

discrimination complaints. In these circumstances any entry or notation of unacceptable performance shall be removed from the employee's official personnel folder and maintained in separate files to be used only in connection with an employee initiated complaint.

(d) *Appeals.* A GAO employee who has been reduced in grade/pay level or removed under this section is entitled to appeal the action to the GAO Personnel Appeals Board.

(e) *Nonapplicability.* This section does not apply to—

(1) The reduction to the grade/pay level previously held of a supervisor or manager who has not completed the trial period.

(2) The reduction in grade/pay level or removal of a GAO employee who is serving a trial period under an initial appointment or who has not completed 1 year of current continuous employment under other than a temporary appointment limited to 1 year or less.

(3) Employees in the GAO Senior Executive Service.

§ 4.4 Incentive awards.

The provisions of chapter 45 of title 5, United States Code and Office of Personnel Management implementing regulations apply to Government Accountability Office employees.

PART 5—COMPENSATION

Sec.

5.1 Pay.

5.2 Grade and pay retention.

5.3 Merit pay.

5.4 Pay administration.

5.5 Travel, transportation, and subsistence.

5.6 Allowances.

AUTHORITY: 31 U.S.C. 732.

SOURCE: 45 FR 68377, Oct. 15, 1980, unless otherwise noted.

§ 5.1 Pay.

(a) *Pay principles.* Pay of the employees of GAO shall be fixed by the Comptroller General consistent with the principles that—

(1) There be equal pay for work of substantially equal value.

(2) Pay distinctions be maintained in keeping with work and performance distinctions.

(3) Pay rates be comparable with private enterprise pay rates for the same levels of work.

(4) Pay levels be interrelated to the General Schedule.

(b) *Pay rates.* (1) The Comptroller General shall publish a schedule of pay rates which shall apply to GAO employees. Except as provided in paragraph (b) (2) of this section, and regulations for the GAO Senior Executive Service, the highest rate under such schedule shall not exceed the highest rate of basic pay payable for grade GS-15 under the General Schedule.

(2) Such schedule may provide for rates which do not exceed the maximum rate payable for grade GS-18 of the General Schedule for up to one hundred employees, reduced by the number of employees who are in the GAO Senior Executive Service, other than those in such service pursuant to 31 U.S.C. 733(c).

(c) *Pay adjustments.* Except as provided in regulations for the GAO Senior Executive Service and the Merit Pay System, the pay of GAO employees shall be adjusted at the same time and to the same extent as rates of basic pay are adjusted for the General Schedule.

[45 FR 68377, Oct. 15, 1980, as amended at 47 FR 56979, Dec. 22, 1982]

§ 5.2 Grade and pay retention.

(a) *Change of positions.* Any GAO employee who is placed in a lower grade position as a result of a reduction-in-force may be entitled to the retained grade of the higher position he or she previously held. The employee receives this entitlement (which is for a period of 2 years) if he or she has served for at least 52 consecutive weeks in one or more positions at a grade or grades higher than the new position. The 2-year period begins on the date of placement to the lower grade position.

(b) *Reclassification.* Any GAO employee who is in a position which is reduced in grade is entitled to have the grade of such position before reduction be treated as the retained grade of such employee for the 2-year period beginning on the date of reduction in grade. However, this section shall not apply to any reduction in the grade of a position which had not been classified at

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the higher grade for a continuous period of at least 1 year immediately before such reduction.

(c) *Retained grade.* For the 2-year period referred to in paragraphs (a) and (b) of this section, the retained grade of GAO employees shall be treated as the grade of the employee's position for all purposes (including pay and pay administration, retirement, life insurance and eligibility for training and promotion) except—

(1) For purposes of §5.2(a).

(2) For purposes of applying any reduction-in-force procedures.

(3) For purposes of determining whether the employee is covered by a merit pay system.

(4) For such other purposes as the Comptroller General may provide by regulation.

(d) *Termination of retained grade.* The foregoing provisions of this section shall cease to apply to any GAO employee who—

(1) Has a break in service of 1 work-day or more;

(2) Is demoted for personal cause or at the employee's request;

(3) Is placed in, or declines, a reasonable offer of, a position the grade of which is equal or higher than the retained grade; or

(4) Elects in writing to have the benefits of this chapter terminate.

(e) *Pay retention.* (1) Any GAO employee: who ceases to be entitled to a retained grade by reason of the expiration of the 2-year period; or who (but for this paragraph) would be subject to a reduction in pay under circumstances prescribed by the Comptroller General by regulation to warrant the application of this paragraph is entitled to—

(2) Basic pay at a rate equal to the employee's allowable former rate of basic pay, plus 50 percent of the amount of each increase in the maximum rate of basic pay payable for the employee's position immediately after such reduction in pay if such allowable former rate exceeds such maximum rate for such grade.

(f) "*Allowable former rate of basic pay.*" This means the lower of—

(1) The rate of basic pay payable to the employee immediately before the reduction in pay; or

(2) 150 percent of the maximum rate of basic pay payable for the grade of the employee's position immediately after such reduction in pay.

(g) *Termination of retained pay.* The pay retention provisions in §5.2(e) shall cease to apply to a GAO employee who—

(1) Has a break in service of 1 work-day or more.

(2) Is entitled by operation of §§5.1, 5.2, and 5.3 to a rate of basic pay which is equal to or higher than, or declines a reasonable offer of a position the rate of basic pay for which is equal to or higher than, the rate to which the employee is entitled under §5.2(e); or

(3) Is demoted for personal cause or at the employee's request.

(h) *Remedial actions.* Under regulations prescribed by the Comptroller General, Personnel shall—

(1) Obtain and make available to employees receiving benefits under this section, information on vacancies in other Federal agencies.

(2) Take such steps as may be appropriate to assure employees receiving benefits under this section have the opportunity to obtain necessary qualifications for the selection to positions which would minimize the need for the application of this section; and

(3) Establish a program under which employees receiving benefits under this section are given priority in the consideration for or placement in positions which are equal to their retained grade or pay.

(i) *Appeals.* In the case of the termination of any benefits to a GAO employee under this section on the grounds that such employee declined a reasonable offer of a position the grade or pay of which was equal to or greater than their retained grade or pay, after administrative remedies have been exhausted, such termination may be appealed to the GAO Personnel Appeals Board under procedures prescribed by the Board.

§5.3 Merit pay.

The Comptroller General may promulgate regulations establishing a merit pay system for such employees of the Government Accountability Office as the Comptroller General considers appropriate. The merit pay system