SUBCHAPTER S5
PREVAILING RATE DETERMINATIONS

S5-1 General

a. Purpose. This subchapter provides uniform instructions for carrying out wage surveys and for fixing and adjusting the pay schedules of NAF trade, craft, and laboring employees consistent with the public interest in accordance with prevailing rates as required by 5 U.S.C. 5343.

b. Wage surveys. The wage survey instructions carry out the policy established in 5 U.S.C. 5341.

c. Definitions.

(1) Wage area. A wage area is the geographic area within which a single set of wage schedules is applied uniformly by activities to covered occupations. The Office of Personnel Management, with the cooperation of the agencies concerned, defines the boundaries of wage areas, and they may be changed only by OPM.

(2) Survey area. A survey area is that part of a wage area within which the private enterprise establishments included in the wage survey are located and within which sufficient comparable samples can be obtained. The Office of Personnel Management defines the boundaries of survey areas, and they may be changed only by OPM.

(3) Lead agency. A lead agency is the agency designated by the Office of Personnel Management to plan and conduct wage surveys, analyze wage survey data, and determine and issue required wage schedules for an area.

d. Confidentiality of survey data. Each member of a local wage survey committee, each data collector, and any other person having access to data collected must retain this information in confidence, and is subject to disciplinary action by his or her employer upon proof of violation of confidence of data secured from private employers. Any violation by an employee is reported to his or her employing agency and, by a participant designated by a labor organization, to the recognized union and its headquarters, and shall be cause for the lead agency immediately to remove the offending person from participation in the wage survey function.

S5-2 Time Schedule for NAF Wage Surveys

a. Timing of wage surveys. Wage surveys are conducted at approximately annual intervals in a wage area. Two kinds of wage surveys are made on an alternating cycle:

(1) A full-scale survey, including development of a current sample of establishments and collection of wage data by visits to establishments, is made every second year in an area. Thus, in any one year full-scale surveys are made in about half of the areas.

(2) A wage change survey (in which data may be collected by telephone or mail or personal contact) is made every other year using only the same employers, occupations, and weights of occupations used in computing the wage line used in the preceding full-scale survey.

b. Annual survey schedule. A nationwide schedule of NAF wage surveys (appendix C) shows the beginning month of wage surveys to be conducted during each fiscal year. It also shows
for each survey area the type of survey (full-scale or wage change), and special surveys, the lead agency, and the host activity point of contact. Any changes to the schedule are determined well in advance of the beginning of each fiscal year to permit adequate lead time to prepare for surveys. The scheduling of surveys takes into consideration:

1. The best timing in relation to wage adjustments in the principal local private enterprise establishments.
2. Reasonable distribution of workload of the lead agency.
3. The timing of surveys for nearby or related wage areas.
4. Scheduling relationships with other pay surveys, especially those made by the Bureau of Labor Statistics.

S5-3 Responsibilities of Participating Organizations

a. **The Office of Personnel Management.**
   1. Defines the boundaries of wage areas and of survey areas, and makes final determinations on recommended changes in these boundaries.
   2. Prescribes the required industries to be surveyed, and conditions under which required industrial coverage may be augmented for particular surveys.
   3. Prescribes the required job coverage for surveys, and conditions under which the required job coverage may be augmented for particular surveys.
   4. Designates a lead agency for each wage area.
   5. Establishes, jointly with lead agencies, a nationwide schedule showing the beginning month of wage surveys to be conducted during each fiscal year.
   6. Makes any arrangements with other agencies of the Government as needed to provide technical services to lead agencies in connection with, for example, Department of Defense’s Civilian Personnel Management Service (CPMS) services described in section S5-3b.
   7. Considers recommendations of the national headquarters of any agency or labor organization on matters relating to OPM’s responsibilities for establishing required survey coverage and other policies and practices of the wage system.
   8. Establishes wage schedules and rates for prevailing rate employees who are United States citizens outside of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements (as described in section 3(a) of the Panama Canal Act of 1979), the territories and possessions of the United States, and the Trust Territory of the Pacific Islands.

b. **The Department of Defense’s Civilian Personnel Management Service (CPMS).**
   1. Furnishes lead agencies with the statistical establishment sample for each full-scale wage survey in accordance with survey specifications for the area provided by the lead agency.
   2. Furnishes to the lead agency:
      (a) A preliminary estimate of the number of establishments expected to be included in the survey establishments list and,
      (b) After the sample has been drawn, a complete list of establishments from which data are to be obtained in the survey. The survey establishment list includes the establishments that the lead agency asked to be included with certainty and the weighting to be assigned to each establishment in the sample.
c. **Employing agencies.**

(1) **Heads of agencies.** The head of an agency is responsible, within policies and practices of the Federal NAF Wage System, for fixing and administering rates of pay for NAF wage employees of his or her organization. The head of an agency:

(a) May make recommendations to a lead agency based on pay-fixing conditions and needs of his or her agency.

(b) May recommend to the Office of Personnel Management changes in wage or survey areas, industries surveyed, survey jobs, timing of surveys, or other pay-fixing policies and practices.

(c) Upon receipt of wage schedules from a lead agency, takes immediate steps to place the schedules into effect by:

(i) Authorizing application of the pay schedule to covered NAF wage employees of his or her agency within the wage area.

(ii) Placing new or revised wage schedules into effect on the date specified by the lead agency.

(2) **Heads of local activities.** The head of each agency’s local activities in an area is responsible for cooperating with the lead agency by:

(a) Furnishing to the lead agency host activity, as of the first day of the fifth month preceding the scheduled month for a full-scale wage survey, information concerning the number of its wage employees and the number of these employees under exclusive recognition who are within the coverage of regular NAF wage schedules of the Federal NAF Wage System.

(b) Providing members of the local wage survey committee as requested.

(c) Providing data collectors and clerical assistance as requested by the local wage survey committee.

d. **Lead agencies.**

(1) **Responsibility for wage surveys.** With the advice and assistance, as appropriate, of local wage survey committees and agency wage committees, each agency assigned lead responsibility plans and schedules wage surveys, analyzes wage survey data, and establishes wage schedules for designated wage areas.

(2) **Coordination.** The lead agency:

(a) Collaborates with the Office of Personnel Management in defining wage areas and survey areas, and in developing an annual schedule of wage surveys.

(b) Considers recommendations of the national headquarters of any agency or labor organization concerning the design and conduct of wage surveys and development of wage schedules for which it is responsible.

(3) **Establishing agency wage committee.** Each Federal agency designated as a lead agency, and having survey responsibility for one or more areas meeting the conditions for the establishment of a local wage survey committee, establishes an agency wage committee (see S3-2b(1)).

(4) **Designating host activities.** For each of its wage areas the lead agency designates a host activity which obtains information concerning total wage employment and wage employees under exclusive recognitions in the area, and provides support facilities and clerical assistance for the wage survey.

(5) **Establishing local wage survey committees.** Based on exclusive recognition data provided by host activities, the lead agency determines in advance of full-scale surveys
whether areas meet criteria for establishing a local wage survey committee. For each area meeting the criteria, the lead agency takes action, as appropriate, to establish, continue, or reestablish the local wage survey committee (S5-5c).

(6) **Surveys in areas where there is no local wage committee.** The lead agency determines the kind of organization it will establish and how data collectors will be selected in wage areas not meeting the criteria for establishing a local wage survey committee. However, instructions in this subchapter on developing survey specifications for a wage area, drawing statistical samples of establishments for survey, conducting surveys, analyzing survey data, and developing wage schedules apply in all areas whether or not criteria for having a local wage survey committee are met.

(7) **Developing survey specifications and establishment list.** The lead agency establishes survey specifications for each full-scale wage survey, obtains from the CPMS and provides to the chairperson of the local wage survey committee an estimate of the number of establishments expected to be included in the survey establishment list, obtains an establishment sample from the CPMS, and forwards the establishment list to the local wage survey committee or, where there is no local wage survey committee, to the host activity.

(8) **Ordering wage surveys.** After it has been notified that all preliminary arrangements have been completed within the wage area, the lead agency issues the official order for the survey to commence.

(9) **Establishing wage schedules.** Upon completion of a survey the lead agency analyzes the wage survey data, establishes appropriate wage schedules for the area, and furnishes copies of each approved wage schedule to agencies having wage employees in the wage area and to the headquarters of labor organizations having exclusive recognition in the wage area, and to the headquarters of any other labor organization upon request.

(10) **Referring matters to agency wage committee.** For surveys in areas of interest to its agency wage committee, the lead agency presents to the committee:
(a) All pertinent information concerning any recommendation of a local wage survey committee, and concerning any minority recommendation by a member of the local wage survey committee, which the agency wage setting division proposes not to accept.
(b) All information developed in the wage survey, including data reported, statistical analyses of data, recommendations of local wage survey committee and any minority member views, proposed wage schedules and bases for proposals.
(c) Any additional technical information or analyses requested by the committee.

(11) **Referring matters to the Office of Personnel Management.**
(a) A lead agency may recommend to OPM changes in the boundaries for a wage or survey area and in required industry, establishment, and job coverage for regular schedule wage surveys. Each recommendation to OPM for a change in required coverage for regular wage surveys must be accompanied by a statement indicating the need for the change and should include pertinent information to support the recommendation.
(b) Except as may be provided by future OPM instructions, prevailing rate determinations are required to be based on wage rate data obtained from within the defined wage survey area.

e. **Agency wage committees.** Agency wage committees are established in lead agencies
having survey responsibility for one or more areas meeting criteria for the establishment of a local wage survey committee.

(1) The agency wage committee considers and makes recommendations to the lead agency on any matter involved in developing the specifications for a full-scale wage survey on which the lead agency proposes not to accept the recommendations of a local wage survey committee or those in a minority report filed by a local wage survey committee member.

(2) Upon completion of a wage survey, the agency wage committee considers the survey data, the local wage survey committee’s report and recommendations, and the statistical analyses and proposed pay schedules derived from there, as well as any other data or recommendations pertinent to the survey, and recommends wage schedules to the pay-fixing authority.

f. Local wage survey committees. A local wage survey committee is established in each wage area meeting the criteria for the establishment of a local wage survey committee. A committee:

(1) Before a survey is ordered, conducts hearings for interested parties desiring to make recommendations to the committee; considers proposals and other relevant matters; and makes recommendations to the lead agency on local option features of survey specifications.

(2) Determines the number of data collectors needed for a wage survey and provides for the necessary training and supervision of data collectors.

(3) Makes preliminary arrangements with employers to be surveyed.

(4) Considers any differences between data collectors in reference to the comparability of job matches, discriminatory rates, or differences in interpretation and application of the policies and procedures in these instructions and makes its recommendations to the lead agency.

(5) Forwards the wage data to the lead agency for analysis and, where appropriate, referral to the agency wage committee.

(6) Forwards to the lead agency a narrative report of the activities, decisions, and recommendations of the local wage survey committee in respect to submissions presented to the committee by interested parties; the report includes the reasoning upon which the committee bases its recommendations.

S5-4 Criteria for Establishing NAF Wage and Survey Areas

a. Defining wage and wage survey areas.

(1) A wage area is a defined geographic area of one or more counties having NAF wage employees which is treated as a single unit for purposes of fixing and applying NAF wage rates.

(2) A wage area consists of two parts:

(a) Survey area. That geographic area consisting of one or more counties where there is the capability in NAF employment to conduct a wage survey and where there is sufficient private employment in wholesale, retail, service, and recreational establishments to provide adequate survey data.

(b) Area of application. That geographic area consisting of one or more counties, including a survey area, plus those counties which do not meet the requirement for
treatment as a survey area. The wage schedules established from data obtained in a survey area will be uniformly applied to NAF wage employees in the area of application.

b. **Conditions and criteria for establishing wage areas.** Wage areas will be established when:

**Conditions**

(1) There are enough NAF wage employees to make a survey worthwhile and capability exists to conduct a survey.

**Criteria**

These conditions are met when there is a minimum of 26 wage employees subject to the NAF wage system in the survey area and the agency involved indicates that its local activities have the capability to do the survey.

**Condition**

(2) There is sufficient private employment within the survey area to provide adequate data for establishing a NAF wage schedule.

**Criterion**

This condition is met when there is within the survey area a minimum of 1,800 private enterprise employees in wholesale, retail, service, and recreational establishments.

c. **Combining areas.**

(1) Two or more counties may be combined to constitute a single wage or wage survey area through consideration of:
   (a) Proximity of largest activity in each county;
   (b) Transportation facilities and commuting patterns; and
   (c) Similarities of the counties in:
      (i) overall population;
      (ii) private employment in major industry categories; and
      (iii) kinds and sizes of private industrial establishments.

(2) Generally, the criteria listed in subparagraph c(1) of this section are considered in the order listed.

**S5-5 Establishing Local Wage Survey Committees**

a. **Local wage survey committees.**

(1) *Where to be established.* A local wage survey committee consisting of three members is established in each wage area where exclusive recognition has been granted to a labor organization pursuant to 5 U.S.C. 7111 to represent NAF employees.

(2) *Organization.* From among NAF employees in the wage area, one member of the
committee is designated by the lead agency in the wage area; one member is recommended by the labor organization having the largest number of wage employees under the regular NAF wage schedule who are under exclusive recognition in the wage area, and is designated by his or her employing agency. Responsibility for providing these members remains with the same agency and same labor organization, at a minimum, for the duration of the 2-year wage determination cycle and this responsibility does not change during the time a survey is in process. The third member of the local wage survey committee, who acts as chairperson of the committee, is designated by the lead agency, and will be an official of that agency or its instrumentalities in the local wage area. Each member continues to receive from his or her employer his or her regular pay rate. NOTE: The NAF job-grading system provides a basis for placing each NAF position within a grade of a schedule under the system. For an employee in a position compensated in whole or in part by such forms of pay as tips, commissions, piece rates or other such nontime rate basis, his or her regular pay rate while serving as a member of a local wage survey committee or as a data collector shall be the payline rate for the same level of position on the appropriate NAF schedule which is not compensated in whole or in part by such forms of pay.

b. **Determining whether criteria for a local wage survey committee are met.**

   (1) *Host activity.* When requested by the lead agency, and with data reported as of the first day of the fifth month preceding the scheduled month for a full-scale survey in a wage area, the lead agency host activity obtains from local activities and reports to the lead agency:

   (a) The total number of wage employees in each activity in the wage area within the coverage of regular NAF schedules of the Federal NAF Wage System.

   (b) The number of wage employees of each activity who are under exclusive recognitions in the wage area (excluding such recognitions which are outside the scope of the regular NAF wage schedule because pay of employees under the recognition is fixed through negotiations with the employing agency, or because of other reasons), including for each exclusive recognition unit:

   - The name, address, and telephone number of the recognized labor organization;
   - The name of its president;
   - Its national affiliation;
   - The name of NAF wage employees in the unit within the coverage of regular NAF wage schedules of the Federal NAF Wage System.

   (2) *Lead agency.* Based on exclusive recognition data provided by the host activity for a wage area the lead agency determines whether the criteria for establishing a local wage survey committee are met.

c. **Appointing committee members.**

   (1) For a wage area meeting criteria for establishing a local wage survey committee:

   (a) The lead agency designates a local activity which is to appoint an official to serve as the agency member of the committee and the activity selects and appoints this member.

   (b) The lead agency determines the local labor organization entitled to designate an employee of an activity on active duty status in the wage area within the coverage of the regular NAF schedules of the Federal NAF Wage System to serve as the labor member of the committee, and notifies both the local labor organization and its
national headquarters of the local’s entitlement. Upon the designation of a representative by the local labor organization, the lead agency forwards his or her name to the head of his or her employing activity which appoints him or her as the labor member of the local wage survey committee.

(c) The lead agency selects and appoints an official of the agency to be chairperson of the local wage survey committee and an alternate to act for the chairperson in the chairperson’s absence. (As used in this supplement the term "chairperson" includes alternate to the chairperson.)

(2) Where a local wage survey committee already exists as a result of an earlier determination in connection with a previous full-scale wage survey, and there is no change in exclusive recognitions which requires a change in committee membership, the lead agency takes action to continue the local wage survey committee with the same members, or to reestablish it with different members, at the option of the agency or labor organization concerned for their respective member representatives.

d. Organizing the local wage survey committee. The chairperson of the local wage survey committee takes action to organize the committee.

(1) The chairperson notifies committee members and the host activity of the date, time, and place that the organization meeting of the local wage survey committee will be held. The organization meeting usually is held approximately 4 months before the expected ordering of a full-scale wage survey in the area.

(2) At the organization meeting the chairperson briefs the committee on its functions and responsibilities and on significant features of previous wage surveys conducted in the wage area. The committee plans and makes arrangements for conducting the wage survey. (See S5-6c.)

S5-6 Regular Schedule Full-Scale Wage Surveys in Areas Having Local Wage Survey Committees

a. General.

(1) Wage surveys are conducted in a wage area to determine the levels of wages paid by private enterprise establishments for representative jobs which are common to both industry and NAF activities. The surveys involve visits to establishments in the survey area to match establishment jobs with survey jobs and to obtain information concerning wage rates and other related pay and employment data. This section covers full-scale regular schedule surveys; wage change surveys and special schedule surveys are covered in sections S5-8 and S5-9.

(2) Wage surveys for the regular NAF wage schedules cover a cross-representation of the industries to which the regular NAF schedule employees of the Federal Wage System are oriented. The surveys cover private enterprise establishments in industries, as defined in the North American Industry Classification System, which employ sufficient proportions of workers in the occupations to influence significantly the amount of wage data collected or the resulting area job averages at both the skilled and unskilled work levels. They exclude industries having peculiar employment conditions which directly affect the wage rates paid and which are the basis for special surveys and special rates or wage schedules when similar employment conditions occur in NAF activities (e.g., the retail
industries of barber shops or motion picture theaters).

(3) This section prescribes:
(a) Survey requirements as they relate to survey areas, industries, establishments, and jobs, including, as appropriate, permissible variations from required survey coverage and
(b) Methods for conducting regular wage surveys.
(4) Appendix F contains the forms used in conducting wage surveys and instructions for their use.

b. **Requirements for all regular wage surveys.** The following survey area, industry, establishment, and job coverage constitute the required coverage for all regular schedule wage surveys.

(1) **Survey area.** Each survey area is defined by the Office of Personnel Management. Definitions are in appendix D.
  (a) The defined survey area coincides with the political unit of a county or an independent city or a combination of such units.
  (b) The boundaries of a survey area may not be changed without prior approval of the Office of Personnel Management.

(2) **Industries included in regular wage surveys.**
  (a) Industries surveyed are defined in terms of the North American Industry Classification System developed for use in classifying industrial establishments by type of activity in which engaged. The definitions for the industry classifications are in the latest edition of the North American Industry Classification System, United States, manual published by the Office of Management and Budget.
  (b) Industries in the following North American Industry Classification System codes are included in all wage surveys for regular wage schedules.

Selected NAICS Codes To Be Surveyed With Certainty

<table>
<thead>
<tr>
<th>2002 NAICS Codes</th>
<th>2002 NAICS Industry Titles</th>
</tr>
</thead>
<tbody>
<tr>
<td>42312</td>
<td>Motor vehicle supplies and new parts merchant wholesalers</td>
</tr>
<tr>
<td>4232</td>
<td>Furniture and home furnishing merchant wholesalers</td>
</tr>
<tr>
<td>42362</td>
<td>Electrical and electronic appliance, television, and radio set merchant wholesalers</td>
</tr>
<tr>
<td>42369</td>
<td>Other electronic parts and equipment merchant wholesalers</td>
</tr>
<tr>
<td>42371</td>
<td>Hardware merchant wholesalers</td>
</tr>
<tr>
<td>42391</td>
<td>Sporting and recreational goods and supplies merchant wholesalers</td>
</tr>
<tr>
<td>42399</td>
<td>Other miscellaneous durable goods merchant wholesalers</td>
</tr>
<tr>
<td>4241</td>
<td>Paper and paper product merchant wholesalers</td>
</tr>
<tr>
<td>42421</td>
<td>Drugs and druggists’ sundries merchant wholesalers</td>
</tr>
<tr>
<td>4243</td>
<td>Apparel, piece goods, and notions merchant wholesalers</td>
</tr>
<tr>
<td>42445</td>
<td>Confectionery merchant wholesalers</td>
</tr>
<tr>
<td>4247</td>
<td>Petroleum and petroleum products merchant wholesalers</td>
</tr>
<tr>
<td>4249</td>
<td>Miscellaneous nondurable goods merchant wholesalers</td>
</tr>
<tr>
<td>44132</td>
<td>Tire dealers*</td>
</tr>
<tr>
<td>NAICS Code</td>
<td>Industry Description</td>
</tr>
<tr>
<td>------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>44311</td>
<td>Appliance, television, and other electronic stores</td>
</tr>
<tr>
<td>44411</td>
<td>Home centers</td>
</tr>
<tr>
<td>44611</td>
<td>Pharmacies and drug stores</td>
</tr>
<tr>
<td>4471</td>
<td>Gasoline stations*</td>
</tr>
<tr>
<td>44814</td>
<td>Family clothing stores</td>
</tr>
<tr>
<td>4521</td>
<td>Department stores</td>
</tr>
<tr>
<td>45299</td>
<td>All other general merchandise stores</td>
</tr>
<tr>
<td>45321</td>
<td>Office supplies and stationery stores</td>
</tr>
<tr>
<td>4542</td>
<td>Vending machine operators*</td>
</tr>
<tr>
<td>71391</td>
<td>Golf courses and country clubs*</td>
</tr>
<tr>
<td>71395</td>
<td>Bowling centers*</td>
</tr>
<tr>
<td>72111</td>
<td>Hotels (except casino hotels) and motels</td>
</tr>
<tr>
<td>7221</td>
<td>Full-service restaurants</td>
</tr>
<tr>
<td>7222</td>
<td>Limited-service eating places</td>
</tr>
<tr>
<td>7224</td>
<td>Drinking places (alcoholic beverages)</td>
</tr>
</tbody>
</table>

*These establishments shall be included in the survey universe if they have eight or more employees.

(c) A lead agency may not omit an industry listed in (b) from any regular schedule wage survey.

(d) A lead agency may add other industry classes from within the wholesale, retail, and service industry divisions (for example, laundries and dry cleaning plants, miscellaneous retail stores) to a regular survey in an area where these industries account for significant proportions of local private employment of the kinds and levels found in local NAF employment. Any additional industries to be surveyed must be defined in terms of entire industry groups (sixth-digit breakdown) in order to permit development of a definable wage survey universe. The following illustrate the two-, three-, four-, five-, and six-digit breakdowns used in the NAICS:

(i) Two-digit – 44 (Sector) – Retail Trade.
(ii) Three-digit – 441 (Subsector) – Motor Vehicle and Parts Dealers.
(iii) Four-digit – 4413 (Industry group) – Automotive Parts and Accessories Stores.
(iv) Five-digit – 44132 (NAICS industry) – Tire Dealers.
(v) Six-digit – 441320 (National industry) – Tire Dealers.

(3) Establishments included in regular wage surveys.

(a) Minimum establishment size. All establishments having 20 or more employees in the prescribed industries within a survey area are included within the survey universe except for the establishments in the prescribed industries classified by NAICS 44132, 4471, 4542, 71391, and 71395. These establishments shall be included in the survey universe if they have eight or more employees.

(b) Method of operation. In areas with relatively few establishments, surveys cover all establishments within the prescribed industry and size groups. Ordinarily, however, the specific establishments to be covered in the survey are selected under standard probability sample selection procedures. Thus, the survey sample is fully representative of all significant establishments in the surveyed area. Sample selection procedures, however, permit an individual establishment to be included in the survey.
with certainty rather than being left to chance of random selection where such inclusion is considered highly important and the establishment otherwise is within the area, industry, and size of establishment coverage prescribed for the area by the lead agency. Establishments to be included in a wage survey with certainty must be identified to the CPMS prior to its drawing the establishment sample.

(c) Drawing the survey establishment sample. The CPMS draws a statistical sample for a survey based on the survey specifications provided by the lead agency, and following standard statistical sampling techniques. The resulting establishment list includes all establishments to be included with certainty and those selected to represent all other establishments in the survey area that are in the prescribed industry and size of establishment coverage. The establishment list also shows the weights to be assigned the survey establishments to reflect the number of establishments in the universe that they represent.

(d) An agency may not omit from a survey an establishment included in an establishment list drawn under statistical sample procedures, unless that establishment declines to participate in the survey.

(e) An agency may not add an establishment to a statistically drawn survey establishment list and include it in a survey.

(4) Survey jobs.

(a) In each local wage survey, wage rate data are collected for a prescribed list of jobs which cover a wide range of occupations common in skill and responsibility in both industry and NAF activities. Use of these survey jobs provides a means of sampling industrial wage levels which prevail for work similar to that performed by the NAF employees under the Federal NAF Wage System.

(b) Survey job descriptions, prepared by the Office of Personnel Management, are keyed to industrial work situations and are also representative of wage occupations and work levels in NAF activities. Descriptions of survey jobs which are authorized to be used in regular wage surveys are provided in appendix E. The survey jobs and their indicated use are as follows:

(i) Jobs that are required to be surveyed.

<table>
<thead>
<tr>
<th>Job No.</th>
<th>Job Title</th>
<th>Job Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Janitor (Light)</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Food Service Worker</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Food Service Worker</td>
<td>2</td>
</tr>
<tr>
<td>31</td>
<td>Fast Food Worker</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>Janitor</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>Laborer (Light)</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>Laborer (Heavy)</td>
<td>3</td>
</tr>
<tr>
<td>8</td>
<td>Service Station Attendant</td>
<td>3</td>
</tr>
<tr>
<td>9</td>
<td>Stock Handler</td>
<td>4</td>
</tr>
<tr>
<td>10</td>
<td>Short Order Cook</td>
<td>5</td>
</tr>
<tr>
<td>11</td>
<td>Materials Handling Equipment Operator</td>
<td>5</td>
</tr>
<tr>
<td>12</td>
<td>Warehouseman</td>
<td>5</td>
</tr>
</tbody>
</table>
(ii) Jobs which may be surveyed on an optional basis (see (d), below).

<table>
<thead>
<tr>
<th>Job No.</th>
<th>Job Title</th>
<th>Job Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Service Station Attendant</td>
<td>1</td>
</tr>
<tr>
<td>15</td>
<td>Tractor Operator</td>
<td>6</td>
</tr>
<tr>
<td>17</td>
<td>Bowling Equipment Mechanic</td>
<td>7</td>
</tr>
<tr>
<td>25</td>
<td>Building Maintenance Worker</td>
<td>7</td>
</tr>
<tr>
<td>19</td>
<td>Vending Machine Mechanic</td>
<td>8</td>
</tr>
<tr>
<td>26</td>
<td>Building Maintenance Worker</td>
<td>8</td>
</tr>
<tr>
<td>27</td>
<td>Air Conditioning Equipment Mechanic</td>
<td>8</td>
</tr>
<tr>
<td>50</td>
<td>Truck Driver (Trailer)</td>
<td>8</td>
</tr>
<tr>
<td>28</td>
<td>Air Conditioning Equipment Mechanic</td>
<td>10</td>
</tr>
</tbody>
</table>

(c) A lead agency may not omit a required survey job from a regular schedule wage survey.

(d) A lead agency may include in a regular NAF wage survey, without prior approval of the Office of Personnel Management, an optional job listed in (b)(ii), above, when:

- There are two or more NAF employees in the job in the wage area; and
- Wage data for the added job are considered essential to the wage-fixing process.

(e) A lead agency must obtain prior approval of OPM to add a job not listed under (b), above, to a regular wage survey when, for example:

- There is significant employment in the occupation both in local Federal employment and in local private establishments.
- Wage data for the added job are considered essential to the wage-fixing process for the area.

(f) A job not listed under (b), above, which is added to a regular wage survey may be used for developmental purposes. Usually jobs used for this purpose represent occupations of relatively recent significance, with increasing employment in private industry and NAF activities. These circumstances indicate a need for the development of adequate survey job descriptions since there is every reason to believe that wage data collected for the occupations will be useful for prevailing rate determination purposes in most wage areas. A lead agency is authorized to use wage data collected for these jobs. The survey experience gained from the use of these jobs
will be carefully examined by lead agencies and reported periodically to OPM for review and, where warranted, further development and for addition to the list of survey jobs authorized for use in all regular surveys.

(5) Changes in survey requirements for all regular surveys. An agency may recommend to OPM changes in the boundaries for a wage survey area and in required industry, establishment, and job survey coverage. Each recommendation must be accompanied by a statement indicating the need for the change and full supporting information.

c. Developing survey coverage specifications.

(1) Lead agency. The lead agency establishes specifications for the coverage of each survey. This includes both specifications fixed by the Office of Personnel Management and matters optional with the lead agency. Decisions on the latter are made in consideration of specifications for earlier surveys in the area, NAF and private enterprise employment in the area, and recommendations of local wage survey committees and the agency wage committee. The complete specifications include:
   (a) The definition of the survey area;
   (b) A list of industries;
   (c) A list of survey jobs;
   (d) The standard minimum size of establishments; and
   (e) A list of establishments to be included with certainty in the sample.

(2) Local wage survey committee. Approximately 4 months before the expected ordering of a wage survey the local wage survey committee meets to hear presentations of local organizations and individuals and to prepare a report with its recommendations to the lead agency concerning survey specifications.

(a) Preparing for local hearings.
   (i) Well before a survey is to be ordered the chairperson of the local wage survey committee notifies all local installations having NAF wage employees of the time, date, and place that hearings will be held by the committee to permit presentation of information, requests, and recommendations concerning coverage of the wage survey.
   (ii) Each local activity posts notice of the hearings on its bulletin board for at least 10 days before the scheduled date of the hearing.
   (iii) Organizations and individual employees desiring to appear before the committee notify the chairperson of the committee.
   (iv) The chairperson of the committee prepares a schedule of appearances before the committee and notifies organizations or individuals of their scheduled order of appearance.

(b) Hearings. The committee conducts hearings to permit presentation of information, requests, and recommendations by local organizations and individuals concerning the area, industries, establishments, and jobs to be covered in the wage survey. Summary statements of the hearings are made and included in the record of committee proceedings.

(c) Committee deliberations. Following conclusion of the hearings, the committee considers the need for recommendations to the lead agency on local options relating to the specifications for the survey. These include:
   (i) Changes in the geographic area covered by the wage survey to reflect changes in local industrial employment patterns.
(ii) Inclusion of wholesale, retail, and service industries not in the standard industry coverage (for example, the addition of entire NAICS groups having significant employment within the area).  (NOTE: Although industry coverage may be augmented, a required industry category may not be omitted from a survey).

(iii) The inclusion of specified establishments in the survey establishment sample with certainty, rather than by random selection.  (NOTE: Although individual establishments otherwise within the scope of the survey coverage may be included in the survey with certainty, an individual establishment may not be specifically excluded from the survey at this stage.)

(iv) Within established criteria, the removal of individual occupations or groups of occupations from the regular wage schedule to a special schedule to be based on rates paid by local private employers for the specific type of work.

(v) The addition of an approved survey job not listed under b(4)(b) above when, for example, there is significant employment in the occupation in both local NAF activities and local private establishments, or when wage data for the added job are considered essential to the wage-fixing process for the area.

(vi) When considered essential for wage determination purposes in the wage area, the addition of a survey job not in the list of authorized survey jobs to represent an occupation having significant employment in both local NAF activities and local private establishments.  In such situations the local wage survey committee prepares a survey job description for the occupation with a proposed grade to accompany its recommendation to the lead agency.  (NOTE: Although authorized survey job coverage may be augmented by the addition of other jobs with prior approval of OPM, a required survey job may not be dropped from a survey.)

(d) Committee recommendations and report.  At the conclusion of its planning meetings the local wage survey committee prepares a report to the lead agency which includes any committee recommendations with respect to the local options.  The report includes a summary of the hearings conducted, the disposition of each recommendation or motion placed before the committee, and the basis for each committee recommendation.  A majority vote constitutes the committee’s recommendation, but a member in the minority may file a report within 72 hours of the committee’s decision.  The committee’s report, including any minority filed, is forwarded by a date specified by the lead agency.

(3) Agency wage committee.  The agency wage committee has referred to it, considers, and makes recommendations to the lead agency on any matter involved in developing the specifications for a local wage survey on which the lead agency proposes not to accept the recommendations of a local wage survey committee or of a minority report which has been filed by any member of the local wage survey committee.

d. Selecting survey establishment samples.

(1) The lead agency forwards survey specifications, including names of any establishments to be included in the survey with certainty, to the CPMS for the drawing of a statistical survey sample.  The specifications are forwarded to the CPMS by approximately 3 months before the expected order date of a full-scale wage survey.

(2) Selecting survey sample.  The CPMS selects the establishment sample for all full-scale wage surveys to specifications furnished by the lead agency.  Within about 3 weeks after
receiving specifications, the CPMS notifies the lead agency of the approximate number of establishments which will be in the survey sample. The survey establishment lists, with the weights to be assigned each survey unit, are provided by the agency approximately 6 weeks ahead of the expected order date.

(3) As soon as it is available the lead agency notifies the chairperson of the local wage survey committee of the estimated number of establishments to be covered in the survey.

(4) Upon receipt of the establishment list from the CPMS, the lead agency forwards survey specifications and the establishment list to the local wage survey committee.

e. **Providing data collectors.** The local wage survey committee determines the number of data collectors needed for a wage survey and provides for their training and supervision.

(1) **Determining the number of data collectors needed.** Upon receipt from the lead agency of information concerning the estimated number of establishments, the local wage survey committee determines the number of data collectors required to conduct the survey, including alternates for unforeseen contingencies.

(a) One-half of the data collectors are local NAF employees recommended by the committee member representing the qualifying labor organization, and one-half are NAF employees recommended by local Government activities.

(b) The labor member provides the names and employing activities of local NAF employees it recommends as regular and alternate data collectors. Each nominee must be an employee of an NAF activity in the wage area.

(c) The committee determines the number of agency data collectors to be provided by each local activity.

(2) **Selecting and appointing data collectors.**

(a) The committee provides to the head of each local activity a list of its employees nominated as labor data collectors, and indicates the specific number of regular and alternate data collectors to be selected and appointed by the activity head:

(i) from the union nominations and

(ii) from other employees of the activity.

(b) The head of a local activity selects and appoints the prescribed number of employees to serve as data collectors and alternates, and provides the local wage survey committee with a list of employees of each category appointed.

(c) Primary consideration in the selection of employees to be used as data collectors, whether nominated by a labor organization or a local NAF activity, is given to their overall ability to perform the duties which will be assigned to them. Data collectors must measure up to the following requirements of knowledge and ability. They must be:

(i) Well-versed in the occupational content of a wide range of wage occupations;

(ii) Well-acquainted with NAF wage administration practices;

(iii) Able to approach the collection of wage data objectively and open-mindedly, and to avoid any semblance of prejudicial approach;

(iv) Able to maintain pleasant relationships in communicating with people;

(v) Sufficiently balanced and mature to talk intelligently to private industry management on an equal footing.

(3) **Maintaining confidentiality of wage survey data.** Each data collector having access to data collected must retain this information in confidence, and is subject to disciplinary action by his employer upon proof of violation of confidence of data secured from private
employers. Any violation by an employee is reported to his or her employing agency, and by a participant designated by a labor organization and its headquarters, and shall be cause for the lead agency immediately to remove the offending person from participation in the wage survey.

f. **Preparing for the survey.**

(1) Following receipt of the establishment list from the lead agency, and prior to the ordering of the survey, the local wage survey committee completes advance preparations for the wage survey. These include:

(a) Preparing and mailing introductory letters to the survey establishments asking for their participation in the survey.

(b) Organizing data collection teams. Each team consists of one data collector nominated by the qualifying labor organization and one data collector representing the NAF activities having wage employees in the area.

(c) Instructing data collectors.

(d) Designating the establishments to be visited by each data collection team.

(e) Providing of survey forms to each data collection team.

(2) The committee cautions data collectors against beginning the collection of wage survey data prior to the ordering of the survey by the lead agency.

(3) Upon completion of all advance preparations, the chairperson of the committee notifies the lead agency that the committee is ready to begin the survey.

g. **Ordering the survey.** The survey order is issued by the lead agency when it has been advised by the chairperson of a local wage survey committee that the committee is ready to begin the survey.

h. **Conducting wage surveys.** After a wage survey has been ordered, the committee proceeds to conduct the wage survey in accordance with procedures in appendix F. The committee:

(1) Provides assistance as requested by data collectors during the survey.

(2) Assigns alternates to substitute for data collectors who are unable to keep individual data collection appointments or to complete survey assignments.

(3) Assigns an alternate acceptable to an establishment which objects to an assigned data collector.

i. **Reviewing wage survey data.** The local wage survey committee:

(1) Reviews all wage data obtained by data collectors and makes its decision on the acceptability of pay data reported, the accuracy of rate computations, the correct preparation of survey forms, and on any differences between data collectors about the comparability of job matches, discriminatory rates, or interpretation and application of the policies and procedures in survey instructions.

(2) Directs data collectors to recontact establishments as necessary to clarify data reported, to account for inconsistent rate relationships among jobs of an establishment, to account for marked differences in job and rate data reported for an establishment in consecutive surveys, or to verify the comparability of job matches reported.

(3) Identifies on the survey forms each item of data considered questionable or unacceptable so that the item can be related to the full explanation of the committee’s reasoning which is in its report. Data are acceptable only when obtained in accordance with survey instructions:

- For jobs and from establishments which clearly are within the scope of the survey specifications;
- For jobs which clearly match survey descriptions; and
- In a form which permits computation of weighted average rates for each establishment for each job (or provides such averages).

(4) Has summary forms prepared for wage data which the committee considers acceptable under the survey specifications and procedures, if requested.

j. **Report of local wage survey committee.** The local wage survey committee prepares a complete report of its activities, decisions, and recommendations. The report includes a full presentation of the reasoning upon which the committee bases its recommendations on any data considered questionable or unacceptable (cross-referenced with each item of such data in the survey forms) and on any other matter. A majority vote of the committee constitutes its recommendation, but a member of the minority may file a dissenting report within 72 hours of the committee’s decision.

k. **Forwarding the survey data.** The local wage survey committee then forwards its report and all wage data, including any which it recommends not be used in making pay determinations, to the lead agency, along with the committee’s reasoning concerning any deletions or other changes to data reported by data collectors. The report, including any minority report filed, is forwarded by a date specified by the lead agency.

l. **Follow up.** The local wage survey committee should follow up on establishments which were negotiating at the time of visits and forward information on changes to the lead agency. This data will be forwarded to the lead agency and used if received before approval of the wage schedule.

**S5-7 Regular Schedule Full-Scale Surveys in Areas Not Having Local Wage Survey Committees**

a. **General.**
   (1) This section prescribes methods for conducting regular full-scale wage surveys in areas not having local wage survey committees.
   (2) These surveys have the same purpose and coverage as described in S5-6a for regular full-scale wage surveys in areas having local wage survey committees.
   (3) Forms illustrated in appendix F also are used in conducting wage surveys under this section.

b. **Requirements for wage surveys.** These requirements are the same as those described in S5-6b.

c. **Lead agency.** Except as provided in S5-6d the lead agency performs the same survey functions as for surveys covering areas where there are local wage survey committees, including the development of survey specifications and obtaining the establishment sample from the CPMS.

d. **Local survey organization.**
   (1) The lead agency determines the kind of local organization it will establish and the membership of that organization, and establishes rules under which the organization will operate. The local organization and the data collectors may or may not include representatives of labor organizations.
   (2) Except for the difference in the local organization, the survey requirements and procedures are the same as where a local wage survey committee is established.
(3) There must be a provision for activities of other agencies, labor organizations, and individuals to have an opportunity to make recommendations on optional features of the survey.
(4) Except for the requirement that half of the data collectors be nominated by labor organizations, the qualifications of data collectors and the necessity for their respecting the confidentiality of data are the same as where there is a local wage survey committee.
(5) The local survey organization must prepare the same type of report and furnish the lead agency the same type of complete wage data as in an area where there is a local wage survey committee.

S5-8 NAF Wage Change Surveys

a. General.
   (1) This section prescribes methods for conducting wage change surveys.
   (2) In any wage area, wage change and full-scale surveys are made in alternate years. The purpose of the wage change survey is to update the findings of the full-scale survey made the year before.

b. Requirements for wage change surveys.
   (1) Wage change surveys use only the same employers, occupations, and weights of occupations used in computing the wage line used in the preceding full-scale survey in the wage area.
   (2) In wage change surveys, information concerning pay adjustments of general application is obtained from each establishment which participated in the preceding full-scale survey. The amounts of the adjustments are combined with the preceding survey average wage rates for the appropriate jobs to obtain the new survey job averages.
   (3) Information usually is collected by telephone, but may be collected by mail or personal visit when necessary. The survey chairperson determines the type of contact to be made and assigns establishments to be contacted by individual data collectors, taking into consideration working relationships established in prior surveys and the availability of establishment representatives having knowledge of the kind of data being sought.

c. Lead agency. The lead agency performs the same functions as prescribed for full-scale surveys except for the requirements to develop new survey specifications, establish local wage survey committees, and obtain survey establishment samples from the CPMS.

d. Local survey organizations.
   (1) Wage change surveys are conducted by the same local organization that conducted the preceding full-scale survey for the area.
   (2) Because there is no change in survey coverage specifications there are no local hearings or committee recommendations on them.
   (3) In an area having a local wage survey committee the wage change survey may be accomplished solely by committee members or by data collectors used in the last full-scale survey. One-half of any data collectors used must be from among those nominated by the labor organization member of the committee.

e. Data collection.
   (1) As in full-scale surveys the collection of wage change survey data begins only after the wage change survey has been officially ordered by the lead agency.
   (2) Wage change data are collected on the prescribed wage change data collection forms.
Information on the amount and dates of each adjustment made by an establishment since the preceding full-scale survey is recorded on the form. Generally wage change information furnished by establishments is in terms of either:
(a) Across-the-board changes involving percentages or cents-an-hour adjustments for occupations; or
(b) Cent-an-hour or percentage adjustments affecting specific job categories which are reported for the jobs in the establishment furnishing usable data in the preceding full-scale survey.

f. **Review of wage change data and report to lead agency.** The local wage change survey organization reviews the wage change data collection forms and forwards the forms to the lead agency for wage determination purposes. A report, where appropriate, noting any unusual circumstances relating to the survey is enclosed with the transmittal letter.

### S5-9 NAF Special Schedule Surveys

a. **Survey requirements for special schedules.** Surveys conducted for the purpose of determining prevailing rates for special wage schedules which have been brought under the NAF wage system ordinarily are keyed to the special industry category involved (for example, barber shops, movie theaters). Usually the special survey covers all establishments within the wage area which are significant employers of the kinds of occupations covered by the special schedule.

b. **Data collectors.** Data collectors for a special schedule survey are ordinarily selected from among the NAF activities and employees subject to the special schedule, whether or not the area has a local wage survey committee. In certain circumstances, NAF employees not covered by the special schedule may be used as data collectors. For example, there may be a limited number of NAF employees in an area who will be subject to the special schedule in relation to the size of the survey to be conducted. However, agencies should make every attempt to insure that a reasonable proportion of the data collectors are NAF employees covered by the special schedules.

### S5-10 Review and Analysis of NAF Wage Survey Data

a. **Reviewing wage survey data.** The lead agency reviews all material and wage survey data forwarded by the local wage survey committee or other local survey organization. The review includes:
   (1) General review of all survey materials to:
      (a) Assure that the survey was conducted within the prescribed procedures and specifications.
      (b) Consider matters included in the narrative report and recommendations of the local wage survey committee or other local survey organizations.
      (c) Note reasons for nonparticipation of establishments in the sample.
      (d) Exclude discriminatory rates, whether for an individual or a group of employees, which apparently are set in consideration of religious or political affiliations, marital status, race, color, national origin, age, or sex, or of a physical handicap if the duties of the position involved may be performed efficiently by a person with the physical handicap. If after review of the local wage survey committee recommendation, it is
found that a firm does have discriminatory hiring or other discriminatory rate-setting practices, the lead agency shall exclude all data obtained from that firm.

(e) Resolve questions of comparability of establishment jobs with survey jobs arising from recommendations of the local wage survey committee or other local survey organization.

(f) Question and verify comparability of job matches when rate data show marked deviations from those for other establishments in the survey. Such a deviation raises a question of comparability, and should be cause for further investigation of the job match.

(g) Exclude data that were reported for trainees and apprentices.

(h) Exclude data from jobs whose rates are based wholly or partly on tips.

(i) Resolve questions involving the use of data from unacceptable sources, e.g., from an industry not in the survey specifications for the area or from establishments which do not meet the minimum-size-of-establishment criterion in S5-6b(3)(a).

(j) Verify all computations reported on wage data collection forms.

(2) Guidelines for determining adequacy of wage survey data. Ordinarily a survey is considered to provide wage data which is adequate for computing survey trend lines when the results include data for:

(a) At least two survey jobs providing at least 10 samples each and one survey job providing at least five samples each in the grade range NA-1 through NA-4 and at least three survey jobs providing at least five samples each in the grade range NA-5 and above before establishment weights are applied; and

(b) At least two other survey jobs providing at least five samples each before establishment weights are applied; and

(c) At least 100 unweighted samples used in the final payline for all survey jobs combined.

Situations may exist, however, in which a large number of samples are obtained for fewer than the prescribed number of jobs or at different levels or in different combinations, but which would be considered an adequate basis for fixing a payline. The lead agency in these situations presents to its agency wage committee for the committee’s recommendation a proposed wage schedule on the basis of such data.

(3) Setting wages where inadequate survey data are obtained. In any area in which the survey data are determined to be inadequate for pay-fixing purposes, the lead agency presents to its agency wage committee for the committee’s recommendation a proposed wage schedule for the area based on consideration of the rates which were obtained, the amounts of pay increases represented by those rates, and any other information or data available to it. As soon as practicable following the establishment of a wage schedule under this instruction, the lead agency reports the problem area to the Office of Personnel Management for disposition.

b. Statistical analyses of wage survey data. Except as in subparagraph a(3) above, the initial statistical analyses of wage survey data by a lead agency are as follows:

(1) For each survey job having at least the required five or ten matches as specified in subparagraph a(2) above, a weighted average rate is computed which combines the rates for the job in all establishments from which data were obtained. In computing the survey job-weighted average, the weight assigned each establishment in the survey sample is applied to the weighted average rate for the establishment.
(2) If, after establishment weights have been applied, at least 90 percent of the data from the survey are time rates, incentive data will not be used. When more than 10 percent of the data are incentive earnings, the incentive earnings will be discounted by 15 percent unless this adjusted rate is lower than the guaranteed rate or the average nonincentive average rate, whichever is higher, will be used.

(3) Commission rates will be used when the source establishment is able to furnish the average weekly earnings of workers paid on a commission basis for a period of four or more recent pay periods (which includes recent average weekly earnings calculated on a monthly, quarterly, or semiannual basis). The total amount paid for non-overtime work for the pay periods may be divided by the total number of non-overtime hours worked during the pay periods to determine the commission average hourly rate. If overtime is performed during the pay periods, the total amount paid for all work during the pay periods may be divided by the total number of hours paid for during the pay periods to determine the commission average hourly rate. The total number of hours paid for is the sum of the non-overtime hours worked and the overtime hours worked multiplied by the overtime rate. For example, an employee may work 46 hours in a pay period, with the overtime hours paid at time-and-one-half. The total number of hours paid for would be:

<table>
<thead>
<tr>
<th>Non-overtime hours</th>
<th>40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overtime hours time overtime rate (6 x 1½)</td>
<td>9</td>
</tr>
<tr>
<td>Total hours paid for</td>
<td>49</td>
</tr>
</tbody>
</table>

(4) Data obtained from an establishment will not be deleted or modified in consideration of the effect of the establishment’s rates on survey findings, i.e., data will not be deleted or modified to avoid establishment domination. Thus the number of employees found in a matched job in a particular establishment will not be changed mathematically in order to reduce the effect of an establishment’s rates on a survey job-weighted average rate.

(5) Two lines of central tendency are computed, each using the least squares statistical formula to fit a straight line to the rate data. One, identified as the unit line, is computed with a weight of one given to the average wage rate for each survey job which meets the adequacy criteria described in subparagraph b(1), above. A second, identified as the frequency line, is computed with the average wage rate for each survey job weighted by the total number of employees matched to that job in the survey.

(6) An additional line, the midpoint line, may also be computed using the average of the two central tendency lines computed in subparagraph b(5) above. The lead agency may compute other paylines for the purpose of instituting changes in the scope of the survey.

(7) Generally data represented by the average of survey jobs are distributed in a band around a least squares line. A central tendency unit line represents a line of best-fit to all of the data so arrayed. However, an average rate deviating markedly from this band may distort a line which would fit best of all the other job averages (i.e., a line computed with the deviating average rate eliminated). This distortion, for example, may flatten the line and result in a relatively low-skill differential, or may do the reverse; or it may cause an unrealistic relationship to data for important NAF occupations at a critical point on the line. Under such circumstances there is a need to identify and examine the data causing the problem and to determine whether there is a basis for recomputing the line with such
data excluded. As a general rule, deviations that cause data to be arrayed outside a 20 percent band drawn around a unit line, that is, 10 percent above and 10 percent below the unit line, computed with all data being used, may be considered for exclusion. Additional lines (unit, frequency, and other lines as provided in subparagraph b(6) above) may be computed with such data excluded. Appendix G shows in detail the methods of computing wage trend lines by the least squares formula.

c. **Wage change surveys.** Wage change survey data are applied only to the same establishments, occupations, and weights of occupations used in computing the wage line used in the preceding full-scale survey in the area. The same type of statistically computed trend line used in the full-scale pay line determination also is used and is treated in the same manner in developing the wage line. Any unusual circumstances relating to the wage change survey reported by the local wage survey committee or other local organization are included in the wage line recommendation to the pay-fixing authority.

**S5-11 Developing Regular NAF Wage Schedules**

a. **Objective.** The objective of regular NAF wage schedules is to provide a wage rate structure which reflects the overall pattern and level of wage rates prevailing in the wage area and provides pay distinctions in keeping with work distinctions. This objective is carried out where practicable by establishing a straight payline which provides uniform cents-an-hour pay differentials for successive grades throughout the schedule.

b. **Developing proposed payline.** The statistically computed trend lines are considered along with the following factors in developing the payline for a wage area:

   (1) The desirable objective of a rate schedule providing uniform cents-an-hour pay differentials between successive grades;
   (2) Relationship to the average wage rates for specific occupations represented in the survey jobs and having substantial NAF employment in an area;
   (3) Current local labor market conditions in relation to principal occupations used by local installations; and
   (4) The test of adequacy, 100 unweighted samples, must be applied to the finally selected payline.

c. **Agency wage committee.** For surveys of areas having local wage survey committees, and of interest to the agency wage committee, the committee considers the survey data, the local wage survey committee’s report and recommendations, the statistical analysis and proposed pay schedules of agency staff, and any other pertinent material, and recommends wage schedules to the lead agency. The agency wage committee may recommend use of the wage line which it considers most appropriate for setting rates of pay.

d. **Determining prevailing rates.** The lead agency considers all information, analyses, and recommendations of the local wage survey committee or other local survey organizations, the agency’s technical staff and the agency wage committee (for surveys in areas of interest to it), and determines the prevailing rate payline for the wage area.

e. **Recording basis for pay determination.** The lead agency prepares a summary statement, for inclusion in the official survey file, of the analyses made and reasoning leading to its payline determinations. The summary statement:

   (1) Provides full explanation for the exclusion of any data which were reported without question by the local survey organization;
(2) Explains reasons for any supplemental statistical analysis which excluded any acceptable survey data;
(3) Indicates the specific trend line computed under section S5-10 which it used as the basis for its payline determination, including reasons therefore;
(4) States reasons for any departure from that trend line;
(5) Describes fully its reasons for considering any data from outside the scope of the survey, the data used, how obtained, and the relative weight given to the data in making the payline determination.

f. **Computing scheduled pay rates.**

(1) **Computing nonsupervisory wage schedules.** In computing nonsupervisory wage schedules the rate indicated by the determined prevailing rate payline becomes the second rate for each respective grade. The first and third rates are computed at 96 percent and 104 percent, respectively, of the second rate; the fourth rate is 108 percent; and the fifth rate is 112 percent of the second rate. All rates are stated on an hourly basis.

(2) **Computing leader wage schedules.**

(a) **Setting payline rates.** The second or payline rate for each leader grade is set at a rate that is 10 percent above the second rate of the corresponding nonsupervisory grade.

(b) **Rate range and step rates.** Each leader grade has five rates with 4 percent of the second rate between rates. The first and third rates are computed at 96 percent and 104 percent, respectively, of the second rate; the fourth rate is 108 percent; and the fifth rate is 112 percent of the second rate.

(c) **Stating leader rates on pay schedule.** Leader rates are stated in hourly amounts.

(d) **Timing of leader pay schedule adjustments.** Leader wage schedules are adjusted once each year, at the same time that nonsupervisory schedules are adjusted based on area biennial full-scale wage surveys, or on wage change surveys in alternate years.

(3) **Computing supervisory wage schedules.**

(a) **Setting payline rates.** The supervisory payline for grades 1 through 8 is set on a differential relationship to the corresponding nonsupervisory grades. Rates for grades 9 through 15 are set 20 percent above the second rate of the corresponding nonsupervisory grades. Rates for grades 16 through 19 are set 25 percent, 30 percent, 35 percent and 40 percent, respectively, above the second rate of the highest nonsupervisory grade (NA-15).

(b) **Supervisory pay-fixing formulas.**

(i) The following formulas are used to compute rates for the supervisory grades:

| NS-1, step 2 = NA-1, step 2, plus 20 percent of NA-8, step 2 |
| NS-2, step 2 = NA-2, step 2, plus 20 percent of NA-8, step 2 |
| NS-3, step 2 = NA-3, step 2, plus 20 percent of NA-8, step 2 |
| NS-4, step 2 = NA-4, step 2, plus 20 percent of NA-8, step 2 |
| NS-5, step 2 = NA-5, step 2, plus 20 percent of NA-8, step 2 |
| NS-6, step 2 = NA-6, step 2, plus 20 percent of NA-8, step 2 |
| NS-7, step 2 = NA-7, step 2, plus 20 percent of NA-8, step 2 |
| NS-8, step 2 = NA-8, step 2, plus 20 percent of NA-8, step 2 |
| NS-9, step 2 = 120 percent of NA-9, step 2 |
| NS-10, step 2 = 120 percent of NA-10, step 2 |
(ii) Rate range and step rates. Each supervisory grade has five rates with 4 percent of the second rate between rates. The second rate is the payline rate, with the first, third, fourth, and fifth rates being set at 96, 104, 108, and 112 percent, respectively, of the payline rate.

(c) Stating supervisory rates on pay schedules. Supervisory rates are stated in hourly amounts.

(d) Timing of supervisory pay schedule adjustments. Supervisory wage schedules are adjusted once each year, at the same time that nonsupervisory schedules are adjusted based on area biennial full-scale wage surveys, or on wage change surveys in alternate years.

(g) Constructing minimum wage rate schedules.

(1) No wage employee in any of the following areas may be paid at a rate which is below the minimum wage rate provided by section 6(a)(1) of the Fair Labor Standards Act: the 50 States; the District of Columbia; Puerto Rico; the Virgin Islands; Outer Continental Shelf Lands defined in the Outer Continental Shelf Lands Act (ch. 345, 67 Stat. 462); American Samoa; Guam; Wake Island; Eniwetok Atoll; Kwajalein Atoll; and Johnston Island.

(2) Section 18(a) of the Fair Labor Standards Act prohibits “noncompliance with any Federal or State law or municipal ordinance establishing a minimum wage higher than the minimum wage established under this Act. . .” While Federal employees are not subject to State or municipal minimum wage laws, the intent of section 18(a) is to be complied with by the agencies. Accordingly, the minimum wage rate to be paid by an agency to an employee under the Federal Wage System will be no less than the minimum wage rate specified in section 6(a)(1) of the Fair Labor Standards Act, or a State or local minimum wage rate, whichever is higher. Where a State or local jurisdiction has established different minimum wage rates on an industry/occupational basis, the single minimum wage rate to be observed in establishing a Federal Wage System schedule under this paragraph will be that minimum rate applicable to the private sector counterparts of the single largest Federal industry/occupation in the wage area.

(3) When it is necessary to set rates of pay for one or more grades on a wage schedule in consideration of a Federal, State, or local minimum wage rate, the rates of pay for the wage schedule are set as follows:

(a) The second rate of grade 1 on the schedule will be set at a level which, upon application of the standard 4 percent step-rate interval, provides a first rate for the grade which is equal to the applicable minimum wage rate.

(b) The intergrade differential will be set at five percent of the rate for grade 1, step 2,
determined in (a), above, rounded to the nearest whole cent. This cents-per-hour differential will be applied until a grade is reached at which the payline rate thus derived is equaled or exceeded by a payline rate determined through normal prevailing rate determination processes; rates for all grades above that point will be based on the normal prevailing rate determination processes.

(c) The schedule will be effective on the effective date of the minimum wage rate concerned.

h. Developing and issuing the wage schedule.

(1) Lead agency.

(a) The lead agency develops and issues wage schedules based on its survey and pay determinations (see sample wage schedule, appendix H). Each area wage schedule consists of:

- Name of wage area;
- Nonsupervisory wage rates;
- Leader wage rates;
- Supervisory wage rates;
- Effective date; and
- Signature of authorizing official.

(b) The lead agency distributes copies of area wage schedules to the headquarters of each NAF activity having wage employees within the wage area as earlier reported to the lead agency host installation by the agencies’ activities within the wage area, and to the headquarters of labor organizations upon request. One copy of each area wage schedule is forwarded directly to the central office and to each regional office of the Office of Personnel Management. The lead agency also provides copies of wage schedules to other agencies whenever requested to cover newly established local installations.

(c) Nonappropriated fund wage schedules established under the Federal Wage System are public information. A lead agency may make available to news media and to any other interested party such information as it considers pertinent concerning new or revised wage schedules for which it is responsible.

(2) Other employing agencies. Upon receipt of an authorized wage schedule from a lead agency, each employing agency takes immediate steps to place the schedule into effect. An employing agency:

- Authorizes application of the pay schedule to its covered NAF wage employees within the wage area;
- Places schedules into effect in individual installations on the date specified on the area wage schedule by the lead agency.

S5-12 Wage Rates for Principal Types of NAF Positions

a. Statutory requirement.

(1) Section 5343(d) of title 5, United States Code, requires that when a wage survey is made for the purpose of establishing wage schedules for trade, craft, and laboring employees, the agency making the survey shall determine whether there exists in the wage survey area a sufficient number of comparable positions in private industry to establish wage
schedules for the principal kinds of NAF positions for which the survey is made. The
determination shall be in writing and shall take into consideration all relevant evidence,
including evidence in the area.

(2) When it is determined that there is an insufficient number of comparable positions in
private industry to establish the wage schedules, the agency or agencies making the
survey shall establish rates for the NAF positions in accordance with rates paid for
positions in private industry in the nearest wage area which is determined by the agency
involved to be most similar in the nature of its population, employment, manpower, and
industry to the wage area for which the survey is being made.

b. **Time of making determination.** The determination of whether there exists in the wage
survey area a sufficient number of comparable positions in private industry to establish wage
schedules for the principal types of NAF positions subject to the schedule is made at the time
a full-scale wage survey is ordered to be conducted in a wage area except as provided by
subparagraph i(1) below. Subject to meeting the test of adequacy under paragraph h below, a
determination remains in effect until the time of the following full-scale wage survey for the
area. Wage rates established as the result of such a determination are adjusted at the time of
the intervening wage change survey for the area. Wage rates established as the result of such
determination are adjusted at the time of the intervening wage change survey on the basis
of the wage change procedures (section S5-8), using only the same employers, occupations,
and weights of occupations used in computing the rates in the preceding full-scale survey.

c. **Principal types of NAF wage positions.**

(1) The principal kinds of NAF positions means those groups of occupations which require
work of a specialized nature and which are peculiar to a specialized NAF activity which
is the dominant activity among the total wage employment in the wage area. (Total wage
employment in a wage area means the total number of all wage employees in the wage
area paid under the same Federal NAF Wage System wage schedule.) The only
specialized NAF activities which may be considered in making determinations of the
dominant industry are Eating and Drinking Places. Additions may be made only with the
approval of OPM. When a NAF activity includes the specialized NAF activity of Eating
and Drinking Places, count only the broader NAF activity. For example, when an eating
or drinking place is operated as part of or in conjunction with a hotel or motel, the NAF
activity is Hotels and Motels. However, when the eating or drinking place is operated
separately from the hotel or motel, the specialized NAF activity is Eating and Drinking
Places.

(2) The specialized NAF activity is the dominant industry when the number of wage
employees in the wage area in occupations which make up the principal kinds of NAF
positions consist of:

(a) 25 percent or more of the total wage employment in the wage area, or
(b) 100 out of a total of 400 or more wage employees in the wage area.

In determining the number of wage employees in the specialized NAF activity, include
all wage employees who are engaged in the product or service used to identify the
specialized NAF activity. However, those employees who do not spend a preponderance
of work time in duties directly related to the dominant industry will not be counted.

d. **Responsibility of lead agency.** The lead agency for the NAF wage area is responsible for
making the determination required by 5 U.S.C. 5343(d) and for carrying out other
requirements of this section. In making its determinations, the lead agency takes into
consideration the findings and recommendations of the local wage survey committee or other local wage survey organization and, within the scope of its responsibilities in accordance with subparagraph S3-2b(2), recommendations of the agency wage committee. The determinations take into consideration all relevant evidence, including evidence submitted by labor organizations holding exclusive recognition for NAF wage employees in the area.

e. Obtaining views from organizations or individual citizens.
   (1) Notifying local installations. At least 30 calendar days before a survey is ordered the chairman of the local wage survey committee or other local wage survey organization notifies all local installations having wage employees subject to the NAF wage schedule of the date by which organizations or individual citizens may present to it any recommendations and supporting evidence concerning principal kinds of NAF positions and whether they believe there is not a sufficient number of comparable positions in private industry in the local area on which to base wage rates.
   (2) Posting notices. Each local activity shall post notices on its bulletin board for at least 10 days before the final date established for submitting recommendations and supporting evidence to the local wage survey committee or other local survey organization.
   (3) Presenting information. Any recommendations and supporting evidence must be presented in writing to the local wage survey committee or other local survey organization on or before the date specified.
   (4) Use of local hearing process. If the above process can be combined with the local hearing process prescribed in subparagraph S5-6c(2), it will be done as part of that process.

f. Determinations regarding principal types of positions.
   (1) Before ordering a wage survey, the lead agency makes a determination in writing concerning each recommendation before it on whether or not there are principal types of NAF positions as defined in paragraph c above. If the lead agency determines that there are principal types of NAF positions in the wage area it will take the action described in the remainder of this section. The determination is made as provided under (2) below.
   (2) In making its determinations under (1) above, the lead agency shall first decide whether the principal types of NAF positions qualify as a dominant industry under paragraph c above. When it finds that there is one or are two dominant industries, the lead agency shall ascertain for each whether there is a sufficient number of comparable positions in private industry in the local survey area to provide representative wage data in the development of the local wage schedule. The lead agency makes its determination on the basis of all relevant, available evidence, including data obtained from the County Business Patterns published by the Department of Commerce. The lead agency determines whether there is a sufficient number of comparable positions by determining whether the number of positions in private industry similar to those in the specialized industry will provide survey coverage representative of the principal types of NAF positions. The lead agency will use the Food Services and Drinking Places (NAICS 722) industry in making its determinations for a specialized industry.
   (3) When the total number of positions in private industry establishments in the survey area similar to those in the specialized NAF activity in (2) above and found in the local survey area is at least equal to the total number of NAF wage positions in the dominant industry in the local wage area, there is a sufficient number of comparable positions in the local wage area.
g. **Survey coverage for principal types of NAF positions.**

(1) When a local wage survey committee or other local wage survey organization believes that additional industries or additional jobs should be included under a specialized industry in order to obtain private industry coverage more representative of the local situation, it may recommend whatever additional industries or jobs it believes necessary to provide representative coverage. This recommendation will be included in the report of the committee and will be processed as provided by paragraph S5-6c. After approval by OPM, the jobs are added to the list of jobs to be surveyed in all establishments in the survey area, and the data for the added job(s) are included along with other data collected during the survey in determining the prevailing rates for the wage area.

(2) When an industry is added to the specifications for the wage survey it is treated the same as all other industries covered in the survey; that is, an establishment sample is drawn for the added industry (or all establishments in the added industry are surveyed), and all survey jobs, both regular and added, are surveyed at the establishments. All rate data collected from the added establishments are included along with all other survey data collected in determining the prevailing rates for the area.

h. **Sufficiency of comparable positions.** After completing the survey the lead agency analyzes the data obtained for the survey jobs representing the principal kinds of NAF positions to assure that the data meet all requirements for validity and use and to determine whether they include a sufficient number of comparable positions to be representative of private industry for the principal kinds of positions in the wage area. The data shall be considered to represent a sufficient number of comparable positions in private industry when for the specialized industry it contains the following unweighted job matches:

<table>
<thead>
<tr>
<th>Unweighted Sample</th>
<th>Number of Jobs</th>
<th>Category of Jobs</th>
<th>Grade of Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>1</td>
<td>Regular</td>
<td>NA-1 to NA-4</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>Regular</td>
<td>NA-5 to NA-15</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>Regular</td>
<td>NA-1 to NA-15</td>
</tr>
</tbody>
</table>

All specialized industry job matches from eating and drinking activities, whether those activities are separate establishments or parts of other establishments within the scope of NAF surveys, shall be credited toward the minimum requirements for job data from a dominant industry.

i. **Insufficiency of comparable positions.**

(1) When the surveying agency determines that the number of comparable positions in private industry in the survey area is not sufficient to meet the requirements of paragraph f above, or when it determines that the data obtained in the survey and analyzed under paragraph h above do not meet all requirements for adequacy, the surveying agency shall establish the wage schedule for the wage area only after obtaining wage data concerning the principal kinds of NAF positions from comparable private positions in the nearest similar wage area, except that when the wait for wage data from the nearest similar wage area would unduly delay the issuance of the wage schedule for the local wage area, OPM may authorize:

(a) The earlier issuance of an interim schedule for the wage area without the wage data from the nearest similar wage areas and

(b) The issuance of the final wage schedule based on wage data from the nearest similar
wage area at a later date but effective on the same date as the interim schedule.

(2) Selecting nearest similar area.

(a) The surveying agency shall examine available information first on wage areas contiguous or otherwise nearest to the local wage area to identify wage areas in which a sufficient number of private industry positions can be expected to be found, and shall select the area that is most nearly similar to the local wage area in terms of a gross comparison of private employment, population, relative numbers of private employees in major industry categories, and the kinds and sizes of industrial establishments.

(b) If none of the contiguous or otherwise nearest wage areas has a sufficient number of private industry positions comparable to the principal kinds of NAF positions, the surveying agency shall next examine available information on the contiguous or otherwise nearest wage areas to identify wage areas where there are a sufficient number of private industry positions comparable to the principal types of NAF positions, and shall select the wage area that is most nearly similar on the basis of the factors in S5-12i(2)(a).

(c) If none of the wage areas surrounding the contiguous or otherwise nearest wage areas has a sufficient number of private kinds of NAF positions, the surveying agency shall select the wage area nearest to the local wage area that has private industry with comparable positions.

(d) When there are two dominant industries, the surveying agency shall select the nearest similar area for each dominant industry in the manner prescribed by S5-12i(2)(a), (b), and (c).

(3) Obtaining and using data from nearest similar area.

(a) The surveying agency must obtain necessary data from the area selected under S5-12i(2), above, by including in the survey the jobs found in the dominant industry, as prescribed by S5-12g, above, to provide survey coverage representative of the principal types of NAF positions just as if the industry were located in the local area. The data from the additional jobs are included with all other data collected during the survey in the local wage area to determine the wage schedule for the wage area. However, the lead agency may use only the number of job matches from the outside area, as prescribed by paragraph h, above. Data must be selected for inclusion on the weighted job matches found in the dominant industry in the selected reference area. In selecting survey jobs, the jobs required at limited grade ranges (e.g., NA-01 through 04) will be selected before jobs in the unlimited grade range (NA-01 through 15). The highest graded job will be selected first when there is a tie in the selected procedures.

(b) If wage data for the principal kinds of NAF positions already are available for the area selected under S5-12i(2) above, based on a full-scale or wage change survey completed within the previous 12-month period, and those data reflect current rates in the out-of-area survey establishments as of the time of the survey in the local area, that data will be used in establishing the wage schedule in the local area. If the available data are not current, current rates will be obtained and used in accordance with regular wage change procedures.

(c) If current wage data are not available for the nearest similar area, a special survey is conducted in that wage survey area covering the types of positions and pertinent
industry. Ordinarily, a special survey covers all establishments in the wage survey area in the industry, but if there is an unusually large number of these establishments a special establishment sample may be used.

(d) The lead agency will determine who will conduct the special survey in consideration of the circumstances as follows: If the lead agency determines that it is feasible, the data collectors from the local area appointed under S5-6e or S5-7 will be used in the first or surrounding areas; otherwise, new data collectors who are located in or closer to the selected wage survey area will be appointed. In the latter case, one-half of the data collectors will be NAF employees who are located in the selected wage survey area and who are recommended by the labor organization represented on the wage committee of the area of application. Where there is not a contiguous area the latter system of selecting data collectors will be utilized.

(4) Establishing rates.

(a) For prevailing rate employees other than those in the Department of Defense, the surveying agency will establish the wage schedules for the local wage area by using both the data obtained within the local wage survey area and the data obtained from the nearest similar area or areas. However, the pay rates established by using these data may not exceed the pay rates established for the same grades in the nearest similar area from which the wage data were secured; when the data are obtained from two additional areas because there are two dominant industries the pay rates established by using these data may not exceed the higher of the pay rates established for each grade in the two similar areas from which the data were obtained. At the same time, use of the wage data obtained in the nearest similar area or areas may not reduce the pay rates for any grades that would have been established without the use of the out-of-area data.

(b) The regular schedule for Department of Defense prevailing rate employees will be based on local wage data only.

(5) Effective dates. The effective dates for wage schedules established by using out-of-area wage data are governed by the provisions of section S5-15.

(6) Continuation of rates. Rates established under the provisions of this section continue in effect until revised or canceled. Any employee subject to a reduced scheduled rate of pay due to the reduction or cancellation of rates established under this section shall be entitled to pay retention under part 536 of title 5, Code of Federal Regulations.

S5-13 Increased Minimum Rates

a. Requirements for authorization. The lead agency for a local wage area may authorize the use of the second, third, fourth, or fifth rate as the appointment rate for one or more grades of an occupation at one or more locations within a wage area based upon a finding that:

(1) The hiring rate prevailing for the particular occupation and grade among private employers in the area is higher than the minimum rate for the applicable grade on the local NAF wage schedule and

(2) Local NAF activities in the area cannot recruit and retain qualified employees at that minimum rate.

The finding may be based upon a study initiated by the lead agency, another agency or any local installation, or upon a finding and recommendation of a local wage survey committee.
or other local survey organization of a lead agency.

b. **Authorization by lead agency.** The lead agency will amend the local wage schedules as appropriate to show each occupation and grade in which appointments are to be made above the minimum rate, the locations concerned, and the rate at which appointments are to be made. The rate will then be the lowest authorized rate which may be paid by any activity in the wage area to any employee in this occupation and grade at the locations concerned.

c. **Revised wage schedules.** An authorization to appoint above the minimum rate is automatically canceled with installation of a revised wage schedule for the area unless this authorization is provided in the new schedule by the lead agency. Before it implements a cancellation of above-minimum rates, an installation shall discuss the cancellation with officials of exclusively recognized labor organizations representing employees affected by the cancellation. No employee shall have his or her pay reduced because of cancellation of an authorization.

d. **Notification of other agencies.** The lead agency notifies other agencies having NAF activities in the wage area for which increased minimum rates are authorized of any action taken on increased minimum rates. The latter agencies, in turn, notify their activities in the wage area.

### S5-14 Time Limitations for Effecting NAF Wage Survey Results

a. **Statutory time limits.** Each increase in rates of basic pay granted pursuant to a wage survey is required to be placed into effect for all NAF wage employees subject to the wage schedule, whether employees of the lead agency or other agencies, not later than the first day of the first pay period which begins on or after the 45th day, excluding Saturdays and Sundays, following the date on which the wage survey was ordered to be made. (5 U.S.C. 5344).

b. **Uniform effective dates.** Wage schedules are effected for NAF wage employees of individual installations within a wage area on the date specified on the area wage schedule by the lead agency.

c. **Retroactive pay.**
   (1) If the increase in rates is not actually applied within the time-limitations above, the increase is payable retroactively when:
      (a) The person is in the service of the United States, including service in the armed forces or the government of the District of Columbia, on the date of the issuance of the order granting the increase; or
      (b) The person retired or died during the period beginning on the effective date of the increase and ending on the date of issuance of the order granting the increase, and only for services performed during that period.
   (2) Service in the armed forces includes the period provided by statute for the mandatory restoration of the person to a position in or under the Government of the United States or the government of the District of Columbia after he or she is relieved from training and service in the armed forces or discharged from hospitalization following that training and service.
S5-15 Duty or Leave Status of NAF Employees Engaged in Federal Wage System Operations

The following instructions prescribe how time and attendance records are to be handled for NAF employees (including those who are union officials) who are involved in local survey operations under the Federal NAF Wage System.

(1) All members of local wage survey committees, while performing committee duties, are to be considered as on official assignment to the interagency function, not on leave.

(2) All data collectors, while performing duties of the data collection function, are also to be considered as on official assignment to the interagency function rather than on leave.

(3) For testifying at hearings provided by the local wage survey committee, administrative leave would be in order for a limited number of representatives of local labor organizations which have exclusive recognition for NAF wage employees in the wage area and which wish to present facts or views on the wage survey. Unless otherwise provided in a negotiated agreement, a limit of one representative for each local organization at a given installation normally would be adequate to present the views of the organization. Additional representatives of the organization may be permitted to testify, but normally would not be granted administrative leave in order to do so. As far as the testifying by employees as individuals is concerned, administrative leave would not be in order.

(4) So as to permit the coordinated training and indoctrination of labor organization representatives, including local labor organization principal officers, labor organization members of local wage survey committees and labor organization nominated data collectors, on Federal NAF Wage System policies, conducted by representatives of their national labor organizations, the granting of administrative leave for short periods of time for this purpose would be in order. The situation is analogous to that agreed to by OPM and the Comptroller General for the labor relations program—authorizing short periods of administrative leave (ordinarily not to exceed 8 hours) for an employee representative incident to his or her receiving information, briefing, and orientation conducted by a labor organization or matter of mutual benefit to the employing agency and the employee in his or her capacity as an organization representative.