

THE FEDERAL PAY SYSTEM

Since 1962 the Federal service has had a modernized pay policy and pay system. Its most important feature is a basic policy for determining pay levels:

THE POLICY

"Federal Salary Rates Shall Be Comparable With Private Enterprise Salary Rates for the Same Levels of Work."

Each year the Bureau of Labor Statistics makes a survey of salary rates in private enterprise for many jobs that are the same in Government and industry. Included in the survey are jobs in chemistry and engineering, from junior levels to the levels of research leadership and program supervision. The survey yields national average salaries that are directly comparable with Federal salaries in the scale up to and including GS-15. On the basis of these comparisons, the President submits to Congress any salary recommendations he feels are justified.

THE PAY SYSTEM

Several special features help the Federal service compete in the labor market and stimulate high-quality performance:

- *Recognizing the Quality of Performance.* Two related steps give the manager additional control over the pay of staff members:
 - An extra within-grade increase, in addition to the regular one, can be awarded once a year for high-quality performance.
 - The regular within-grade increase may be given only if the employee's performance is of an acceptable level of competence; thus the marginal worker can no longer qualify for such an increase.