



UNITED STATES MARINE CORPS

HEADQUARTERS MARINE CORPS AIR STATION MIRAMAR  
PO BOX 452000  
SAN DIEGO CA 92145-2000

01 JUN 1992  
StaO 12531.3

STATION ORDER 12531.3

From: Commanding Officer  
To: Distribution List

Subj: PAY DIFFERENTIAL FOR GENERAL SCHEDULE SUPERVISORS WHO  
SUPERVISE EMPLOYEES NOT UNDER THE GENERAL SCHEDULE

Ref: (a) CMC msg 011755Z Jun 92 (NOTAL)  
(b) 5 U.S.C. 7103(a) (NOTAL)  
(c) 5 U.S.C. 5307 (NOTAL)

1. Purpose. To establish procedures to request approval for payment of a supervisory differential.
2. Background. Reference (a) authorizes Marine Corps activities to approve the payment of supervisory differentials up to three percent for General Schedule (GS) supervisory employees who supervise one or more civilian employees not covered by the GS who, but for the differential, would be paid more than the supervisor.
3. Policy. To the extent practicable and in accordance with good management, work assignments should not be made in such a manner that GS employees supervise employee who are earning a higher rate of compensation. When such situations exist, and before approving a differential for a GS employee under this authority, consideration will be given to possible changes in organization or assignment to eliminate any pay inequity.
4. Action. The Human Resources Manager, as the designated representative of the Commanding General shall:
  - a. Be responsible for the review and approval, including the amount of the differential, of requests for payment of supervisory differentials.
  - b. Ensure that supervisory differentials are paid to employees who meet the following eligibility criteria:

- (1) The employee occupies a GS position.
- (2) The employee meets the definition of supervisor in reference (b):

"...An individual employed by an agency having authority in the interest of the agency to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline, or remove employees, to adjust their grievances, or to effectively recommend such action, if the exercise of the authority is not merely routine or clerical in nature but require the consistent exercise of independent judgment...."

- (3) The employee is responsible for providing direct, technical supervision over the work of one or more civilian employees whose positions are not under the GS and one or more of the subordinates would, in the absence of the differential, be paid more than the supervisory employee.

#### 5. Payment of the Supervisory Differential

a. A supervisory differential shall be paid in the same manner and at the same time as basic pay although it shall not be considered part of basic pay.

b. In deciding whether to use a supervisory differential and in determining the amount of the differential, the pay of other supervisors in the organizational component must be considered along with the relationship of the pay of the supervisor to his or her subordinate. A supervisory differential should be authorized only when there is a pay disparity between the supervisor and the highest paid subordinate. In view of the requirement for termination or reduction of a supervisory differential in the supervisor's continuing pay exceeds the continuing pay of the highest paid subordinate, a supervisory differential will not be granted when the relationship between their continuing pay is so close that the differential will have to be reduced or terminated with ever pay action taken on either the supervisor or the subordinate.

#### 6. Calculation of the Supervisory Differential

a. The supervisory differential may not cause the supervisor's continuing pay to exceed the continuing pay of the highest paid subordinate by more than three percent. A supervisory differential

may not be based on supervising a civilian employee whose rate of basic pay exceeds the dollar amount of the maximum rate of basic pay for GS-15 of the GS (including an applicable locality based comparability payment, an interim geographic adjustment or a special salary rate). For example, a supervisor over an employee paid under a separate pay schedule whose basic pay exceeds the GS rate (including any applicable locality-based comparability payment, interim geographic adjustment or a special salary rate) for a GS-15, step 10 would have their supervisory differential based on the GS-15, step 10 rate rather than the subordinate employee's actual basic pay. Payment of a supervisory differential is subject to the aggregate limitation on pay by reference (c).

b. Continuing pay for the supervisor includes basic pay (including a retained rate of pay), locality-based comparability or an interim geographic adjustment, staffing differential, retention allowance, premium pay paid on an annual basis, and any other continuing payment including but not limited to, cost-of-living allowances, post differentials, and remote worksite allowances. Continuing pay for the supervisor does not include night, Sunday or holiday premium pay or hazardous duty differential.

c. Continuing pay for the subordinate includes, but is not limited to, basic pay (including the basic pay of a retained grade), locality based payments, interim geographic adjustment, and premium pay paid on an annual basis. Continuing pay for the subordinate does not include a retention allowance, a retained rate of pay, night, Sunday, or holiday premium pay or environmental pay.

#### 7. Reduction or Termination of the Supervisory Differential

a. The continuing pay of both the supervisor and the subordinate will be monitored by the Human Resources Office. The supervisory differential will be terminated or reduced for the following reasons:

(1) The supervisory differential must be terminated when the supervisor's continuing pay (not including the differential) exceeds that of the highest paid subordinate.

(2) The differential must be reduced or terminated when the continuing pay of the supervisor (including the differential) exceeds that of the highest paid subordinate by more than three percent.

(3) The supervisory differential must be reduced or terminated when the subordinate, whose pay was the basis for the supervisory differential, leaves a supervised position or experiences a reduction-in-pay.

b. Required reductions or terminations in supervisory differential should be effected by the Human Resources Office not later than 30 days after the date which causes the reduction or termination to be necessary. Required reductions and terminations must be made in a timely manner since the resulting payments are overpayments of pay and are subject to collection or, as appropriate, waiver.

c. Supervisors who are granted a supervisory differential will be informed of the requirements for termination or reduction of the differential at the time the differential is granted by the Human Resources Office.



T. A. CAUGHLAN

Distribution: MCAS: A