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HRDG 4500 - Recruitment and Retention Incentives - Section J

Last Modified:

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What is a Supervisory Differential?

You may request approval to pay a supervisory differential to a General Schedule employee who has supervisory responsibility for one or more civilian employees **not under** the General Schedule if:

- In the absence of such a differential, the subordinate civilian employees would be paid more than the supervisor, **and**
- The supervisor's rate of basic pay does not exceed the rate of basic pay established for a GS-15 step 10.

Because of the potential for frequent changes in a supervisor's eligibility for a differential, OPM encourages deciding officials to authorize the differentials ONLY WHEN THERE IS A SIGNIFICANT PAY DISPARITY between the supervisor's and the subordinate's continuing pay.

The differential is not considered part of basic pay, but will be paid in the same manner and at the same time as the supervisor's basic pay.

A supervisory differential must be reduced or terminated not later than 30 days after:

Conditions

- The continuing pay (excluding the supervisory differential) of the supervisor exceeds the continuing pay of the highest-paid subordinate,
- The continuing pay (including the supervisory differential) of the supervisor exceeds that of the highest-paid subordinate by more than three percent, or
- The subordinate leaves his/her position or receives a pay reduction.

See the Justification Criteria in this section for the types of pay comprising "continuing pay."

To justify the payment of a supervisory differential, you must follow these 3 steps:

STEP 1. Calculate the continuing pay of the GS/GM supervisor and that of the supervisor's highest-paid subordinate not under the General Schedule:

Supervisor's Annual Continuing Pay

Include:

Basic Pay	\$ _____
Locality-Based Comparability Pay	\$ _____
or	
Interim Geographic Adjustment	\$ _____
Premium Pay	\$ _____
Retained Pay	\$ _____
Staffing Differential	\$ _____
Retention Allowance	\$ _____
Total Included:	\$ _____

Exclude:

Sunday Pay	\$ _____
Holiday Pay	\$ _____
Night Differential	\$ _____
Hazard Pay Differential	\$ _____
Total Excluded:	\$ _____

Subordinate's Annual Continuing Pay

Include:

Basic Pay	\$ _____
Locality-Based Comparability Pay	\$ _____
or	
Interim Geographic Adjustment	\$ _____
Premium Pay	\$ _____
Total Included:	\$ _____

Exclude:

Sunday Pay	\$ _____
Holiday Pay	\$ _____

**Justification
Criteria**

You should follow this process to request to pay such a differential:

	Step	If:	Then:
Process for Paying Supervisory Differentials	1	Requesting approval	Consult the Justification Criteria in this section.
	2	Request is justified	Compile the required information listed in the Justification Criteria in this section and send through channels to the Director, HRD, who will forward the request to the approving authority.
	3	Request is approved	Activate employee's pay by sending documentation of approval to the SPO.
Approval Authority		Approval Authority is USDA, Office of Human Resources Management.	

In addition to the records requirements on the Records/Reports Charts, **Section A**, The SPO must keep records of the following information, about each supervisor who receives a supervisory differential and the supervisor's highest - paid subordinate not under the General Schedule:

Records

- Employee Name
- Organizational Title
- Position Title
- Series , Grade & Step
- Annual (Starting) Salary
- Name of Authorizing Official
- Date of Authorization
- Position Title of Authorizing Official
- Copy of request to OHRM, USDA, and any response(s) received, and
- Continuing pay at the time approval of the differential was requested.

Records may be destroyed by the SPO three (3) years after the date of approval, upon completion of the service agreement, or upon termination of the incentive or differential payment, whichever is later. Longer retention is permitted if required for business use. (See: [DAA-GRS2016-00150011](#).)

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