

GENERAL SERVICES ADMINISTRATION
Washington, DC 20405

HRM 9531.1
April 8, 2016

GSA ORDER

SUBJECT: Superior Qualifications and Special Needs Pay Setting Authority

1. Purpose. This Order issues and transmits GSA policy governing the use of the Superior Qualifications and Special Needs Pay Setting Authority (SQA).
2. Background. GSA Administrator memorandum dated April 15, 2012, required that all requests to use the SQA receive the joint approval of the Chief Human Capital Officer (CHCO) and Chief Financial Officer (CFO). This directive implements the revised delegation of authority, in addition to making revisions noted below.
3. Scope and applicability.
 - a. The authority applies to GS appointees who have superior qualifications or who meet a special agency need, and who are entering the Federal service for the first time or returning to Federal employment after a break in service of 90 calendar days or more from their last period of Federal employment or employment with the District of Columbia. Limited exceptions to the 90-day limitation are provided in 5 CFR 531.212(a)(3).
 - b. The Office of Inspector General (OIG) has independent personnel authority. See Section 6 of the Inspector General Act of 1978, (5 U.S.C. App. 3), as amended (Inspector General is authorized “to select, appoint, and employ, such officers and employees as may be necessary for carrying out the functions, powers, and duties of Office of Inspector General”) and GSA Order ADM P 5450.39D GSA Delegations of Authority Manual (Delegations Manual), Chapter 2, Part 1 (“the Inspector General has independent authority to formulate policies and make determinations concerning human capital issues within the [OIG] and GSA determinations/delegations do not limit that authority). Similarly, GSA specifically recognizes that the Inspector General has independent authority to formulate policies and make determinations concerning training, employee development, and career management.

4. Cancellation.

a. Chapter 5 of GSA's Pay Administration and Position Classification Handbook, CPO P 9550.1.

b. CPO IL-12-01, Superior Qualifications and Special Needs Pay Setting Authority.

5. Nature of revision.

a. Chapter 5, Superior Qualifications Appointments, is removed from the Pay Administration and Position Classification Handbook, CPO P 9550.1 and issued as a separate policy renamed Superior Qualifications and Special Needs Pay Setting Authority.

b. Adds phrase, "When this issuance is silent on any aspect of the SQA, regulations in 5 CFR Part 531 and the U.S. Office of Personnel Management (OPM) guidance will govern," in the introductory paragraph.

c. Revises delegation of authority to approve requests for use of the SQA.

d. Defines the responsibilities of requesting official and servicing Human Resources (HR) Office.

e. Clarifies considerations and limitations for determining the rate of pay above the minimum rate.

f. Clarifies requirements for using the authority when hiring for entry-level positions.

g. Adds checklist to facilitate and document HR Office review.

6. Implementation under this issuance must be carried out in accordance with applicable laws, regulations, and bargaining agreements.

7. Signature.

/S/
ANTONIA T. HARRIS
Chief Human Capital Officer
The Office of Human Resources Management

HRM 9531.1 Superior Qualifications and Special Needs Pay Setting Authority

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1. INTRODUCTION

This order provides policy for requesting and authorizing a Superior Qualifications Appointment (SQA) to a General Schedule (GS) position in accordance with the provisions of Title 5 United States Code, section 5333 and the Code of Federal Regulations (CFR), 5 CFR Part 531, Subpart B. When this issuance is silent on any aspect of the SQA, regulations in 5 CFR Part 531 and OPM guidance will govern.

2. REFERENCES

- Title 5 United States Code, section 5333
- Title 5, Code of Federal Regulations (CFR), Part 531, Subpart B

3. DEFINITIONS

a. Superior Qualifications Appointment. An appointment made at a rate above the minimum rate of the appropriate GS grade under authority of section 5333 of Title 5, United States Code, based on the superior qualifications of the applicant or a special need of the agency for the candidate's services.

b. Special need. When an agency has a documented need for a specific set of skills and/or expertise and recruitment has been met with limited success, it is determined that a candidate fills that need with the type, level, or quality of skills and competencies or other qualities and experience possessed. This individual is usually singularly to a unique organizational function; one who has special though not necessarily superior qualifications that meets the need of a position or a documented area of chronic labor shortage.

c. Recommending official. Supervisor or manager who initiates a request to offer a SQA. The recommending official must be an official designated as a supervisor who is at a higher level than the employee receiving the incentive

d. Reviewing official. Management official who serves as the Head of Services and Staff Offices (HSSO) and Regional Administrator (RA) that is responsible for funds control within an organizational. This individual has the authority for committing funds for the Recommending Official's organization.

e. Approving official. Management official who serves as the Head of Services and Staff Office (HSSO) who has delegated authority to approve payment of all allowances and incentives. The Chief Human Capital Officer (CHCO) and the Chief Financial Officer (CFO) have delegated authority from the Administrator and serve as the approving officials for all SQA's.

4. RESPONSIBILITIES

a. Office of Human Resources Management.

(1) Reviews package to ensure the justification and documentation support use of the incentive and the request is in compliance. Consults with requesting organization, as necessary, to request additional information or documentation.

(2) Submits package for final approval or disapproval to the Chief Human Capital Officer.

(3) Coordinates with OCFO for review and final action to approve or disapprove the request;

b. Office of the Chief Financial Officer. Coordinates with Chief Human Capital Officer for review and final action to approve or disapprove the request.

5. GENERAL PROVISIONS

a. The SQA is not solely intended to match a candidate's rate of pay, rather is intended to improve the ability of the Federal Government and GSA to compete with private sector employers for top-quality candidates. The rate of pay may not exceed that authorized by regulation (i.e., step 10 of the grade to which the candidate is appointed). Pay will normally be set at a rate that approximates the applicant's existing rate of pay, and the rate of pay to be offered may not exceed a candidate's existing pay by more than 20 percent (existing pay includes incentives, consulting pay). (Refer to par. 6, for determining rate of pay.)

b. A written determination to authorize a rate of pay above the minimum rate of a GS grade must be made before the applicant enters on duty in the appointed position.

c. Superior qualifications appointments are for journeyman level (e.g., career ladder position is a GS-9-12 with GS-12 as the journeyman/Full Performance Level) or senior level positions (usually GS-13-15). For exceptions, the HR Services Director, OHRM will approve all requests before submitting to the CHCO and CFO for final approval.

d. If an exception is requested for a candidate that is below the identified journeyman level and the candidate qualifications is based on education and not work experience, the following should be considered:

(1) An undergraduate or higher degree with a grade point average of 3.5 or higher in a field of study related to the position being filled, and

(2) The education is in a unique specialty occupation or mission critical series (e.g., Category Management, Information Technology (Information Security), Acquisitions, etc.) that is needed by the agency and for which recruitment efforts have

resulted in limited success.

e. SQA may not be made based on an individual's race, color, sex, age, religion, national origin, or disability.

6. CRITERIA FOR AUTHORIZING A SQA

a. Difficulty in filling the position. In determining whether a superior qualifications appointment should be authorized, the recommending, reviewing, and approving officials should consider the difficulty that would be encountered in filling a position with a high quality applicant or in meeting a special agency need.

b. Demonstrably superior qualifications. A superior qualifications determination should be based on the relevance of the candidate's experience and education to the particular work he or she will perform, and on the quality of the candidate's accomplishments compared to others in the occupational field. In making the determination, the agency should consider the following:

- (1) The overall quality of the candidates;
- (2) The particular requirements of the position being filled;
- (3) Any high-level experience or education directly related to the position;
- (4) The candidate's reputation in the occupational field (e.g., through publications, lectures or leadership roles in professional organizations).

c. Justification. The following specific factors should be addressed in the justification and considered in making the determination whether to approve a SQA:

(1) The success of recent efforts to recruit high quality applicants for similar positions, including indicators such as offer acceptance rates, the proportion of positions filled, and the length of time required to fill similar positions;

(2) Recent turnover in similar positions;

(3) Labor-market factors that may affect GSA's ability to recruit high quality applicants for similar positions now or in the future;

(4) Special qualifications needed for the position;

(5) The practicality of using a recruitment incentive as authorized by 5 U.S.C. 5753 instead of a SQA. Unlike a SQA, a recruitment incentive is a one-time payment that has no effect on future pay entitlements or retirement, life insurance, and premium pay entitlements. If management does not wish to disturb basic pay alignments among current employees performing similar work, a recruitment incentive may be a more appropriate method to attract a superior applicant. A recruitment incentive may also be more appropriate than the SQA for entry-level positions where the applicant

demonstrates only education or limited experience.

7. DETERMINING THE RATE OF PAY FOR A SQA

a. Efforts should be made to maintain equity between the pay of the new appointee and that of current employees doing comparable work. Decisions to pay above the first step should be based on a variety of factors that relate to the position being filled and indicate the extent to which the selected candidate's competencies clearly exceed those of the other candidates. When a decision is made to set pay higher than the first step, it should be because the candidate's credentials are not commonly found in the agency workforce or candidate pool.

b. In addition to the factors in paragraph 5, *General Provisions*, the following factors should be addressed and considered in the justification:

(1) The applicant's recent salary history (for purposes of the SQA, within the past year); current salary; salary increases already scheduled; and bona fide competing job offers;

(a) Actual income/existing pay. A candidate's actual income is what he or she earns in his or her current position or would earn in a position for which the candidate has a current, firm offer. A candidate who is leaving his or her current employment or who is unemployed would not be earning any income. The candidate's income must be considered based on current employment, a bona fide offer of employment, or on a reasonable expectation of continued employment (see par 4.c.(1)(b)). Documentation of salary should be in the form of a W-2, tax return or pay statement. A bona fide offer of employment must be documented in writing, clearly offer current employment and include job title, salary or salary range, location and reporting date

(b) Matching income. The fact that an individual has superior qualifications by itself is not sufficient to justify an appointment above the minimum. It must be shown that accepting the appointment at the first step of the grade would cause the applicant to forfeit existing income or income, which he/she is likely to earn.

(c) Fringe benefits may be considered if they substantially exceed the government's benefits package. It would not be appropriate to consider fringe benefits that are illegal for the government to provide; for example, transportation to and from work

(d) In addition to the above, a "reasonable expectation of employment" for the candidate should be assessed. If a candidate has no current income or bona fide offer of employment, a determination should be made as to whether he or she has a realistic prospect of obtaining employment at the former salary level. Factors to consider include unemployment rates for the occupation in the location, length of time

the candidate has been unemployed, any trends, such as industry-wide reduction in jobs that would affect employment prospects, and average salaries for the occupation.

(2) Private sector offers. There may be situations when an individual has a private sector offer that is substantially higher than his/her recurrent income. In these situations, the job offer may be considered. The private sector job offer must be documented in writing and dated within the past 60 days.

(3) The special skills or qualifications that uniquely equip the applicant to meet a specific agency need and a demonstrated exceptional level of professional and/or academic credentials;

(4) Budget considerations and policies;

(5) The rates of pay previously authorized in similar situations; and,

(6) Any other appropriate factor(s).

8. PROCEDURES FOR REQUESTING APPROVAL FOR A SUPERIOR QUALIFICATION APPOINTMENT

a. The recommending official will prepare the request for superior qualifications appointment and forward it in accordance with the paragraph on "Responsibilities" for concurrences and approval. Candidates should be advised not to decline other offers of employment or notify current employers of their intent to leave before the request is approved.

b. Notification of approval will be sent to the requesting office and to the servicing HR office.

c. The servicing HR Office will:

(1) Extend the tentative job offer and once SQA is approved, prepare the official job offer letter stating the grade and step

(2) Process the Request for Personnel Action (RPA/ SF52) for the appointment, and forward it to the Consolidated Processing Center with all supporting documents. Required remark P4 - Pay set using the superior qualifications and special needs pay-setting authority under 5 CFR 531.212, and enter Pay Rate Determinant (PRD) as "7" which indicates that the employee is hired at a pay rate above the minimum rate of the grade. *Note: PRD Code 7 is used only on the action that appointed the employee at a superior qualifications rate; code 0 or another appropriate code is used on actions subsequent to the appointment action.*

d. If the request is not approved by the approving official, the HR office will advise

of the reasons for not approving the request and request will be returned to office to the requesting office for recordkeeping purposes.

9. DOCUMENTATION AND RECORDKEEPING

The records and documentation for SQA will be maintained for a minimum of 2 years. These records must include the documentation listed in paragraphs 3 and 4. This documentation will be made available for review upon request by OPM or authorized GSA agency officials (e.g., as part of Delegated Examining Unit audits and HR Office and program reviews) or to be provided in response to special requests from OPM or other oversight agency (OIG, GAO).

Appendix A. Superior Qualifications Checklist And Approval Form

SUPERIOR QUALIFICATIONS CHECKLIST AND APPROVAL FORM (for Servicing HR Office Review)	
NAME:	GRADE/STEP REQUESTED:
QUALIFICATIONS	
<p>1. Does the written justification show that the candidate's qualifications are demonstrably superior to what would be expected of a well-qualified candidate and without a Superior Qualifications Appointment, the candidate is forfeiting income?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
OR	
<p>2. Does the written justification and resume clearly show the candidate has a unique education and/or experience that meets a special need of the agency</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
EXISTING PAY / SALARY HISTORY	
The justification discusses the following (circle all that apply):	
<p><input type="checkbox"/> Salary</p> <p><input type="checkbox"/> Benefits</p> <p><input type="checkbox"/> Bonuses</p> <p><input type="checkbox"/> Other outside Income</p> <p><input type="checkbox"/> Bona Fide Salary Offers</p> <p><input type="checkbox"/> Average Salary for Occupation</p> <p><input type="checkbox"/> Forfeited Income</p> <p><input type="checkbox"/> Shortage Category</p> <p><input type="checkbox"/> Reasonable Expectation for Employment</p> <p><input type="checkbox"/> Special Need</p>	
Is all required documentation provided (salary, education, income forfeiture, etc.)?	

<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Memorandum from manager with justification for a superior qualifications appointment. <input type="checkbox"/> Copy of Position Description. <input type="checkbox"/> Description of superior qualifications <input type="checkbox"/> Candidate's resume package <input type="checkbox"/> Vacancy announcement advertising the position and identification of other recruitment sources <input type="checkbox"/> All certificates referred to the manager for selection <input type="checkbox"/> Income verification (W-2, tax return, check stub or 1099) Other (e.g., documentation of bona fide job offer)	
<p>Initial Review: _____ Date: _____ Servicing HR Specialist</p> <p>Second Review: _____ Date: _____ HR Supervisor or Team Leader</p> <p>Recommendation: Grade/Step approved: _____</p> <p>_____ Approved to submit to CHCO/CFO</p> <p>_____ Disapproved – do not submit to CHCO/CFO</p> <p>_____ Date: _____</p> <p>Human Resources Director</p>	
<i>Internal OHRM Form</i>	