

3 FAH-2 H-240 EXCEPTION RATE RANGES

3 FAH-2 H-241 GENERAL

(TL:FSNH-1; 9-25-91)

(Uniform State/AID/USIA/Commerce/Agriculture)

Normally, exception rate ranges are authorized by a joint action of the Washington headquarters offices of the Department of State and the agencies represented at post. Under certain circumstances, however, the Chief of Mission has the authority to establish exception rate ranges after post interagency clearance has been obtained.

An exception rate range (ERR) may be granted when the average salary data for a specific position(s) in the companies surveyed during the latest full or salary change survey varies significantly above or below the rate range determined appropriate for the comparable grade level. Data from companies not included in the latest full salary and benefit survey may not be used to justify exception rate ranges except as approved according to 3 FAH-2 H 224 F and 3 FAH-2 H-231 A. ERR's apply to a specific job series and grade level within that series (e.g., Secretary FSN-120-6) and to all employees occupying a position(s) classified at that series and grade level under a specified salary schedule. Although the procedures contained herein specifically address exception rates for specific grade levels, the same procedures may apply for more than one grade level of the same series if sufficient data exists.

These procedures may also be used in setting Third Country National pay and benefit levels as explained in 3 FAM 927.5-4 b.

Since the primary basis for exception rate ranges is locally prevailing rates of pay for like positions, these procedures can be used for all positions which exist in the surveyed companies even if the positions are not one of the survey jobs listed in 3 FAH-2 H-200 Appendix A . Posts should not, however, implement ERR's under the provisions of this section for positions which are singular to Embassy or Consulate operations and for which comparable positions cannot be found in the surveyed companies.

3 FAH-2 H-242 SPECIFIC PROCEDURES

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To minimize the number of contacts made with surveyed employers, data

justifying ERR's will normally be collected in conjunction with a full salary or salary change survey (see paragraph A and B below). If the apparent need to establish ERR's arises between surveys, post may collect survey data using instructions contained in 3 FAH-2 H-244 to determine if current compensation for a position is adequate.

A. AT THE TIME OF A FULL SALARY AND BENEFIT SURVEY

Before a full survey, post should determine if for any positions reasonable justification for an ERR actually exists or is expected to exist in the near future because of locally prevailing compensation practices. For example, depending on the particular circumstances, recruitment and/or retention problems may have occurred indicating that salary differences with competitors may be underlying reasons. If this situation exists, and if post's Local Survey Committee is in agreement, post should fully document these problems and submit same to the Department along with a request that a study be made of local pay practices for comparable positions in the locality when the next full survey is conducted. Included in such a submission should be a copy of the current position descriptions for the proposed exception rate range position and other FSN positions within the same series which are classified at higher or lower grade levels. If a study of compensation practices for possible ERR positions appears to be warranted, the Department will arrange for such a study to be made at the time a full salary survey is conducted. In this connection, the post will be requested to develop a list of companies (in accordance with instructions contained in section 224) which are known to or are likely to employ workers in positions comparable to the proposed exception rate position. A sampling of these companies will be considered for addition to the list of companies to be used in the full survey. Following usual survey procedures, salary and fringe benefit data for all survey jobs will be obtained and will be used in developing a revised FSN compensation plan. Data obtained pertaining to possible exception rate position(s) which are not part of the survey job list will be analyzed separately and will not affect development of the FSN salary schedule.

When average salary data vary substantially from data for the survey jobs of that same FSN pay grade, then PER/FSN may recommend an exception rate range for approval based on:

1. Full survey salary data;
2. Ranking (based on salary) of positions within surveyed companies;
3. Available labor market information;

4. Mission's indicated preferences for establishing an ERR (see 3 FAH-2 H-247) with clearance of all agencies at post, and

5. Any other pertinent information.

B. AT THE TIME OF A SALARY CHANGE SURVEY

It is in post's best interest to identify possible exception rate positions before a full salary survey is conducted because it is only during a full survey that major changes may be made to the list of companies to be surveyed and all the salary and benefit data is collected for each company entailing much work. Between full surveys, if the Mission believes that the current salary range for a specific position(s) is substantially above or below the salary ranges for comparable positions in the locality, a salary study should be conducted for this position and other FSN positions within the same series which are classified at higher or lower grade levels. This study should be done in conjunction with a complete salary change survey (see 3 FAH-2 H-231) using all and only those companies included in the previous full salary and benefit survey unless an exception is authorized according to 3 FAH-2 H-224 F and 3 FAH-2 H-231 A. Use of the same companies is necessary since FSN benefits remain the same based on these companies' practices. In addition to standard salary change survey data, information relevant to the possible exception rate position should be obtained as described below in 3 FAH-2 H-244 .

PER/FSN will analyze the data and recommend an exception rate range(s), if appropriate, for approval based on the same considerations as listed above in 3 FAH-2 H-242 A.

The exception rate study and salary change survey procedures require considerable attention to detail and will take a significant amount of time to complete. Therefore, before starting the survey, the Administrative/Personnel Officer may wish to test the hypothesis that significantly different rates of pay exist in the survey companies for the specific position in question. This can be accomplished by informal discussions with personnel managers of one or two of these companies.

C. AT TIMES OTHER THAN WHEN A FULL SALARY AND BENEFIT OR SALARY CHANGE SURVEY IS CONDUCTED

If a mission believes that the current salary range for a position is substantially above or below the salary ranges for comparable positions in the locality, but a full survey is not scheduled for the near future and post is unable to conduct a complete salary change survey, a less extensive survey of all those employers included in the previous full survey may be conducted. This would involve procedures contained in 3 FAH-2 H-243 and 3 FAH-2 H-244 , except for step B of 3 FAH-2 H-244 (because ranges and rates should be obtained for the company's comparable position which were in effect when the most recent full salary and benefit or salary change survey was conducted) and step H. of 3 FAH-2 H-244 which are not required.

Survey data should be sent to PER/FSN for review and determination of whether an ERR is appropriate and at what level. However, in circumstances when time is of the essence, post may make this determination and grant ERR's on a prospective basis at the beginning of the pay period following post's determination. Post must then notify Department as to what position(s) and at what salary level an ERR has been granted and provide justification for such an action. The notification should be in the form of an immediate cable to PER/FSN. Copies of the worksheets listing the data collected in support of the ERR and showing all of post's calculations must be immediately pouched to PER/FSN and other offices in accordance with 3 FAH-2 H-246 .

For post's use in determining if an exception rate is warranted and at what level based on survey data, the following guidance is provided.

1. Adjust the data to an annual basis for post's basic workweek hours (see 3 FAH-2 H-227 A).
2. Determine the benefit adjustments that have been added to the salary data for each company. Post will need to obtain this information from PER/FSN.
3. Apply to basic rates all spot-check survey and host government decreed increases which were authorized by the Department since the most recent full salary or salary change survey was conducted.
4. Determine if and what ERR is warranted by comparing results with the regular schedule at the same grade level. Then construct the exception rate range using the same size range as on the regular schedule and using the guidelines in 3 FAH-2 H-227 B2.

5. If rates determined above exceed those for the FSN-12 level on the schedule, establish the ERR above the FSN-12 level. In cases where a post does not have an FSN-12 level or lower levels, guidance should be obtained from PER/FSN if the ERR is suspected to be two or more grade levels above the highest shown on pay schedule. PER/FSN may have data on hand to construct the intervening grade levels.

3 FAH-2 H-243 JOB DESCRIPTION

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(Uniform State/AID/USIA/Commerce/Agriculture)

For the ERR study post should use as a survey job description, the classification standard for the position or the actual job description which reflects the range of major responsibilities and duties of each position for which it believes an exception rate range might be justified. Care should be exercised to assure that the duties of the FSN position are not overstated or understated as this could affect the job match level and the resulting compensation.

3 FAH-2 H-244 DATA COLLECTION

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(Uniform State/AID/USIA/Commerce/Agriculture)

A. COMPANY POSITION DESCRIPTIONS

In each company where the position is matched, post should obtain a position description from each survey company for the comparable position in that company. If the company does not have a position description, the person conducting the survey should obtain sufficient descriptive information to develop a brief job description of the company position which includes the same information required for an FSN position description.

The FSN employee whose job is being surveyed for a possible ERR must not collect this data nor be an observer due to the conflict of interest.

B. COMPANY RATE RANGE DATA

If the surveyed company has a structured salary schedule with established rate ranges, collect the minimum and maximum rates for the company's comparable position. If the surveyed company does not have established rate ranges, collect the actual rate currently being paid to each employee occupying the comparable position. If the rate of pay for one or more employees occupying this position falls significantly above or below the rates of pay for all other employees in this same position, attempt to determine the reason for this atypical rate(s) and include an explanation with the survey data submitted. Then determine the minimum rate at which the company would expect to hire new employees into this position and the maximum rate the company anticipates would be paid.

Information provided in the most recent full survey report usually indicates whether or not the company has a structured salary schedule and describes other company pay practices. This information should be reviewed by the Administrative/ Personnel Officer before interviewing the company official.

C. PERIOD COVERED BY SURVEYED COMPANY SALARIES

Document whether rates provided are hourly, daily, weekly, monthly, or annual rates of pay.

D. HOURS OF NORMAL WORKWEEK

Determine the number of hours in the basic workweek for the comparable position in the survey company and whether company pays overtime to incumbents of such a position.

E. POSITION SPECIFIC BENEFITS

If a benefit(s) is provided which is unique to the matched company position, fully describe it, including details on conditions and limits involved, value to employee and how this was determined, etc. Value should be analyzed by the principles and procedures presented in 3 FAH-2 H-227 C. Post should also confirm whether the other benefits provided by the survey companies to the regularly matched survey jobs are also provided to the job(s) being surveyed for exception rates.

F. LANGUAGE REQUIREMENTS

Determine if a difference exists between the language requirements for the FSN and the survey company positions. If a difference is evident, determine the appropriate language adjustment factor based on how language adjustments were made in the most recent full salary and benefit survey (also see 3 FAH-2 H-225 B). If it is not clear as to how/what language adjustments were made in the full survey, PER/FSN should be consulted.

G. ADDITIONAL DATA TO BE COLLECTED FOR SUPERVISORY POSITIONS

If the position being surveyed is a supervisory position, the following additional data must be collected.

1. Total number of employees supervised;
2. Description of work performed by employees supervised (if more than one type of work is supervised, describe each function supervised and number of subordinate employees in each function);
3. Number of subordinate supervisors; and
4. Titles of each supervisor between the supervisory position being surveyed and the general manager or director of the survey company. Note:— The company general manager level is comparable to the DCM for state positions and to the agency head for all other agencies.

H. COLLECTION OF SALARY CHANGE SURVEY DATA

As indicated in 3 FAH-2 H-242 B, in addition to information required in A-G above, post must collect a complete set of salary change survey data under guidance provided in 3 FAH-2 H-231 .

3 FAH-2 H-245 INTERNAL DATA

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(Uniform State/AID/USIA/Commerce/Agriculture)

Post must submit the following information in addition to that required above:

- a. Mission position description for each position to be affected by the requested exception rate range;
- b. Current mission minimum and maximum rates for the FSN grade level involved;
- c. Number of hours in the basic workweek for each position to be affected by requested ERR; and
- d. For supervisory positions, include mission data similar to that as collected from survey companies in section 3 FAH-2 H-244 G. above.

3 FAH-2 H-246 SUBMISSION PROCEDURES

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Submit all data collected in accordance with 3 FAH-2 H-244 and 3 FAH-2 H-245 to PER/FSN with a copy to the Executive Director of the appropriate regional bureau. If employees of other USG agencies will be affected by the proposed exception rate range, submit a copy to the Washington headquarters of each agency involved. The transmittal memorandum should provide any clarifying information which the Administrative/Personnel Officer deems appropriate to assist Washington in the proper analysis of the data submitted and should provide recommendations as indicated below in 3 FAH-2 H-247 .

3 FAH-2 H-247 ANALYSIS

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If it is determined that an exception rate is warranted for a survey job listed in Appendix A or for a job added by post to this list, data obtained in a full or salary change survey for such a survey job will be deleted from the averages used for regularly assigned grade level.

Before indicating its preference for establishing ERR's, the Mission should coordinate with all agencies at post and consider the effect on other positions of deleting this data. PER/FSN will provide the results to the Mission and consider its preference before recommending the schedule for regional bureau and interagency approval.

Data for positions which are not the survey jobs used for normal salary survey purposes will not be combined with normal survey data but will be used only to compare with proposed new schedule rates resulting from the survey to determine if ERR's are warranted.

PER/FSN will construct a separate schedule of rates for all authorized ERR's. Post should publish the exception rate schedule in the same format as indicated for the sample schedule in 3 FAH-2 H-200 Appendix H . Titling should indicate the job series covered. Remarks section should indicate different benefits. Effective dates will be as specified in 3 FAH-2 H-232 G.

3 FAH-2 H-248 REVIEW AND UPDATE

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(Uniform State/AID/USIA/Commerce/Agriculture)

After establishing an ERR, it is the responsibility of the post to update salary information for the exception rate position each time that a salary change survey is conducted. An ERR may remain in effect only while it can be justified by salary change survey data or full survey data which reflect prevailing local pay levels for such a position.

3 FAH-2 H-249 CONVERSION PROCEDURES

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(Uniform State/AID/USIA/Commerce/Agriculture)

To place an employee on an ERR schedule, preserve the employee's existing step number (position in the range) on the ERR schedule. To remove an employee from an ERR schedule or to discontinue an ERR schedule, place the affected employee at the same grade on the regular schedule and at the lowest step that equals or exceeds the employee's current rate of basic pay. Saved rate provisions may be applied if necessary to preserve an employee's current level of pay.