

UNITED STATES CIVIL SERVICE COMMISSION

BULLETIN

Washington, D.C. 20415
August 30, 1971

BULLETIN NO. 531-51

SUBJECT: Federal Employee Wage and Salary Freeze

Heads of Agencies and Independent Establishments:

1. On August 15, 1971, the President under authority of the Economic Stabilization Act of 1970, signed Executive Order 11615 which has the effect of freezing existing salaries, wages, prices, and rents for 90 days. The following decisions have been made with respect to the effect of the Executive Order on Federal employees:

a. Changes in Wage Schedules or Rates (Coordinated Federal Wage System or Non-Coordinated Federal Wage System)

- No new wage schedule or rate will be issued by any agency or wage fixing authority with an effective date within the freeze period. However, a wage schedule or rate required by law (Monroney; 45-day law) to be effective prior to the freeze period will be issued and effected.
- If a wage schedule or rate was issued with an effective date prior to the freeze period it will be effected on the date specified on the schedule by the lead agency.
- If a wage schedule or rate was issued prior to the freeze, but with an effective date within the freeze period, it will not be effected.

b. Within-grade Increases

All within-grade increases, quality-step increases, and incentive awards which did not have an effective date prior to August 15, 1971, are to be suspended while the freeze is in effect. Because the waiting period for a within-grade increase is measured from the date of the employee's last equivalent increase, agencies should keep a record of the date an employee would have received

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a within-grade increase had the freeze not been in effect. This date will be considered as the date of the employee's last equivalent increase for future within-grade increase purposes.

(NOTE: Scheduled pay increases for apprentices under a formal apprentice program are not considered within-grade increases, and therefore, are authorized.)

c. Promotions

Promotions to positions of greater responsibilities in higher grade or level are permitted under the order; and pay on promotion will be fixed in accordance with applicable law and regulation, including an agency's highest previous rate regulations. In this connection, agencies should keep in mind the provisions of OMB Bulletin 72-4.

d. Other Personnel Actions

Personnel actions other than those discussed above, which have an effective date on or after August 15, 1971, are to be processed in the usual way, as a matter of record, and the rate of pay for the position shall be selected in accordance with applicable law or regulation. However, actual salary paid to the employee may not exceed his current rate of basic pay while the salary freeze remains in effect. For example, a wage employee paid \$3.00 an hour (\$6,240 p.a.) who, together with his position, is brought under the General Schedule in a conversion action at grade GS-4 may have his pay fixed at the second rate of the grade (currently \$6,409) but until the wage freeze is terminated, he will continue to be paid \$3.00 an hour. In a case such as this, the Standard Form 50 would show GS-4, rate 2, salary \$6,240 p.a.; the "Remarks" would note that "Employee will continue to be paid existing salary of \$3.00 ph until salary stabilization period directed by E. O. 11615 is terminated."

2. The instructions above are intended to remain in effect during the 90 day salary and wage stabilization period. We recognize that these instructions may not cover every personnel or pay-fixing action, and expect to issue additional instructions as the need arises. In doubtful cases not covered by the above instructions, we suggest that a record be made of what normal agency practice would be, but that no actual pay increase be effected. Such questions should be referred to the appropriate regional office of the Civil Service Commission, or in the Washington, D.C. area, to the Pay Policy Division of the Commission, telephone Code 101, extension 25595 (or 63-25595).

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