compensation at the higher of the two corresponding
2 rates, as specified in paragraphs (1), (2), (3), or (4) of
3 this subsection, in effect on and after such date.

4 (8) If the officer or employee is receiving basic compen-
5 sation immediately prior to the effective date of subsection
6 (a) of this section at a rate in excess of the maximum
7 longevity rate for his grade, or in excess of the maximum
8 scheduled rate for his grade if there is no longevity rate for
9 his grade, he shall receive (A) the rate of the new schedule,
10 in effect on and after such date, prescribed by paragraphs
11 (1) through (5) of this subsection for employees at the
12 maximum longevity rate or at the maximum scheduled rate,
13 as the case may be, for his grade, or (B) if such rate is
14 less than his existing rate, (i) the lowest rate of the new
15 schedule for his grade which equals or exceeds his existing
16 rate or (ii) if there is no such rate, his existing rate.

17 (9) Service of officers and employees performed imme-
18 diately preceding the effective date of subsection (a) of this
19 section in the grade of the General Schedule in which their
20 respective positions were placed on such date, shall be
21 counted toward not to exceed one step increase under the
22 time in grade provisions of subsection (a) of section 701 of
23 the Classification Act of 1949 as amended by this Act.

24 (c) Effective on the first day of the first pay period
25 which begins on or after January 1, 1964, section 603 (b) of

1 the Classification Act of 1949, as amended (74 Stat. 298
 2 as amended; 5 U.S.C. —), is amended to read as follows:
 3 “(b) The compensation schedule for the General Sched-
 4 ule shall be as follows:

“Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1.....	\$3,265	\$3,370	\$3,475	\$3,580	\$3,685	\$3,790	\$3,895	\$4,000	\$4,105	\$4,210
GS-2.....	3,580	3,685	3,790	3,895	4,000	4,105	4,210	4,315	4,420	4,525
GS-3.....	3,840	3,945	4,050	4,155	4,260	4,375	4,500	4,625	4,750	4,875
GS-4.....	4,175	4,315	4,455	4,595	4,735	4,875	5,015	5,155	5,295	5,435
GS-5.....	4,645	4,800	4,955	5,110	5,265	5,420	5,575	5,730	5,885	6,040
GS-6.....	5,165	5,335	5,505	5,675	5,845	6,015	6,185	6,355	6,525	6,695
GS-7.....	5,695	5,885	6,075	6,265	6,455	6,645	6,835	7,025	7,215	7,405
GS-8.....	6,285	6,495	6,705	6,915	7,125	7,335	7,545	7,755	7,965	8,175
GS-9.....	6,925	7,155	7,385	7,615	7,845	8,075	8,305	8,535	8,765	8,995
GS-10.....	7,585	7,840	8,095	8,350	8,605	8,860	9,115	9,370	9,625	9,880
GS-11.....	8,325	8,600	8,875	9,150	9,425	9,700	9,975	10,250	10,525	10,800
GS-12.....	9,910	10,240	10,570	10,900	11,230	11,560	11,890	12,220	12,550	12,880
GS-13.....	11,670	12,060	12,450	12,840	13,230	13,620	14,010	14,400	14,790	15,180
GS-14.....	13,615	14,070	14,525	14,980	15,435	15,890	16,345	16,800	17,255	17,710
GS-15.....	15,725	16,250	16,775	17,300	17,825	18,350	18,875	19,400	19,925	20,450
GS-16.....	17,970	18,570	19,170	19,770	20,370	20,970	21,570			
GS-17.....	20,325	21,000	21,675	22,350						
GS-18.....	22,740									
GS-19.....	25,150									
GS-20.....	26,000									

5 (d) The rates of basic compensation of officers and em-
 6 ployees to whom subsection (c) of this section applies shall
 7 be initially adjusted as follows:

8 (1) If the officer or employee is receiving basic compen-
 9 sation immediately prior to the effective date of subsection
 10 (c) of this section at one of the rates of a grade in the Gen-
 11 eral Schedule of the Classification Act of 1949, as amended,
 12 he shall receive a rate of basic compensation at the corre-
 13 sponding rate in effect on and after such date.

14 (2) If the officer or employee is receiving basic com-
 15 pensation immediately prior to the effective date of subsec-
 16 tion (c) of this section at a rate between two rates of a grade

1 in the General Schedule of the Classification Act of 1949, as
 2 amended, he shall receive a rate of basic compensation at the
 3 higher of the two corresponding rates in effect on and after
 4 such date.

5 (3) If the officer or employee is receiving basic com-
 6 pensation immediately prior to the effective date of subsection
 7 (c) of this section at a rate in excess of the maximum rate
 8 for his grade, as in effect on and after such effective date, he
 9 shall receive (A) the rate of the new schedule prescribed
 10 for employees at the maximum rate for his grade, or (B)
 11 his existing rate of basic compensation if such existing rate
 12 is higher.

13 (e) Effective on the first day of the first pay period
 14 which begins on or after January 1, 1965, section 603 (b)
 15 of the Classification Act of 1949, as amended (74 Stat. 298
 16 as amended; 5 U.S.C. —), is amended to read as follows:
 17 “(b) The compensation schedule for the General
 18 Schedule shall be as follows:

Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1.....	\$3,305	\$3,410	\$3,515	\$3,620	\$3,725	\$3,830	\$3,935	\$4,040	\$4,145	\$4,250
GS-2.....	3,620	3,725	3,830	3,935	4,040	4,145	4,250	4,355	4,460	4,565
GS-3.....	3,880	3,985	4,090	4,195	4,300	4,405	4,525	4,650	4,775	4,900
GS-4.....	4,215	4,355	4,495	4,635	4,775	4,915	5,055	5,195	5,335	5,475
GS-5.....	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130
GS-6.....	5,235	5,410	5,585	5,760	5,935	6,110	6,285	6,460	6,635	6,810
GS-7.....	5,795	5,990	6,185	6,380	6,575	6,770	6,965	7,160	7,355	7,550
GS-8.....	6,420	6,635	6,850	7,065	7,280	7,495	7,710	7,925	8,140	8,355
GS-9.....	7,095	7,330	7,565	7,800	8,035	8,270	8,505	8,740	8,975	9,210
GS-10.....	7,800	8,060	8,320	8,580	8,840	9,100	9,360	9,620	9,880	10,140
GS-11.....	8,580	8,865	9,150	9,435	9,720	10,005	10,290	10,575	10,860	11,145
GS-12.....	10,270	10,615	10,960	11,305	11,650	11,995	12,340	12,685	13,030	13,375
GS-13.....	12,190	12,595	13,000	13,405	13,810	14,215	14,620	15,025	15,430	15,835
GS-14.....	14,310	14,785	15,260	15,735	16,210	16,685	17,160	17,635	18,110	18,585
GS-15.....	16,620	17,175	17,730	18,285	18,840	19,395	19,950	20,505	21,060	21,615
GS-16.....	19,125	19,760	20,395	21,030	21,665	22,300	22,935	-----	-----	-----
GS-17.....	21,755	22,480	23,205	23,930	-----	-----	-----	-----	-----	-----
GS-18.....	24,500	-----	-----	-----	-----	-----	-----	-----	-----	-----
GS-19.....	27,290	-----	-----	-----	-----	-----	-----	-----	-----	-----
GS-20.....	28,000	-----	-----	-----	-----	-----	-----	-----	-----	-----

1 (f) The rates of basic compensation of officers and em-
2 ployees to whom subsection (e) of this section applies shall
3 be initially adjusted as follows:

4 (1) If the officer or employee is receiving basic com-
5 pensation immediately prior to the effective date of subsec-
6 tion (e) of this section at one of the rates of a grade in the
7 General Schedule of the Classification Act of 1949, as
8 amended, he shall receive a rate of basic compensation
9 at the corresponding rate in effect on and after such date.

10 (2) If the officer or employee is receiving basic compen-
11 sation immediately prior to the effective date of subsection
12 (e) of this section at a rate between two rates of a grade
13 in the General Schedule of the Classification Act of 1949, as
14 amended, he shall receive a rate of basic compensation at the
15 higher of the two corresponding rates in effect on and after
16 such date.

17 (3) If the officer or employee is receiving basic compen-
18 sation immediately prior to the effective date of subsection
19 (e) of this section at a rate in excess of the maximum rate
20 for his grade, as in effect on and after such effective date,
21 he shall receive (A) the rate of the new schedule prescribed
22 for employees at the maximum rate for his grade, or (B)
23 his existing rate of basic compensation if such existing rate
24 is higher.

1 STEP-INCREASES

2 SEC. 204. Title VII of the Classification Act of 1949,
3 as amended (5 U.S.C. 1121-1125), relating to step-in-
4 creases under such Act, is amended to read as follows:

5 "TITLE VII—STEP-INCREASES

6 "SEC. 701. (a) Each officer or employee compensated
7 on a per annum basis, and occupying a permanent position
8 within the scope of the compensation schedules fixed by this
9 Act, who has not attained the maximum rate of compensa-
10 tion for the grade in which his position is placed, shall be
11 advanced in compensation successively to the next higher
12 rate within the grade at the beginning of the next pay period
13 following the completion of (1) each fifty-two calendar
14 weeks of service in salary rates 1, 2, and 3, or (2) each one
15 hundred and four calendar weeks of service in salary rates
16 4, 5, and 6, or (3) each one hundred and fifty-six calendar
17 weeks of service in salary rates 7, 8, and 9, subject to the
18 following conditions:

19 "(A) That no equivalent increase in compensation
20 from any cause was received during such period;

21 "(B) That his work is of an acceptable level of
22 competence; and

23 "(C) That the benefit of successive step-increases
24 shall be preserved, under regulations issued by the Com-

1 mission, for officers and employees whose continuous
2 service is interrupted in the public interest by service
3 with the Armed Forces or by service in essential non-
4 Government civilian employment during a period of
5 war or national emergency.

6 “(b) Any increase in compensation granted by law after
7 June 30, 1951, shall not be construed to be an equivalent in-
8 crease in compensation within the meaning of subsection (a).

9 “SEC. 702. (a) Within the limit of available appropri-
10 ations and in accordance with regulations prescribed by the
11 Commission, the head of each department or agency is au-
12 thorized to grant additional step-increases in recognition of
13 high quality performance above that ordinarily found in the
14 type of position concerned. Step-increases under this section
15 shall be in addition to those under section 701 and shall not
16 be construed to be an equivalent increase in compensation
17 within the meaning of subsection (a) of section 701.

18 “(b) No officer or employee shall be eligible under this
19 section for more than one such additional step-increase within
20 any period of fifty-two weeks.

21 “SEC. 703. This title shall not apply to the compensation
22 of persons appointed by the President, by and with the advice
23 and consent of the Senate.”

1 GENERAL COMPENSATION RULES

2 SEC. 205. Section 801 of the Classification Act of 1949,
3 as amended (5 U.S.C. 1131), relating to new appointments,
4 is amended to read as follows:

5 “SEC. 801. All new appointments shall be made at the
6 minimum rate of the appropriate grade, except that the head
7 of any department or agency may, in accordance with regu-
8 lations prescribed by the Commission, (a) appoint individ-
9 uals who have extra qualifications for the position concerned
10 at such higher rate or rates of a grade as the Commission
11 may authorize for this purpose, and (b) make new appoint-
12 ments at rates above the minimum rate of the appropriate
13 grade when the minimum rate would be less than the salary
14 received by a well qualified appointee immediately prior to
15 appointment, but no appointment under this subsection (b)
16 shall be made at a rate higher than the lowest rate of the
17 appropriate grade which equals or exceeds an appointee's
18 salary rate immediately prior to appointment.”.

19 SEC. 206. (a) Subsection (b) of section 802 of the
20 Classification Act of 1949, as amended (5 U.S.C. 1132 (b)),
21 relating to the salary to be received by an officer or employee
22 who is promoted or transferred to a higher grade, is
23 amended to read as follows:

1 “(b) Any officer or employee who is promoted or trans-
2 ferred to a position in a higher grade shall receive basic
3 compensation at the lowest rate of such higher grade which
4 exceeds his existing rate of basic compensation by not less
5 than two step-increases of the grade from which he is pro-
6 moted or transferred. If, in the case of any officer or em-
7 ployee so promoted or transferred who is receiving basic
8 compensation at a rate in excess of the maximum rate for his
9 grade under any provision of law, there is no rate in such
10 higher grade which is at least two step-increases above his
11 existing rate of basic compensation, he shall receive (1) the
12 maximum rate of such higher grade, or (2) his existing rate
13 of basic compensation, if such existing rate is the higher.”

14 (b) Section 802 of such Act is further amended by add-
15 ing at the end thereof a new subsection to read as follows:

16 “(d) The Commission may issue regulations governing
17 the retention of the rate of basic compensation of an em-
18 ployee who together with his position is brought under this
19 Act. If an employee entitled to receive a retained rate
20 under regulations issued pursuant to this subsection is later
21 demoted to a position under this Act, his rate of basic com-
22 pensation shall be determined in accordance with section 507

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1 of this Act, except that service in the position which was
2 brought under the Act shall, for purposes of section 507, be
3 considered as service under this Act.”.

4 SEC. 207. Section 803 of the Classification Act of 1949,
5 as amended (5 U.S.C. 1133), is amended to read as follows:

6 “SEC. 803. Any employee in a position under the Classi-
7 fication Act of 1949, as amended, who regularly has re-
8 sponsibility for supervision, including technical supervision,
9 over employees whose compensation is fixed and adjusted
10 from time to time by wage boards or similar administrative
11 authorities as nearly as is consistent with the public interest
12 in accordance with prevailing rates, may, in accordance with
13 regulations issued by the Commission, be paid a rate for his
14 grade which is above the highest rate of basic compensation
15 being paid to any such prevailing-rate employee regularly
16 supervised.”.

17 SALARY RETENTION

18 SEC. 208. Section 507 of the Classification Act of 1949,
19 as amended (72 Stat. 830; 5 U.S.C. 1107), is amended—

20 (1) by striking out “(other than grade 16, 17,
21 or 18 of the General Schedule)” in paragraph (1) of
22 subsection (a) of such section; and

23 (2) by striking out “(B) in the same grade or
24 in the same and higher grades;” in paragraph (4) of
25 subsection (a) of such section; and by inserting in

1 lieu thereof “(B) in any grade or grades higher than
2 the grade to which demoted;”.

3 TOP GRADE POSITIONS UNDER CLASSIFICATION ACT OF 1949

4 SEC. 209. Section 505 of the Classification Act of 1949,
5 as amended (5 U.S.C. 1105), relating to the authorization
6 and distribution of positions in grades 16, 17, and 18 of
7 the General Schedule of such Act, is amended to read as
8 follows:

9 “SEC. 505. (a) No positions shall be placed in grade
10 16, 17, or 18 of the General Schedule except by action of,
11 or after prior approval by, a majority of the Civil Service
12 Commissioners.

13 “(b) A position shall be placed in grade 20 of the
14 General Schedule only when the President finds, after re-
15 view of recommendations of the Commission, that it entails
16 responsibility for direction of a program or activity involv-
17 ing such significant implications for the national interest or
18 such magnitude of operations and impact on the public
19 welfare that it should be placed in the highest grade in
20 which positions can be placed under the Classification Act.”

21 “(c) A position shall be placed in grade 19 of the Gen-
22 eral Schedule only when the President finds, after review of
23 the recommendations of the Commission, that its duties and
24 responsibilities are of such national significance that it should
25 be at a higher level than positions in grade 18 of the General

1 Schedule although it does not meet the requirements of grade
2 20 of the General Schedule.

3 “(d) (1) The Commission shall submit to the Con-
4 gress, not later than February 1 of each year, a report which
5 sets forth with respect to positions allocated to or placed in
6 grades 16, 17, and 18 of the General Schedule (including
7 such positions so allocated or placed on a temporary or
8 present incumbency basis) —

9 “(A) the total number of such positions allocated
10 to or placed in all of such grades during the immediately
11 preceding calendar year, the total number of such posi-
12 tions allocated to or placed in each of such grades during
13 such immediately preceding calendar year, and the total
14 number of such positions in existence during such im-
15 mediately preceding calendar year and the grades to or
16 in which such total number of positions in existence are
17 allocated or placed;

18 “(B) the name, rate of compensation, and de-
19 scription of the qualifications of each incumbent of each
20 such position, together with the position title and a
21 statement of the duties and responsibilities performed
22 by each such incumbent; and

23 “(C) such other information as may be required
24 by law or as the Commission may deem appropriate.

25 Nothing contained in this subsection shall require the resub-

1 mission of any information required under subparagraph
2 (B) of this subsection which has been reported pursuant to
3 this subsection and which remains unchanged.

4 “(2) In any instance in which the Commission may
5 find full public disclosure of any or all of the above-specified
6 items to be detrimental to the national security, the Com-
7 mission is authorized—

8 “(A) to omit in such annual report those items
9 with respect to which full public disclosure is found
10 to be detrimental to the national security;

11 “(B) to inform the Congress of such omission; and

12 “(C) at the request of any congressional committee
13 to which such report is referred, to present all informa-
14 tion concerning such items.”

15 CONFORMING CHANGES IN EXISTING LAW

16 SEC. 210. The following provisions of law are hereby
17 repealed:

18 (1) Section 104 of the Department of Commerce and
19 Related Agencies Appropriation Act, 1956 (69 Stat. 234;
20 5 U.S.C. 592 (d)), authorizing grade 17 of the General
21 Schedule of the Classification Act of 1949 for the position
22 of Budget Officer of the Department of Commerce so long as
23 the position is held by the present incumbent.

24 (2) The second proviso of the paragraph under the
25 heading “Federal Prison System” and under the subheading

1 “Salaries and Expenses, Bureau of Prisons” in the Depart-
2 ment of Justice Appropriation Act, 1956 (69 Stat. 273;
3 5 U.S.C. 298a), authorizing the Attorney General, without
4 regard to the Classification Act of 1949, to place three posi-
5 tions in grade 16 of the General Schedule established by such
6 Act.

7 (3) Section 206 of the Public Works Appropriation
8 Act, 1956 (69 Stat. 360; 5 U.S.C. 483-2), authorizing the
9 Secretary of the Interior to place the position of Director,
10 Division of Budget and Finance, in grade 17 of the General
11 Schedule established by the Classification Act of 1949 so
12 long as the position is held by the present incumbent.

13 (4) The second paragraph under the heading “Admin-
14 istrative Provisions” in title III of the Public Works Ap-
15 propriation Act, 1956 (69 Stat. 364; 10 U.S.C. 1335,
16 note), authorizing the Chief of Engineers to place the posi-
17 tion of Chief of the Programs Branch, Office of the Assist-
18 ant Chief of Engineers for Civil Works, in grade 17 of the
19 General Schedule established by the Classification Act of
20 1949 so long as the position is held by the present
21 incumbent.

22 (5) The fourth sentence of section 10 (b) (4) of the
23 Railroad Retirement Act of 1937 (72 Stat. 1781; 45 U.S.C.
24 228j (b) (4)), authorizing nine positions in grades 16, 17,

1 and 18 of the General Schedule established by the Classifi-
2 cation Act of 1949.

3 (6) Section 14(a) of the Federal Employees Health
4 Benefits Act of 1959 (73 Stat. 716; 5 U.S.C. 3013(a)),
5 authorizing the Chairman of the Civil Service Commission
6 to appoint in grade 18 of the General Schedule an officer
7 having functions and duties with respect to retirement, life
8 insurance, and health benefits programs.

9 (7) Section 24(d) of the Area Redevelopment Act (75
10 Stat. 62; — U.S.C. —), authorizing five positions in grades
11 16, 17, and 18 of the General Schedule established by the
12 Classification Act of 1949 for agencies performing functions
13 under that Act.

14 (8) The last sentence of the third paragraph in section
15 3 of title 35 of the United States Code, relating to the annual
16 salaries of certain officers and employees in the Patent Office,
17 which reads: "The Secretary of Commerce is authorized to
18 fix the per annum rate of basic compensation of each exam-
19 iner-in-chief in the Patent Office at not in excess of the
20 maximum scheduled rate provided for positions in grade 17
21 of the General Schedule of the Classification Act of 1949,
22 as amended."

23 (9) The fourth sentence in the second paragraph of
24 section 7 of title 35 of the United States Code, relating to

1 the annual salaries of designated examiners-in-chief in the
2 Patent Office, which reads: "The Secretary of Commerce is
3 authorized to fix the per annum rate of basic compensation
4 of each designated examiner-in-chief in the Patent Office at
5 not in excess of the maximum scheduled rate provided for
6 positions in grade 16 of the General Schedule of the Classifi-
7 cation Act of 1949, as amended."

8 (10) The fourth sentence of section 3 (a) of the Fish
9 and Wildlife Act of 1956 (70 Stat. 1120; 16 U.S.C.
10 742b (a)), relating to the annual salary of the Commissioner
11 of Fish and Wildlife in the Department of the Interior, which
12 reads: "He shall receive compensation at the same rate as
13 that provided for grade GS-18."

14 (11) The proviso contained in the first sentence of sec-
15 tion 5 (d) of the Farm Credit Act of 1953, as amended (75
16 Stat. 793; 12 U.S.C. 636d (d)), relating to the annual sal-
17 aries for not more than three positions of deputy governor in
18 the Farm Credit Administration, which reads: " : *Provided*,
19 That the salary of not more than three positions of deputy
20 governor each shall be fixed by the Board at a rate not ex-
21 ceeding the maximum scheduled rate of the General Schedule
22 of the Classification Act of 1949, as amended".

23 (12) Subsection (b) of section 7 of the Peace Corps Act
24 (75 Stat. 615; — U.S.C. —), relating to the compensation
25 of certain persons employed under that Act.

1 (13) The first proviso in the paragraph under the head-
2 ing "Immigration and Naturalization Service" and under the
3 subheading "Salaries and Expenses" in the Department of
4 Justice Appropriation Act, 1957 (70 Stat. 307; 5 U.S.C.
5 342b-1), relating to the annual salaries of the five assistant
6 commissioners and one district director in the Immigration
7 and Naturalization Service, which reads: " : *Provided*, That
8 the compensation of the five assistant commissioners and one
9 district director shall be at the rate of grade GS-16".

10 (14) That part of section 207 of the Agricultural Act
11 of 1956 (70 Stat. 200; 7 U.S.C. 1857), relating to the
12 annual salary of an agricultural surplus disposal adminis-
13 trator in the Department of Agriculture, which reads: " , at
14 a salary rate of not exceeding \$15,000 per annum,".

15 (15) Section 503 of the Act of July 31, 1956 (70
16 Stat. 762; 5 U.S.C. 1105a), relating to the submission of
17 reports to Congress with respect to positions in the top
18 grades of the Classification Act of 1949, as amended.

19 (16) Section 1102 of the Classification Act of 1949,
20 as amended (63 Stat. 971; 5 U.S.C. 1073), relating to the
21 submission of reports with respect to the rates of compensa-
22 tion under, and the administration of, such Act.

23 (17) Section 803 of the Classification Act of 1949, as
24 amended (68 Stat. 1106; 5 U.S.C. 1133), relating to author-

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1 ity of the Civil Service Commission to increase, under cer-
2 tain conditions, the existing minimum rate of basic compen-
3 sation for a given class of positions.

4 SEC. 211. (a) Subsection (b) of section 625 of the
5 Foreign Assistance Act of 1961 (75 Stat. 449; — U.S.C.
6 —), is amended to read:

7 “(b) Of the personnel employed in the United States to
8 carry out part I or coordinate part I and part II, not to
9 exceed seventy-six may be appointed or removed without
10 regard to the provisions of any law: *Provided*, That under
11 such regulations as the President shall prescribe, officers
12 and employees of the United States Government who are
13 appointed to any of the above positions may be entitled,
14 upon removal from such position, to reinstatement to the
15 position occupied at the time of appointment or to a position
16 of comparable grade and salary. Such positions shall be in
17 addition to those authorized by law to be filled by Presi-
18 dential appointment.”.

19 (b) Subsection (c) of such section 625 of the Foreign
20 Assistance Act of 1961 is repealed.

21 (c) Subsection (b) of section 104 of the Mutual Educa-
22 tional and Cultural Exchange Act of 1961 (75 Stat. 530; —
23 U.S.C. —), relating to the employment and compensation of
24 certain personnel to carry out the provisions of that Act, is
25 amended to read:

1 “(b) The President is authorized to employ such other
2 personnel as he deems necessary to carry out the provisions
3 and purposes of this Act.”.

4 SEC. 212. (a) Each position specifically referred to in,
5 or covered by, any amendment made by sections 210 and 211
6 of this title shall be placed in the appropriate grade of the
7 General Schedule of the Classification Act of 1949, as
8 amended, in accordance with the provisions of such Act.

9 (b) Positions in grades 16, 17, or 18, as the case may
10 be, of the General Schedule of the Classification Act of
11 1949, as amended, immediately prior to the effective date
12 of this section, shall remain, on and after such effective date,
13 in their respective grades, until appropriate action is taken
14 under section 505 of the Classification Act of 1949 as in
15 effect on and after such effective date.

16 SAVINGS PROVISIONS

17 SEC. 213. (a) The changes in existing law made by
18 this title shall not affect any position existing immediately
19 prior to the effective date of any such changes in existing
20 law, the compensation attached to such position, and any
21 incumbent thereof, his appointment thereto, and his entitle-
22 ment to receive the compensation attached thereto, until
23 appropriate action is taken in accordance with this title.

24 (b) The incumbent of each such position immediately
25 prior to the effective date of this title shall continue to

1 receive the rate of basic compensation which he was receiv-
2 ing immediately prior to such effective date until he leaves
3 such position or until he is entitled to receive compensation
4 at a higher rate in accordance with law. When such in-
5 cumbent leaves such position, the rate of basic compensation
6 of each subsequent appointee to such position shall be deter-
7 mined in accordance with the Classification Act of 1949,
8 as amended.

9 EFFECTIVE DATES

10 SEC. 214. The foregoing provisions of this title shall,
11 except as provided in section 203, become effective on the
12 first day of the first pay period which begins on or after
13 January 1, 1963.

14 TITLE III—POSTAL FIELD SERVICE EMPLOYEES

15 SHORT TITLE

16 SEC. 301. This title may be cited as the "Postal Em-
17 ployees Salary Adjustment Act of 1962."

18 POSTAL FIELD SERVICE SCHEDULE

19 SEC. 302. Subsection (a) of section 3542 of title 39,
20 United States Code, is amended to read as follows:

21 "(a) There are established basic compensation schedules
22 for positions in the postal field service which shall be known

- 1 as the Postal Field Service Schedules and for which the sym-
- 2 bol shall be 'PFS'. The schedules shall become effective on
- 3 the dates specified herein. Except as provided in sections
- 4 3543 and 3544 of this title, basic compensation shall be
- 5 paid to all employees in accordance with these schedules.

POSTAL FIELD SERVICE SCHEDULE

(To become effective on the first day of the first pay period which begins on or after January 1, 1963)

PFS	Per annum rates and steps												
	1	2	3	4	5	6	7	8	9	10	11	12	13
1.....	\$3,565	\$3,685	\$3,805	\$3,925	\$4,045	\$4,165	\$4,285	\$4,405	\$4,525	\$4,645	\$4,765	\$4,885	\$5,005
2.....	3,855	3,985	4,115	4,245	4,375	4,505	4,635	4,765	4,895	5,025	5,155	5,285	5,415
3.....	4,175	4,315	4,455	4,595	4,735	4,875	5,015	5,155	5,295	5,435	5,575	5,715	5,855
4.....	4,525	4,675	4,825	4,975	5,125	5,275	5,425	5,575	5,725	5,875	6,025	6,175	6,325
5.....	4,890	5,055	5,220	5,385	5,550	5,715	5,880	6,045	6,210	6,375	6,540	6,705	6,870
6.....	5,305	5,480	5,655	5,830	6,005	6,180	6,355	6,530	6,705	6,880	7,055	7,230	7,405
7.....	5,740	5,930	6,120	6,310	6,500	6,690	6,880	7,070	7,260	7,450	7,640	-----	-----
8.....	6,215	6,420	6,625	6,830	7,035	7,240	7,445	7,650	7,855	8,060	-----	-----	-----
9.....	6,715	6,940	7,165	7,390	7,615	7,840	8,065	8,290	8,515	8,740	-----	-----	-----
10.....	7,260	7,500	7,740	7,980	8,220	8,460	8,700	8,940	9,180	9,420	-----	-----	-----
11.....	7,960	8,225	8,490	8,755	9,020	9,285	9,550	9,815	10,080	10,345	-----	-----	-----
12.....	8,735	9,025	9,315	9,605	9,895	10,185	10,475	10,765	11,055	11,345	-----	-----	-----
13.....	9,575	9,895	10,215	10,535	10,855	11,175	11,495	11,815	12,135	12,455	-----	-----	-----
14.....	10,510	10,860	11,210	11,560	11,910	12,260	12,610	12,960	13,310	13,660	-----	-----	-----
15.....	11,525	11,910	12,295	12,680	13,065	13,450	13,835	14,220	14,605	14,990	-----	-----	-----
16.....	12,650	13,070	13,490	13,910	14,330	14,750	15,170	15,590	16,010	16,430	-----	-----	-----
17.....	13,880	14,340	14,800	15,260	15,720	16,180	16,640	17,100	17,560	18,020	-----	-----	-----
18.....	15,225	15,730	16,235	16,740	17,245	17,750	18,255	18,760	19,265	19,770	-----	-----	-----
19.....	16,700	17,255	17,810	18,365	18,920	19,475	20,030	-----	-----	-----	-----	-----	-----
20.....	18,350	18,960	19,570	20,180	-----	-----	-----	-----	-----	-----	-----	-----	-----

(To become effective on the first day of the first pay period which begins on or after January 1, 1964)

PFS	Per annum rates and steps												
	1	2	3	4	5	6	7	8	9	10	11	12	13
1.....	\$3,660	\$3,785	\$3,910	\$4,035	\$4,160	\$4,285	\$4,410	\$4,535	\$4,660	\$4,785	\$4,910	\$5,035	\$5,160
2.....	3,960	4,095	4,230	4,365	4,500	4,635	4,770	4,905	5,040	5,175	5,310	5,445	5,580
3.....	4,290	4,435	4,580	4,725	4,870	5,015	5,160	5,305	5,450	5,595	5,740	5,885	6,030
4.....	4,645	4,800	4,955	5,110	5,265	5,420	5,575	5,730	5,885	6,040	6,195	6,350	6,505
5.....	5,020	5,190	5,360	5,530	5,700	5,870	6,040	6,210	6,380	6,550	6,720	6,890	7,060
6.....	5,440	5,620	5,800	5,980	6,160	6,340	6,520	6,700	6,880	7,060	7,240	7,420	7,600
7.....	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645	-----	-----	-----
8.....	6,375	6,585	6,795	7,005	7,215	7,425	7,635	7,845	8,055	8,265	-----	-----	-----
9.....	6,890	7,120	7,350	7,580	7,810	8,040	8,270	8,500	8,730	8,960	-----	-----	-----
10.....	7,540	7,790	8,040	8,290	8,540	8,790	9,040	9,290	9,540	9,790	-----	-----	-----
11.....	8,325	8,600	8,875	9,150	9,425	9,700	9,975	10,250	10,525	10,800	-----	-----	-----
12.....	9,185	9,490	9,795	10,100	10,405	10,710	11,015	11,320	11,625	11,930	-----	-----	-----
13.....	10,135	10,475	10,815	11,155	11,495	11,835	12,175	12,515	12,855	13,195	-----	-----	-----
14.....	11,190	11,565	11,940	12,315	12,690	13,065	13,440	13,815	14,190	14,565	-----	-----	-----
15.....	12,365	12,775	13,185	13,595	14,005	14,415	14,825	15,235	15,645	16,055	-----	-----	-----
16.....	13,645	14,100	14,555	15,010	15,465	15,920	16,375	16,830	17,285	17,740	-----	-----	-----
17.....	15,070	15,570	16,070	16,570	17,070	17,570	18,070	18,570	19,070	19,570	-----	-----	-----
18.....	16,625	17,180	17,735	18,290	18,845	19,400	19,955	20,510	21,065	21,620	-----	-----	-----
19.....	18,365	18,975	19,585	20,195	20,805	21,415	22,025	-----	-----	-----	-----	-----	-----
20.....	20,325	21,000	21,675	22,350	-----	-----	-----	-----	-----	-----	-----	-----	-----

(To become effective on the first day of the first pay period which begins on or after January 1, 1965)

PFS	Per annum rates and steps												
	1	2	3	4	5	6	7	8	9	10	11	12	13
1.....	\$3,705	\$3,830	\$3,955	\$4,080	\$4,205	\$4,330	\$4,455	\$4,580	\$4,705	\$4,830	\$4,955	\$5,080	\$5,205
2.....	4,010	4,145	4,280	4,415	4,550	4,685	4,820	4,955	5,090	5,225	5,360	5,495	5,630
3.....	4,345	4,490	4,635	4,780	4,925	5,070	5,215	5,360	5,505	5,650	5,795	5,940	6,085
4.....	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130	6,290	6,450	6,610
5.....	5,085	5,255	5,425	5,595	5,765	5,935	6,105	6,275	6,445	6,615	6,785	6,955	7,125
6.....	5,500	5,685	5,870	6,055	6,240	6,425	6,610	6,795	6,980	7,165	7,350	7,535	7,720
7.....	5,950	6,150	6,350	6,550	6,750	6,950	7,150	7,350	7,550	7,750	7,950		
8.....	6,440	6,655	6,870	7,085	7,300	7,515	7,730	7,945	8,160	8,375			
9.....	6,965	7,200	7,435	7,670	7,905	8,140	8,375	8,610	8,845	9,080			
10.....	7,725	7,985	8,245	8,505	8,765	9,025	9,285	9,545	9,805	10,065			
11.....	8,580	8,865	9,150	9,435	9,720	10,005	10,290	10,575	10,860	11,145			
12.....	9,520	9,835	10,150	10,465	10,780	11,095	11,410	11,725	12,040	12,355			
13.....	10,555	10,905	11,255	11,605	11,955	12,305	12,655	13,005	13,355	13,705			
14.....	11,700	12,090	12,480	12,870	13,260	13,650	14,040	14,430	14,820	15,210			
15.....	12,950	13,410	13,840	14,270	14,700	15,130	15,560	15,990	16,420	16,850			
16.....	14,400	14,875	15,350	15,825	16,300	16,775	17,250	17,725	18,200	18,675			
17.....	15,960	16,490	17,020	17,550	18,080	18,610	19,140	19,670	20,200	20,730			
18.....	17,690	18,280	18,870	19,460	20,050	20,640	21,230	21,820	22,410	23,000			
19.....	19,615	20,270	20,925	21,580	22,235	22,890	23,545						
20.....	21,755	22,480	23,205	23,930									

1 RURAL CARRIER SCHEDULES

2 SEC. 303. (a) Subsection (a) of section 3543 of title
3 39, United States Code, is amended to read as follows:

4 “(a) There are established basic compensation sched-
5 ules which shall be known as the Rural Carrier Schedules,
6 and for which the symbol shall be ‘RCS’. The schedules
7 shall become effective on the dates specified herein.

RURAL CARRIER SCHEDULE

(To become effective on the first day of the first pay period which begins on or after January 1, 1963)

Per annum rates and steps

1	2	3	4	5	6	7	8	9	10	11	12	13
\$4,850	\$5,010	\$5,170	\$5,330	\$5,490	\$5,650	\$5,810	\$5,970	\$6,130	\$6,290	\$6,450	\$6,610	\$6,770

(To become effective on the first day of the first pay period which begins on or after January 1, 1964)

Per annum rates and steps

1	2	3	4	5	6	7	8	9	10	11	12	13
\$4,970	\$5,135	\$5,300	\$5,465	\$5,630	\$5,795	\$5,960	\$6,125	\$6,290	\$6,455	\$6,620	\$6,785	\$, 950

(To become effective on the first day of the first pay period which begins on or after January 1, 1965)

Per annum rates and steps

1	2	3	4	5	6	7	8	9	10	11	12	13
\$5,045	\$5,210	\$5,375	\$5,540	\$5,705	\$5,870	\$6,035	\$6,200	\$6,365	\$6,530	\$6,695	\$6,860	\$7,025

1 (b) Subsection (b) of section 3543 of title 39, United
2 States Code, is amended to read as follows:

3 “(b) (1) The basic compensation to be paid a rural
4 carrier shall be the appropriate rate for his route as deter-
5 mined from the following table, which provides five service
6 classifications for rural routes based upon work requirements
7 for a week comprising six workdays.

Service classi- fication	Weekly work requirements	Basic compensation rate per annum
A.....	Less than 25 hours.....	76 percent of rural carrier schedule rate.
B.....	25 to 28 hours, 59 minutes.....	82 percent of rural carrier schedule rate.
C.....	29 to 32 hours, 59 minutes.....	88 percent of rural carrier schedule rate.
D.....	33 to 36 hours, 59 minutes.....	94 percent of rural carrier schedule rate.
E.....	37 hours and over.....	100 percent of rural carrier schedule rate. Plus 3.75 percent for each hour or fraction thereof over 40.

8 “(2) The basic compensation of a rural carrier serving
9 one triweekly route shall be one-half the amount which would
10 be due from a projection of the requirements for his route
11 over a six-day week. The basic compensation of a rural
12 carrier serving two triweekly routes shall be the rate for the
13 service classification based on the combined work require-
14 ments of the two routes.”

15 (c) Subsection (c) of section 3543 of title 39, United
16 States Code, is amended to read as follows:

17 “(c) (1) The Postmaster General shall determine the
18 weekly work requirements of each rural route by application

32

- 1 of the following work standards, pursuant to regulations
 2 prescribed by him:

(A) OFFICE TIME STANDARDS

	No. per minute
(i) Routing:	
Letters, cards, and letter size circulars-----	16
Papers, magazines, catalogs, etc.-----	8
Preparing parcel post for delivery-----	3
(ii) Other:	Minutes
Boxholder mail, whether cased or not, for each 25-----	1
Withdrawing mail from distribution cases (if the carrier does this)-----	5
Strapping mail into bundles—reasonable allowance not exceed- ing average time actually used.	
Loading mail into vehicles—reasonable allowance not exceeding average time actually used.	
Receipting for COD mail and making returns, for each of the first 5-----	2
For each COD in excess of first 5-----	1
Registers and certified signed for and receipts turned in-----	4
For each 4 pieces marked up-----	1
For each change of address recorded in roster book-----	1
Preparing mail collected (letters) and turning in same, each 25 pieces-----	1
Preparing and turning in parcel post mail collected, each-----	2
Preparing and turning in money order collections, each of first 5-----	2
For preparing and turning in each money order, each over 5---	1
Checking and purchasing stamp stock-----	5
For any other office work required and directed, but not listed above, suitable time allowance should be made.	

(B) DELIVERY TIME STANDARDS

	Minutes
For each route mile-----	2.4
For each three boxes on route-----	1
For each money order application received-----	2
For each register and certified acceptor-----	2
For each insured parcel accepted-----	2
For each ordinary parcel accepted-----	1
For each register, certified and insured delivered-----	3
For each COD delivered-----	4

(C) UNUSUAL CONDITIONS

Suitable time allowance should be made for any unusual circum-
 stances or other services not listed above which are peculiar to the indi-
 vidual route.

1 “(2) Whenever auxiliary assistance in the office or on
2 the route is provided, the work requirements for the route
3 shall be reduced at the rate of 50 minutes for each hour of
4 such assistance; and the route shall then be reclassified under
5 subsection (b) of this section if the amount of reduction in
6 work requirements is sufficient to affect the service classi-
7 fication of the route.”

8 (d) Subsection (d) of section 3543 of title 39, United
9 States Code, is amended to read as follows:

10 “(d) The Postmaster General shall provide for—

11 “(1) An annual inspection of each rural route.
12 Among other things such inspection shall include a count
13 of mail and provide for the development of the statisti-
14 cal data necessary to determine the service classification
15 of each route. Changes in basic compensation which
16 result from annual inspections shall become effective at
17 the beginning of the first pay period which commences
18 on or after July 1 of each calendar year.

19 “(2) Additional inspections, either upon manage-
20 ment initiative when deemed necessary or within sixty
21 days upon individual employee request for reclassification
22 due to service changes. Changes in basic compensation

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1 which result from other than annual inspections shall
2 become effective at the beginning of the pay period
3 following completion of the inspection.

4 “(3) Determination of the tentative service classi-
5 fication of a newly established rural route to be followed
6 by inspection, and appropriate service classification.”

7 (e) Subsection (f) of section 3543 of title 39, United
8 States Code, is amended to read as follows:

9 “(f) In addition to the compensation provided in this
10 section, each rural carrier shall be paid an allowance for
11 equipment maintenance determined as follows:

12 “(1) For routes having less than two hundred and
13 sixty stops, as determined by the Postmaster General, the
14 allowance shall be \$4 per day, or 10 cents a mile, which-
15 ever is the greater; and

16 “(2) For other routes, the allowance shall be the
17 greater of—

18 “(A) 10 cents a mile for each mile or major
19 fraction of a mile scheduled, or

20 “(B) The sum of the following:

21 “(i) \$4 a day,

22 “(ii) 5 cents for each twenty stops in ex-
23 cess of two hundred and sixty a day, as deter-
24 mined by the Postmaster General, and

25 “(iii) 5 cents a mile for each mile or major

1 fraction of a mile scheduled over twenty-two
2 miles.

3 “(3) When unusual road conditions contribute to
4 excessive costs in operation of equipment, the Post-
5 master General may pay an additional allowance as
6 he may deem to be fair and reasonable for such period
7 of time as the conditions prevail. The allowance under
8 this paragraph may not exceed the sum of \$2 a day,
9 and such allowance may be paid for not more than
10 ninety days in a calendar year.

11 Payment for equipment maintenance shall be made at the
12 same periods and in the same manner as payments of basic
13 compensation.”

14 (f) Section 3543 of title 39, United States Code, is
15 amended by adding thereto new subsections (i), (j), and
16 (k) as follows:

17 “(i) Each person serving as a substitute of record on
18 the effective date of this subsection shall be placed in step 1
19 of the Rural Carrier Schedule, and he shall be paid for each
20 day of service on the basis of the service classification of his
21 route. Thereafter, he shall be advanced by step-increases
22 pursuant to the provisions of sections 3552 and 3553 of this
23 title.

24 “(j) During the Christmas mailing season the Post-
25 master General may, in his discretion, advance the service

1 classification of such rural routes as service conditions
2 warrant.

3 “(k) The Postmaster General may pay additional com-
4 pensation to rural carriers who are required to carry pouch
5 mail to intermediate post offices, or for intersecting loop
6 routes, in all cases where it appears that the carriage of
7 pouches increases the expense of the equipment required by
8 the carrier or materially increases the amount of labor per-
9 formed by him. The compensation may not exceed the
10 sum of \$12 per annum for each mile the carrier is required
11 to carry the pouches.”

12 FOURTH CLASS OFFICE SCHEDULES

13 SEC. 304. Section 3544 (a) of title 39, United States
14 Code, is amended to read as follows:

15 “(a) There are established basic compensation schedules
16 which shall be known as the Fourth Class Office Schedules,
17 and for which the symbol shall be ‘FOS’, for postmasters in
18 post offices of the fourth class. The schedules shall become
19 effective on the dates specified herein and are based upon the
20 gross postal receipts as contained in returns of the post office
21 for the calendar year immediately preceding. Basic com-
22 pensation shall be paid to postmasters in post offices of the
23 fourth class in accordance with these schedules, and the basic
24 compensation so paid, together with other forms of compen-

37

- 1 sation provided by this section, shall replace all existing
- 2 forms of compensation for these postmasters.

FOURTH CLASS OFFICE SCHEDULE

(To become effective on the first day of the first pay period which begins on or after
January 1, 1963)

Gross receipts	Per annum rates and steps												
	1	2	3	4	5	6	7	8	9	10	11	12	13
\$1,300 to \$1,499.99	\$3,510	\$3,627	\$3,744	\$3,861	\$3,978	\$4,095	\$4,212	\$4,329	\$4,446	\$4,563	\$4,680	\$4,797	\$4,914
\$900 to \$1,299.99	3,120	3,224	3,328	3,432	3,536	3,640	3,744	3,848	3,952	4,056	4,160	4,264	4,368
\$600 to \$899.99	2,730	2,821	2,912	3,003	3,094	3,185	3,276	3,367	3,458	3,549	3,640	3,731	3,822
\$350 to \$599.99	2,340	2,418	2,496	2,574	2,652	2,730	2,808	2,886	2,964	3,042	3,120	3,198	3,276
\$250 to \$349.99	1,950	2,015	2,080	2,145	2,210	2,275	2,340	2,405	2,470	2,535	2,600	2,665	2,730
\$200 to \$249.99	1,560	1,612	1,664	1,716	1,768	1,820	1,872	1,924	1,976	2,028	2,080	2,132	2,184
\$100 to \$199.99	1,170	1,209	1,248	1,287	1,326	1,365	1,404	1,443	1,482	1,521	1,560	1,599	1,638
Under \$100	780	806	832	858	884	910	936	962	988	1,014	1,040	1,066	1,092

(To become effective on the first day of the first pay period which begins on or after
January 1, 1964)

Gross receipts	Per annum rates and steps												
	1	2	3	4	5	6	7	8	9	10	11	12	13
\$1,300 to \$1,499.99	\$3,612	\$3,732	\$3,852	\$3,972	\$4,092	\$4,212	\$4,332	\$4,452	\$4,572	\$4,692	\$4,812	\$4,932	\$5,052
\$900 to \$1,299.99	3,210	3,317	3,424	3,531	3,638	3,745	3,852	3,959	4,066	4,173	4,280	4,387	4,494
\$600 to \$899.99	2,809	2,903	2,997	3,091	3,185	3,279	3,373	3,467	3,561	3,655	3,749	3,843	3,937
\$350 to \$599.99	2,408	2,488	2,568	2,648	2,728	2,808	2,888	2,968	3,048	3,128	3,208	3,288	3,368
\$250 to \$349.99	2,007	2,074	2,141	2,208	2,275	2,342	2,409	2,476	2,543	2,610	2,677	2,744	2,811
\$200 to \$249.99	1,605	1,659	1,713	1,767	1,821	1,875	1,929	1,983	2,037	2,091	2,145	2,199	2,253
\$100 to \$199.99	1,204	1,244	1,284	1,324	1,364	1,404	1,444	1,484	1,524	1,564	1,604	1,644	1,684
Under \$100	803	830	857	884	911	938	965	992	1,019	1,046	1,073	1,100	1,127

(To become effective on the first day of the first pay period which begins on or after
January 1, 1965)

Gross receipts	Per annum rates and steps												
	1	2	3	4	5	6	7	8	9	10	11	12	13
\$1,300 to \$1,499.99	\$3,654	\$3,776	\$3,898	\$4,020	\$4,142	\$4,264	\$4,386	\$4,508	\$4,630	\$4,752	\$4,874	\$4,996	\$5,118
\$900 to \$1,299.99	3,248	3,356	3,464	3,572	3,680	3,788	3,896	4,004	4,112	4,220	4,328	4,436	4,544
\$600 to \$899.99	2,842	2,937	3,032	3,127	3,222	3,317	3,412	3,507	3,602	3,697	3,792	3,887	3,982
\$350 to \$599.99	2,436	2,517	2,598	2,679	2,760	2,841	2,922	3,003	3,084	3,165	3,246	3,327	3,408
\$250 to \$349.99	2,030	2,098	2,166	2,234	2,302	2,370	2,438	2,506	2,574	2,642	2,710	2,778	2,846
\$200 to \$249.99	1,624	1,678	1,732	1,786	1,840	1,894	1,948	2,002	2,056	2,110	2,164	2,218	2,272
\$100 to \$199.99	1,218	1,258	1,298	1,338	1,378	1,418	1,458	1,498	1,538	1,578	1,618	1,658	1,698
Under \$100	812	839	866	893	920	947	974	1,001	1,028	1,055	1,082	1,109	1,136

- 3 SEC. 305. Section 3552 of title 39, United States Code,
- 4 is amended to read as follows:

- 5 “(a) Each employee in the postal field service, who
- 6 has not reached the highest step for his position, shall be
- 7 advanced successively to the next higher step, as follows:

- 8 “(1) To steps 2, 3, and 4—at the beginning of the

1 first pay period following the completion of fifty-two
2 calendar weeks of satisfactory service;

3 “(2) To steps 5, 6, and 7—at the beginning of the
4 first pay period following the completion of one hundred
5 and four calendar weeks of satisfactory service; and,

6 “(3) To steps 8 and above—at the beginning of the
7 first pay period following the completion of one hundred
8 and fifty-six calendar weeks of satisfactory service.

9 The receipt of an equivalent increase during any of the wait-
10 ing periods specified in paragraphs (1), (2), and (3) of
11 this subsection shall cause a new full waiting period to com-
12 mence for further step-increases.

13 “(b) Any increase in basic compensation granted by
14 law on or after January 1, 1962, to employees in the postal
15 field service shall not be deemed to be an equivalent in-
16 crease in basic compensation within the meaning of subsec-
17 tion (a) of this section.

18 “(c) The benefit of successive step-increases shall be
19 preserved, under regulations prescribed by the Postmaster
20 General, for employees whose continuous service is inter-
21 rupted by service in the armed services.”

22 SEC. 306. Section 3554 of title 39, United States Code,
23 is amended to read as follows:

1 **“§ 3554. Compensation of certain temporary employees**

2 “Temporary employees hired for a continuous period
3 of one year or less for a position in the postal field service
4 shall be paid basic compensation at the entrance step of the
5 position to which they are appointed.”.

6 SEC. 307. Section 3559 of title 39, United States Code,
7 is amended to read as follows:

8 “An employee who is promoted or transferred to a posi-
9 tion in the Postal Field Service Schedule which is not more
10 than two levels above the level of the position from which
11 promoted shall be paid basic compensation at the lowest
12 step of the higher salary level which exceeds his existing
13 basic compensation by not less than two steps of the salary
14 level from which promoted or transferred; an employee who
15 is promoted or transferred to a position in the Postal Field
16 Service Schedule which is more than two levels above the
17 level of the position from which promoted shall be paid
18 basic compensation at the lowest step of the higher salary
19 level which exceeds his existing basic compensation by not
20 less than three steps of the salary level from which pro-
21 moted or transferred. If there is no step in the salary level
22 to which the employee is promoted which exceeds his exist-
23 ing basic compensation by at least the amount of the specified

1 difference, the employee shall be paid (1) the maximum
2 step of the salary level to which promoted, or (2) his
3 existing basic compensation, whichever is higher.”

4 SEC. 308. Subsection (a) (2) of section 3560 of title
5 39, United States Code, is amended to read as follows:

6 “(2) Basic compensation for the particular route,
7 excluding that portion of such compensation derived from
8 assignment to Classification E of the Rural Carriers
9 Schedule attributable to weekly work requirements in
10 excess of forty hours.”

11 SEC. 309. Subsection (a) (4) of section 6402 of title
12 39, United States Code, is amended to read as follows:

13 “(4) Delivery and collection service may not be
14 established or extended under a star route contract on a
15 rural route except when such route does not meet the
16 minimum standards established by the Postmaster Gen-
17 eral, and becomes vacant, and,”

18 SEC. 310. Section 3101 of title 39, United States Code,
19 is amended by deleting paragraphs (5) and (6), and insert-
20 ing in lieu thereof, the following:

21 “(5) ‘Basic salary’ and ‘basic compensation’ mean
22 the rate of annual or hourly compensation specified by
23 law, exclusive of overtime and night differential.”

24 SEC. 311. Subsection 3541 (d) of title 39, United States
25 Code, is amended by (a) inserting in paragraph (3) thereof,

1 after "rural carriers," the phrase "(other than substitute
2 rural carriers,)" and (b) adding a new paragraph (5) as
3 follows:

4 " (5) To compute the daily rate of basic compen-
5 sation for substitute rural carriers, the annual rate of
6 compensation shall be divided by 304."

7 CONVERSION AS OF THE FIRST PAY PERIOD FOLLOWING
8 JANUARY 1, 1963

9 Postal Field Service Schedule

10 SEC. 312. (a) The basic compensation of each em-
11 ployee on the rolls in the Postal Field Service Schedule on
12 the effective date of this schedule shall be determined as
13 follows:

14 (1) Each employee shall be assigned to the same
15 numerical level and step he was in prior to the effective
16 date of this schedule. If changes in level or step would
17 otherwise occur on the effective date of this schedule
18 without regard to the enactment of this schedule, such
19 changes shall be deemed to have occurred prior to con-
20 version.

21 (2) In addition to conversion pursuant to para-
22 graph (1) of this subsection, each employee shall be
23 advanced to further steps on account of any longevity
24 steps he may have earned prior to conversion (includ-

1 ing those which would become effective as of the effective date of this schedule) as follows:

3 (A) Employees in PFS 1 through 5, one additional step for each longevity step regardless of the step the employee was in prior to conversion.

6 (B) Employees in PFS 6 through PFS 18:
7 (i) if below step 7 prior to conversion, no credit
8 will be given for existing longevity steps; and, (ii)
9 if in step 7 prior to conversion, one single additional
10 step will be granted.

11 (C) Employees in PFS 19 and PFS 20, no
12 additional step-increase will be granted.

13 (3) Credit earned by an employee toward the next
14 step-increase (other than toward longevity steps) prior
15 to the effective date of this schedule shall be creditable
16 under subsection 3552 (a) and section 3553 of title
17 39, United States Code, toward further step-increases
18 if no step-increases were granted pursuant to paragraph
19 (2) of this subsection. Credit earned toward longevity
20 step-increases prior to the effective date of this schedule
21 shall not be creditable toward further step-increases
22 pursuant to subsection 3552 (a), and section 3553 of
23 title 39, United States Code.

1 Rural Carrier Schedule

2 (b) The basic compensation of each regular and tempo-
3 rary rural carrier on the rolls in the Rural Carrier Schedule
4 on the effective date of this schedule shall be determined
5 as follows:

6 (1) Each regular or temporary rural carrier shall
7 be placed in the step for the service classification of his
8 route which corresponds to his existing numerical step.
9 For each longevity step attained on or before the ef-
10 fective date of this schedule, such carrier shall be
11 advanced one step in the Rural Carrier Schedule. If
12 changes in basic compensation (including longevity
13 step-increases) would otherwise occur on the effective
14 date of this schedule, without regard to the enactment
15 of this schedule, such changes shall be deemed to have
16 occurred prior to conversion.

17 (2) Each regular or temporary carrier who, on the
18 effective date of this schedule, has not reached step 7,
19 shall retain credit for advancement to the next step,
20 pursuant to subsection 3552 (a) and section 3553 of title
21 39, United States Code, if he was not granted a step-
22 increase on account of longevity steps. Credit earned
23 toward longevity step-increases prior to the effective

1 date of this schedule shall not be creditable toward further
2 step-increases pursuant to subsection 3552 (a) of title
3 39, United States Code.

4 (3) Nothing in this section shall be deemed to re-
5 duce the basic compensation of such regular or tempo-
6 rary rural carriers in effect immediately prior to
7 conversion under this section so long as the rural carrier
8 continues to serve a route with the same or a higher
9 service classification.

10 Fourth Class Office Schedule

11 (c) The basic compensation of each postmaster on the
12 rolls in the Fourth Class Office Schedule on the effective date
13 of this schedule shall be determined as follows:

14 (1) Each postmaster shall be assigned to the same
15 receipts category and numerical step he was in prior to
16 the effective date of this schedule. If changes in re-
17 cepts category or step would otherwise occur on the
18 effective date of this schedule without regard to the
19 enactment of this schedule, such changes in receipts
20 category or step shall be deemed to have occurred prior
21 to conversion.

22 (2) Postmasters who, as of the effective date of this
23 schedule, have not reached step 7, shall retain credit
24 for advancement to the next step under subsection 3552

25 (a) and section 3553 of title 39, United States Code, if

1 no step-increases are granted pursuant to paragraph 3
2 of this subsection. Credit earned toward longevity step-
3 increases prior to the effective date of this schedule shall
4 not be creditable toward further step-increases under sub-
5 section 3552 (a) and section 3553 of title 39, United
6 States Code.

7 (3) For each longevity step earned prior to the
8 effective date of this schedule postmasters shall be ad-
9 vanced one step.

10 (d) If the existing basic compensation of any employee
11 in the Postal Field Service Schedule, Rural Carrier Schedule,
12 and Fourth Class Office Schedule is greater than the rate
13 established by subsections (a), (b), and (c) of this sec-
14 tion, he shall be placed in the first step which exceeds his
15 existing basic compensation; if the existing basic compensa-
16 tion is greater than any numerical step and service classifica-
17 tion, his existing basic compensation shall be established as
18 his basic compensation.

19 CONVERSION AS OF THE FIRST PAY PERIOD FOLLOWING
20 JANUARY 1, 1964

21 SEC. 313. The basic compensation of each employee on
22 the rolls in the Postal Field Service Schedule, Rural Carrier
23 Schedule, and Fourth Class Office Schedule on the effective
24 date of this schedule shall be determined as follows:

25 (1) Each employee shall be assigned to the same

1 numerical step for his position which he had attained
2 prior to the effective date of this schedule. If changes
3 in levels, service classification, receipts categories, or
4 steps would otherwise occur on the effective date of
5 this schedule without regard to enactment of this sched-
6 ule, such changes shall be deemed to have occurred
7 prior to conversion.

8 (2) If existing basic compensation is greater than
9 the rate to which the employee is converted under
10 paragraph (1) of this section, the employee shall be
11 placed in the lowest step which exceeds his basic com-
12 pensation; if the existing basic compensation exceeds
13 the maximum step of his position, his existing basic
14 compensation shall be established as his basic compen-
15 sation.

16 CONVERSION AS OF THE FIRST PAY PERIOD FOLLOWING
17 JANUARY 1, 1965

18 SEC. 314. The basic compensation of each employee on
19 the rolls in the Postal Field Service Schedule, Rural Carrier
20 Schedule, and Fourth Class Office Schedule on the effective
21 date of this schedule shall be determined as follows:

22 (1) Each employee shall be assigned to the same
23 numerical step for his position which he had attained
24 prior to the effective date of this schedule. If changes

1 in levels, service classifications, receipts categories, or
2 steps would otherwise occur on the effective date of this
3 schedule without regard to enactment of this schedule,
4 such changes shall be deemed to have occurred prior to
5 conversion.

6 (2) If existing basic compensation is greater than
7 the rate to which the employee is converted under para-
8 graph (1) of this section, the employee shall be placed
9 in the lowest step which exceeds his basic compensation;
10 if the existing basic compensation exceeds the maximum
11 step of his position, his existing basic compensation
12 shall be established as his basic compensation.

13 SEC. 315. Conversions made pursuant to sections 312,
14 313, and 314 of this title are not subject to the provisions
15 of section 201 of the Act of September 21, 1961 (75 Stat.
16 569, Public Law 87-270), codified as section 3560 of title
17 39, United States Code.

18 SEC. 316. Subsection (b) of section 3335 of title 39 of
19 the United States Code, is amended by adding the following
20 sentence at the end thereof: "Effective as of December 3,
21 1955, the preceding sentence shall not be deemed to preclude
22 the Postmaster General from adjusting the employee's basic
23 compensation before the performance in each calendar year
24 of 30 days of higher level service."

1 REPEALS

2 SEC. 317. Sections 101 through 105 of the Act of July
3 1, 1960 (74 Stat. 296, Public Law 86-568), and section
4 3558 of title 39, United States Code, are repealed.

5 SEC. 318. Title 39 of the United States Code is amended
6 by adding a new section 3106 as follows:

7 **“§ 31d. Special compensation rules**

8 “In order that the basic compensation schedules in sec-
9 tions 3542, 3543, and 3544 of this title may be used equita-
10 bly and with maximum effect to attract and motivate em-
11 ployees, the Postmaster General may, but need not, prescribe
12 regulations pursuant to which he may:

13 “(a) Within the limit of available appropriations.
14 grant to any officer or employee before the expiration of
15 the periods prescribed by section 3552, step-increases in
16 recognition of extra competence: *Provided*, That no of-
17 ficer or employee shall be eligible under this section for
18 more than one such additional step-increase within any
19 period of fifty-two weeks, and such increase shall not be
20 considered to be an equivalent increase.

21 “(b) Appoint any officer or employee at a salary
22 rate above the minimum step of the level when the ap-
23 pointee has extra qualifications for the position or the
24 minimum rate would be less than the current salary of
25 a well-qualified appointee.”

1 CONFORMING AMENDMENT

2 SEC. 319. (a) The table of contents of chapter 41 of
3 title 39, United States Code, is amended by adding after
4 the heading entitled "EMPLOYEES GENERALLY", the
5 following:

"3106. Special compensation rules".

6 (b) The table of contents of chapter 45 of title 39,
7 United States Code, is amended by deleting "3558. Longevity
8 step-increases".

9 EFFECTIVE DATE

10 SEC. 320. The provisions of this title shall become
11 effective on the first day of the first pay period which begins
12 on or after January 1, 1963.

13 TITLE IV—DEPARTMENT OF MEDICINE AND
14 SURGERY IN THE VETERANS' ADMINISTRA-
15 TION

16 SEC. 401. Section 4103 of title 38 of the United States
17 Code, relating to the appointment and annual salaries of the
18 Chief Medical Director and certain other officers of the De-
19 partment of Medicine and Surgery of the Veterans' Adminis-
20 tration, is amended to read as follows:

21 "§ 4103. Appointments and compensation

22 "(a) The Office of the Chief Medical Director shall con-
23 sist of the Chief Medical Director, one Deputy Chief Medi-

1 cal Director, not to exceed five Assistant Chief Medical Di-
2 rectors, such Medical Directors as may be designated by
3 the Chief Medical Director to suit the needs of the Depart-
4 ment, and such other personnel and employees as may be
5 authorized by this chapter.

6 “(b) The Chief Medical Director shall be the Chief of
7 the Department of Medicine and Surgery and shall be directly
8 responsible to the Administrator for the operations of the
9 Department. He shall be a qualified doctor of medicine,
10 appointed by the Administrator. During the period of his
11 service as such, the Chief Medical Director shall be paid,
12 effective on the first day of the first pay period beginning on
13 or after—

14 “January 1, 1963, a salary of \$23,000 a year;

15 “January 1, 1964, a salary of \$26,000 a year;

16 “January 1, 1965, a salary of \$28,000 a year.

17 “(c) The Deputy Chief Medical Director shall be the
18 principal assistant to the Chief Medical Director. He shall
19 be a qualified doctor of medicine, appointed by the Adminis-
20 trator. During the period of his service as such, the Deputy
21 Chief Medical Director shall be paid, effective on the first day
22 of the first pay period beginning on or after—

23 “January 1, 1963, a salary of \$22,245 a year;

1 “January 1, 1964, a salary of \$25,150 a year;

2 “January 1, 1965, a salary of \$27,290 a year.

3 “(d) Each Assistant Chief Medical Director shall be
4 appointed by the Administrator upon the recommendation
5 of the Chief Medical Director and shall be paid, effective on
6 the first day of the first pay period beginning on or after—

7 “January 1, 1963, a salary of \$20,315 a year;

8 “January 1, 1964, a salary of \$22,740 a year;

9 “January 1, 1965, a salary of \$24,500 a year.

10 “One Assistant Chief Medical Director shall be a quali-
11 fied doctor of dental surgery or dental medicine who shall be
12 directly responsible to the Chief Medical Director for the
13 operations of the Dental Service.

14 “(e) Medical Directors, during their period of service
15 as such, shall be paid effective on the first day of the first
16 pay period beginning on or after—

17 “January 1, 1963, a salary of \$20,180 a year;

18 “January 1, 1964, a salary of \$22,350 a year;

19 “January 1, 1965, a salary of \$23,930 a year.

20 “(f) The Director of Nursing Service shall be a quali-
21 fied registered nurse, appointed by the Administrator, and
22 shall be responsible to the Chief Medical Director for the
23 operation of the Nursing Service. During the period of

1 service as such, the Director of Nursing Service shall be
2 paid effective on the first day of the first pay period be-
3 ginning on or after:

4 "January 1, 1963, a salary of \$14,495 minimum to
5 \$18,815 maximum a year;

6 "January 1, 1964, a salary of \$15,725 minimum
7 to \$20,450 maximum a year;

8 "January 1, 1965, a salary of \$16,620 minimum
9 to \$21,615 maximum a year.

10 "(g) The Administrator may appoint a chief phar-
11 macist and a chief dietitian. During the period of his serv-
12 ice as such, the chief pharmacist and the chief dietitian shall
13 be paid, effective on the first day of the first pay period
14 beginning on or after:

15 "January 1, 1963, a salary of \$14,495 minimum
16 to \$18,815 maximum a year;

17 "January 1, 1964, a salary of \$15,725 minimum
18 to \$20,450 maximum a year;

19 "January 1, 1965, a salary of \$16,620 minimum
20 to \$21,615 maximum a year.

21 "(h) Any appointment under this section shall be for
22 a period of four years subject to removal by the Adminis-
23 trator for cause.

1 “(i) Reappointments may be made for successive like
2 periods.”

3 Sec. 402. Section 4107 of such title 38 relating to
4 the minimum and maximum rates of annual salary of cer-
5 tain physicians, dentists, and nurses of the Department
6 of Medicine and Surgery of the Veterans' Administration
7 is amended to read as follows:

8 **“§ 4107. Grades and pay scales**

9 “(a) (1) Effective on the first day of the first pay
10 period beginning on or after January 1, 1963, the grades
11 and per annum full-pay ranges for positions provided in
12 paragraph (1) of section 4104 of this title shall be as fol-
13 lows:

14 **“PHYSICIAN AND DENTIST SCHEDULE**

15 “Director grade, \$16,400 minimum to \$19,670 maxi-
16 mum.

17 “Executive grade, \$15,410 minimum to \$19,570 maxi-
18 mum.

19 “Chief grade, \$14,495 minimum to \$18,815 maximum.

20 “Senior grade, \$12,665 minimum to \$16,490 maximum.

21 “Intermediate grade, \$10,965 minimum to \$14,250
22 maximum.

23 “Full grade, \$9,380 minimum to \$12,215 maximum.

1 “Associate grade, \$7,960 minimum to \$10,345 maxi-
2 mum.

3 “NURSE SCHEDULE

4 “Assistant Director grade, \$12,665 minimum to \$16,-
5 490 maximum.

6 “Chief grade, \$10,965 minimum to \$14,250 maximum.

7 “Senior grade, \$9,380 minimum to \$12,215 maximum.

8 “Intermediate grade, \$7,960 minimum to \$10,345 maxi-
9 mum.

10 “Full grade, \$6,675 minimum to \$8,700 maximum.

11 “Associate grade, \$5,820 minimum to \$7,575 maximum.

12 “Junior grade, \$5,035 minimum to \$6,565 maximum.

13 “(2) Effective on the first day of the first pay period
14 beginning on or after January 1, 1964, the per annum full
15 pay ranges for positions provided in paragraph (1) of sec-
16 tion 4104 of this title shall be as follows:

17 “PHYSICIAN AND DENTIST SCHEDULE

18 “Director grade, \$17,970 minimum to \$21,570 maxi-
19 mum.

20 “Executive grade, \$16,830 minimum to \$21,310
21 maximum.

22 “Chief grade, \$15,725 minimum to \$20,450 maximum.

23 “Senior grade, \$13,615 minimum to \$17,710 maximum.

24 “Intermediate grade, \$11,670 minimum to \$15,180
25 maximum.

55

1 "Full grade, \$9,910 minimum to \$12,880 maximum.

2 "Associate grade, \$8,325 minimum to \$10,800 maxi-
3 mum.

4 "NURSE SCHEDULE

5 "Assistant Director grade, \$13,615 minimum to \$17,-
6 710 maximum.

7 "Chief grade, \$11,670 minimum to \$15,180 maximum.

8 "Senior grade, \$9,910 minimum to \$12,880 maximum.

9 "Intermediate grade, \$8,325 minimum to \$10,800
10 maximum.

11 "Full grade, \$6,925 minimum to \$8,995 maximum.

12 "Associate grade, \$6,000 minimum to \$7,800 maximum.

13 "Junior grade, \$5,165 minimum to \$6,695 maximum.

14 "(3) Effective on the first day of the first pay period
15 beginning on or after January 1, 1965, the per annum full
16 pay range for positions provided in paragraph (1) of section
17 4104 of this title shall be as follows:

18 "PHYSICIAN AND DENTIST SCHEDULE

19 "Director grade, \$19,125 minimum to \$22,935
20 maximum.

21 "Executive grade, \$17,835 minimum to \$22,595
22 maximum.

23 "Chief grade, \$16,620 minimum to \$21,615 maximum.

24 "Senior grade, \$14,310 minimum to \$18,585 maximum.

1 "Intermediate grade, \$12,190 minimum to \$15,835
2 maximum.

3 "Full grade, \$10,270 minimum to \$13,375 maximum.

4 "Associate grade, \$8,580 minimum to \$11,145
5 maximum.

6 "NURSE SCHEDULE

7 "Assistant director grade, \$14,310 minimum to \$18,-
8 585 maximum.

9 "Chief grade, \$12,190 minimum to \$15,835 maximum.

10 "Senior grade, \$10,270 minimum to \$13,375 maximum.

11 "Intermediate grade, \$8,580 minimum to \$11,145 max-
12 imum.

13 "Full grade, \$7,095 minimum to \$9,210 maximum.

14 "Associate grade, \$6,115 minimum to \$7,960 maxi-
15 mum.

16 "Junior grade, \$5,235 minimum to \$6,810 maximum.

17 "(b) No person may hold the director grade unless he
18 is serving as a director of a hospital, domiciliary, center, or
19 outpatient clinic (independent). No person may hold the
20 executive grade unless he holds the position of chief of staff
21 at a hospital, center, or outpatient clinic (independent), or
22 the position of clinic director, outpatient clinic, or compara-
23 ble position."

24 SEC. 403. (a) Section 4108 of such title 38 which
25 formerly prescribed the maximum amount of pay and allow-

1 ances for medical, surgical, or dental specialists of the De-
2 partment of Medicine and Surgery of the Veterans'
3 Administration is amended to read as follows:

4 **"§ 4108. Administration**

5 "Notwithstanding any law, Executive order, or regula-
6 tion, the Administrator shall prescribe by regulation the
7 hours and conditions of employment and leaves of absence
8 of physicians, dentists, and nurses."

9 (b) The table of contents of chapter 73 of such title 38
10 is amended by striking out

"4108. Specialist ratings."

11 and inserting in lieu thereof

"4108. Administration."

12 SEC. 404. Section 4111 (b) of such title 38, relating to
13 the annual salary of certain individuals serving as director
14 of a hospital, domiciliary, or center, is amended to read as
15 follows:

16 "(b) Notwithstanding any other provision of law, the
17 per annum salary rate of each individual serving as a direc-
18 tor of a hospital, domiciliary, or center who is not a physi-
19 cian in the medical service shall not be less than the rate of
20 salary which he would receive under section 4107 of this
21 title if his service as a director of a hospital, domiciliary, or
22 center had been service as a physician in the director grade.

23 "This subsection shall not affect the allocation of any

1 position of director of a hospital, domiciliary, or center to
 2 any grade of the General Schedule of the Classification Act
 3 of 1949, except with respect to changes in rate of salary pur-
 4 suant to the preceding sentence, and shall not affect the
 5 applicability of the Performance Rating Act of 1950 to any
 6 individual."

7 SEC. 405. Except as otherwise expressly provided, this
 8 title shall become effective on the first day of the first pay
 9 period which begins on or after January 1, 1963.

10 TITLE V—THE FOREIGN SERVICE ACT OF 1946

11 SHORT TITLE

12 SEC. 501. This title may be cited as the "Foreign Service
 13 Salary Reform Act of 1962".

14 FOREIGN SERVICE OFFICERS

15 SEC. 502. The second, third, and fourth sentences of sec-
 16 tion 412 of the Foreign Service Act of 1946, as amended
 17 (22 U.S.C. 867), are amended to read as follows: "Effec-
 18 tive on the first day of the first pay period beginning on or
 19 after the following dates, the per annum salaries of career
 20 ambassador and career minister will be:

	"January 1, 1963	January 1, 1964	January 1, 1965
Career ambassador.....	\$23,000	\$26,000	\$28,000
Career minister.....	22,245	25,150	27,290

1 "On the first day of the first pay period which begins on
 2 or after January 1, 1963, the per annum salaries of Foreign
 3 Service officers within each of the other classes shall be as
 4 follows:

Class 1.....	\$19,580	\$20,235					
Class 2.....	16,115	16,650	\$17,185	\$17,720	\$18,255	\$18,790	\$19,325
Class 3.....	13,275	13,715	14,155	14,595	15,035	15,475	15,915
Class 4.....	10,965	11,330	11,695	12,060	12,425	12,790	13,155
Class 5.....	9,115	9,420	9,725	10,030	10,335	10,640	10,945
Class 6.....	7,645	7,900	8,155	8,410	8,665	8,920	9,175
Class 7.....	6,475	6,690	6,905	7,120	7,335	7,550	7,765
Class 8.....	5,640	5,725	5,910	6,095	6,280	6,465	6,650

5 "On the first day of the first pay period which begins
 6 on or after January 1, 1964, the per annum salaries of
 7 Foreign Service officers within each of the other classes shall
 8 be as follows:

Class 1.....	\$21,535	\$22,250					
Class 2.....	17,495	18,075	\$18,655	\$19,235	\$19,815	\$20,395	\$20,975
Class 3.....	14,245	14,720	15,195	15,670	16,145	16,620	17,095
Class 4.....	11,670	12,060	12,450	12,840	13,230	13,620	14,010
Class 5.....	9,625	9,945	10,265	10,585	10,905	11,225	11,545
Class 6.....	8,000	8,265	8,530	8,795	9,060	9,325	9,590
Class 7.....	6,705	6,930	7,155	7,380	7,605	7,830	8,055
Class 8.....	5,695	5,885	6,075	6,265	6,455	6,645	6,835

9 "On the first day of the first pay period which begins
 10 on or after January 1, 1965, the per annum salaries of
 11 Foreign Service officers within each of the other classes shall
 12 be as follows:

Class 1.....	\$22,910	\$23,675					
Class 2.....	18,500	19,115	\$19,730	\$20,345	\$20,960	\$21,575	\$22,190
Class 3.....	14,970	15,470	15,970	16,470	16,970	17,470	17,970
Class 4.....	12,190	12,595	13,000	13,405	13,810	14,215	14,620
Class 5.....	9,970	10,305	10,640	10,975	11,310	11,645	11,980
Class 6.....	8,240	8,515	8,790	9,065	9,340	9,615	9,890
Class 7.....	6,870	7,100	7,330	7,560	7,790	8,020	8,250
Class 8.....	5,795	5,990	6,185	6,380	6,575	6,770	6,965

1 FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

2 SEC. 503. Sec. 415 of such Act is amended to read as
3 follows:

4 "SEC. 415. (a) Effective on the first day of the first
5 pay period which begins on or after January 1, 1963, there
6 shall be ten classes of Foreign Service staff officers and em-
7 ployees, referred to hereafter as staff officers and employees
8 and the per annum salaries of staff officers and employees
9 within each class shall be as follows:

"Class 1.....	\$13,275	\$13,715	\$14,155	\$14,595	\$15,035	\$15,475	\$15,915	\$16,355	\$16,795	\$17,235
Class 2.....	10,965	11,330	11,695	12,060	12,425	12,790	13,155	13,520	13,885	14,250
Class 3.....	9,115	9,420	9,725	10,030	10,335	10,640	10,945	11,250	11,555	11,860
Class 4.....	7,645	7,900	8,155	8,410	8,665	8,920	9,175	9,430	9,685	9,940
Class 5.....	6,910	7,140	7,370	7,600	7,830	8,060	8,290	8,520	8,750	8,980
Class 6.....	6,225	6,435	6,645	6,855	7,065	7,275	7,485	7,695	7,905	8,115
Class 7.....	5,610	5,800	5,990	6,180	6,370	6,560	6,750	6,940	7,130	7,320
Class 8.....	5,060	5,230	5,400	5,570	5,740	5,910	6,080	6,250	6,420	6,590
Class 9.....	4,575	4,725	4,875	5,025	5,175	5,325	5,475	5,625	5,775	5,930
Class 10.....	4,110	4,250	4,390	4,530	4,670	4,825	4,980	5,135	5,290	5,445

10 "On the first day of the first pay period which begins
11 on or after January 1, 1964, the per annum salaries of
12 staff officers and employees within each class shall be as
13 follows:

"Class 1.....	\$14,245	\$14,720	\$15,195	\$15,670	\$16,145	\$16,620	\$17,095	\$17,570	\$18,045	\$18,520
Class 2.....	11,670	12,060	12,450	12,840	13,230	13,620	14,010	14,400	14,790	15,180
Class 3.....	9,625	9,945	10,265	10,585	10,905	11,225	11,545	11,865	12,185	12,505
Class 4.....	8,000	8,265	8,530	8,795	9,060	9,325	9,590	9,855	10,120	10,385
Class 5.....	7,170	7,410	7,650	7,890	8,130	8,370	8,610	8,850	9,090	9,330
Class 6.....	6,435	6,650	6,865	7,080	7,295	7,510	7,725	7,940	8,155	8,370
Class 7.....	5,770	5,965	6,160	6,355	6,550	6,745	6,940	7,135	7,330	7,525
Class 8.....	5,180	5,355	5,530	5,705	5,880	6,055	6,230	6,405	6,580	6,755
Class 9.....	4,655	4,810	4,965	5,120	5,275	5,430	5,585	5,740	5,895	6,050
Class 10.....	4,175	4,315	4,455	4,595	4,735	4,875	5,020	5,175	5,330	5,485

14 "On the first day of the first pay period which begins
15 on or after January 1, 1965, the per annum salaries of

- 1 staff officers and employees within each class shall be as
- 2 follows:

"Class 1.....	\$14,970	\$15,470	\$15,970	\$16,470	\$16,970	\$17,470	\$17,970	\$18,470	\$18,970	\$19,470
Class 2.....	12,190	12,595	13,000	13,405	13,810	14,215	14,620	15,025	15,430	15,835
Class 3.....	9,970	10,305	10,640	10,975	11,310	11,645	11,980	12,315	12,650	12,985
Class 4.....	8,240	8,515	8,790	9,065	9,340	9,615	9,890	10,165	10,440	10,715
Class 5.....	7,360	7,605	7,850	8,095	8,340	8,585	8,830	9,075	9,320	9,565
Class 6.....	6,580	6,800	7,020	7,240	7,460	7,680	7,900	8,120	8,340	8,560
Class 7.....	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645
Class 8.....	5,270	5,445	5,620	5,795	5,970	6,145	6,320	6,495	6,670	6,845
Class 9.....	4,715	4,870	5,025	5,180	5,335	5,490	5,645	5,800	5,955	6,110
Class 10.....	4,215	4,355	4,495	4,635	4,775	4,915	5,060	5,215	5,370	5,525

3 "SEC. 415. (b) Notwithstanding the provisions of para-
4 graph (a) of this section, the Secretary may, under such
5 regulations as he may prescribe, classify positions at levels
6 below class 10, and establish salary rates therefor at lower
7 rates than those prescribed by this section, for American em-
8 ployees recruited abroad who are not available or are not
9 qualified for transfer to another post and who perform duties
10 of a more routine nature than are generally performed at
11 the class 10 level."

12 SEC. 504. Foreign Service officers, Reserve officers, and
13 Foreign Service staff officers and employees who are entitled
14 to receive basic compensation immediately prior to the effec-
15 tive date of this title at one of the rates provided by section
16 412 or 415 of the Foreign Service Act of 1946, shall receive
17 basic compensation on and after the effective date of this
18 title at the rate of their class determined to be appropriate

62

- 1 by the Secretary of State: *Provided*, That staff officers and
 2 employees shall be transferred to the new staff classes estab-
 3 lished by this act as follows:

Present class under section 415 of the Foreign Service Act of 1946	Corresponding new class un- der section 415 of the For- eign Service Act of 1946, as amended
FSS- 1.....	FSS- 1
FSS- 2.....	FSS- 1
FSS- 3.....	FSS- 2
FSS- 4.....	FSS- 2
FSS- 5.....	FSS- 3
FSS- 6.....	FSS- 3
FSS- 7.....	FSS- 4
FSS- 8.....	FSS- 5
FSS- 9.....	FSS- 6
FSS-10.....	FSS- 7
FSS-11.....	FSS- 8
FSS-12.....	FSS- 9
FSS-13.....	FSS-10
FSS-14 and below.....	(¹)

¹ Remain at present class and salary rate until revised pursuant to new section 415(b).

4 CONFORMING AMENDMENTS

5 SEC. 505. The heading of section 642 of the Foreign
 6 Service Act of 1946 is amended by deleting the words "and
 7 longevity" and section 642 is amended by deleting "(a)"
 8 in the first paragraph and by deleting subsection (b) in
 9 its entirety.

10 EFFECTIVE DATE

11 SEC. 506. Except as otherwise expressly provided, this
 12 title shall become effective on the first day of the first pay
 13 period which begins on or after January 1, 1963.

1 TITLE VI—REPEAL OF SPECIFIC STATUTORY
2 SALARIES

3 SEC. 601. The following provisions of law are hereby
4 repealed:

5 (1) That part of the first sentence of section 105 (a)
6 of the Civil Rights Act of 1957 (71 Stat. 636; 42 U.S.C.
7 1975d (a)), relating to the annual salary of the staff director
8 for such Commission, which reads: "and who shall receive
9 compensation at a rate, to be fixed by the President, not
10 in excess of \$22,500 a year".

11 (2) That part of the first sentence of section 3 of the
12 Area Redevelopment Act (75 Stat. 48; — U.S.C. —),
13 relating to the annual salary of the Area Redevelopment
14 Administrator in the Department of Commerce, which reads:
15 "who shall receive compensation at a rate equal to that
16 received by Assistant Secretaries of Commerce".

17 (3) The second sentence of section 24 of the Arms
18 Control and Disarmament Act (75 Stat. 632; — U.S.C.
19 —), relating to the annual salaries of the four Assistant Di-
20 rectors of such Agency, which reads: "They shall receive
21 compensation at the rate of \$20,000 per annum."

22 (4) Section 8 of the Food Additives Amendment of
23 1958 (72 Stat. 1789; 5 U.S.C. 2205, note) fixing the
24 annual salary of the Commissioner of Food and Drugs at
25 \$20,000 per annum.

1 (5) The last proviso in the paragraph under the head-
2 ing "IMMIGRATION AND NATURALIZATION SERVICE" and
3 under the subheading "SALARIES AND EXPENSES" in the
4 Department of Justice Appropriation Act, 1959 (72 Stat.
5 251; 5 U.S.C. 2206, note), relating to the annual salary of
6 the Commissioner of the Immigration and Naturalization
7 Service, which reads: " : *Provided further*, That, hereafter,
8 the compensation of the Commissioner of the Immigration
9 and Naturalization Service shall be \$20,000 per annum".

10 (6) The second paragraph in section 3 of title 35 of the
11 United States Code, relating to the annual salaries of certain
12 officers and employees in the Patent Office, Department of
13 Commerce which reads: "The annual rate of compensation
14 of the Commissioner shall be \$20,000."

15 (7) That part of section 201 (f) of the National Aero-
16 nautics and Space Act of 1958 (72 Stat. 428; 42 U.S.C.
17 2471 (f)), relating to the annual salaries of a civilian execu-
18 tive secretary and seven other persons in the National Aero-
19 nautics and Space Council, which reads: "and shall receive
20 compensation at the rate of \$20,000 a year" and in the
21 second sentence, "or the Classification Act of 1949 and
22 compensated at the rate of not more than \$19,000 a year".

23 (8) The last sentence of section 624 (e) (1) of the
24 Foreign Assistance Act of 1961 (75 Stat. 447; — U.S.C. —),
25 fixing the compensation of certain officials in the Department

1 of State, which reads: "The Inspector General, Foreign
2 Assistance, shall receive compensation at the rate of \$20,000
3 annually; the Deputy Inspector General, Foreign Assistance,
4 shall receive compensation at the rate of \$19,500 annually,
5 and each Assistant Inspector General, Foreign Assistance,
6 shall receive compensation at the rate of \$19,000 annually."

7 (9) That part of section 201 of Reorganization Plan
8 No. 7, effective August 12, 1961, relating to the annual
9 salary of the Maritime Administrator in the Department of
10 Commerce, which reads: "shall receive a salary at the rate
11 of \$20,000 per annum,".

12 (10) That part of section 202 of the Act of July 1,
13 1960 (74 Stat. 305; 5 U.S.C. 623g), relating to the annual
14 salary of the Administrative Assistant Secretary of Health,
15 Education, and Welfare, which reads: ", and whose annual
16 rate of basic compensation shall be \$19,000". Insert "and"
17 before clause which begins "who shall perform".

18 (11) Section 308 of title 39 of the United States Code
19 fixing the annual rate of basic compensation of the position
20 of Chief Postal Inspector in the Post Office Department at
21 \$19,000.

22 (12) That part of the first sentence of section 4 of the
23 International Travel Act of 1961 (75 Stat. 130; — U.S.C.
24 —), relating to the annual salary of the Director of the
25 United States Travel Service in the Department of Com-

1 merce, which reads: "who shall be compensated at the rate
2 of \$19,000 per annum,".

3 (13) Section 14 (b) of the Federal Employees Health
4 Benefits Act of 1959 (73 Stat. 716; 5 U.S.C. 3013 (b)),
5 which fixes the compensation of the Executive Director of
6 the United States Civil Service Commission at \$19,000 per
7 annum.

8 (14) That part of the first sentence of section 107 (c)
9 of the Renegotiation Act of 1951, as amended (73 Stat. 211;
10 50 U.S.C. App. 1217 (c)), relating to the annual salary
11 of the General Counsel of the Renegotiation Board, which
12 reads: ", and shall receive compensation at the rate of
13 \$19,000 per annum".

14 (15) In section 303 (a) of title 23 of the United States
15 Code—

16 (A) that part of the second sentence, relating to
17 the annual salary of the Federal Highway Administra-
18 tor in the Department of Commerce, which reads:
19 "shall receive basic compensation at the rate prescribed
20 by law for Assistant Secretaries of executive depart-
21 ments and"; and

22 (B) the last sentence, relating to the annual salary
23 of the Deputy Federal Highway Administrator in such
24 Department, which reads: "The Deputy Federal High-
25 way Administrator shall receive basic compensation at

1 a rate \$1,000 less than the rate provided for the Federal
2 Highway Administrator.”.

3 (16) That part of section 302 (f) of the Federal Avia-
4 tion Act of 1958, as amended (75 Stat. 791; 49 U.S.C.
5 1343 (d)), relating to the annual salary of certain officers,
6 employees, attorneys, and agents in the Federal Aviation
7 Agency, which reads: “, except that the Administrator may
8 fix the compensation for not more than twenty-three posi-
9 tions at rates not to exceed \$19,500 per annum”.

10 (17) That part of section 2 (d) in Reorganization Plan
11 Numbered 1 of 1958 (72 Stat. 1799; 75 Stat. 630; 23
12 F.R. 4991), relating to the annual salaries of three Assist-
13 ant Directors of such Office, which reads: “shall receive com-
14 pensation at the rate now or hereafter prescribed by law
15 for assistant secretaries of executive departments,”.

16 (18) That part of the Second Supplemental Appropria-
17 tion Act, 1961, under the heading “DEPARTMENT OF
18 THE INTERIOR” and under the caption “BUREAU OF
19 RECLAMATION” and the subheading “ADMINISTRATIVE
20 PROVISIONS” (74 Stat. 628; Public Law 86-722), relating
21 to the annual salary of the present incumbent of the position
22 of Commissioner of the Bureau of Reclamation, which reads:

23 “After August 31, 1960, the position of Commis-
24 sioner of the Bureau of Reclamation shall have the
25 same annual rate of compensation as that provided for

1 position listed in title 5, United States Code, section
2 2205 (b) , so long as held by the present incumbent.”.

3 (19) That part of the Public Works Appropriation Act,
4 1962, under the heading “DEPARTMENT OF THE IN-
5 TERIOR” and under the caption “BONNEVILLE POWER
6 ADMINISTRATION” and the subheading “CONSTRUCTION”
7 (75 Stat. 728; Public Law 87-330) , relating to the annual
8 salary of the present incumbent of the position of Adminis-
9 trator, Bonneville Power Administration, which reads:

10 “After October 1, 1961, the position of Adminis-
11 trator, Bonneville Power Administration, shall have the
12 same annual rate of compensation as that provided for
13 positions listed in section 2205 (b) of title 5, United
14 States Code, so long as held by the present incumbent.”.

15 (20) That part of section 205 of the Public Works
16 Appropriation Act, 1958 (71 Stat. 423; Public Law
17 85-167), relating to the annual salary of the present in-
18 cumbent of the position of Administrator of the Southwestern
19 Power Administration in the Department of the Interior,
20 which reads: “the salary of the Administrator of the South-
21 western Power Administration shall be the same as the sal-
22 ary of the Administrator of the Bonneville Power Adminis-
23 tration, so long as held by the present incumbent;”.

24 (21) The proviso in the first paragraph under the head-
25 ing “FEDERAL BUREAU OF INVESTIGATION” and under the

1 subheading "SALARIES AND EXPENSES" in the Department
2 of Justice Appropriation Act, 1962 (75 Stat. 552; Public
3 Law 87-264), relating to the annual salary of the present
4 incumbent of the position of Director of the Federal Bureau
5 of Investigation, which reads: " : *Provided*, That the com-
6 pensation of the Director of the Bureau shall be \$22,000 per
7 annum so long as the position is held by the present incum-
8 bent".

9 (22) That part of section 7801 (b) (2) of the Internal
10 Revenue Code of 1954, as amended, relating to the annual
11 salary of the Assistant General Counsel of the Treasury De-
12 partment, which reads: "and shall receive basic compensa-
13 tion at the annual rate of \$19,000".

14 SEC. 602. (a) Section 104 (a) of the Federal Executive
15 Pay Act of 1956, as amended (5 U.S.C. 2203 (a)) provid-
16 ing annual compensation of \$21,000 for certain positions,
17 is amended by striking out the following paragraphs:

18 " (1) Commissioner of Internal Revenue."; and

19 " (3) Director of the Federal Bureau of Investiga-
20 tion.".

21 (b) Section 104 (b) of such Act (5 U.S.C. 2203 (b)),
22 which provides annual compensation of \$22,000 for the
23 present incumbent of the position of Director of the Federal
24 Bureau of Investigation, is hereby repealed.

25 (c) Section 106 (a) of such Act (5 U.S.C. 2205 (a))

1 which provides annual compensation of \$20,000 for certain
2 positions, is amended by striking out the following para-
3 graphs:

4 “(1) Administrator, Bureau of Security and Con-
5 sular Affairs, Department of State.”;

6 “(3) Administrator, Commodity Stabilization Serv-
7 ice.”;

8 “(4) Administrator of the Rural Electrification
9 Administration.”;

10 “(7) Administrator, Wage and Hour and Public
11 Contracts Division, Department of Labor.”;

12 “(8) Archivist of the United States.”;

13 “(22) Associate Director of the Federal Bureau of
14 Investigation.”;

15 “(23) Chairman of the Military Liaison Commit-
16 tee to the Atomic Energy Commission, Department of
17 Defense.”;

18 “(24) Commissioner, Community Facilities, Hous-
19 ing and Home Finance Agency.”;

20 “(25) Commissioner, Federal Housing Administra-
21 tion.”;

22 “(26) Commissioner, Public Housing Administra-
23 tion.”;

24 “(27) Commissioner, Urban Renewal Administra-
25 tion.”;

71

1 “(32) Director of the Bureau of Prisons.”;

2 “(39) President of the Federal National Mortgage

3 Association.”;

4 “(41) Special Assistant to the Secretary (Health
5 and Medical Affairs), Department of Health, Education,
6 and Welfare.”;

7 “(46) Commissioner of Social Security.”;

8 “(47) Commissioner of Education.”;

9 “(48) General Counsel, General Accounting Of-
10 fice.”;

11 “(48) General Counsel, United States Arms Con-
12 trol and Disarmament Agency.”; and

13 “(49) Public Affairs Advisor, United States Arms
14 Control and Disarmament Agency.”.

15 (d) Section 106 (b) of such Act (5 U.S.C. 2205 (b)),
16 which provides annual compensation of \$19,000 for certain
17 positions, is amended by striking out the following para-
18 graphs:

19 “(2) Assistant to the Director of the Federal
20 Bureau of Investigation.”;

21 “(10) Deputy Commissioner of the Internal Reve-
22 nue Service.”;

23 “(11) Chief Counsel of the Internal Revenue
24 Service.”;

1 “(12) Administrative Assistant Attorney Gen-
2 eral.”;

3 “(13) Administrative Assistant Secretary of the
4 Interior.”;

5 “(14) Administrative Assistant Secretary of Agri-
6 culture.”;

7 “(15) Administrative Assistant Secretary of
8 Labor.”;

9 “(16) Administrative Assistant Secretary of the
10 Treasury.”;

11 “(17) Administrator, Farmers Home Administra-
12 tion.”;

13 “(18) Administrator, Soil Conservation Service,
14 Department of Agriculture.”;

15 “(19) Chief Forester of the Forest Service, De-
16 partment of Agriculture.”;

17 “(20) Commissioner of Customs.”;

18 “(21) Manager, Federal Crop Insurance Corpora-
19 tion, Department of Agriculture.”; and

20 “(22) Deputy Administrator, Small Business Ad-
21 ministration (4).”.

22 (e) The Atomic Energy Act of 1954, as amended, is
23 further amended as follows:

24 (1) In the last sentence of section 24a. (71 Stat.
25 612; 42 U.S.C. 2034 (a)), relating to the annual salary

1 of the General Manager of such Commission, by striking
2 out that part which reads: “, but not in excess of
3 \$22,000 per annum”;

4 (2) In the last sentence of section 24b. (71 Stat.
5 612; 42 U.S.C. 2034 (b)), relating to the annual salary
6 of the Deputy General Manager of such Commission,
7 by striking out that part which reads: “, but not in
8 excess of \$20,500 per annum”;

9 (3) In the last sentence of section 24c. (71 Stat.
10 612; 42 U.S.C. 2034 (c)), relating to the annual
11 salaries of the Assistant General Managers (or their
12 equivalents) of such Commission, by striking out that
13 part which reads: “, but not in excess of \$20,000 per
14 annum”;

15 (4) In the second sentence of section 25a. (68
16 Stat. 927, 71 Stat. 612; 42 U.S.C. 2035 (a)), relating
17 to the annual salaries of certain division directors in
18 such Commission, by striking out that part which reads:
19 “, but not in excess of \$19,000 per annum”;

20 (5) In section 25b. (71 Stat. 612; 42 U.S.C.
21 2035 (b)), relating to the annual salary of the General
22 Counsel of such Commission, by striking out that part
23 which reads: “, but not in excess of \$19,500 per
24 annum”;

25 (6) In the first sentence of section 25c. (68 Stat.

1 927, 71 Stat. 612; 42 U.S.C. 2035(c)), relating to
2 the annual salary of the Director of the Inspection Divi-
3 sion in such Commission, by striking out that part
4 which reads: “, but not in excess of \$19,000 per
5 annum”;

6 (7) In the last sentence of section 25d. (71 Stat.
7 612; 42 U.S.C. 2035(d)), relating to the annual
8 salaries of certain executive management positions in
9 such Commission, by striking out that part which reads:
10 “, but not in excess of \$19,000 per annum”; and

11 (8) In the second sentence of section 28 (68 Stat.
12 926; 42 U.S.C. 2038), relating to the compensation of
13 the active member of the Armed Forces serving as
14 Director of the Division of Military Application in such
15 Commission, by striking out the words “in section 25”
16 and inserting in lieu thereof “under section 25”.

17 (f) Section 2 of the Act of July 30, 1946, as amended
18 (60 Stat. 712, 70 Stat. 740; 22 U.S.C. 287n), relating
19 to the compensation of United States representatives and
20 alternates to the United Nations Educational, Scientific, and
21 Cultural Organization, is further amended by striking out
22 that part of the third sentence which reads: “at such rates,
23 not to exceed \$15,000 per annum,” and inserting in lieu
24 thereof “at one of the rates of pay provided by section 412
25 of the Foreign Service Act of 1946, as amended,”.

SEC. 603. Except as provided by subsections (e) and (f) of section 602 of this title, each position specifically referred to in or covered by any amendment made by sections 601 and 602 of this title shall be placed in the appropriate grade of the General Schedule of the Classification Act of 1949, as amended, in accordance with the provisions of such Act.

SAVINGS PROVISIONS

9 SEC. 604. (a) The changes in existing law made by this
10 title shall not affect any position existing immediately prior
11 to the effective date of any such changes in existing law,
12 the compensation attached to such position, and any incum-
13 bent thereof, his appointment thereto, and his entitlement
14 to receive the compensation attached thereto, until appro-
15 priate action is taken in accordance with this title.

(b) The incumbent of each such position immediately prior to the effective date of this title shall continue to receive the rate of basic compensation which he was receiving immediately prior to such effective date until he leaves such position or until he is entitled to receive compensation at a higher rate in accordance with law. When such incumbent leaves such position, the rate of basic compensation of each subsequent appointee to such position shall be determined in accordance with the Classification Act of 1949, as amended, or other appropriate law.

1 EFFECTIVE DATE

2 SEC. 605. The provisions of this title shall become
3 effective on the first day of the first pay period which begins
4 on or after January 1, 1963.

5 TITLE VII—MISCELLANEOUS PROVISIONS

6 REVISION OF SALARY LIMITATIONS FOR CERTAIN SCIEN-
7 TIFIC AND PROFESSIONAL POSITIONS

8 SEC. 701. Section 2 (b) of the Act of August 1, 1947
9 (Public Law 313, Eightieth Congress, as amended (75
10 Stat. 789; 5 U.S.C. 1161-1163)), relating to the rates of
11 compensation of certain scientific or professional positions,
12 is amended to read as follows:

13 “(b) The per annum rates of compensation for posi-
14 tions established pursuant to the provisions of this Act shall
15 not be less than the minimum rate of grade 16 of the General
16 Schedule of the Classification Act of 1949, as amended, nor
17 more than the highest rate of grade 18 of the General Sched-
18 ule of such Act.”.

19 SEC. 702. Section 1581 (b) of title 10 of the United
20 States Code, relating to the rates of compensation of certain
21 scientific or professional positions in the Department of
22 Defense, is amended to read as follows:

23 “(b) Subject to the Civil Service Commission’s ap-
24 proval as to rates, the Secretary may fix the compensation for
25 positions established under subsection (a). However, the

1 per annum compensation may not be less than the minimum
2 rate of grade 16 of the General Schedule of the Classification
3 Act of 1949, as amended, nor more than the highest rate
4 of grade 18 of the General Schedule of such Act.”.

5 SEC. 703. The proviso contained in the first sentence
6 of section 208 (g) of the Public Health Service Act, as
7 amended (42 U.S.C. 210 (g)), relating to the rates of
8 compensation of certain scientific, professional, and adminis-
9 trative personnel in the Public Health Service, is amended to
10 read as follows: “: *Provided*, That the rates of compensation
11 for positions established pursuant to the provisions of this
12 subsection shall not be less than the minimum rate of grade
13 16 of the General Schedule of the Classification Act of 1949,
14 as amended, nor more than the highest rate of grade 18 of
15 the General Schedule of such Act, and shall be subject to the
16 approval of the Civil Service Commission.”.

17 SEC. 704. The proviso contained in the second sentence
18 of section 12 of the Act of May 29, 1884 (62 Stat. 198 as
19 amended and supplemented; 21 U.S.C. 113a), authorizing
20 the Secretary of Agriculture to employ and fix the compen-
21 sation of technical experts and scientists for research and
22 study of foot-and-mouth disease and other animal diseases, is
23 amended to read as follows: “: *Provided*, That the number
24 so employed shall not exceed five and that the maximum
25 compensation for each shall not exceed the highest rate of

1 grade 18 of the General Schedule of the Classification Act
2 of 1949, as amended.”.

3 SEC. 705. Section 203 (b) (2) of the National Aero-
4 nautics and Space Act of 1958 (72 Stat. 429; 42 U.S.C.
5 2473 (b) (2)), as amended, authorizing the Administrator
6 of the National Aeronautics and Space Administration to
7 establish and fix the compensation of four hundred and
8 twenty-five scientific, engineering, and administrative posi-
9 tions, is amended by striking out, in the second sentence,
10 “, except that (A) to the extent the Administrator deems
11 such action necessary to the discharge of his responsibilities,
12 he may appoint and fix the compensation (up to a limit
13 of \$19,000 a year, or up to a limit of \$21,000 a year for
14 a maximum of thirty positions) of” and by inserting in lieu
15 thereof “, except that (A) to the extent the Administrator
16 deems such action necessary to the discharge of his responsi-
17 bilities, he may appoint and fix the compensation (at not to
18 exceed the highest rate of grade 18 of the General Schedule
19 of the Classification Act of 1949, as amended, or, for a maxi-
20 mum of thirty positions, up to the highest rate of grade 18
21 of the General Schedule of the Classification Act, which will
22 be in effect on or after January 1, 1965) of”.

23 SEC. 706. That part of the proviso in section 161d. of
24 the Atomic Energy Act of 1954, as amended (71 Stat.
25 613; 42 U.S.C. 2201), fixing a limit of \$19,000 on the

1 compensation of scientific and technical personnel, is amended
2 by striking out the words "up to a limit of \$19,000)" and
3 inserting in lieu thereof "up to a limit of the highest rate of
4 grade 18 of the General Schedule of the Classification Act of
5 1949, as amended)".

6 EFFECTIVE DATE

7 SEC. 707. The foregoing provisions of this title shall
8 become effective on the first day of the first pay period
9 which begins on or after January 1, 1963.

87TH CONGRESS
2D SESSION

H. R. 10480

A BILL

To reform the major statutory salary systems of the Federal Government; to establish appropriate relationships among them; to adopt and apply the principle of Government-private enterprise salary comparability; and for other purposes.

By Mr. MURRAY

FEBRUARY 28, 1962

Referred to the Committee on Post Office and Civil Service

TA
B

STATEMENT OF PURPOSE AND JUSTIFICATION
AND SECTION-BY-SECTION ANALYSIS OF THE
LEGISLATION REQUESTED BY THE PRESIDENT
OF THE UNITED STATES TO REFORM THE
MAJOR FEDERAL STATUTORY SALARY SYSTEMS

COMMITTEE ON POST OFFICE AND
CIVIL SERVICE
HOUSE OF REPRESENTATIVES



FEBRUARY 28, 1962

U.S. GOVERNMENT PRINTING OFFICE
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80347

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II

FOREWORD

This print contains a "Statement of Purpose and Justification" and a section-by-section analysis of the Federal Salary Reform Act of 1962, which is the President's proposal to reform the major statutory salary systems of the Federal Government.

The President's proposal is directed to the establishment of appropriate relationships between salaries paid for comparable skills and responsibilities in the Government and in private enterprise, based upon the Bureau of Labor Statistics studies for which the Congress appropriated \$600,000.

TOM MURRAY, *Chairman*.

III

FEDERAL SALARY REFORM ACT OF 1962

Draft bill to reform the major statutory salary systems of the Federal Government, to establish appropriate relationships among them, to adopt and apply the principle of Government-private enterprise salary comparability and for other purposes

STATEMENT OF PURPOSE AND JUSTIFICATION

The draft bill reforms four Federal statutory systems: those for employees paid under the Classification Act, the Postal Field Service Compensation Act, and the Foreign Service Act, and for physicians, dentists, and nurses of the Department of Medicine and Surgery of the Veterans' Administration. In addition, the bill brings into the reformed salary system, at newly established levels, a few high-ranking jobs below the agency-head level which are now compensated under the Federal Executive Pay Act or other authorities. To avoid undue impact at any one time and provide an orderly transition, the bill would bring salaries to their proper levels gradually, over a 3-year period.

REQUISITES OF A FEDERAL PAY SYSTEM

The functions of a public salary system are to control payroll expenditures, with equity to both the employee and the taxpayer, and to support recruitment and retention of the high-quality personnel required to carry out Government programs. To meet its responsibility to the public, the salary system must pay enough to permit competent staffing in order not to endanger the national security nor to degrade public service; but it must not pay more than is necessary for this purpose and for equity to the employee. To assure fair treatment for the public employee, the salary system must assure equity among Federal employees and between Federal employees and those in private employment. To be adaptable to changing conditions and to stimulate peak performance, the system must provide for executive discretion to meet individual and special needs, to use pay for motivating employees, and to initiate general adjustments as required.

These are the underlying objectives which this proposal is designed to meet.

CONDITIONS THAT NEED CORRECTING

Statutory pay systems have failed to meet the needs of today's Federal service. Absence of an accepted standard for Federal salaries and a procedure for periodic review and adjustment, coupled with rigid statutory rules of pay administration, deprive the systems of the adaptability so essential in a period of rapidly changing conditions.

Major inequities exist between the Federal employee and his equals throughout the national economy. Only in the very lowest grades has Federal pay kept pace with average private enterprise rates. Comparison can now be made directly between private salaries and those

FEDERAL STATUTORY SALARY SYSTEMS

in the Classification Act, which has a broad occupational coverage having many counterparts in private employment. Findings of the Bureau of Labor Statistics National Survey of Professional, Administrative, Technical, and Clerical Pay reported in 1961 provide the data. This annual survey clearly shows that the greater the level of difficulty and responsibility, the greater the gap between public and private pay. From grade GS-4 upward, private salary averages consistently exceed Federal salaries. At the lower professional levels of GS-7 and GS-9, the difference is quite noticeable. For example:

National average rate in private enterprise	Classification Act rate range		
	Grade	Minimum	Maximum
\$6,048	GS-7.....	\$5,355	\$6,345
7,776	GS-9.....	6,435	7,425

At the upper professional levels there is an even greater lag of Federal salaries:

National average rate in private enterprise	Classification Act rate range		
	Grade	Minimum	Maximum
\$13,152	GS-13.....	\$10,625	\$11,935
15,362	GS-14.....	12,210	13,510
19,345	GS-15.....	13,730	15,030

Further evidence of this trend was furnished by the Civil Service Commission's 1960 study of salaries paid in 21 large nationwide firms for personnel, finance, research and development, law, and plant management positions with responsibilities equivalent to those of Federal positions in grades GS-16, 17, and 18. This study showed these serious disparities:

Federal Government		21 firms, major salary clusters
Grade	Salary range	
GS-16.....	\$15,255-\$16,295	\$21,000-\$30,000
GS-17.....	16,530- 17,570	27,500- 37,500
GS-18.....	18,540	32,500- 45,000

Many State and local jurisdictions now have passed the Federal Government's pay rates. For example, California, Georgia, Illinois, Michigan, New York, Ohio, and Pennsylvania all have career salaries higher than the highest Classification Act and other top statutory salaries. The same is true of Los Angeles City and County, Denver, Detroit, St. Louis, San Francisco, and Philadelphia. In cities with populations over 500,000, city managers average \$22,950 and school superintendents average \$25,869, about 25 and 40 percent, respectively, above the top Classification Act salary.

Based on the findings of a private consulting firm, New York State revised its salary structure in 1961 to provide a top career salary

FEDERAL STATUTORY SALARY SYSTEMS

of more than \$22,000 and \$27,500 for department heads. Thus, a department head in New York State is paid 10 percent more than the head of a Cabinet department of the National Government.

Inequities have come about and have been compounded by past statutory pay raises. These raises over the years have acted to compress the pay spread from the lowest to the highest levels. In 1928, the ratio of the highest Classification Act salary to the lowest was 8.8 to 1. By 1945, it had fallen to 6.8 to 1, and today the ratio is 5.8 to 1. The pay increase of July 1945, demonstrates how this has worked. Salaries were increased 20 percent on the first \$1,200, 10 percent on the next \$3,400, and 5 percent on the remainder. This plan resulted in 20-percent raises at the lowest level and 8.9 percent at the top. Consequently, the ratio of the highest to the lowest salary dropped from 7.5 to 1 down to 6.8 to 1.

Inequities exist within systems: for example, inadequate pay distinctions between grade levels, inadequate within-grade pay ranges, and inadequate pay spreads from entry to top career levels.

Normal pay practice in a large corporation permits an employee beginning a professional or management career to look forward to a salary of \$35,000 to \$40,000 a year if he reaches a level in the organization with responsibilities equivalent to those of GS-18 positions in the Federal service. The top of a pay range for a given level of work is 30 to 35 percent above the minimum rate for the work level; at executive levels the range is more likely to be 50 percent. The better performers advance faster within the range than the merely average performers. An employee who receives a within-grade pay increase generally has his salary advanced from 5 to 10 percent.

Differences between salaries for successive Classification Act grade levels, for instance, are both inconsistent and inadequate. These differences range from a low of 7.4 percent to a high of 18.8 percent. This is not a normal progression; there is no logic or pattern to be found. Between grades GS-1 and GS-2, the difference in minimum salaries is 9.9 percent. Between GS-2 and GS-3, the difference is 7.4 percent. GS-5 and GS-6 are 11.2 percent apart. GS-13 exceeds GS-12 by 18.8 percent, but GS-17 exceeds GS-16 by only 8.4 percent.

A similarly inconsistent condition exists with respect to the spread between minimum and maximum salaries at various grade levels. Including longevity rates, the top salary for GS-4 exceeds the GS-4 entry rate by 23.4 percent, but at GS-5 the difference is 34.2 percent. At GS-11, the spread is 27.5 percent, while at GS-15 it is 15.1 percent, and at GS-17 is 7.3 percent. This contrasts with salary ranges in industry, which are commonly from 30 to 50 percent of the beginning salary, with the widest ranges at the higher salary levels.

The salary spread from the entry professional or administrative level at GS-5 to the top career level at GS-18 is entirely inadequate by modern business standards. From his beginning salary, a Federal employee can see an increase of 4½ times for a lifetime professional or administrative career, if he is one of the relatively few who reaches the very top. His equals in private employment can expect to increase their beginning salary by six or seven times without having to become corporation president or chairman of the board.

Inequities now exist among the various Federal pay systems; for example, supervisors under the Classification Act system are sometimes paid less than their subordinates who are under a wage board

system. This comes about because of lack of coordination between the systems. Wage board rates are based on, and move freely with, prevailing rates in industry while pay levels under the Classification Act and other systems can be adjusted only by legislative action and lack a fixed standard to govern the time and amount of increases.

POLICY AND PRINCIPLES—GENERAL REFORMS

Title I states proposed Federal salary policy, provides for continuing application of the governing principles, and clarifies the role of the executive.

The proposed bill offers a basis for Federal pay reform by the adoption of two principles:

The comparability principle: Federal salary rates shall be comparable with private enterprise rates for the same levels of work; and

The internal alinement principle: There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions.

Comparability principle

Adoption of this principle will assure equity for the Federal employee with his equals throughout the national economy. Its use will improve the Government's ability to compete with private firms for qualified personnel.

Comparability with private enterprise salary levels provides a long-needed logical and factual standard for setting Federal salaries. It includes the effects of such legitimate pay consideration as cost of living, standard of living, and productivity as those factors are resolved into the going rate over bargaining tables and other salary determining processes throughout the country.

The principle has a history of wide acceptance. Within the Federal Government, it has been used for 100 years; first applied to navy yard workers, it is now applied to virtually all Federal trades and crafts workers, to employees of the Tennessee Valley Authority, and to Government work contractors through the Walsh-Healey and Davis-Bacon Acts. It is widely accepted in industry, although many leading firms have adopted the modification of paying better than the competition. State and local governments, as well as some other national governments (such as Canada and the United Kingdom), rely on this principle.

Until recent years, the principle of comparability could not be applied on a nationwide basis because there was no broad, acceptable source of comparative salary data from private enterprise. Now, however, the Bureau of Labor Statistics national survey of professional, administrative, technical, and clerical pay provides annually the requisite data on private enterprise pay. It is the only comprehensive and authoritative survey of its kind, and there are technically valid and established methods for translating the BLS data into Federal comparability pay levels.

Pay comparability would be established between the same levels of work in private enterprise and Government, that is, between levels of work having substantially the same responsibilities, and required qualifications. Although survey techniques require ascertaining private enterprise rates by occupation as well as

work level, the survey is so designed that the occupational rates at a given work level can be combined into a single rate representing the general level of private enterprise salaries for a work level equivalent to a Classification Act grade.

As will be explained later, comparability for the more specialized salary systems—postal, Foreign Service, Veterans' Administration medical—will be established by a systematic linkage of key levels with grades of the Classification Act.

Internal alinement principle

The internal alinement principle rests on the two concepts of equal pay for equal work and pay distinctions in keeping with differences in work and quality of performance. As with the comparability principle, the internal alinement principle is well established, both within and outside the Government. It is stated in the current Classification Act, the Postal Field Service Compensation Act, and the Foreign Service Act; and it is imbedded in public and private enterprise pay practices throughout the country. It is translated through different concepts in different systems, in some cases through evaluation of jobs and in other cases through evaluation of the qualifications of employees, but the same basic concept of internal equity underlies all systems.

The equal pay for equal work part of the internal alinement principle is now in effect and it works well, but pay distinctions for differences in work are not adequate under any of the statutory salary systems.

Proposed schedules would regularize and generally enlarge the differences in salaries between successive grade levels of positions. The new intergrade differentials recognize more appropriately the differences in responsibilities and furnish greater incentives for employees to strive to prepare themselves for higher responsibilities.

The proposed bill would improve the provisions for within-grade step increases and would make them more meaningful. The bill recognizes the importance of step increases by making them large enough to serve as material incentives and by allowing sufficient increases to sustain performance even where all or much of a career is served within a single grade or level.

Essential flexibilities

To maintain Federal salaries at levels comparable with private enterprise levels and to assure that other features of statutory salary systems are corrected and improved as experience shows the need, the bill provides that the President shall require an annual report, from an agency he designates, on the relationship of Federal salaries to those in private enterprise and shall submit an annual report to Congress recommending the adjustments in salary schedules, structure, and policy he considers advisable. This provision is a fundamental feature of the reforms proposed. It establishes a procedure for annual review of salary schedules and for annual adjustment when necessary to maintain the prescribed relationship to private enterprise pay levels. A systematic review of this kind is essential to prevent Federal salary schedules from relapsing to their present conditions.

The Government is handicapped in recruiting and retaining well-qualified employees because private enterprise

salaries in an occupation or in a given place are substantially higher than salary rates of statutory schedules, the President or an agency which he designates may set higher pay scales than those in the nationwide Classification Act, Postal Field Service, Veterans' Administration medicine and surgery, or Foreign Service salary schedules. In setting the new scales, the entrance rate of a grade may be advanced up to but not exceeding the top scheduled rate of the grade, and all other rates of the grade may be advanced proportionately. Such adjustments may be made for positions in an occupation in all areas or in a given area; for all positions, or for all positions in certain grades, in a given area; or for any other appropriate grouping of positions.

Authority thus to advance salary scales is a modification of the present authority in section 803 of the Classification Act which permits the Civil Service Commission to raise the minimum rate of the grade—or hiring rate—for positions in shortage occupations paid under the act. Under the present authority, the minimum rate may be increased as high as the maximum rate but no increases are permitted for other step rates. Thus, when it becomes necessary to advance the minimum rate at a given grade of an occupation to the top rate of the grade, only a single salary rate may be paid to those in the class of position concerned. New employees enter at the same salary that is being paid to experienced, better performing employees, a situation that has caused understandable resentment among individuals who had been several years on the job. Advancing the entire rate range of a grade when the hiring rate is raised, as now proposed, will permit experienced employees at the higher step rates to retain the salary advantage they have earned over new appointees.

The proposed new authority would also permit a general increase of rates payable under salary systems in a place where general salary levels in private enterprise are so far above statutory salaries for corresponding levels of work that they handicap the Government's recruiting and retention of well-qualified personnel. Available information indicates that, once the Government's salaries are brought up to national average private enterprise levels, there are few places in which this condition may exist, and the authority to raise rates generally in a geographic locality or area would be used very sparingly and only where the need and justification is clearly and conclusively demonstrated.

In accordance with sound management principles and in the interest of coordination among Federal salary systems, the President would be authorized to issue policies and rules, to which would be subject the pay regulations issued by the Civil Service Commission, the Postmaster General, the Administrator of Veterans' Affairs, and the Secretary of State under the several Federal statutory salary systems. Present law fails to contain specific provisions making clear the Chief Executive's responsibilities for salary administration as a part of the general management of the executive branch.

CLASSIFICATION ACT REFORM

Title II of the proposed bill would provide for the reforms needed in the Classification Act system.

Structural reforms

One major reform of the Classification Act salary structure would be achieved through a regularized pattern of intervals between salaries at successive grades. Under the proposed bill, pay differentials between successive grades would be brought into a regularized pattern and the entry rates for all grades will be, upon full reform, not less than 10 percent apart. This spreading out of entry rates will relieve the compression now existing generally but especially severe at the higher grades.

Salary ranges of the grades would be made uniform. Each grade would have a 30-percent pay range—entry rate and nine step increases—except the top grades, which taper down to single rates because of ceiling considerations. Step increases would be uniformly large enough to serve their purposes as material incentives.

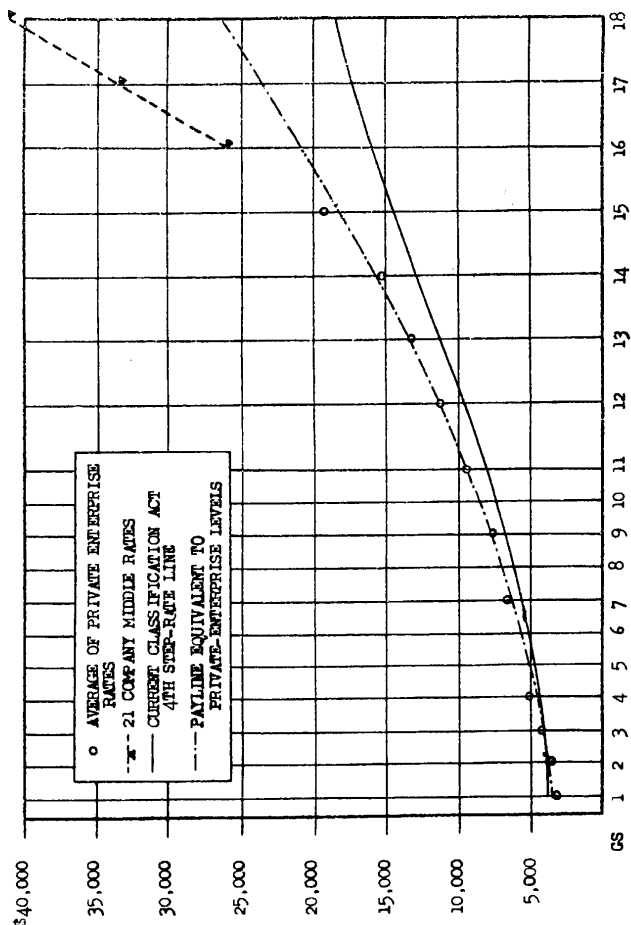
The present length-of-service requirements for step increases would be revised. Step increases are now granted every 52 weeks at GS-10 and below and every 78 weeks at GS-11 and above. Under the proposals, the first three step increases would each be granted after 52 weeks of satisfactory performance. Thus, step-ups would relatively frequent during the first 3 years on a job when performance normally improve rapidly. The next three steps would come at 2-year intervals, and the final three steps at 3-year intervals, when the aim is to motivate continued good performance. This revised use of step increases offers incentives over a period of 18 years. Most Classification Act employees receive promotions in grade and few work more than 18 years in a grade. At the same time, the revised use of step increases encompasses within the salary range of a grade what are now called longevity rates, thus removing unnecessary now-existent restrictions on the use of such rates.

Comparability schedule

The Bureau of Labor Statistics surveys annually private enterprise salaries and reports national averages. The jobs surveyed involve work that is essentially the same in Government and industry and are representative of Classification Act grades GS-1 through GS-15. The survey covers 80 metropolitan areas, selected as representative of the 200 standard metropolitan areas. It covers all industries that are major employers of the occupations surveyed (manufacturing, public utilities, wholesale and retail trade, finance, and certain service industries). It covers establishments with 250 or more employees—gathering clerical and technical pay data from about 6,000 establishments, and professional and administrative data from about 1,600.

The Classification Act comparability pay schedule is constructed by combining the BLS averages for several occupational-work levels that equate with a given GS grade. From this information a regularized comparability pay line is developed through grade GS-15, and extended through grade GS-18 by continuing the same regularized shape, based on the internal alignment principle. The extension of the line above grade GS-15 was checked against the findings of the Civil Service Commission's study of salaries in 21 large corporations to assure its reasonableness. The construction of the pay line is

COMPARABILITY PAY LINE, CURRENT CLASSIFICATION ACT, AND 21 COMPANIES



The rate for each grade in the comparability pay line is adopted as the fourth step rate of that Classification Act grade, and the other rates for the rate range of each grade are computed on the basis of an interval between step rates equal to 3¼ percent of the entrance rate of the grade. The fourth rate of the grade is adopted as the pay line rate because it best represents the average rate of the grade for Classification Act employees and BLS findings represent average rates paid by private firms.

In Classification Act grades where the comparability schedule falls below current rates, the current schedule rates would be somewhat increased nevertheless.

Flexibilities in use of schedule

The proposed bill provides greater flexibility in pay administration.

The bill also includes the provision in H.R. 1010 which passed the House of Representatives on August 22, 1961. This provision would insure employees promoted to a higher grade a salary increase equivalent to not less than two step increases in the grade from which promoted.

The Classification Act in its present form contains no provisions for merit increases. Private enterprise relies heavily on merit increases for rewarding and encouraging its better employees. The proposed bill provides for use of step increases, under Civil Service Commission regulations, to reward high-quality performance. No more than one such increase could be granted an employee during a year. This authority would make it possible for Federal managers to reward appropriately the better performers, whose everyday contributions to Federal programs continuously exceed the contributions of their associates.

At various times in the past, the Classification Act system has permitted within-grade merit increases. In the early years of the act, increases were permitted to employees with specified efficiency ratings. Absence of coordination among agencies—with increases depending more on the condition of an agency's appropriation than on merit—led to the present system of automatic, length-of-service increases. A limited, relatively cumbersome system of superior performance increases remained in existence but proved unsatisfactory and the authority on which it rested was repealed in 1954. The present proposal takes a middle ground between the two extremes that proved unsuccessful under the Classification Act in the past.

The proposed bill also provides for appointing individuals with extra qualifications at a rate above the minimum of a grade, or for using a higher rate when the minimum would be lower than the candidate's current salary. This authority would also be exercised under Civil Service Commission regulations. It is designed to help attract high-quality personnel to the Federal service. There are many instances in which ability to offer a few hundred dollars more may enable the Government to secure the services of a well-qualified individual.

Under present law, there is no pay method for rectifying a situation in which a Classification Act supervisor is paid less than a wage board employee under his supervision. With Classification Act salaries at comparability levels, the incidence of situations of this sort should be sharply reduced but, with the supervisor's rate based upon a na-

these pay inversions may still be encountered. Accordingly, the proposed bill would permit an agency, under Civil Service Commission regulations, to raise the rate of the supervisor in these circumstances to a rate of his grade which is above the rate paid the wage board employee under his supervision.

Objectivity and equity would be provided in classifying positions at the higher career levels by removing the limitations on numbers of positions which may be placed in grades GS-16, GS-17, and GS-18. Existing special authorities for certain agencies to place a specified number of positions in grades GS-16, GS-17, and GS-18 without Civil Service Commission review would become less necessary and would be eliminated; but requirements for an annual report to Congress on positions in grades GS-16 and above would be retained. Limitations on the number of positions to be placed in a grade are inconsistent with the principle of alinement underlying the proposed reforms. A limitation of this kind prevents classification of positions at the grade levels appropriate to the duties, responsibilities, and qualifications required.

Addition of two new levels

As indicated in the opening paragraph, an important part of the salary reform plan is to return a few high-ranking positions of bureau directors and similar posts to the general salary structure. The positions, most of which were formerly under the Classification Act, had been granted higher compensation under the Federal Executive Pay Act or other authorities. Since these are not positions of heads or assistant heads of agencies, they are being placed in the Classification Act system, at grade levels and under procedures which fully recognize their special importance. Almost all of these will be placed in new grades GS-19 and GS-20, at salary rates considerably above GS-18, even though full comparability as projected from present comparisons with private enterprise cannot be attained. Personal action by the President, after review of recommendation by the Civil Service Commission, is required to place a position in either of the two new grades, to insure maintenance of high standards of responsibility and competence.

REFORM OF SPECIAL STATUTORY SALARY SYSTEMS

Linking

The BLS survey furnishes private enterprise salary data for occupations which are representative of the Classification Act but not for other Federal pay systems where the majority of jobs have few, if any, counterparts in private enterprise. As indicated earlier in this statement, in order to extend the principle of comparability to other statutory salary systems the proposed bill relates, or links, several key levels or ranks of each system with equivalent Classification Act grades. Linkage is based in most cases on an evaluation of duties, responsibilities, and qualifications required but also takes into account other factors which should affect pay, such as career patterns and opportunities for advancement, group characteristics of employees, employment conditions, and special requirements. All linkages were agreed upon by the Bureau of the Budget, the Civil Service Commission, and the department or agency

For each key level or rank so linked with a Classification Act grade, the salary level was established on the basis of the comparability pay rate used for the Classification Act grade. The remainder of the schedule was developed in accordance with the alinement and structure required by internal conditions and needs of the specific service.

Postal field service pay reform

Title III of the bill relates to postal field service compensation. Proposals are based on the principles of comparability and internal alinement and on the special career conditions at the lower levels.

To extend comparability salary levels to the postal service, PFS-20 and PFS-11 are linked with GS-17 and GS-11, respectively, through evaluation of duties, responsibilities, and qualifications required; and PFS-4 is linked with GS-5. Linking PFS-4 with a grade as high as GS-5 of the Classification Act schedule is not predicated solely on a work-level evaluation basis but on the additional considerations of the unique character of postal occupations, the full career served by many postal clerks and carriers in PFS-4 and the family responsibilities of most of them, and the relative scarcity of opportunities for advancement to higher work levels.

The fourth step rates of Classification Act grades GS-17, 11, and 5 were used as the fourth step rates of PFS-20, 11, and 4, respectively. The fourth rates of other postal levels were established by application of uniform intergrade differentials for levels PFS-1 through PFS-10 and another set of uniform differentials among levels above PFS-10. This established a PFS comparability pay line at the same general level as the Classification Act pay line.

The PFS comparability schedule was constructed by applying within-grade pay ranges patterned on those proposed for the Classification Act but substantially wider at the lower postal levels. Twelve within-grade increases, spread over 27 years and adding up to a 40-percent range, are proposed for PFS-1 through PFS-6, where employees normally spend their entire careers in a single level. The new PFS rate ranges replace the former longevity increases as well as the regular step-increases in the former pay schedule.

Time intervals between step increases would be the same as under the Classification Act: 1 year each for the first three, 2 years each for the next three, and 3 years each for the remainder. Additional step increases could be given for exceptional competence, and an individual with extra qualifications could be appointed at a rate above the minimum of the level.

Other revisions in the postal compensation system would guarantee a minimum two-step increase on promotion to a higher level or a three-step increase if promoted three or more levels; place rural carrier pay on a work requirement rather than a mileage basis; and modify the salary schedule for fourth-class postmasters.

Reform of salaries in the Veterans' Administration Department of Medicine and Surgery

Title IV of the bill is concerned with salaries of physicians, dentists, nurses, and directive staff in the Department of Medicine and Surgery of the Veterans' Administration. Proposals rest on the twin principles of comparability and internal alinement.

Pay comparability is brought about by linking the pay of:

- Physician, Director grade (new) with GS-16.
- Physician, associate grade with GS-11.
- Director, nursing service with GS-15.
- Nurse, junior grade with GS-6.

Salary ranges for intermediate grades of physicians, dentists, and directive staff and most grades of nurses were established by maintaining a regularized pattern of intervals between grades similar to the pattern used for the Classification Act. Directive level salaries are based on an upward projection of these salary schedules, except for the Chief Medical Director rate, which is linked to the new GS-20 grade.

Salary structures are improved by adding two new physician grades and dropping one former grade and by adding one nurse grade. The proposed Classification Act rate range, generally 30 percent, is used except at the highest levels, where lesser ranges or single rates are proposed.

Under existing law, the Administrator of Veterans' Affairs has wide discretion in determining what step rates will be established within prescribed statutory rate ranges and how the step rates will be used. His present authority would continue, but subject to the President's policy direction. Step rates within the statutory limits of the rate ranges would be set administratively, as they now are. The existing authority for 15 percent additional pay for specialists would be repealed. Proposed 30 percent rate ranges would provide an adequate spread to permit recognition of specialist qualifications.

Foreign Service pay reform

Title V would extend comparability and alignment principles to salary schedules of the Foreign Service under the Department of State.

Comparability would be brought about by linking the pay of—

- FSO-4 with GS-13.
- FSO-8 with GS-7.
- FSS-1 with FSO-3.
- FSS-10 (new) with GS-4.

The fourth rate of the class at the point of linkage is associated with the fourth rate of the corresponding Classification Act grade. A structure of regularized, slightly increasing interclass differentials provides the fourth rates of other Foreign Service officer classes. The rate for the highest class, Career Ambassador, is set at the same level as that for Chief Medical Director of the Department of Medicine and Surgery of the Veterans' Administration. Foreign Service Staff rates for other classes are derived from a uniform interclass differential pattern up to FSS-4, above which FSS salary levels conform with those for corresponding FSO classes. Ten FSS levels would replace the existing 22, the lower 9 of which seldom have been used.

Rate ranges for Foreign Service Staff classes would be 30 percent, with an entry rate and nine step increases, like the proposed Classification Act within-grade structure. Existing excessively increased provisions would be repealed. Except at top levels, where lesser ranges or single rates are used, 20-percent salary ranges are proposed for Foreign Service officer classes. Foreign Service officer career pat-

terns, because of the selection-out system and other factors, do not require a wide range of salaries for a class.

Existing law permits the Secretary of State substantial discretion in the use of within-class salary rates. His present authorities would remain in effect; they would be subject to Presidential policies and rules.

PHASING OF SALARY INCREASES AND COSTS

Because of the lag that has accrued over the past 20 years or more, bringing statutory salary schedules up to levels reasonably comparable with private enterprise would involve substantial cost in the intermediate levels and substantial individual increases at the top. To reduce the budgetary and economic impact and to provide a modest and orderly transition under a new governing principle for salary determination, it is proposed that the comparability principle be placed in effect through a 3-year phased program.

Accordingly, the proposed bill includes under the appropriate titles three salary schedules for each statutory salary system:

One effective the first pay period beginning on or after January 1, 1963.

One effective the first pay period beginning on or after January 1, 1964.

One effective the first pay period beginning on or after January 1, 1965.

The schedules have been so developed as to provide an annual increase of at least \$120 for all employees in the third schedules to be effective after January 1, 1965.

Results of Bureau of Labor Statistics annual surveys reported in the meantime will be taken into account in the annual reports and recommendations to Congress required under title I of the proposed bill. Thus the effects of any intervening changes in national salary levels can be considered before second-phase and third-phase schedules become operative.

Increases in annual costs under the reform proposals would be distributed as follows:

Annual cost increases

(Millions of dollars)

Salary system	Proposed comparability schedules	First phase alone, 1963
Classification Act.....		
Postal field service.....	\$733.7	\$307.2
Veterans' Administration, medicine and surgery.....	267.0	118.3
Foreign Service.....	31.3	12.4
	26.5	10.1
Total.....	1,058.5	448.0

Although designed to reform statutory salary systems rather than to provide a pay raise, the bill would raise salary levels substantially. Increases are greatest at the higher levels, because these are the levels which have been allowed to lag farthest behind while national salary levels have been consistently rising. Classification Act increases during the three-phase program would vary from a 3.7-percent increase at grade GS-1 to a 38-percent increase at GS-17 and a 32-percent

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increase at GS-18. Similarly, postal salary increases would range from 7.5 percent at PFS-4 to 26.5 percent at PFS-20. Veterans' Administration medicine and surgery salaries would be raised 11.8 percent for junior grade nurse, 41 percent for the Deputy Chief Medical Director, and 37 percent for the Chief Medical Director. In the Foreign Service, salaries for new FSS class 10 would be 3.6 percent above those of the former corresponding class, and salaries for career Ambassadors would become 45 percent higher than at present.

The reform program would produce the following average salary increases under the several statutory systems:

Average percentage salary increases		
Salary system	Proposed comparability schedules	First phase alone, 1963
Classification Act.....	11.0	4.6
Postal field service.....	7.9	3.5
Veterans' Administration, medicine and surgery.....	16.8	6.6
Foreign Service.....	18.1	6.9
Overall average.....	10.2	4.3

Even though the overall average increase under the comparability schedule is less for the postal system, the fact is that at the most heavily populated postal level the average increase is greater than at the corresponding Classification Act grade.

Once Federal salaries have been brought into adjustment with comparability levels, future increases can be expected to be distributed more evenly over the higher and lower grades, and to have smaller fiscal impact in any one year.

MISCELLANEOUS

Title VII contains most miscellaneous provisions; others affecting only a single salary system are in the appropriate title.

The principal provisions of title VII relate to existing authorities to set salaries for specified numbers of positions in certain scientific activities without regard to the Classification Act. The positions are in the Departments of Defense, Interior, Agriculture, Health, Education, and Welfare, Commerce, and Post Office, the National Security Agency, National Aeronautics and Space Administration, Federal Aviation Agency, and Arms Control and Disarmament Agency. Salaries generally are restricted to the range between \$12,500 and \$19,000, but a maximum of 30 positions in the National Aeronautics and Space Administration may be paid up to \$21,000 a year.

Title VII, in place of the present fixed dollar limitations, would authorize salaries in the range between the minimum rate of grade GS-16 and the pay of grade GS-18. Under the first phase Classification Act schedule effective January 1, 1963, the range would be \$16,400 to \$20,315. A year later it would be \$17,970 to \$22,740; and on January 1, 1965, it would become \$19,125 to \$24,500. A special provision would permit immediately salary increases for the 30 positions in the National Aeronautics and Space Administration (which may now be compensated up to \$21,000 a year) at not to

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exceed the rate for grade GS-18 which would be in effect after January 1, 1965, under title II of the proposed bill.

This proposal would produce much needed increases in salaries for the positions concerned, generally those of scientists engaged in advanced research and developmental studies. More important, linking the rate range for these positions to specified Classification Act grade ranges would produce automatically appropriate adjustments in the salary limits for these positions whenever the Classification Act and other statutory salary schedules are adjusted as a result of movements in national private enterprise salary levels.

Other miscellaneous provisions in the bill would, for example, make desirable changes in provisions for salary retention in downgradings under the Classification Act and for necessary conversion of employees' present salaries to those under the proposed schedules.

The effective date of all provisions of the bill other than the second-phase and third-phase salary schedules would be the first pay period beginning after January 1, 1963.

CONCLUSION

Enactment of the proposed bill would gradually bring Federal statutory salaries up to levels reasonably comparable with rates paid in private enterprise and would establish equitable relationships among Federal pay systems. The proposed bill offers a "governor" standard which objectively controls pay levels and automatically sets in motion needed periodic adjustments, and provides for executive recommendations, as needed, on salary structure and compensation policy.

Taken as a whole, provisions of the proposed bill would provide a powerful continuing force for improved management in the Federal service and competent execution of the programs that the Congress prescribes for administration by the executive branch.

SECTION ANALYSIS

TITLE I—GENERAL POLICY

Section 101: Provides that the act may be cited as the "Federal Salary Reform Act of 1962."

Section 102: This section sets forth the policy of the Congress that pay of Federal civilian personnel shall be established upon the principles of equal pay for substantially equal work with pay distinctions maintained in keeping with work and performance distinctions; and that Federal salaries shall be comparable with salaries in private enterprise for the same levels of work. The declaration of policy further states that pay levels of the several Federal statutory salary systems shall be interrelated, and that pay levels shall be set and hereafter adjusted in accordance with these principles.

Section 103: This section provides that in order to give effect to the policy stated in section 102, the President shall direct an appropriate agency, or agencies, to prepare and submit to him an annual report comparing salary rates paid to Federal employees whose rates are fixed by statute with rates paid for the same levels of work in private industry as determined on the basis of annual surveys of the Bureau of Labor Statistics of the Department of Labor. After seeking the views of employee organizations the President is required to make an annual report to the Congress containing the comparison of Federal and private enterprise salary rates and such recommendations for revision of statutory salary schedules, salary structure, and compensation policy as he deems advisable.

Section 104: Subsection (a) of this section provides that whenever the President, or such agency or agencies as he may designate, finds that salary rates in private enterprise for one or more occupations in one or more areas or locations are so substantially above the salary rates of statutory pay schedules as to handicap significantly the Government in recruiting and retaining well qualified persons in positions paid under the Classification Act of 1949, the Postal Field Service Compensation Act of 1955, the pay scales applicable to certain positions in the Department of Medicine and Surgery of the Veterans' Administration, or the Foreign Services Act of 1946, the President, or the agency or agencies designated by him, may for such areas or locations, establish higher minimum rates of pay for one or more grades or levels, occupational groups, series, classes, or subdivisions thereof, of one or more of the acts cited. Corresponding increases may be made in all step rates of the salary range for each such grade or level but no minimum salary rate so established may exceed the highest salary rate prescribed by law for the grade or level.

Subsection (b) provides that such rates may be revised from time to time and that such actions shall have the force and effect of law.

Subsection (c) provides that any increase in basic compensation established under section 104 shall not be regarded as an equivalent increase in compensation for purposes of within-grade advancement

under the Classification Act or the Postal Field Service Compensation Act.

Section 105: This section provides that the functions, duties, and regulations of the departments and the Civil Service Commission with respect to compensation grades and salary scales under title I of this act, the Classification Act, the Postal Field Service Compensation Act, the Foreign Service Act, and chapter 73 of title 38 of the United States Code (relating to compensation of medical and nursing positions in the Department of Medicine and Surgery of the Veterans' Administration) shall be subject to such policies and rules as the President may issue. The rules and policies of the President may, among other things, provide for (1) the annual preparation and report to him of the comparison of salary rates in the Federal Government with those in private enterprise; (2) obtaining and reporting the views of employee organizations on the annual comparison of salary rates, and on other compensation matters; (3) reviewing and reporting to him on the adequacy of the various statutory salary structures; (4) reviewing relationships of Federal statutory salary rates and those of private enterprise in specific occupations and local areas; and (5) providing step increases in recognition of extra competence, for appointment at salary rates above the minimum, and for properly relating supervisory salary rates paid under one system to subordinates paid under another system.

TITLE II—PAY SYSTEM OF CLASSIFICATION ACT OF 1949

Section 201: This section provides that title II may be cited as the "Classification Act Amendments of 1962."

Section 202: This section adds two new grades, GS-19 and GS-20, to the General Schedule of the Classification Act. The new grades are primarily to accommodate outstanding positions being brought under the act, by other sections of the bill which are presently paid under the Executive Pay Act or individual statutory authorities.

Section 203: This section contains the proposed compensation schedule for the General Schedule of the Classification Act, and the conversion rules for the three phases of the salary adjustment plan which would become effective in 1963, 1964, and 1965.

Subsection (a) prescribes the compensation schedule for the general schedule for the first phase of the pay adjustment program which would be effective on the first day of the first pay period which begins on or after January 1, 1963. The schedule contains 10 per annum rates in lieu of 7 scheduled and 3 longevity rates currently provided for GS-1 through 10; 10 rates for GS-11 through 14 in lieu of 6 scheduled and 3 longevity rates; 10 rates for GS-15 in lieu of 5 scheduled and 3 longevity rates; and 7 rates for GS-16 in lieu of the 5 rates currently provided by the Classification Act. Grade GS-17 will have four rates in lieu of the present five, and GS-18 would continue to have a single rate. Because the number of regular step rates is increased, the current provisions for longevity step increases in title VII of the Classification Act are no longer needed and are repealed in subsequent sections of the bill.

Section 204: This section specifies the rules by which existing pay rates are to be automatically adjusted to the rates of the new schedules. The general principle is that employees are to retain the same relative place within the new grade range as they had within

their former grade range. This principle, however, requires special provisions where the number of rates is not the same in both the old and the new grade range. Hence, some special transition rules are provided relating primarily to grades GS-11 and above.

Paragraph (9) of subsection (b) provides that service immediately preceding the effective date of subsection (a) of the section shall be counted toward not to exceed one step increase under the time in grade provisions of section 701(a) of the Classification Act, as amended by this act.

Subsection (c) of this section provides the compensation schedule for the general schedule for the second phase of the pay adjustment program which would be effective on the first day of the first pay period beginning on or after January 1, 1964.

Subsection (d) of this section specifies the rules for automatically converting then existing pay rates to the rates of the new schedule. The general principle is again followed that employees are to retain the same relative place within the new grade range as they did in the former grade range. The conversion rules are somewhat simpler in this instance because the number of rates in the salary range of each grade is the same under the 1963 and 1964 compensation schedules.

Subsection (e) of this section provides the compensation schedule for the general schedule for the third phase of the pay adjustment proposal. It would become effective on the first day of the first pay period which begins on or after January 1, 1965.

Subsection (f) specifies the necessary rules for converting the pay rates of the 1964 schedule to those of the 1965 schedule. The rules are identical to those prescribed in subsection (d).

Section 204: This section amends title VII—"Step-Increases" of the Classification Act. Title VII currently provides two types of step-increases: (1) Periodic step-increases under section 701, and (2) longevity step-increases beyond the scheduled maximum rate of the grade under section 703. Longevity steps are given as a reward for long and faithful service. As amended by this bill, title VII provides for (1) periodic step-increases, and (2) additional step-increases to be granted in recognition of high quality performance.

Section 701 now provides periodic step-increases, for employees below the maximum rate of the grade, for each 52 calendar weeks of service if the amount of the step-increase is less than \$200, or 78 weeks of service if the employee's position is in a grade in which the step-increase is \$200 or more. As amended, section 701(a) provides for periodic increases following the completion (1) of each 52 calendar weeks of service in salary rates 1, 2, and 3, (2) 104 calendar weeks of service in salary rates 4, 5, and 6, and (3) each 156 calendar weeks of service in salary rates 7, 8, and 9. These periods of service apply regardless of the grade and the dollar amount of the salary increment.

Paragraphs (A) and (C) of subsection (a) which relate to eligibility for step increases are in existing law. Paragraph (B) requires, as a prerequisite to within-grade advancement, that the employee's work is of an acceptable level of competence in contrast with the present wording that the employee has a current performance rating of "satisfactory" or better.

Subsection (b) of the revised section 701 is present law.

Section 702 of the Classification Act as embodied in the bill authorizes, in subsection (a), additional step increases in recognition of high

quality performance above that ordinarily found in the type of position concerned. Such additional step increases could be made in accordance with regulations prescribed by the Civil Service Commission and, under subsection (b), would be limited to not more than one within any period of 52 weeks.

Current provisions of sections 703 and 704 of the Classification Act relating to longevity step increases are no longer needed since these steps have been included in the regular rate range for the respective grades. The provisions are therefore repealed. Section 703 of the amended title VII which is already in existing law (as sec. 705) provides that title VII shall not apply to persons appointed by the President, by and with the advice and consent of the Senate. It recognizes that such persons should not be subject to the usual restrictions on step increases since their appointments are frequently of limited duration, being more or less dependent upon changes in political administration. Usually it cannot be expected that such noncareer officials will serve the necessary time to receive full advantage of the step-increase plan. Therefore, heads of departments and agencies should be left free to increase their compensation within the salary range of their grades without regard to the time and other limitations of title VII.

Section 205: This section amends section 801 of the Classification Act which now requires that all appointments shall be made at the minimum rate of the appropriate grade. This would continue to be the general rule. However as an aid in attracting high quality personnel to the Federal service, section 801 as amended would permit appointments at rates above the minimum of the grade under regulations prescribed by the Civil Service Commission in the following circumstances: (1) Individuals having extra qualifications for the position concerned could be appointed at such higher rate of the grade as the Commission might authorize. (2) Well-qualified individuals whose non-Federal salaries are above the minimum rate of the grade to which they would be appointed, and who otherwise would decline appointment or take a reduction in income if the Government's offer is accepted, could be appointed at a rate above the minimum. Under these circumstances, no appointment could be made at a rate higher than the lowest rate of the appropriate grade which equalled or exceeded the appointee's salary rate immediately prior to appointment. The authorization is permissive in both categories of exceptions.

Section 206: This section amends section 802 of the Classification Act by revising the current subsection (b) and by adding a new subsection (d).

Subsection (a) of section 205 revises section 802(b) of the Classification Act to provide that when an officer or employee is promoted or transferred to a position in a higher grade he shall receive basic compensation at the lowest rate of the higher grade which exceeds his existing rate of basic compensation by not less than two step increases of the grade from which he is promoted or transferred. In the event that there is no rate in the higher grade which is at least two step increases above his existing rate of compensation, the officer or employee would receive either the maximum rate of the higher grade or the existing rate of basic compensation if it is higher. Existing law provides only a one-step increase upon promotion or transfer to a higher grade. This proposal is included in H.R. 1010 which

Subsection (b) of section 205 adds a new subsection (d) to section 802 of the Classification Act. There is no present authority for saving the basic compensation of an employee who, together with his position, is brought under the Classification Act from some other Federal pay system (such as the wage-board system), if his salary rate is in excess of the maximum rate of the classification grade in which his position is placed. The present situation not only works a hardship on the employee whose compensation is reduced, but it discourages and hinders the transfer of positions from one system to another when this is required to be done. The new subsection would authorize the Civil Service Commission to issue regulations to permit the retention of salary in such instances. It also provides that if an employee is demoted to a position of lower grade under the Classification Act, his salary will be determined under section 507 of that act which relates to demotions from one grade to another. At the same time subsection (d) provides that the employee's service in the position which was brought under the act shall, for the purpose of computing time in grade under section 507, be considered as service under the Classification Act.

Section 207: This section repeals the current provisions in section 803 of the Classification Act which authorize the Civil Service Commission to increase the existing minimum salary rate for a given class of positions whenever it finds that a sufficient number of qualified eligibles in such class cannot be secured and that there is a possibility that a sufficient number can be secured at a higher rate. Because of the more comprehensive provisions in section 104 of title I of the bill, the present provisions of section 803 are unnecessary and therefore are being deleted. Section 803, as amended, is designed to ameliorate a situation which has long plagued certain segments of the service and has been detrimental to morale wherever it existed. The new section provides that under regulations of the Civil Service Commission, any employee in a position under the Classification Act who regularly has responsibility for supervision, including technical supervision, over employees whose pay is fixed by wage boards or similar administrative authorities, may be paid a rate for his grade which is above the highest rate of basic compensation being paid to any such prevailing-rate employee regularly supervised.

Section 208: This section amends section 507 of the Classification Act which provides for the retention of salary when an employee is demoted to a lower grade. The amendment in the first paragraph makes the provisions of the section applicable to officers and employees in all grades of the Classification Act. The amendment in paragraph (2) is a minor change in language, but one which will permit salary retention in some cases not now permitted under section 507.

Section 209: This section materially amends section 505 of the Classification Act. All present provisions of that section are repealed with the exception of the provision requiring that no position shall be placed in grade 16, 17, or 18 of the general schedule except by action of, or after prior approval by, a majority of the Civil Service Commissioners. The numerical limitations on the top grades are repealed as are all special authorizations to designated agencies for positions in grades 16, 17, and 18 of the general schedule. The amendments, which, internally, are inconsistent with the compensation schedules proposed in title II, is to place all

of the Civil Service Commission, that it involves responsibility for direction of a program or activity with sufficiently significant implications for the national interest or sufficient magnitude of operations and impact on the public interest that it should be placed in the highest grade of the Classification Act.

Subsection (c) provides that a position shall be placed in new grade GS-19 only when the President finds, after review of recommendations of the Commission, that its responsibilities are of such national significance that it should be at a higher level than grade GS-18 but it does not measure up to the requirements of grade GS-20.

Subsection (d) of section 505 requires the Commission to submit an annual report to the Congress with respect to positions placed in grades 16, 17, and 18 of the general schedule and the incumbents of such positions. The requirements are quite similar to those currently prescribed in section 503 of the act of July 31, 1956 (70 Stat. 762), which is repealed in section 209 of the bill.

Section 210: This section expressly repeals those provisions of law relating to (1) incumbency allocations to specific top grades of the Classification Act; (2) special agency authorizations in laws other than the Classification Act for positions in, or paid at salary rates related to, the top grades of that Act; (3) provisions relating to required reports on the top grades and the rates and administration of the Classification Act; and (4) section 803 of the Classification Act.

Section 211: This section amends certain provisions of the Foreign Assistance Act of 1961 and the Mutual Educational and Cultural Exchange Act of 1961.

Subsection (a) repeals that part of section 625(b) of the Foreign Assistance Act of 1961 which reads—

of whom not to exceed fifty-one may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended (5 U.S.C. 1071 et seq.), and of these, not to exceed eight may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of \$19,000 per year.

Subsection (b) repeals section 625(c) of the Foreign Assistance Act which reads as follows:

(c) Of the personnel employed in the United States to carry out part II, not to exceed eight may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of \$19,000 per year. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

Subsection (c) amends section 104(b) of the Mutual Educational and Cultural Exchange Act of 1961 by repealing that part of subsection (b) which reads as follows:

and of such personnel not to exceed ten may be compensated without regard to the provisions of the Classification Act of 1949, as amended, and of these not to exceed five may be compensated at a rate in excess of the highest rate provided for grades of the general schedule established by the Classification Act of 1949, as amended, but not in excess of \$1,000 per annum more than such highest rate. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

The amendments, which, internally, are inconsistent with the compensation schedules proposed in title II, is to place all

of these positions under the Classification Act as proposed in section 211(a) of the proposed bill.

Section 212: Subsection (a) provides that each position specifically referred to in or covered by any amendment or repeal made by sections 209 and 210 shall be placed in the appropriate grade of the general schedule of the Classification Act, in accordance with the provisions of that act.

Subsection (b) provides that positions in grades 16, 17, and 18 of the general schedule immediately prior to the effective date shall remain in such grades until appropriate action is taken under section 505 of the Classification Act.

Section 213: This contains the usual savings provisions.

Subsection (a) provides that changes in law made by title II shall not affect any position existing immediately prior to such changes, the compensation attached to such position, any incumbent thereof, his appointment, and his right to receive the compensation attached to the position until appropriate action is taken in accordance with this title.

Subsection (b) provides that the incumbent of each such position immediately prior to the effective date of title II shall continue to receive the basic salary which he received immediately prior to the effective date until he leaves his position or until he is entitled to receive a higher rate in accordance with law. The rate of basic compensation of subsequent appointees to such position will be determined in accordance with provisions of the Classification Act.

Section 214: This section provides that except as provided in section 202, title II shall become effective on the first day of the first pay period which begins on or after January 1, 1963.

TITLE III—POSTAL FIELD SERVICE EMPLOYEES

Section 301: This section contains the short title of this title: "Postal Employees Salary Adjustment Act of 1962."

Section 302: The salary schedule for the postal field service schedule (PFS), included in the amendment to section 3542 of title 39 of the United States Code, follows the pattern established for other statutory pay systems in that it is based on the principle of industry comparability for levels of work. Comparability in this instance was established through reference to the Classification Act schedule since private industry equivalents are more readily obtainable with positions ranked under that act than under the postal pay system.

Linkages were established with the Classification Act schedule by equating PFS-4, PFS-11, and PFS-20 with GS-5, GS-11, and GS-17, respectively. In order to validate these reference points, positions in the PFS system were evaluated by reference to the Classification Act. The level of duties and responsibilities found in PFS-11 and PFS-20 corresponded to those identified with GS-11 and GS-17. While the level of duties and responsibilities found in PFS-4 positions bear some similarity to clerical positions in GS-4, distinctive employment conditions prevailing in the postal field service warranted linkage with GS-5.

The PFS comparability pay line, drawn through the points of linkage, produces a schedule with intergrade differentials of 8.2 percent from PFS-1 through PFS-9 and 10.9 percent from PFS-10 through

PFS-20. Adoption of this pattern preserves generally the present alignments within the postal pay system, yet, at the same time, corrects deviations from the standard progressions which have been incorporated into the present structure. To illustrate, the present intergrade differential between PFS-3 and PFS-4 is 9.9 percent and that between PFS-4 and PFS-5 is 5.9 percent. The narrowness of the latter differential compresses the schedule so that step 1 of PFS-7, the predominant level for firstline supervision, exceeds step 1 of PFS-4 by only 23.6 percent; the proposed schedule raises this differential to 26.9 percent.

Within-grade step differentials are 3.3 percent of step 1 for each level, as proposed for other Federal pay systems. Because of variations in the number of steps, rate ranges vary from approximately 40 percent for levels 1 through 6, to 33 percent for level 7, 30 percent for levels 8 through 18, and somewhat less for levels 19 and 20.

The proposed schedule replaces both annual salary steps in the present PFS schedule and longevity steps. The combination is accomplished by the addition of step increases to the PFS schedule to be attained on the basis of periodic advancement within the level.

This section provides three schedules which are to become effective on the first day of the first pay period which begins on or after January 1 of 1963, 1964, and 1965, respectively.

Section 303: Subsection (a) of this section amends section 3543(a) of title 39 by establishing a new schedule for determining rural carrier pay and by combining the present salary steps and longevity steps into a single 13-step schedule. In this respect, the rural carrier schedule (RCS) follows the pattern of the PFS schedule.

Pay rates for the RCS schedule were determined by adding the amount of increase provided in each phase for PFS-4, step 7, to the present step 7 rate for the 58-mile route. This route represents the average length of route in 1962.

Within-grade step differentials approximate 3.3 percent and the total range of rates is approximately 40 percent as in the PFS schedule.

The three schedules would become effective in 1963, 1964, and 1965.

Subsection (b) substitutes a system of pay based on weekly work requirements of the route for the present system which relates pay primarily to miles of route. Five service classifications are established.

The weekly work requirements will be determined from measurable route characteristics, such as mail count, number of miles, and number of boxes. To allow for variations in conditions from day to day, or season to season, the pay related to each service classification will compensate for a larger number of hours than are specified as weekly work requirements for the respective classifications.

Premium pay at overtime rates is provided for routes in service classification E, where weekly work requirements exceed 40 hours per week, as shown in the table of rates applicable under the 1963 phase to the respective service classification. Special provision is made in subsection (b)(2) for determining compensation on triweekly routes.

FEDERAL STATUTORY SALARY SYSTEMS

PER ANNUM RATES AND STEPS

	1	2	3	4	5	6	6	8	9	10	11	12	13
A.....	\$3,686	\$3,808	\$3,929	\$4,051	\$4,172	\$4,294	\$4,416	\$4,537	\$4,659	\$4,780	\$4,902	\$5,024	\$5,145
B.....	3,977	4,108	4,239	4,371	4,502	4,633	4,764	4,895	5,027	5,158	5,289	5,420	5,551
C.....	4,268	4,409	4,550	4,690	4,831	4,972	5,113	5,254	5,394	5,535	5,676	5,817	5,958
D.....	4,559	4,709	4,860	5,010	5,161	5,311	5,461	5,612	5,762	5,913	6,063	6,213	6,364
E.....	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130	6,290	6,450	6,610	6,770

ANNUAL RATE OF OVERTIME PAY, PER HOUR OVER 40

	\$151.88	\$157.88	\$163.88	\$169.88	\$205.88	\$211.88	\$217.88	\$223.88	\$229.88	\$235.88	\$241.88	\$247.88	\$253.88
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Studies of rural routes have confirmed the fact that route mileage is not an equitable basis on which to determine pay. Routes with identical mileage vary greatly in terms of workload. At the same time, routes which vary greatly in length and, consequently, in compensation for the carrier, have the same workload characteristics in terms of time required. Data collected from a sample of routes participating in the 1960 inspection showed, for example, that application of the service classification, based on uniform time standards, to randomly selected routes would have resulted in the following distribution:

Miles of route	Present annual salary step 7	A	B	C	D	E
29.....	\$4,934	5				1
42.....	5,305	11	4	1	1	1
58.....	5,689	10	3	2	2	2
69.....	5,953	1	7	5	4	3
74.....	6,073	1	1	2	3	3

The system of service classification proposed does not take into account differences in the working speed or efficiency of individuals. Carriers who complete their work in less than the standard time assigned to their routes will not be penalized. At the same time, carriers who do not meet the average time standards will not be paid additional compensation for excess time devoted to the performance of regular service or the route.

Subsection (c) replaces section 3543(c) of title 39 of the United States Code.

Present law authorizes the payment of an additional allowance to carriers serving heavy duty routes of 61 miles or less in length. In administering this provision of law, the Department has developed work standards which have been applied to determine eligibility of routes for qualification as heavy-duty routes. The same standards have been applied to give relief on overburdened routes for which heavy duty compensation is either insufficient or not available because of excess mileage. Subsection (c)(1) incorporates these work standards which contain time values for various types of mail handled as well as for miles of route and boxes served. The standards will be applied to all rural routes.

Under certain circumstances a carrier may be relieved of his duty in order to help in the office work or on the route. Subsection (c)(2) provides a conversion factor for reducing work requirements on rural

FEDERAL STATUTORY SALARY SYSTEMS

routes when auxiliary assistance is furnished. The ratio is established at 50 minutes for each hour of assistance. It is anticipated that relief will be afforded in the most practical and efficient manner, on one or more days in the week. For example, relief may be afforded on a 48-hour route by excusing the carrier from duty on one day and assigning an auxiliary assistant to the performance of all the work on the route on that day.

Subsection (d): The current provisions of section 3543(d), title 39, United States Code, are to be reenacted as subsection 303(k).

Subsection (d) of section 3543 is amended to require the Postmaster General to make inspections of rural routes to serve as the basis for determining service classification. Under paragraph (1), the Postmaster General is required to provide for annual inspections. Under paragraph (2) he is required to provide for additional inspections initiated by management or at the request of a rural carrier for reclassification due to service changes. Under paragraph (3) the Postmaster General is required to determine the tentative service classification of a new route to be followed by inspection.

Subsection (e): This subsection amends section 3543(f) of title 39 of the code, which currently relates to allowances for equipment maintenance. The present allowance for routes other than heavy-duty routes is \$3.50 per day or 10 cents per mile, whichever is greater; on heavy-duty routes, the Postmaster General is authorized to pay an additional allowance up to \$2.50 per day. While retaining 10 cents a mile as the standard allowance, the proposal increases the minimum daily allowance to \$4 for routes requiring less than 260 stops to serve the route. Routes requiring more than 260 stops have features insofar as wear and tear on equipment is concerned, which are similar to heavy-duty routes; paragraph (2)(B) will provide all such routes with an equipment allowance comparable to that now available only on heavy-duty routes.

Subsection (f): This amendment to section 3543 of title 39 contains three provisions.

The first, subsection (i), changes the method of compensating substitute rural carriers. Under the present system, these carriers are paid at the rate of the carrier in whose absence they are serving. Under the new provision, substitute carriers will receive appointments at step 1 for the route, and they will earn step increases in the same manner as other substitutes in the postal field service.

Since service as a substitute rural carrier is not creditable under present law for step increases, no credit is given upon conversion for past service in this capacity.

The second, subsection (j), authorizes the Postmaster General to advance service classifications of rural routes during the Christmas mailing season.

The third, subsection (k), reenacts subsection (d) of 39 U.S.C. 3543, which authorizes the payment of additional compensation to carriers carrying pouch mail to intermediate post offices or for serving intersecting loop routes.

Section 304: This section amends section 3544(a) of title 39 of the code.

Section 305: This section amends section 3545 of title 39 of the code for postmasters in fourth-class post offices continues to relate compensation on receipts categories.

The schedule for the 1963 phase provides minimum compensation at the rate of \$1.25 per hour, the new statutory minimum wage, for

2 hours of daily employment in the lowest receipts category. In the next six categories, the same minimum rate is provided for graduated hours of daily employment. The minimum hourly rate for the highest category, based on 8 hours of daily service, is \$1.41. Like the PFS schedule, within-grade step differentials average approximately 3.3 percent and the range from step 1 to step 13 is approximately 40 percent.

The 1965 schedule, providing for full reform, will raise the minimum pay of postmasters in fourth-class post offices to \$1.30 per hour.

Section 305: This section amends 39 U.S.C. 3552, which relates to advancement of employees by step-increases.

Under subsection (a), the schedule of advancement is established. The present schedule of advancement provides for increases based on 52 weeks of service in a step until step 7, the highest step in the existing schedule, is reached. Thus, an employee entering on duty in PFS-4, step 1, would reach step 7 upon completion of six 52-week periods, or after approximately 6 years of service in that level. Under the new schedule, the employee will be advanced to steps 2, 3, and 4, on the basis of 52 weeks of service in each step, to steps 5, 6, and 7, on the basis of 104 weeks of service, and to steps 8 and above, on the basis of 156 weeks of service. To reach step 7 under the new schedule, an employee entering on duty in PFS-4, step 1, would complete nearly 9 years of service; he would reach step 13, the last step for his level, upon completion of nearly 27 years of service.

Subsection (b), 39 U.S.C. 3552, codifies and makes permanent a provision of law common to salary increase legislation affecting postal employees. In effect, it provides that statutory increases in basic compensation are not equivalent increases for purposes of determining eligibility for advancement under subsection (a).

Subsection (c) reenacts the last sentence of 39 U.S.C. 3552(a) as a separate subsection.

The current provisions of 39 U.S.C. 3552(b) are, in effect, repealed by this amendment. Under present service conditions, withholding of advancement by step-increases from substitutes in PFS-5 assigned to road duty cannot be justified.

Section 306: This section amends 39 U.S.C. 3554 by deletion of the phrase "under the postal field service schedule" and insertion in its place, the phrase, "in the postal field service." The purpose of this change is to permit the payment of compensation to temporary rural carriers serving under limited appointments in the same manner as to other postal field service employees. In effect, this change will continue the present method of compensation of these carriers.

Section 307: This section amends 39 U.S.C. 3559 in its entirety. The present method of promotion guarantees to each employee a minimum increase equivalent to the difference between step 1 of the level from which promoted and step 1 of the level immediately above. The new provision will guarantee to each employee promoted to a higher level a minimum increase equivalent to two step increases of the level from which promoted; if the employee is promoted to a level more than two levels above the level of his position, he will receive a minimum increase of three step increases.

Comparison of promotion benefits (1963 phase)

Level and step	Level to which promoted	Present step in higher level	Amount of increase	Proposed step in higher level	Proposed increase
PFS-3, step 3.....	PFS-4.....	Step 3.....	\$420	Step 3.....	\$370
PFS-4, step 7.....	PFS-5.....	Step 7.....	260	Step 7.....	455
PFS-4, step 7.....	PFS-7.....	Step 3.....	435	Step 2.....	505
PFS-6, step 4.....	PFS-7.....	Step 4.....	425	Step 4.....	480
PFS-7, step 7.....	PFS-8.....	Step 7.....	540	Step 7.....	565
PFS-10, step 6.....	PFS-11.....	Step 6.....	790	Step 5.....	560

The provisions of 39 United States Code, section 3559(b) are, in effect, repealed by this amendment. Under current law, regular clerks and carriers in first- and second-class post offices become eligible for promotion upon reaching the maximum step, step 7, for their positions, or after 6 years of service. Under the new schedule, they will reach the maximum step in approximately 27 years. Continuation of this restriction is not consistent with the new compensation plan.

Section 308: The changes proposed in the amendment to 39 U.S.C. 3560 are conforming changes to make possible continued salary protection for rural carriers. Premium compensation derived from assignment to classification E is the equivalent of heavy-duty allowance in excess of that provided for 40 hours, now excluded from salary protection.

Section 309: The purpose of this amendment is to remove the limitation on the present authority of the Postmaster General with respect to the establishment or extension of star routes in areas previously served by rural routes. Under present law, such substitution may not be made if a qualified rural carrier can be obtained. This change will permit the Postmaster General to exercise administrative discretion in the selection of the more efficient or economical service.

Section 310: The new salary plan abolishes longevity steps and provides for recognition of long service through addition of within-grade steps. Therefore, the distinction made in sections 3101(5) and 3101(6) of title 39, between basic salary and basic compensation, is no longer valid.

Section 311: The purpose of the amendment to 39 U.S.C. 3541 is to provide a method for determining the daily rate of compensation of substitute rural carriers. By using a factor of 304, the number of days of service on a rural route in a year, holiday pay is prorated throughout the year against the actual service of the substitute rural carrier. In this respect, pay treatment of these employees will be consistent with that afforded other substitute employees.

Section 312: This section provides the rules for the conversion of existing salaries to the new pay schedules which would become effective on the first day of the first pay period which begins on or after January 1, 1963.

Postal field service schedule.—The conversion method provided by subsection (a) of this section will place each employee in the PFS schedule in the numerical step which he attains immediately prior to the first day of the new pay plan. Employees in PFS-1 through

PFS-5 will be given an additional numerical step for each longevity step attained immediately prior to conversion.

Employees in PFS-6 through PFS-18 who have reached step 7 for their positions will receive a single additional step if they have attained one or more longevity steps immediately prior to the effective date of the schedule. Employees in PFS-19 and PFS-20 will receive no additional steps because of longevity steps attained prior to conversion.

Application of these provisions to selected cases are shown below:

Present level and step	Present salary	New step	New salary (1963 phase)	Present level and step	Present salary	New step	New salary (1963 phase)
PFS-1, 6.....	\$4,065	6	\$4,165	PFS-6, 5A.....	\$5,775	5	\$6,005
PFS-2, 7B.....	4,680	9	4,895	PFS-6, 5C.....	5,075	5	5,005
PFS-4, 1C.....	4,645	4	4,975	PFS-7, 7A.....	6,580	8	7,070
PFS-4, 7A.....	5,405	8	5,575	PFS-7, 7C.....	6,780	8	7,070
PFS-4, 7C.....	5,605	10	5,875	PFS-10, 7.....	8,310	7	8,700

Credit is preserved toward the next within-grade or automatic step increase earned by employees prior to conversion if they were not given an additional step increase by reason of longevity steps attained prior to conversion. Such credit will be applied toward fulfillment of the requirements of the new advancement schedule. No credit earned toward longevity steps will be carried over.

Rural carrier schedule.—Subsection (b) provides a conversion method for rural carriers similar to that afforded employees in PFS-1 through PFS-5. Each carrier will be assigned to his corresponding numerical step for the service classification of his route. Additional steps will be given for longevity steps attained immediately prior to conversion. Credit toward the next automatic step is retained, as for PFS employees.

Fourth-class office schedule.—The conversion method provided in subsection (c) for postmasters in fourth-class offices is the same as that provided for employees in PFS-1 through PFS-5; that is, each postmaster will be placed in the corresponding numerical step for his receipts category, and he will receive an additional step for each longevity step attained prior to the date of conversion.

Subsection (d) provides a method for adjusting salaries of employees whose existing rate is higher than the rate provided in subsections (a), (b), and (c). Where the existing compensation falls within the new range for their positions, they will be placed in the first step which exceeds their existing compensation. If the existing compensation is greater than any step for the range, the existing compensation will be continued as a saved rate. Among employees affected by this provision are those whose present rates of compensation are saved or protected at rates in excess of the present maximum scheduled rates for their positions. Because of the major change in the basis for establishing compensation on rural routes, more rural carriers are affected by this provision than are employees in the two other schedules. Examples of conversions to the RCS, showing application of this provision, are given below. Where the existing salary is greater than the rate for the step to which he would otherwise be assigned, he will be placed in the first step which exceeds his existing compensation.

Examples of salary conversion, RCS schedule (1963 phase)

Present route and step	Present compensation	Service classification	Rate for corresponding step	Step to which converted	New compensation
27 miles, step 6.....	\$4,635	A.....	Step 6, \$4,326.00.....	9.....	\$4,659.00
42 miles, step 7C, H.D. 43 hours....	6,061	E, 4.....	Step 10, \$7,231.76....	10.....	7,231.76
58 miles, step 2.....	4,994	B.....	Step 2, \$4,108.00.....	9.....	5,027.00
58 miles, step 3.....	5,411	D.....	Step 5, \$5,180.00.....	7.....	5,461.00
72 miles, step 7B.....	6,225	E, 1.....	Step 9, \$6,359.88.....	9.....	6,359.88
85 miles, step 7A.....	6,437	C.....	Step 8, \$5,254.00.....	Saved rate.....	6,437.00
106 miles, step 7.....	6,889	D.....	Step 7, \$5,461.00.....	do.....	6,889.00

Section 313: This section provides for the conversion of employees to the schedules to become effective in 1964 according to the numerical step attained immediately prior to the date of conversion. Where existing compensation exceeds the rate for the numerical step, the existing compensation is retained if conversion cannot be made to a scheduled step.

Section 314: This section provides for the conversion of employees to the schedules to become effective in 1965 according to the numerical step attained immediately prior to the date of conversion. Where existing compensation exceeds the rate for the numerical step, the existing compensation is retained if conversion cannot be made to a scheduled step.

Section 315: Section 201 of the act of September 21, 1961, 75 Stat. 569 (Public Law 87-270), provides, among other things, that employees in protected rates will be given statutory increases applicable to the salary standing from which reduced. The purpose of section 315 is to make clear that, inasmuch as the new salary plan involves basic structural changes for employees now under the PFS, RCS, and FOS schedules, this particular feature of 39 U.S.C. 3560 cannot be given application at the time of conversion to the new schedules. Salaries of employees in protected rates as of the date of conversion will be converted under sections 312, 313, and 314 of this act, as appropriate.

Section 316: This section contains an amendment to section 3335 of title 39 of the code, which will clarify the intent of Congress with respect to the authority of the Postmaster General to pay higher level compensation. This amendment is required to remove objections of the Comptroller General, as stated in his decision of February 1, 1962 (B-138999), to the Department's application of the present statutory provision.

Section 317: This section repeals those provisions of Public Law 86-568, which contained salary increases for postal field service employees, effective July 9, 1960. It also repeals 39 U.S.C. 3558, which provides for the present system of longevity compensation; the new pay schedules supersede the longevity system in its entirety.

Section 318: This section contains two new compensation rules which will permit the Postmaster General to make (1) exceptions to the schedule of automatic advancement provided in 39 U.S.C. 3552 in recognition of exceptional competence, and (2) exceptions to the provisions of 39 U.S.C. 3551(a) where an appointee has extra qualifications where the entrance rate is less than the current salary of a well-qualified appointee. Both of these provisions will require implementation by regulations to be issued by the Postmaster General.

Section 319: This section contains two conforming changes to the table of contents of title 39, United States Code.

Section 320: This section provides that the provisions of this title will become effective on the first day of the first pay period which begins on or after January 1, 1963.

TITLE IV—DEPARTMENT OF MEDICINE AND SURGERY IN THE VETERANS' ADMINISTRATION

Title IV relates to physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration, which are subject to a separate pay system prescribed by chapter 73 of title 38, United States Code. The revisions made by this title not only take into account the Bureau of Labor Statistics findings but also reflect the results of extensive studies of the Veterans' Administration concerning the need for a modernization of the entire grade and salary structure of the Department of Medicine and Surgery to recognize the numerous organizational and functional changes which have taken place in the Department since its inception in 1946.

In recognition of the nature of their occupations and the variability of assignments in a clinical setting, the grade and salary of physicians, dentists, and nurses in the Department of Medicine and Surgery is determined on the basis of an individual's qualifications and professional attainment. Notwithstanding this fact, comparison of the qualification and skill requirements for like occupations under the Classification Act, corroborate extension to the Department of Medicine and Surgery Schedules in the manner indicated in the bill of the salary scale proposed for the Classification Act system. Appropriate differentiation in pay between recognized skill levels as well as executive and managerial levels is maintained. Internal relationships of pay between the D.M. & S. system and the Classification Act system are also continued.

Section 401: This section amends section 4103 of title 38 of the United States Code. It reduces the maximum number of Assistant Chief Medical Directors from eight to five and modifies the provisions pertaining to directors of service and chiefs of division. In lieu of these positions, a new position level of Medical Director is established. The salaries of the Chief Medical Director, the Deputy Chief Medical Director, the Assistant Chief Medical Directors, the Director of Nursing Service, the Chief Pharmacist and Chief Dietitian are appropriately adjusted in line with other increases proposed by the bill. The statutory positions of the Deputy Director of Nursing Service, Chief Physical Therapist, and Chief Occupational Therapist are eliminated. The duties of the first-named position will be filled by a nurse of the Assistant Director grade. The salaries for the positions of Chief Physical Therapist and Chief Occupational Therapist will be set in the future under the Classification Act. Appropriate salary rates and schedules to be effective on the first day of the first pay period beginning on or after January 1, 1963, January 1, 1964, and January 1, 1965, are provided for the Chief Medical Director, the Deputy Chief Medical Director, Assistant Chief Medical Directors, Medical Directors, the Director of Nursing Service, the Chief Pharmacist, and the Chief Dietitian. Present provisions that appointments under this section of the United States Code (1) shall be for a period

of four years subject to removal by the Administrator of Veterans' Affairs for cause, and (2) that reappointments may be made for successive like periods, are continued.

Section 402: This section amends section 4107 of title 38 of the Code. In subsection (a) of section 4107, the former schedules entitled "Medical Service" and "Dental Service" have been combined and retitled "Physician and Dentist Schedule." The existing schedules have provided identical grades and pay scales and their continued separation serves no purpose. The Junior grade of the former schedules has been eliminated and, two new grades—the Director grade and Executive grade—have been established. The schedule now titled "Nursing Service" has been retitled "Nurse Schedule." Two new grades—the Assistant Director grade and Chief grade—have been established, and the former grades of Assistant Director and Senior grade have been retitled "Senior grade" and "Intermediate grade," respectively. The new grade of Assistant Director is intended to recognize the special responsibilities assigned a few individuals in the Nursing Service and will absorb the former statutory position of Deputy Director of Nursing Service. The Chief grade will primarily be used for nurses who qualify for and are assigned in positions comparable to that of a chief nurse at one of the larger hospitals.

Subsection (a) also provides the pay scales for the physician and dentist schedule and the nurse schedule to be effective on the first day of the first pay period beginning on or after January 1 of 1963, 1964, and 1965.

Subsection (b) of section 4107 of title 38 of the United States Code specifies the intended use of the two new grades—Director and Executive—in the physician and dentist schedule. It provides that no person may hold the Director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent), and that no person may hold the Executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of Clinic Director, outpatient clinic, or comparable position. The establishment of these two new grades obviates the situation in which individuals charged with the responsibility of entire hospital operations received less compensation than their subordinates.

Section 403: This section which amends section 4108 of title 38 of the United States Code repeals the present provision providing for an allowance equal to 15 percent of the pay of persons rated as medical, surgical, or dental specialists under the provisions of that section, since the latitude which will be afforded within the pay range of each grade will permit appropriate recognition of specially qualified individuals. The current subsection (b) of 4107 of title 38, without change, has been redesignated as section 4108 for purpose of greater clarity and as a matter of drafting convenience.

Subsection (b) of section 403 is a perfecting amendment to the table of contents at the head of chapter 73 of title 38, to reflect the change in the catchline of section 4108.

Section 404: This section amends section 4111(b) of title 38 to provide that the per annum salary rate of a director of a hospital shall not be less than the rate of salary he would receive if such service as a director had been as a physician in the director grade. Except

with respect to change in rate of salary the subsection does not affect the allocation of any such position to any grade of the Classification Act or the application of the Performance Rating Act of 1950 to any individual.

Section 405: This section provides that title IV shall become effective on the first day of the first pay period which begins on or after January 1, 1963, except as otherwise expressly provided.

TITLE V—THE FOREIGN SERVICE ACT OF 1946

Section 501: This section provides that title V may be cited as the "Foreign Service Salary Reform Act of 1962."

Section 502: This section amends section 412 of the Foreign Service Act by adjusting upward the per annum salary rates for career ambassador, career minister, and the additional eight classes of Foreign Service officers. No change is made in the number of classes and, with the exception of class I, which has two salary rates, the general pattern of seven rates for each class is continued. As in other sections of this title, the schedules of per annum salary rates, provided by this section, are to be effective in three phases, in 1963, 1964, and 1965.

Section 503: This section amends section 415 of the Foreign Service Act of 1946 by revising the structure of the Foreign Service staff salary schedule and embodying certain changes directly comparable to those made in the revision of the Classification Act.

There are at present 22 classes in the Foreign Service staff schedule. The proposed schedule of 10 classes would eliminate the unnecessary and seldom used classes in the current schedule. Since custodial, maintenance, and the most routine clerical functions are performed almost exclusively by alien employees at Foreign Service posts, there is little need for U.S.-citizen employees at the level of duties represented by classes 14 through 22. Since classes 14 through 22 are to be abolished, it will be necessary to give the Secretary the authority contained in proposed section 415(b) in order that persons in such classes may continue to be employed at appropriate rates. The new section 415(b) would give the Department all needed flexibility in this respect, should it be desirable in unusual circumstances, to employ American personnel at lower rates for duties less difficult than those of FSS-10. The proposed 10-class schedule would provide a reasonable number of levels in relation to the duties and responsibilities which are carried out by staff personnel and in addition would provide a more adequate promotion ladder by reducing and consolidating to a major extent overlapping classes. Within the proposed Foreign Service staff salary schedule, 10 salary rates are proposed for each class. This makes possible within-class increases over a longer period of time for staff personnel. The 10 rate salary schedule will also replace the present provisions for longevity rates for staff personnel contained in section 642(b) of the Foreign Service Act which is repealed by a later section of this bill. Section 504 prescribes three schedules of per annum salaries for staff officers and employees to be effective in 1963, 1964, and 1965.

Section 504: This section provides for the conversion of Foreign Service personnel from their present salary rates to those established

Section 505: This section repeals section 642(b) of the Foreign Service Act relating to longevity step increases for Foreign Service staff officers and employees and makes minor conforming changes in the heading and identification of the section in the Foreign Service Act. Since the new Foreign Service staff schedule provides ten rates for within-class increases this section is no longer needed.

Section 506: This section provides that except as otherwise expressly provided, title V shall become effective on the first day of the first pay period which begins on or after January 1, 1963.

TITLE VI—REPEAL OF SPECIFIC STATUTORY SALARIES

This title repeals a number of statutory salaries, in the Federal Executive Pay Act and other special statutes. Positions currently being paid at these salaries would come under the Classification Act schedule, many of them in new grades GS-19, and GS-20. These positions are similar to positions generally compensated under the Classification Act system but had been granted higher compensation under the Executive Pay Act or other statutes. Addition of new grades GS-19 and GS-20 and establishing top Classification Act salaries at levels more nearly comparable to those in private enterprise make it possible to restore these positions to the general salary system.

TITLE VII—MISCELLANEOUS PROVISIONS

This title increases the salary limitations for certain scientific and professional positions to accord with the salary ranges of the general schedule of the Classification Act. In most cases the salary range stated in the laws which are amended is \$12,500 minimum and \$19,000 maximum. The amendments proposed would tie the minimum to the minimum rate of grade GS-16 and the maximum to grade 18 of the general schedule.

Section 701 amends the salary range in section 2(b) of Public Law 313, as amended, as indicated above.

Section 702 amends section 1581(b) of title 10 of the United States Code, relating to certain scientific or professional positions in the Department of Defense, to provide a minimum rate for such positions as the minimum rate of GS-16 and a maximum rate equivalent to GS-18 pay.

Section 703 amends the proviso in the first sentence of section 208(g) of the Public Health Service Act, as amended, which relates to compensation rates of certain scientific, professional, and administrative personnel in the Public Health Service to provide a minimum rate of grade GS-16 and a maximum at the pay of grade GS-18.

Section 704 establishes a maximum rate, equivalent to the pay of grade GS-18 for five positions of technical experts in the Department of Agriculture engaged in research in foot-and-mouth and other animal diseases.

Section 705 amends section 203(b)(2) of the National Aeronautics and Space Act of 1958 to provide that the Administrator may fix the rates for certain excepted positions at not to exceed the pay of grade GS-18 of the Classification Act. For 30 of these positions (which may now be paid up to \$21,000), the Administrator may, on or after

for grade GS-18 which will be effective under the bill on January 1, 1965.

Section 706 amends the proviso in section 161(d) of the Atomic Energy Act of 1954, as amended, to permit the fixing of salaries of scientific and technical personnel up to a limit of the pay of grade 18 of the General Schedule of the Classification Act. The present limit is \$19,000.

Section 707 establishes the effective date of title VII as the first day of the first pay period which begins on or after January 1, 1963.





SUMMARY ANALYSIS
OF
THE PRESIDENT'S PROPOSAL
FOR
REFORM OF FEDERAL STATUTORY
SALARY SYSTEMS
(H.R. 10480)

COMMITTEE ON POST OFFICE AND
CIVIL SERVICE
HOUSE OF REPRESENTATIVES
PREPARED BY THE
UNITED STATES CIVIL SERVICE COMMISSION



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SUMMARY ANALYSIS OF THE PRESIDENT'S PROPOSAL FOR REFORM OF FEDERAL STATUTORY SALARY SYSTEMS

(Prepared by the U.S. Civil Service Commission)

INTRODUCTION

One and a half million career employees are paid under Federal statutory pay systems at an annual payroll cost of about \$10 billion. This outline presents the President's proposal for reform of these systems. It presents—

The requisites of a sound Federal salary system and the shortcomings of present statutory systems.

Basic principles, standards, and methods for setting and controlling Federal salaries.

The major features of a proposed bill incorporating a three-phase program for placing reforms in effect.

The functions of a public salary system are to facilitate hiring and retention of a high quality level of Government personnel and to control payroll expenditures, with equity to the employee and the taxpayer.

The standard proposed for judging Federal salaries is the "national average" private enterprise level, a conservative quality standard compared to a quality standard common among leading private firms of "better than our competitors."

SCOPE OF PROPOSAL

This proposal would reform civilian pay systems where pay is fixed by Federal statute:

System	Employees covered	Annual payroll
		<i>Billions</i>
Classification Act.....	1,010,000	\$6.3
Postal field service.....	690,000	3.4
Veterans' Administration, Department of Medicine and Surgery.....	22,000	.2
Foreign Service.....	15,000	.15
Total.....	1,637,000	10.05

The proposal is based on principles in accord with those which now govern the wage-board system which covers about 660,000 Federal trades and crafts workers.

I. APPROACH TO PAY REFORM

REQUISITES OF A FEDERAL PAY SYSTEM

Responsibility to the public—

To pay enough to permit competent staffing, so as not to endanger the national security and the needed public service.

To pay no more than is needed for these objectives.

Equity for the Federal employee—

With other Federal employees.

With his equals throughout the national economy.

Executive discretion—

To adapt pay to the individual and to special needs.

To use pay for motivation.

To initiate general adjustments as required.

PRESENT DEFECTS OF STATUTORY PAY SYSTEMS

Fulfillment of the responsibility for competent staffing is increasingly difficult. Low Federal rates place the Government at a serious disadvantage in recruitment, especially with respect to professional and managerial talent.

Many inequities exist—

Among Federal pay systems, where some supervisors under one system are paid less than their subordinates who are under another system.

Within systems, where pay structures have decayed, leaving inadequate pay distinctions and pay incentives and developing forms of inequity.

Between the Federal employee and his equals throughout the national economy. Only in a few of the lower grades has Federal pay kept pace with average private enterprise pay rates.

Little executive discretion is permitted in pay administration under the Classification Act and postal pay statute.

The executive branch has heretofore not fully exercised either its natural managerial or its statutory responsibility for leadership on pay.

BASIS FOR REFORM

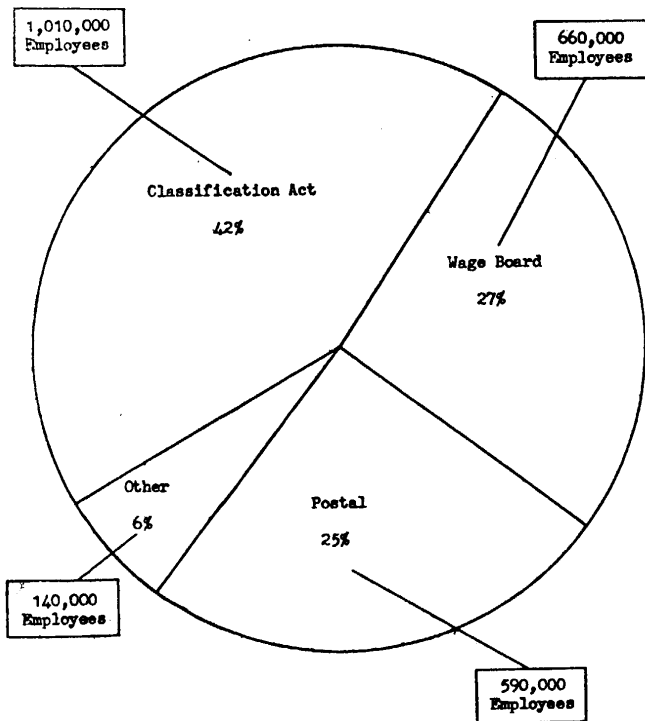
Federal pay reform should be based upon two principles and upon establishment of executive branch machinery for maintaining the principles in effect.

Principles

The comparability principle.—Federal salary rates shall be comparable with private enterprise rates for the same levels of work.

Adoption of this principle assures equity for the Federal employee with his equals throughout the national economy, provides more nearly competitive rates for recruitment, and supplies an objective yardstick for immediate reform and for subsequent adjustments of the level of Federal salaries.

The internal alignment principles.—There shall be equal pay for equal work, and pay distinctions in keeping with work and performance.



DISTRIBUTION OF FULL-TIME FEDERAL EMPLOYEES

BY PAY SYSTEM - 1964

TOTAL 2,400,000

This principle is already stated in the current Classification Act and other Federal salary statutes. Making it effective fulfills the requisite of equity among Federal employees and constitutes the reform of pay structure and rules.

The establishment of salary schedules should result from the joint application of the two principles.

Executive branch role

To achieve reform and to maintain sound pay systems with proper controls, the executive must assess needs regularly and develop proposals for salary adjustments and for other improvements in salary systems.

THE COMPARABILITY PRINCIPLE

The principle of basing Federal salaries on private enterprise rates is sound.

It provides a logical and factual standard of judgment.

It insures equity and more nearly competitive rates.

It encompasses other legitimate pay factors such as cost of living, standard of living, and productivity as those factors are resolved into the "going rate" over bargaining tables throughout the economy.

The principle has wide acceptance.

The Federal Government first adopted it 100 years ago for navy yard workers, and has since applied it to all Federal workers in trades and crafts, to TVA, and to Government work contractors through the Walsh-Healey and Davis-Bacon Acts.

It is used by corporations, by many State and local governments, and by some other national governments.

It is feasible to apply the principle.

The BLS national survey of professional, administrative, technical, and clerical pay provides annually the requisite data on private enterprise pay.

There are technically valid and established methods for translating the BLS data into Federal salary levels equivalent to those of private industry.

THE INTERNAL ALINEMENT PRINCIPLE

The internal alinement principle is now in force as to equal pay for equal work, but pay distinctions frequently fall short of work and performance distinctions. Federal salary structures require improvement in this respect.

Differences between salary scales at successive grade levels should reflect the position classification or other alinement plan. Under the Classification Act, for example, positions are classified in work zones of uniform size from GS-1 through GS-11 and zones of doubled magnitude from GS-11 through GS-18; salary intervals between grades should follow the same general pattern.

Within-grade step increases reward and encourage improved performance. Step increases—

Should be of sufficient size to be felt as material incentives.

Should come more rapidly in the first years in a grade, when performance should improve most; and should come less rapidly in later years when the aim is to motivate continued good performance.

Should cover the term of most careers in a given grade.

Policy in use of rates should permit flexibility in their application within pay schedules, including—

Hiring above the entry rate when the individual's qualifications warrant.

Extra step increases for extra competence.

Upward adjustment of salary ranges when necessary to enable the Government to attract and hold well-qualified personnel in shortage occupations and in rare instances of exceptionally high pay areas.

EXECUTIVE ROLE IN PAY

The President's role in pay stems from his responsibility as Chief Executive and under statute:

As Chief Executive he must assess the pay requirements for competent operation of the Government.

He must be concerned with equity for the Government employee who lacks the means available to the private enterprise employee for achieving such equity.

He has been enjoined to action by section 1102 of the Classification Act of 1949.

He must see to the execution of salary legislation enacted by Congress.

EXECUTIVE BRANCH SALARY REVIEWS AND RECOMMENDATIONS

In order to support the President in his responsibilities for initiating salary adjustments and improvements in statutory systems, the executive branch must carry out certain functions:

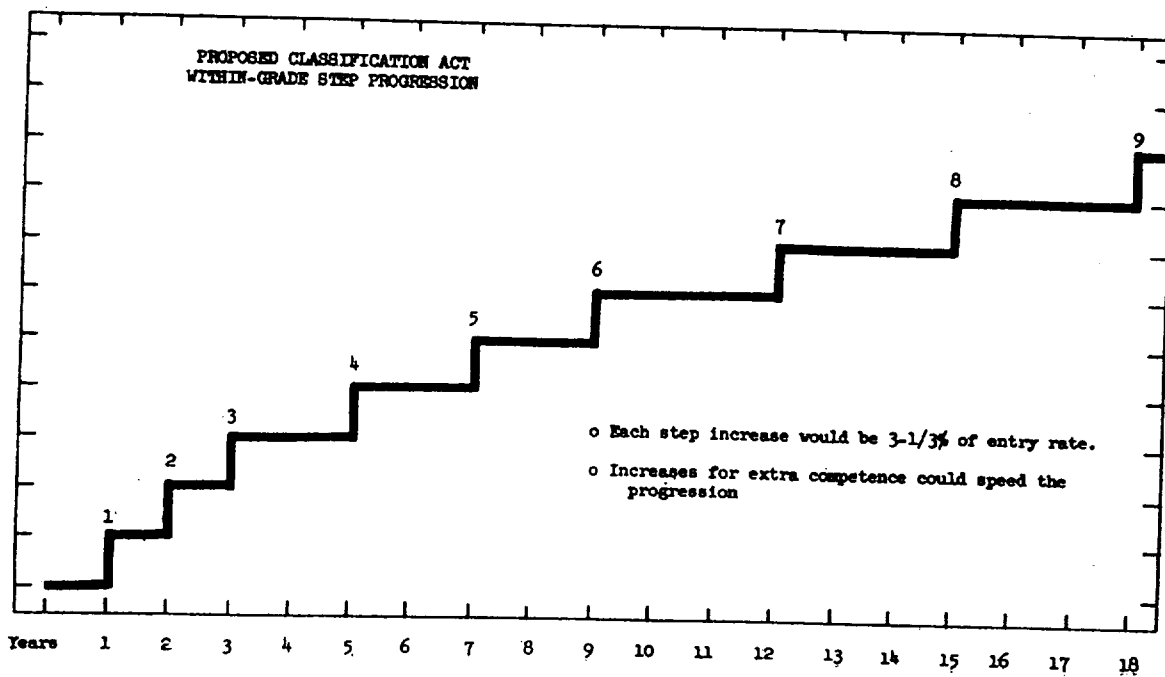
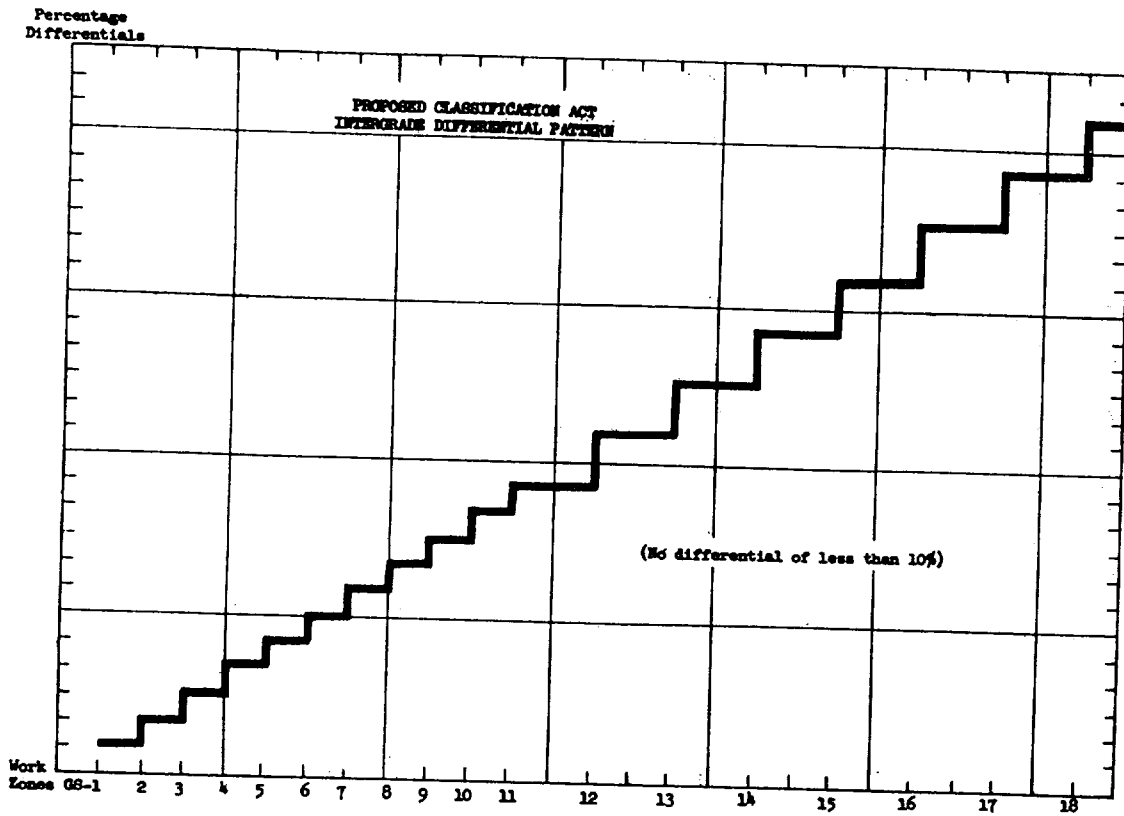
Compare Federal salary levels with salaries in private enterprise as reported each year by the Bureau of Labor Statistics.

Consider the need for revisions in salary structures and policies in the light of current programs, activities, and problems.

Consult with employee representatives.

Recommend appropriate salary action.

Staff functions in salary matters are now performed as a joint activity of the Civil Service Commission and the Bureau of the Budget as a part of their current staff responsibilities to the President.



II. SETTING FEDERAL SALARIES AT PRIVATE ENTERPRISE LEVELS

DEVELOPING FEDERAL SALARY SCHEDULES AT PRIVATE ENTERPRISE LEVELS

There are three major steps in developing a Classification Act salary schedule at levels comparable with salaries in private firms.

BLS surveys private enterprise rates and reports national averages.

A Classification Act pay line is fitted to the grade averages of rates reported by BLS.

A Classification Act pay schedule is constructed upon this pay line.

Salary schedules for other statutory systems are derived by linking key levels of those systems with appropriate Classification Act grades.

BUREAU OF LABOR STATISTICS SURVEY

The BLS surveys annually, as a part of its community wage survey program, salary rates paid in private enterprise for 70 professional, administrative, technical, and clerical jobs.

Jobs surveyed—

Consist of work which is essentially the same in Government and industry.

Occur frequently in both Government and industry.

Are representative of grades GS-1 through GS-15 of the Classification Act.

Salary information is collected in—

Eighty metropolitan areas, selected to be representative of all U.S. metropolitan areas.

All industries which are major employers of the occupations surveyed: Manufacturing, public utilities, wholesale and retail trade, finance, and some service industries.

Establishments with 250 or more employees, selected to be representative of industries and areas:

Clerical and technical data collected from 6,000 establishments.

Professional and administrative data collected from 1,600 establishments.

TRANSLATION OF BLS DATA INTO A CLASSIFICATION ACT PRIVATE ENTERPRISE EQUIVALENT PAY LINE

National average rates for jobs matching each Classification Act grade were combined into a grade average. Some BLS data was screened out of consideration—

For grades where jobs surveyed were insufficiently representative.

One category which could not be matched with a specific GS grade.

Grade	BLS national average rates combined for each GS grade		Current (1960) Classification Act rates (4th rate)
	Arithmetic average	Weighted (by Federal population) average	
GS-1.....	\$3,119	\$3,119	\$3,500
GS-2.....	3,628	3,567	3,815
GS-3.....	4,063	4,014	4,075
GS-4.....	5,027	4,968	4,355
GS-5.....	6,648	6,745	5,850
GS-6.....	7,776	7,848	6,930
GS-7.....	9,457	9,632	8,340
GS-8.....	11,229	11,350	9,735
GS-9.....	13,162	13,167	11,415
GS-10.....	15,362	15,604	12,960
GS-11.....	19,348	19,343	14,705

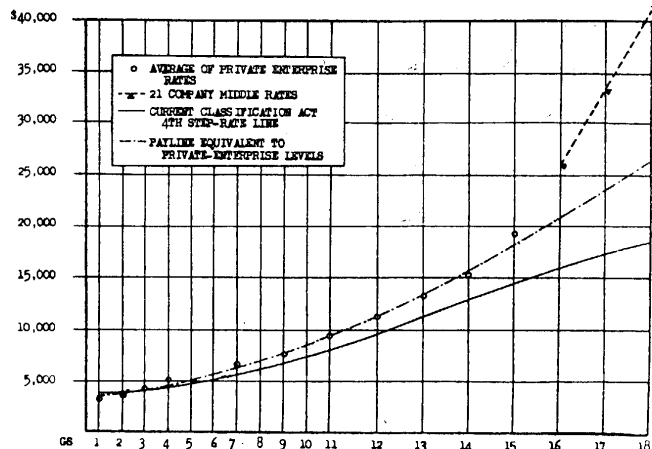
Since the two sets of averages are nearly identical, the arithmetic average is used, because it is simple in concept and application.

A consistent and logical Classification Act pay line is fitted to the arithmetic grade averages.

A line of ideal internal alinement passed too far below the averages at some important recruitment levels and too high above at other grades.

A line of modified internal alinement fitted better.

COMPARABILITY PAY-LINE, CURRENT CLASSIFICATION ACT, AND 21 COMPANIES



10 REFORM OF FEDERAL STATUTORY SALARY SYSTEMS

Characteristics of Classification Act private enterprise equivalent pay line

Grade	Grade averages of private enterprise rates	Rates on line of comparability	Intervals between levels of same magnitude	Increase above current 4th rate of grade
			Percent	Percent
GS-1.....	\$3,119	\$3,300		
GS-2.....	3,628	3,705		
GS-3.....	4,093	4,150	25.8	1.8
GS-4.....	5,027	4,635		6.4
GS-5.....		5,170	24.6	6.8
GS-6.....		5,760		8.2
GS-7.....	6,648	6,380	23.4	9.1
GS-8.....		7,065		10.7
GS-9.....	7,776	7,800	22.2	12.6
GS-10.....		8,580		14.6
GS-11.....		9,435		13.1
GS-12.....	11,229	11,305	19.8	16.1
GS-13.....	13,162	13,405	18.6	17.4
GS-14.....	15,362	15,735	17.4	21.1
GS-15.....	19,348	18,285	16.2	24.3
GS-16.....		21,030	15.0	31.2
GS-17.....		23,630	13.8	38.2
GS-18.....		26,945	12.6	32.4

There were no nationally representative salary data for grades above GS-15. The rates at these grades were determined by extension of the line on the basis of the internal alignment principle. The upper end of the line thus derived was then tested against the rates found in the 1960 Civil Service Commission study of 21 large companies, and the line was found to run well below rates paid in these companies.

The Commission study had found that the 21 companies' pay rates for a majority of the positions studied at each level fell within these brackets:

Classification Act grade for equivalent responsibilities:	Pay bracket for majority ¹ of positions studied in 21 companies
GS-16.....	\$20,000-\$30,000
GS-17.....	27,500- 37,500
GS-18.....	32,500- 45,000

¹ Minority of jobs paid above or below these ranges were about equally distributed between those above and those below.

CLASSIFICATION ACT PRIVATE ENTERPRISE EQUIVALENT SALARY SCHEDULE

The Classification Act salary schedule at levels comparable to salary levels in private firms was constructed by adopting the rates on the private enterprise equivalent pay line as the fourth rates of corresponding Classification Act grades, because—

BLS reports average salaries (including salaries of people with both long and short service in job categories);

Fourth rate of grade best represents similar average rates of Classification Act employees.

The schedule was developed from the fourth rates, using the within-grade structural features of an entry rate and nine increases of 3 1/2 percent each.

REFORM OF FEDERAL STATUTORY SALARY SYSTEMS 11

EXTENDING PRIVATE ENTERPRISE EQUIVALENT SALARIES TO OTHER FEDERAL SYSTEMS

The BLS survey furnishes private enterprise salary data for occupations representative of the Classification Act. The special types of positions under other statutory salary systems have few, if any, counterparts in private firms. The principle of Federal salaries comparable to those in private employment was extended to other Federal systems by linking several key levels of each system with equivalent Classification Act grades.

Linkage is based in most cases on an evaluation of duties, responsibilities, and qualification requirements at key levels of other systems and a determination of their appropriate GS grades under the Classification Act. It also takes into account other factors which should affect pay, such as opportunities for advancement, career patterns, and special requirements of the service concerned. All linkages were concurred in by the Bureau of the Budget, the Civil Service Commission, and the department or agency concerned.

For each key level thus linked with a Classification Act grade, the fourth salary rate of the GS grade was adopted as the fourth rate of the linked level; or a GS grade's single rate became the single rate of the related level in the other system.

Salary rates for other levels of the system concerned were developed in accordance with the internal alignment suited to conditions and needs of the specific service.

III. THE PRESIDENT'S LEGISLATIVE PROPOSAL

MAJOR FEATURES OF PROPOSED BILL

The bill would—

Place statutory salary schedules on a basis of comparability with private enterprise salary levels.

Improve the salary structures of statutory systems.

Provide needed flexibility for salary administration.

Bring under the appropriate system a number of positions now paid at special statutory rates.

To avoid undue budgetary and economic impact in any one year, private enterprise equivalent salary levels would be brought about through a three-phase program.

The bill provides three salary schedules for each system, effective in January 1963, January 1964, and January 1965, respectively.

Annual cost increases under the 3-year program and under the first phase effective January 1963, in millions of dollars:

	3-year program	1st phase
Classification Act.....	733.7	307.2
Postal field service.....	267.0	118.3
Veterans' Administration, Department of Medicine and Surgery.....	31.3	12.4
Postmen Service.....	26.5	10.1
Total.....	1,058.5	448.0

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Changes in national salary levels before the second phase and the third phase would be taken into account in the President's annual recommendation to Congress under title I of the bill. Structural and other reforms would become effective in January 1963.

TITLE I.—POLICY AND IMPLEMENTATION

A statutory controlling policy: Federal salaries would be based clearly on the principles that—

(a) There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions; and

(b) Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work. Implementation would call for—

Systematic annual review of salaries: The President would be required each year—

To have prepared for him a report comparing Federal salaries with those in private enterprise as shown by annual surveys of the Bureau of Labor Statistics.

After seeking views of employee organizations, to report to Congress this comparison, with any recommendations for revisions in salary schedules, structure, or policy that he deems advisable.

Special rates to meet special needs: To enable the Government to compete for well-qualified personnel under all circumstances, the President or an agency he designates would be able to establish special rates when exceptionally high private enterprise rates in an occupation or a location handicap the Government's recruitment or retention of well-qualified personnel.

The entire rate range of the grade could be increased, an improvement over the present section 803 of the Classification Act which permits raising only the entrance rate.

The new minimum rate could not be any higher than the maximum shown for the grade in the statutory salary schedule.

Policy control by the President over the functions and regulations of the Civil Service Commission and the departments with respect to statutory salary systems.

TITLE II.—CLASSIFICATION ACT REFORM

This title prescribes three salary schedules effective in January 1963, January 1964, and January 1965, respectively. Appendix 1 includes an analysis of the three schedules and a copy of each. Salary increase during the three phase program would—

Be greater at the higher than at the lower grades.

For example, 3.7 percent at minimum of GS-1, 9.1 percent at GS-7 fourth rate, 24 percent at GS-15 fourth rate, and 32 percent at GS-18.

An inescapable feature of the salary reform, as higher grade salaries have been allowed to lag farthest behind national levels.

REFORM OF FEDERAL STATUTORY SALARY SYSTEMS

13

Upper Federal salaries now lag behind those of many State and local governments and universities, as shown in appendix 3.

Provide a minimum increase of \$120 (in first phase, \$40).

Average 11 percent (in first phase, 4.6 percent).

Structural reforms would—

Regularize most of the differences between salaries at successive grades.

As a general pattern, percentage differences between grades would decrease slightly going up the schedule.

Substantial relief for present compression between top and bottom salaries.

Add two new grade levels, GS-19 and GS-20, primarily for high-ranking bureau director and other positions now paid specific statutory salaries under Executive Pay Act or other laws.

Personal action of President, after Civil Service Commission recommendation, necessary for a position to be placed in new grades.

Establish uniform 30-percent salary ranges for all except top five grades.

Entry rate and nine step increases of 3½ percent, sufficient to serve as material incentives.

Current longevity rates would be retained but absorbed within new range for each grade, thus removing unnecessary now-existing restrictions on their use.

Revise existing length-of-service requirements for within-grade increases.

One year for each of first three increases, 2 years each for next three, 3 years each for final three.

Increases most frequent when proficiency on job normally increases most.

Increases would extend over 18 years, covering longest periods Classification Act employees spend in a given grade.

New provisions for improved pay administration would—

Permit merit increases, not oftener than once a year, under Commission regulations—

To reward and encourage high-quality performance.

To match established practice in private enterprise.

Authorize, under Commission regulations, appointing individuals with extra qualifications at salaries above minimums of grades—

To help attract high-quality personnel to Federal service.

To match methods used by private firms.

Authorize, under Commission regulations, raising the rate of a supervisor to any rate of his grade necessary to exceed the rate of a wage-board employee under his supervision.

Some such cases could be expected, even under private enterprise equivalent salary schedules.

Remove numerical limitations on GS-16, GS-17, and GS-18.

Such limitations are inconsistent with principle of equal pay for equal work and pay distinctions in proportion to work.

Existing special agency authorities would thereby become unnecessary and would accordingly be repealed in this title.

14 REFORM OF FEDERAL STATUTORY SALARY SYSTEMS

Assure employees of at least a two step salary increase on promotion.

A provision in H.R. 1010, passed by House of Representatives August 22, 1961.

TITLE III.—REFORM OF POSTAL FIELD SERVICE SALARIES

Title III prescribes three postal field service salary schedules, effective in January 1963, January 1964, and January 1965, respectively. Appendix 2 includes an analysis of the three schedules and a copy of each.

Private enterprise levels were extended to postal field service salaries by linking salaries of—

PFS-20 with GS-17.

PFS-11 with GS-11.

PFS-4 with GS-5: Equating PFS-4 with a grade as high as GS-5 based not on job evaluation but on considerations of unique character of postal occupations at this level, absence of opportunities for promotion, and full career served at this level by many clerks and carriers.

Fourth rates of the three Classification Act grades were adopted as the fourth rates of the corresponding PFS levels. Salaries for other levels were established by applying uniform differentials between successive levels from PFS-1 through PFS-10 and another set of uniform differentials from PFS-11 through PFS-20.

Salary ranges proposed for postal levels follow the proposed Classification Act pattern but are wider at the lower postal levels where, because of the nature of the postal service, many employees spend their entire careers in a single level. Twelve within-grade increases, spread over 27 years and amounting to a 40-percent rate range, would be established for PFS-1 through PFS-6. The new, widened ranges would embrace the former longevity increases as well as the former scheduled rates.

New provisions on pay administration would—

Authorize merit increases in recognition of extra competence.

Permit appointments at salaries above minimums of PFS levels for individuals with extra qualifications.

Guarantee employees at least a two-step salary increase on promotion (three steps if promoted three or more grades).

Postal salary increases under the total three-phase program would:

Be greater at the higher than the lower levels (especially in 1964 and 1965). For example, minimum rate of PFS-1 would rise 8.5 percent, PFS-20 would rise 26.5 percent.

Average 7.9 percent (in first phase, 3.5 percent).

Although the average increase for the Postal Service as a whole is lower than for the Classification Act, nevertheless at the most heavily populated (377,000) postal level, PFS-4, the average increase (7.5 percent) would be greater than at the corresponding Classification Act grade GS-5 (6.6 percent).

REFORM OF FEDERAL STATUTORY SALARY SYSTEMS 15

TITLE IV.—REFORM OF SALARIES OF VETERANS' ADMINISTRATION, MEDICINE AND SURGERY

This title prescribes three sets of salaries for positions of directive staff, physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration, effective in January 1963, January 1964, and January 1965, respectively.

Private enterprise levels were extended to these salaries by linking salaries of—

Chief medical director with GS-20.

Physician, director grade with GS-16.

Physician, associate grade with GS-11.

Director, nursing service with GS-15.

Nurse, junior grade with GS-6.

As at present, salary ranges for intermediate medicine and surgery grades would generally follow the Classification Act pattern.

TITLE V.—REFORM OF FOREIGN SERVICE SALARIES

This title contains three sets of schedules for Foreign Service officers and staff, effective in January 1963, January 1964, and January 1965, respectively.

Private enterprise levels were extended to Foreign Service salaries by linking—

Career ambassador with GS-20.

FSO-4 with GS-13.

FSO-8 with GS-7.

FSS-10 with GS-4.

Intervals between salaries at successive levels would follow regularized patterns. The FSS schedule would adopt the Classification Act 30-percent-rate range pattern. Twenty-percent ranges would fit Foreign Service officer career patterns, because of the promotion system and other factors.

As in other statutory systems, and for the same reasons, salary increases would be greatest at the higher levels.

TITLE VI.—REPEAL OF SPECIFIC STATUTORY SALARIES

Title VI would repeal provisions in the Federal Executive Pay Act or other statutes fixing specific salaries for a number of bureau heads and other positions. The positions concerned would thus be returned to the Classification Act or other appropriate system. Most positions returned to the Classification Act would go into new grades GS-19 and GS-20.

This action would be based on the policy that—

Positions of department secretaries, deputies, and assistants; of agency heads and deputies; and of chairmen and members of commissions and boards are appropriate for inclusion under an Executive Pay Act.

Other positions, including bureau heads, should be paid under career-type salary systems.

16 REFORM OF FEDERAL STATUTORY SALARY SYSTEMS

TITLE VII.—SALARIES OF CERTAIN SCIENTIFIC AND PROFESSIONAL POSITIONS

This title would increase and automatically relate to the Classification Act the salary ranges for specified numbers of positions, mostly scientific or professional, now provided in Public Law 313 and similar statutes. Current ranges are generally \$12,500 to \$19,000.

New provisions would establish a range from the minimum salary of grade GS-16 to the top salary of Grade GS-18 for these positions. The ranges would become—

January 1963: \$16,400 to \$20,315.

January 1964: \$17,970 to \$22,740.

January 1965: \$19,125 to \$24,500.

Thirty positions in NASA which may now be paid up to \$21,000 could be paid up to \$24,500 beginning in January 1963.

Any additional increases in GS-16 to GS-18 Classification Act salary levels would automatically extend to the groups of positions covered by title VII.

IV. CONCLUSION

The proposal which has been outlined would—

Establish a "governor" policy or standard which objectively controls the level of Federal salaries and automatically sets adjustments in motion when needed.

Move systematically toward placing Federal statutory salaries at levels comparable with salary levels in private enterprise.

Establish equitable relationships among Federal salary systems. Permit better use of pay rates for recruitment and motivation.

APPENDIXES

APPENDIX I. CLASSIFICATION ACT

Analysis of 3-phase salary reform plan for Classification Act (based on Bureau of Labor Statistics data, 1961)

Grade	Number of employees	Current schedule		January 1963				January 1964				January 1965						
		Inter-val be-tween grades (per-cent)	4th rate	Percent of compar-ability	Inter-val be-tween grades (per-cent)	Increase at 4th rate		New 4th rate	Percent of 1961 compar-ability	Inter-val be-tween grades (per-cent)	Increase at 4th rate (cumulative)		New 4th rate	Percent of compar-ability	Inter-val be-tween grades (per-cent)	Increase at 4th rate (cumulative)		
						Dollars	Percent				Dollars	Percent				Dollars	Percent	
GS-1	2,133	\$3,500	0.0	100.0	8.9	40	1.1	\$3,580	100.0	8.7	80	2.3	\$3,660	100.0	8.7	120	3.4	
GS-2	35,233	3,815	9.0	3,855	101.1	8.9	40	1.0	4,155	106.7	6.7	80	2.0	4,155	100.0	6.6	120	2.9
GS-3	168,443	4,325	6.9	4,580	97.7	10.1	175	4.0	4,585	99.1	10.6	240	5.5	4,585	100.0	10.5	280	6.4
GS-4	122,012	4,840	11.1	5,015	96.3	10.7	175	3.6	5,110	98.8	11.2	270	5.6	5,170	100.0	11.4	435	8.3
GS-5	90,974	5,325	10.0	5,545	96.3	10.6	220	4.2	5,265	98.2	10.4	415	7.1	5,380	100.0	10.8	530	9.2
GS-6	24,478	6,380	9.1	6,705	94.9	10.0	325	6.1	6,915	97.9	10.4	535	8.4	7,065	100.0	10.7	685	10.7
GS-7	103,767	6,930	8.6	7,350	94.2	9.6	420	6.1	7,615	97.6	10.1	685	9.9	7,800	100.0	10.6	1,040	14.6
GS-8	14,884	7,490	8.1	8,025	93.3	9.2	435	7.1	8,150	97.0	9.6	810	9.7	8,430	100.0	10.7	1,090	14.6
GS-9	4,894	8,355	8.0	8,755	91.3	9.3	415	5.0	9,150	97.0	9.6	810	9.7	9,430	100.0	10.6	1,090	14.6
GS-10	67,443	11,415	16.7	12,060	98.0	17.9	590	6.1	10,900	96.4	13.1	1,165	12.0	11,305	100.0	13.1	1,090	14.6
GS-11	45,146	13,415	13.8	13,940	98.0	16.8	545	5.6	12,840	95.8	17.8	1,425	12.5	13,435	100.0	17.8	1,570	16.1
GS-12	20,283	15,940	12.2	16,720	98.0	15.9	780	6.4	14,560	94.6	15.6	2,595	17.6	15,285	100.0	17.4	2,745	21.1
GS-13	9,124	18,035	9.0	18,935	85.3	13.2	2,000	12.5	17,770	94.0	14.3	3,735	23.3	21,080	(1)	16.2	3,560	24.3
GS-14	1,468	17,310	8.0	18,180	84.3	11.9	2,870	16.6	19,770	93.4	13.1	4,940	28.3	24,500	(1)	15.0	4,995	31.2
GS-15	(1)	20,315	82.9	20,315	82.9	10.7	1,815	9.8	22,350	93.4	13.1	4,240	22.9	26,590	(1)	12.6	6,000	32.4
GS-16	(1)	22,000	82.1	22,000	82.1	3.4			23,500	92.2	10.6			25,000	(1)	11.4		
GS-17	(1)	23,000	82.1	23,000	82.1	3.4			25,000	92.9	3.4			27,000	(1)	2.6		
GS-18	(1)	24,000	82.1	24,000	82.1	3.4												
GS-19	(1)	25,000	82.1	25,000	82.1	3.4												
GS-20	(1)	26,000	82.1	26,000	82.1	3.4												
Total	1,007,800																	

¹ Rates derived by internal alignment, not comparability.

² Single rate.

³ New.

¹ Rates increased to provide minimum increase of \$40, \$80, and \$120 by January 1963, 1964, and 1965.

² A range increase \$107.

Classification Act salary schedule, January 1963

	1	2	3	4	5	6	7	8	9	10
GS-1.....	\$3,225	\$3,330	\$3,435	\$3,540	\$3,645	\$3,750	\$3,855	\$3,960	\$4,065	\$4,170
GS-2.....	3,540	3,645	3,750	3,855	3,960	4,065	4,170	4,275	4,380	4,485
GS-3.....	3,800	3,905	4,010	4,115	4,220	4,330	4,435	4,540	4,645	4,750
GS-4.....	4,110	4,230	4,340	4,450	4,570	4,680	4,790	4,900	5,010	5,120
GS-5.....	4,565	4,715	4,865	5,015	5,165	5,315	5,465	5,615	5,765	5,915
GS-6.....	5,035	5,205	5,375	5,545	5,715	5,885	6,055	6,225	6,395	6,565
GS-7.....	5,540	5,725	5,910	6,095	6,280	6,465	6,650	6,835	7,020	7,205
GS-8.....	6,090	6,295	6,500	6,705	6,910	7,115	7,320	7,525	7,730	7,935
GS-9.....	6,675	6,900	7,125	7,350	7,575	7,800	8,025	8,250	8,475	8,700
GS-10.....	7,290	7,535	7,780	8,025	8,270	8,515	8,760	9,005	9,250	9,495
GS-11.....	7,960	8,225	8,490	8,755	9,020	9,285	9,550	9,815	10,080	10,345
GS-12.....	8,580	8,865	9,150	9,435	9,720	10,005	10,290	10,575	10,860	11,145
GS-13.....	10,965	11,380	11,795	12,210	12,625	13,040	13,455	13,870	14,285	14,700
GS-14.....	12,665	13,090	13,515	13,940	14,365	14,790	15,215	15,640	16,065	16,490
GS-15.....	14,495	14,975	15,455	15,935	16,415	16,895	17,375	17,855	18,335	18,815
GS-16.....	16,400	16,945	17,490	18,035	18,580	19,125	19,670			
GS-17.....	18,530	19,190	19,850							
GS-18.....	20,315									
GS-19.....	22,245									
GS-20.....	23,000									

Classification Act salary schedule, January 1964

	1	2	3	4	5	6	7	8	9	10
GS-1.....	\$3,265	\$3,370	\$3,475	\$3,580	\$3,685	\$3,790	\$3,895	\$4,000	\$4,105	\$4,210
GS-2.....	3,580	3,685	3,790	3,895	4,000	4,105	4,210	4,315	4,420	4,525
GS-3.....	3,840	3,945	4,050	4,155	4,260	4,375	4,500	4,625	4,750	4,875
GS-4.....	4,175	4,315	4,455	4,595	4,735	4,875	5,015	5,155	5,295	5,435
GS-5.....	4,645	4,800	4,955	5,110	5,265	5,420	5,575	5,730	5,885	6,040
GS-6.....	5,155	5,335	5,505	5,675	5,845	6,015	6,185	6,355	6,525	6,695
GS-7.....	5,695	5,885	6,075	6,265	6,455	6,645	6,835	7,025	7,215	7,405
GS-8.....	6,285	6,495	6,705	6,915	7,125	7,335	7,545	7,755	7,965	8,175
GS-9.....	6,925	7,155	7,385	7,615	7,845	8,075	8,305	8,535	8,765	8,995
GS-10.....	7,585	7,840	8,095	8,350	8,605	8,860	9,115	9,370	9,625	9,880
GS-11.....	8,325	8,600	8,875	9,150	9,425	9,700	9,975	10,250	10,525	10,800
GS-12.....	9,110	9,400	9,690	9,980	10,270	10,560	10,850	11,140	11,430	11,720
GS-13.....	11,670	12,060	12,450	12,840	13,230	13,620	14,010	14,400	14,790	15,180
GS-14.....	13,615	14,070	14,525	14,980	15,435	15,890	16,345	16,800	17,255	17,710
GS-15.....	15,725	16,250	16,775	17,300	17,825	18,350	18,875	19,400	19,925	20,450
GS-16.....	17,970	18,570	19,170	19,770	20,370	20,970	21,570			
GS-17.....	20,325	21,000	21,675	22,350						
GS-18.....	22,740									
GS-19.....	25,150									
GS-20.....	26,000									

Classification Act salary schedule, January 1965

	1	2	3	4	5	6	7	8	9	10
GS-1.....	\$3,305	\$3,410	\$3,515	\$3,620	\$3,725	\$3,830	\$3,935	\$4,040	\$4,145	\$4,250
GS-2.....	3,620	3,725	3,830	3,935	4,040	4,145	4,250	4,355	4,460	4,565
GS-3.....	3,880	3,985	4,090	4,195	4,300	4,405	4,525	4,640	4,755	4,870
GS-4.....	4,215	4,355	4,495	4,635	4,775	4,915	5,055	5,195	5,335	5,475
GS-5.....	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130
GS-6.....	5,235	5,410	5,585	5,760	5,935	6,110	6,285	6,460	6,635	6,810
GS-7.....	5,795	5,990	6,185	6,380	6,575	6,770	6,965	7,160	7,355	7,550
GS-8.....	6,420	6,635	6,850	7,065	7,280	7,495	7,710	7,925	8,140	8,355
GS-9.....	7,095	7,330	7,565	7,800	8,035	8,270	8,505	8,740	8,975	9,210
GS-10.....	7,800	8,060	8,320	8,580	8,840	9,100	9,360	9,620	9,880	10,140
GS-11.....	8,540	8,865	9,190	9,515	9,840	10,165	10,490	10,815	11,140	11,465
GS-12.....	10,270	10,615	10,960	11,305	11,650	11,995	12,340	12,685	13,030	13,375
GS-13.....	12,190	12,595	13,000	13,405	13,810	14,215	14,620	15,025	15,430	15,835
GS-14.....	14,310	14,785	15,260	15,735	16,210	16,685	17,160	17,635	18,110	18,585
GS-15.....	16,620	17,175	17,730	18,285	18,840	19,395	19,950	20,505	21,060	21,615
GS-16.....	19,125	19,760	20,395	21,030	21,665	22,300	22,935			
GS-17.....	21,755	22,490	23,205	23,950						
GS-18.....	24,500									
GS-19.....	27,290									
GS-20.....	28,000									

APPENDIX 2. POSTAL FIELD SERVICE
Analysis of 3-phase salary reform plan for postal field service (based on Bureau of Labor Statistics data, 1961)

	Number of employees	Current schedule	January 1963			January 1964			January 1965		
			Inter-val between levels (per-cent)	Percent of 1961 comparability	New 4th rate	Inter-val between levels (per-cent)	Percent of 1961 comparability	New 4th rate	Inter-val between levels (per-cent)	Percent of 1961 comparability	New 4th rate
PFS-1.....	4,124	\$2,805	96.2	96.2	\$4,035	98.8	98.8	\$4,060	100	100	\$4,060
PFS-2.....	4,469	3,200	96.2	96.2	4,225	98.8	98.8	4,275	100	100	4,380
PFS-3.....	377,086	4,300	96.2	96.2	5,110	98.8	98.8	5,170	100	100	5,230
PFS-4.....	24,671	5,085	96.2	96.2	6,530	98.8	98.8	6,595	100	100	6,655
PFS-5.....	17,360	5,825	96.2	96.2	7,275	98.8	98.8	7,350	100	100	7,425
PFS-6.....	10,464	6,030	96.2	96.2	7,605	98.8	98.8	7,685	100	100	7,765
PFS-7.....	7,328	6,930	96.2	96.2	8,200	98.8	98.8	8,290	100	100	8,380
PFS-8.....	3,847	7,590	96.2	96.2	8,290	98.8	98.8	8,395	100	100	8,500
PFS-9.....	1,330	9,175	96.2	96.2	10,005	96.9	96.9	10,105	100	100	10,205
PFS-10.....	1,029	10,060	96.2	96.2	11,155	96.9	96.9	11,265	100	100	11,375
PFS-11.....	704	11,080	96.2	96.2	12,315	96.9	96.9	12,435	100	100	12,555
PFS-12.....	147	13,300	96.2	96.2	14,610	96.9	96.9	14,740	100	100	14,870
PFS-13.....	38	14,600	96.2	96.2	16,070	96.9	96.9	16,210	100	100	16,350
PFS-14.....	12	16,245	96.2	96.2	18,200	96.9	96.9	18,350	100	100	18,500
PFS-15.....	11	17,200	96.2	96.2	19,475	96.9	96.9	19,635	100	100	19,795
PFS-16.....	1	20,380	96.2	96.2	22,850	96.9	96.9	23,020	100	100	23,190
PFS-17.....											
PFS-18.....											
PFS-19.....											
PFS-20.....											
Total.....	625,069										

Note.—Salary linkage with Classification Act:
PFS-1 = GS-1.
PFS-2 = GS-2.
PFS-3 = GS-3.
PFS-4 = GS-4.
PFS-5 = GS-5.
PFS-6 = GS-6.
PFS-7 = GS-7.
PFS-8 = GS-8.
PFS-9 = GS-9.
PFS-10 = GS-10.
PFS-11 = GS-11.
PFS-12 = GS-12.
PFS-13 = GS-13.
PFS-14 = GS-14.
PFS-15 = GS-15.
PFS-16 = GS-16.
PFS-17 = GS-17.
PFS-18 = GS-18.
PFS-19 = GS-19.
PFS-20 = GS-20.

Postal field service salary schedule, January 1963

	1	2	3	4	5	6	7	8	9	10	11	12	13
PFS-1	\$3,565	\$3,685	\$3,805	\$3,925	\$4,045	\$4,165	\$4,285	\$4,405	\$4,525	\$4,645	\$4,765	\$4,885	\$5,005
PFS-2	3,855	3,985	4,115	4,245	4,375	4,505	4,635	4,765	4,895	5,025	5,155	5,285	5,415
PFS-3	4,175	4,315	4,455	4,595	4,735	4,875	5,015	5,155	5,295	5,435	5,575	5,715	5,855
PFS-4	4,525	4,675	4,825	4,975	5,125	5,275	5,425	5,575	5,725	5,875	6,025	6,175	6,325
PFS-5	4,890	5,055	5,220	5,385	5,550	5,715	5,880	6,045	6,210	6,375	6,540	6,705	6,870
PFS-6	5,305	5,480	5,655	5,830	6,005	6,180	6,355	6,530	6,705	6,880	7,055	7,230	7,405
PFS-7	5,740	5,930	6,120	6,310	6,500	6,690	6,880	7,070	7,260	7,450	7,640		
PFS-8	6,215	6,420	6,625	6,830	7,035	7,240	7,445	7,650	7,855	8,060			
PFS-9	6,715	6,940	7,165	7,390	7,615	7,840	8,065	8,290	8,515	8,740			
PFS-10	7,260	7,500	7,740	7,980	8,220	8,460	8,700	8,940	9,180	9,420			
PFS-11	7,960	8,225	8,490	8,755	9,020	9,285	9,550	9,815	10,080	10,345			
PFS-12	8,735	9,025	9,315	9,605	9,895	10,185	10,475	10,765	11,055	11,345			
PFS-13	9,575	9,895	10,215	10,535	10,855	11,175	11,495	11,815	12,135	12,455			
PFS-14	10,510	10,860	11,210	11,560	11,910	12,260	12,610	12,960	13,310	13,660			
PFS-15	11,525	11,910	12,295	12,680	13,065	13,450	13,835	14,220	14,605	14,990			
PFS-16	12,650	13,070	13,490	13,910	14,330	14,750	15,170	15,590	16,010	16,430			
PFS-17	13,880	14,340	14,800	15,260	15,720	16,180	16,640	17,100	17,560	18,020			
PFS-18	15,225	15,730	16,235	16,740	17,245	17,750	18,255	18,760	19,265	19,770			
PFS-19	16,700	17,255	17,810	18,365	18,920	19,475	20,030						
PFS-20	18,350	18,960	19,570	20,180									

Postal field service salary schedule, January 1964

	1	2	3	4	5	6	7	8	9	10	11	12	13
PFS-1	\$3,660	\$3,785	\$3,910	\$4,035	\$4,160	\$4,285	\$4,410	\$4,535	\$4,660	\$4,785	\$4,910	\$5,035	\$5,160
PFS-2	3,960	4,095	4,230	4,365	4,500	4,635	4,770	4,905	5,040	5,175	5,310	5,445	5,580
PFS-3	4,290	4,435	4,580	4,725	4,870	5,015	5,160	5,305	5,450	5,595	5,740	5,885	6,030
PFS-4	4,645	4,800	4,955	5,110	5,265	5,420	5,575	5,730	5,885	6,040	6,195	6,350	6,505
PFS-5	5,020	5,190	5,360	5,530	5,700	5,870	6,040	6,210	6,380	6,550	6,720	6,890	7,060
PFS-6	5,440	5,620	5,800	5,980	6,160	6,340	6,520	6,700	6,880	7,060	7,240	7,420	7,600
PFS-7	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645	7,840		
PFS-8	6,375	6,585	6,795	7,005	7,215	7,425	7,635	7,845	8,055	8,265			
PFS-9	6,890	7,120	7,350	7,580	7,810	8,040	8,270	8,500	8,730	8,960			
PFS-10	7,540	7,790	8,040	8,290	8,540	8,790	9,040	9,290	9,540	9,790			
PFS-11	8,325	8,600	8,875	9,150	9,425	9,700	9,975	10,250	10,525	10,800			
PFS-12	9,185	9,490	9,795	10,100	10,405	10,710	11,015	11,320	11,625	11,930			
PFS-13	10,135	10,475	10,815	11,155	11,495	11,835	12,175	12,515	12,855	13,195			
PFS-14	11,190	11,565	11,940	12,315	12,690	13,065	13,440	13,815	14,190	14,565			
PFS-15	12,365	12,775	13,185	13,595	14,005	14,415	14,825	15,235	15,645	16,055			
PFS-16	13,645	14,100	14,555	15,010	15,465	15,920	16,375	16,830	17,285	17,740			
PFS-17	15,070	15,570	16,070	16,570	17,070	17,570	18,070	18,570	19,070	19,570			
PFS-18	16,625	17,180	17,735	18,290	18,845	19,400	19,955	20,510	21,065				
PFS-19	18,365	18,975	19,585	20,195	20,805	21,415	22,025						
PFS-20	20,325	21,000	21,675	22,350									

Postal field service salary schedule, January 1965

	1	2	3	4	5	6	7	8	9	10	11	12	13
PFS-1	\$3,705	\$3,830	\$3,955	\$4,080	\$4,205	\$4,330	\$4,455	\$4,580	\$4,705	\$4,830	\$4,955	\$5,080	\$5,205
PFS-2	4,010	4,145	4,280	4,415	4,550	4,685	4,820	4,955	5,090	5,225	5,360	5,495	5,630
PFS-3	4,345	4,490	4,635	4,780	4,925	5,070	5,215	5,360	5,505	5,650	5,795	5,940	6,085
PFS-4	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130	6,290	6,450	6,610
PFS-5	5,085	5,255	5,425	5,595	5,765	5,935	6,105	6,275	6,445	6,615	6,785	6,955	7,125
PFS-6	5,500	5,685	5,870	6,055	6,240	6,425	6,610	6,795	6,980	7,165	7,350	7,535	7,720
PFS-7	5,950	6,150	6,350	6,550	6,750	6,950	7,150	7,350	7,550	7,750	7,950		
PFS-8	6,440	6,655	6,870	7,085	7,300	7,515	7,730	7,945	8,160	8,375			
PFS-9	6,965	7,200	7,435	7,670	7,905	8,140	8,375	8,610	8,845	9,080			
PFS-10	7,725	7,985	8,245	8,505	8,765	9,025	9,285	9,545	9,805	10,065			
PFS-11	8,580	8,865	9,150	9,435	9,720	10,005	10,290	10,575	10,860	11,145			
PFS-12	9,520	9,835	10,150	10,465	10,780	11,095	11,410	11,725	12,040	12,355			
PFS-13	10,555	10,905	11,255	11,605	11,955	12,305	12,655	13,005	13,355	13,705			
PFS-14	11,700	12,090	12,480	12,870	13,260	13,650	14,040	14,430	14,820	15,210			
PFS-15	12,980	13,410	13,840	14,270	14,700	15,130	15,560	15,990	16,420	16,850			
PFS-16	14,400	14,875	15,350	15,825	16,300	16,775	17,250	17,725	18,200	18,675			
PFS-17	15,960	16,490	17,020	17,550	18,080	18,610	19,140	19,670	20,200	20,730			
PFS-18	17,690	18,280	18,870	19,460	20,050	20,640	21,230	21,820	22,410	23,000			
PFS-19	19,615	20,270	20,925	21,580		22,890	23,545						
PFS-20	21,755	22,480	23,205	23,930									

REFORM OF FEDERAL STATUTORY SALARY SYSTEMS

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APPENDIX 3. EXAMPLES OF STATE, LOCAL GOVERNMENT
AND UNIVERSITY SALARIES

Salary rates for elected and appointed officials, New York State government

Governor	\$50,000
Department, Audit of Control	30,000
Department, Law	30,000
Commissioner, agriculture and markets	27,500
Commissioner, commerce	27,500
Commissioner, conservation	27,500
Commissioner, correction	27,500
Commissioner, education	27,500
Commissioner, health	27,500
Commissioner, industry	27,500
Commissioner, mental hygiene	27,500
Commissioner, motor vehicles	27,500
Commissioner, social welfare	27,500
Commissioner, taxation of finance	27,500
Commissioner, civil service	27,500
Superintendent, banks	27,500
President, State university	27,500
Superintendent, insurance	27,500
Chairman, public service	27,500
Superintendent, public works	27,500
Secretary of the State	27,500
President, Tax Commission	27,500
Secretary to the Governor	27,500
Director of the budget	27,500
Counsel to the Governor	27,500
Other department heads and board members	\$17,500-26,000

Salaries of school superintendents and city managers

School superintendents:	
Chicago, Ill.	\$46,000
New York City, N.Y.	37,500
Los Angeles, Calif.	36,000
Dallas, Tex.	36,000
Detroit, Mich.	36,000
Long Beach, Calif.	29,000
San Francisco, Calif.	29,000
Minneapolis, Minn.	28,000
Philadelphia, Pa.	28,000
Milwaukee, Wis.	26,000
Akron, Ohio	25,000
Fort Wayne, Ind.	24,000
Houston, Tex.	24,000
Tucson, Ariz.	23,950
Richmond, Va.	22,100
City managers:	
Cincinnati, Ohio	36,000
Norfolk, Va.	30,000
San Diego, Calif.	28,000
Richmond, Va.	25,300
Oakland, Calif.	25,000
Dallas, Tex.	24,808
Kansas City, Mo.	24,000
Des Moines, Iowa	21,000

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Top career salary rates, State and local governments

States:	Top rate or range
California	\$16,860-\$20,484
Georgia	16,740- 22,020
Illinois	16,500- 20,040
Michigan	25,348- 29,754
New York	18,630- 22,627
Ohio	15,840- 18,720
Pennsylvania	16,170- 21,672
Localities:	
Los Angeles County, Calif	31,700
Los Angeles (City), Calif	23,028- 28,692
Denver, Colo	16,800- 21,876
Detroit, Mich	18,531- 20,506
St. Louis, Mo	20,790- 24,999
San Francisco, Calif	22,572- 27,444
Philadelphia, Pa	23,079

SALARIES OF COLLEGE PRESIDENTS AND FACULTIES

According to a survey conducted by the National Education Association in 1961-62, covering 897 educational institutions:

2 college presidents were paid	\$45,000 or more
81 college presidents were paid	25,000 or more
228 college presidents were paid	18,500 or more
31 college vice presidents were paid	25,000 or more
105 college vice presidents were paid	18,500 or more
628 professors were paid	18,000 or more
2,422 professors were paid	15,000 or more

NOTE.—Revised March 1962 to show 1961-62 survey results.

