
Grade and Pay Retention

Grade retention lets you keep your current grade for two years after you accept another position at a lower grade because of a RIF.

Pay retention, often called "saved pay," lets you keep your current rate of basic pay if you accept a lower paying position because of management actions not due to an official RIF. It is effective until your new pay catches up.

ELIGIBILITY REQUIREMENTS

- **Grade retention** is used if you are on a permanent appointment and have served for at least 52 consecutive weeks at a grade higher than the new position. Grade retention ends after—
 - The two-year period is completed.
 - You are placed at the same or a higher grade level than the previous grade.
 - You decline a placement offer.
 - You are placed at a lower grade for cause or at your request.

- **Pay retention** is used if you do not meet the 52-week condition for grade retention or if you decline to transfer with your position. Its primary use is for situations not associated with RIFs or reorganizations. You are also eligible for pay retention when grade retention expires. Pay retention ends when the rate of pay of the new position is equal to or greater than the pay of your previous position.

DISCUSSION

- **Grade retention** will be used to determine your pay and calculate retirement, life insurance, promotion, and training benefits.
 - You will receive within-grade increases, cost-of-living increases, special rate pay, overtime, and performance awards based on the retained grade.
 - After the two-year period, your pay will be recomputed according to pay retention rules.
- **Pay retention** applies when your current rate of pay exceeds the highest amount for the top step of the new grade. If your current rate of pay does not exceed the top step of the new grade, your pay will be set at the step in the new grade that equals or exceeds your current rate of pay.
 - If your current rate of pay exceeds the highest rate of pay for the new grade, you will retain your current salary as long as it is less than 150 percent of your new grade.
 - You will then receive 50 percent of any future general pay increases until your pay equals the 10th step of the grade.

QUESTIONS AND ANSWERS

If I accept a job through the DOD Priority Placement Program or the Corps Outplacement Program, will I get grade or pay retention?

Yes, as long as you meet the general eligibility requirements.

Can I retain my grade if I accept an offer from another Department of Defense activity in my home town or from a nearby Army installation?



If you receive a RIF notice proposing a change to a lower grade or separation, you can retain your grade throughout the Department of Defense if the position you accept is at or above the grade level offered in the RIF notice. If the position is at a grade lower than that offered in your notice, the hiring organization may authorize grade retention if management determines that placement in the position is in the government's interest.

Can I get grade retention for volunteering for a lower grade even though I am not personally being affected by the RIF and reorganization at my activity?

Yes, if management determines that your change to a lower grade would place you in a more suitable position and would reduce the impact of the RIF on other employees.