

ARMY REGULATION

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EXCHANGE SERVICE

PERSONNEL POLICIES

DEPARTMENTS OF THE ARMY AND THE AIR FORCE
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DEPARTMENTS OF THE ARMY
AND
THE AIR FORCE
WASHINGTON, DC, 23 April 1973

EXCHANGE SERVICE
PERSONNEL POLICIES

This revision incorporates procedures under the integrated management concept of exchanges worldwide; provides specific USP RIF policy; prescribes new grievance procedures; implements the provision of Public Law 92-392 relative to shift differential and pay for Sunday and overtime work which was effective 24 February 1973; and reflects changes in terminology. Limited supplementation of this regulation is permitted but is not required. If supplements are issued, Army/Air Force Staff agencies and major Army/Air Force commands will furnish one copy of each to Commander, Army and Air Force Exchange Service, Dallas, TX 75222.

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CHAPTER 1

GENERAL PERSONNEL PROVISIONS

Section I. GENERAL

1-1. Purpose. This regulation sets forth the civilian personnel policies of the Army and Air Force Exchange Service (AAFES).

1-2. Applicability. This regulation applies to the following categories of personnel:

a. All employees in CONUS, Alaska, Hawaii and Puerto Rico.

b. All US citizen and US national employees worldwide.

c. US permanent resident alien employees worldwide. (See however paragraph 1-29c.)

1-3. Abbreviations and explanation of terms.

a. The following abbreviations are used throughout this regulation:

AAFES—Army and Air Force Exchange Service

CONUS—Continental United States (48 states and the District of Columbia)

EMP—Executive Management Program

ER—Exchange Region

HPP—Hourly Pay Plan

LWOP—Leave Without Pay

OES—Oversea Exchange System

RIF—Reduction in Force

USP—Universal Salary Plan

b. The following terms are defined as they apply to this regulation:

(1) *Exchange.* Except where otherwise specified, exchange includes CONUS exchanges and consolidated exchanges, offshore exchanges and oversea exchanges, regional exchanges, and area exchanges.

(2) *HPP employee.* Except where other-

wise specified, HPP employee includes Commission Pay Plan employees.

(3) *USP employee.* Except where otherwise specified, USP employee includes both non-EMP and EMP employees.

1-4. Objectives. The AAFES personnel management program has for its objectives—

a. Sound employer-employee relationship.

b. Equitable pay and promotion policy.

c. Employee benefits, including group insurance, retirement and leave.

1-5. Personnel publications. *a.* The AAFES personnel policies are set forth in this regulation.

b. Operating instructions and procedures will be published in AAFES publications.

c. Oversea exchange systems and those exchanges located outside CONUS, Alaska, Hawaii, and Puerto Rico are authorized to publish procedures applicable to personnel who are not US citizens or US nationals. Such procedures will be consistent with applicable laws, agreements, treaties and oversea command policies. A copy of each procedure and any revisions thereto will be forwarded to the Commander, AAFES, ATTN: Personnel Division, Dallas, TX 75222. The Commander, AAFES will provide copies of these procedures to the Chiefs of the Army and Air Force Staffs for Personnel, upon request.

d. Delegations of personnel authority will be published as supplements in accordance with *a* through *c* above.

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1-6. Compliance. The Commander, AAFES will conduct periodic surveys to insure that AAFES personnel policies and procedures are being complied with throughout AAFES. Commanders, OESs and ERs are responsible for insuring that AAFES personnel policies and procedures are complied with throughout their areas of responsibility.

1-7. Status of employees. *a.* AAFES personnel are Federal employees of an instrumentality of the United States within the Department of Defense.

b. A table of equivalent military rank, Federal General Schedule grades and AAFES USP grades, is contained in table A-2.

1-8. Applicable laws. The following statutes among others, are applicable to AAFES employees:

a. 5 U.S.C. 2105C—Civil Service Commission—Provides that employees of AAFES are not employees of the United States for the purpose of laws administered by the Civil Service Commission, the Federal Employee's Compensation Act, or 5 U.S.C. 7902.

b. 5 U.S.C. 8171—Longshoreman's and Harbor Worker's Compensation Act—Extends the provisions of the Longshoreman's and Harbor Worker's Compensation Act to AAFES employees who are subject to this regulation or are permanent residents of the United States.

c. 42 U.S.C. 410—Social Security—Defines employment for social security purposes to include employees of the Army and Air Force Exchange Service. Military part-time employees are not included in this coverage.

d. 5 U.S.C. 8501—Unemployment Compensation—Includes AAFES employees as eligible for Federal unemployment compensation benefits.

e. 5 U.S.C. 5531, 5 U.S.C. 5533—Dual Compensation—Imposes limitations on compensation of retired regular officers of military components.

f. 5 U.S.C. 3826—Employment of Retired Military—Imposes limitations on appointment of retired members of the Armed Forces during the period of 180 days immediately after retirement.

g. 5 U.S.C. 5922—Oversea Allowances and Differentials—Provides allowances and differentials which are applicable to certain categories of AAFES employees.

h. 26 U.S.C. 912—Tax Exemption—Provides a tax exemption for certain allowances paid to employees of the United States Government stationed outside of the CONUS, in accordance with regulations approved by the President.

i. 29 U.S.C. 201—Fair Labor Standards Act—Applies minimum wage and overtime provisions to AAFES employees in areas where the act is applicable.

j. 28 U.S.C. 2671-2680—Federal Tort Claims Act—Waives the immunity of the United States to permit certain suits in tort against the United States.

k. 5 U.S.C. 5596—Back Pay Due to Unjustified Personnel Actions—Authorizes payment of back pay, allowances or differentials, as applicable, for employees who have undergone unjustified or unwarranted personnel actions, less any amounts earned by the employee during the applicable period. Individuals separated from AAFES employment are obligated to make good-faith efforts to gain useful employment during periods of separation while contesting the separation action. This statute is administratively adopted.

Section II. AUTHORITY

1-9. Personnel authority. *a.* The authority to establish personnel policy is vested in the Board of Directors, Army and Air Force Exchange and Motion Picture Service, hereinafter referred to as the Board of Directors.

b. The authority and responsibility to develop personnel policy and to publish instructions and procedures to implement this regulation is vested in the Commander, AAFES.

c. The authority to administer the Executive Management Program (EMP), is vested in the Commander, AAFES.

d. The authority to administer the AAFES personnel program worldwide is vested in the Commander AAFES.

e. The authority to separate AAFES employees for retirement, to extend employment beyond age 62 and to allocate grades to positions, is vested in the Commander, AAFES.

f. The authority to appoint and promote AAFES employees with or to grades designated above USP 15 is vested in the Board of Directors.

g. Authority must be exercised in accordance with this regulation and procedures published by the Commander, AAFES.

1-10. Redelegation of personnel authority. All redelegations of authority will be in writing.

Redelegated authority must be exercised in accordance with this regulation and procedures published by the Commander, AAFES.

1-11. Preparation and execution of personnel requests and personnel action. A standard personnel management system applicable worldwide will be implemented as prescribed by the Commander, AAFES.

1-12. Manpower management. The Commander, AAFES will establish a manpower management program and will determine AAFES civilian manpower requirements worldwide. The program will include the establishment of manpower authorizations for each operational segment and activity to include the duties and responsibilities of employees and the lines of authority. Manpower surveys of all AAFES activities will be performed periodically to ascertain that civilian manpower authorizations are commensurate with operating requirements.

Section III. BASIC PRINCIPLES

1-13. Political activity of Federal employees. a. No inquiry will be made concerning the political affiliations of an employee or applicant for employment with the AAFES and any such disclosure will be ignored. The foregoing is not intended to preclude inquiry as to organizational memberships which are by law or regulation a disqualification for employment or retention with the Federal Government.

b. No person within AAFES will—

(1) Use his official authority or influence for the purpose of interfering with an election or of affecting its results.

(2) Take any active part in partisan political management or partisan political campaigns.

c. All person, however will retain the right to vote as they choose and to express their opinions on all political subjects and candidates, and to participate in nonpartisan political activity.

d. An employee may hold State, territorial,

and local office if it does not conflict with his duties, with law, or Executive Order.

e. Violations will result in separation, except that the Board of Directors may adjudge a lesser penalty.

1-14. Standards of conduct. a. The standards of conduct provisions of AR 600-50 and AFR 30-30 are applicable to all AAFES employees and persons acting in behalf of AAFES. These regulations prescribe the standards of conduct relating to possible conflict between private interests and official duties, required of AAFES employees, regardless of assignments. They cover such subjects as bribery and graft; unauthorized release of information; gratuities; prohibitions of contributions or presents to supervisors; use of government, including AAFES, facilities, property and manpower; outside employment; borrowing and lending money; gambling, betting, and lotteries; and indebtedness.

b. All new employees will be informed of the

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standards of conduct provisions in AR 600-50 or AFR 30-30 upon initial hire.

c. All employees will familiarize themselves thoroughly with the provisions of AR 600-50 or AFR 30-30.

d. The principles of AR 600-50 and AFR 30-30 will be brought to the attention of all employees every 6 months. Training sessions, bulletin boards, bulletins, handouts and similar media may be utilized.

e. Certain AAFES employees are required by AR 600-50 or AFR 30-30 to complete a confidential statement of employment and financial interests.

1-15. The Dual Compensation Act. a. A retired member of any of the Armed Forces may be employed by AAFES during the period of 180 days immediately following his retirement only if a state of national emergency exists or if the proposed appointment is authorized by the Chairman of the Board of Directors, AA-FEMPS. A request for such authorization may be made by the appropriate authority at the employing activity. Such requests will be processed through AAFES channels to the Commander, AAFES. If the Commander, AAFES determines that the request does not meet the criteria outlined below, he may deny the request. Otherwise, he will forward the request with his recommendations to the Chairman of the Board of Directors, AA-FEMPS. Each such request will be accompanied by a statement which shows the actions taken to assure that—

- (1) Full consideration was given to eligible AAFES employees;
- (2) The vacancy has been publicized to give all interested candidates an opportunity to apply;
- (3) Qualification requirements for the position have not been written in a manner designed to give advantage to such retired members;
- (4) The position has not been held open pending the retirement of such retired members.

b. The retirement pay of a retired officer of a regular component of a uniformed service will be reduced in accordance with the provisions of 5 U.S.C. 5531.

1-16. Nepotism. a. In order to prevent favoritism and collusion, members of the same family will not be appointed, employed, promoted or advanced in or to a position where a direct supervisory relationship exists, where favored treatment can ensue, where the job relationship increases the potentiality of collusion, or where such personnel action has been advocated by a member of the same family who has the authority to take or recommend such action. Members of the same family will be considered to be father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother and half sister.

b. If the policy in a above conflicts with a veteran's right to reemployment, action will be taken in accordance with paragraph 2-4c.

1-17. Loyalty and striking. No person shall accept or hold office or employment in the Government of the United States or any agency thereof, including wholly owned government corporations who—

a. Advocates the overthrow of our constitutional form of government in the United States;

b. Is a member of an organization that advocates the overthrow of our constitutional form of government in the United States, knowing that such organization so advocates;

c. Participates in any strike or asserts the right to strike against the Government of the United States or such agency; or

d. Is a member of an organization of government employees that asserts the right to strike against the Government of the United States or such agencies, knowing that such organization asserts such right.

1-18. Equal employment opportunity. *a.* There will be no discrimination in employment practices. The federal policy against discrimination on the basis of race, religion, color, national origin, sex, age, physical handicap or personal sponsorship is applicable to all applicants for employment, as well as to employees of the Army and Air Force Exchange Service.

b. The Commander, AAFES is authorized to administer Equal Employment Opportunity programs for civilian applicants and employees of the Army and Air Force Exchange Service.

1-19. Veteran employment preference. Preference in employment will be given able-bodied veterans, disabled veterans and their wives, widows and mothers of deceased veterans, provided they are equally qualified for the vacant position and that the veteran's discharge on termination of US military service was under honorable conditions.

1-20. Employment of military personnel on off-duty hours. Enlisted personnel may be employed on their off-duty hours provided—

a. Compensation will be at the prescribed hourly or commission rate for such services performed by AAFES civilian personnel in accordance with standard job classification and commission pay plan procedures.

b. Such employees may only be appointed to temporary part-time status, irrespective of the term of employment.

1-21. Safeguarding information. *a.* AAFES employees will not disclose or discuss official records and business of AAFES at any time, except as necessary to discharge official duties.

b. It is intended to prohibit the prior distribution of official information not available to the general public to individuals who would gain an advantage not accorded others. It is not intended that unclassified information which may be released should be withheld from the press or the public.

c. Each employee is subject to penal laws, regulations and Executive Orders relating to safeguarding classified information.

1-22. Security clearance for civilian personnel. *a.* Army or Air Force regulations concerning nonappropriated fund civilian personnel security investigations and adjudications apply to AAFES employees at installations of the Army and Air Force, respectively.

b. Authority and procedures governing security investigations and clearances of employees of AAFES will be in accordance with AR 604-5, AR 690-1, AR 230-2, AFR 205-32 and AFR 40-202. With respect to paragraphs 6 and 10, AR 604-5 and paragraph 31, AFR 205-6, the Commander, AAFES is delegated the authority to exercise security clearance jurisdiction over Headquarters, AAFES and its subordinate activities and to clear personnel for access to classified defense information after appropriate investigation required by departmental regulations has been accomplished.

1-23. Management Incentive Program. The Commander, AAFES will establish and administer a Management Incentive Program to—

a. Recognize and reward AAFES employees whose suggestions for the improvement of AAFES are adopted.

b. Recognize AAFES employees who have demonstrated exceptional performance above and beyond their normal duty responsibilities.

c. Recognize AAFES employees for length of AAFES service.

1-24. Administering oaths. The administration of oaths for affidavits, investigations and other documents or procedures requiring sworn testimony will be accomplished by a notary public or military officer on active duty.

1-25. Falsification of records. *a.* Any employee who, for the purpose of concealing or misrepresenting a material fact, will fully or unlawfully alters, falsifies, or destroys, or causes to be altered, falsified or destroyed, official exchange documents, records, or files, regardless of motive, is subject to immediate separation for cause, or other disciplinary action.

b. Any employee who knowingly and willfully

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prices or sells, or causes to be priced or sold, merchandise or services contrary to the established sell price, regardless of motive, is subject to separation for cause, or other disciplinary action.

1-26. Employees to furnish required reports and information. It is the duty of each employee to make such reports and furnish such information, whether favorable or unfavorable, regarding matters of official interest as may be required by competent authority, including supervisors and investigative officials. Refusal to furnish required reports or information, or deliberate concealment or misrepresentation of material facts in a report or statement, will constitute grounds for separation for cause or other disciplinary action.

1-27. Arrest, indictment, or conviction for criminal offenses. Conviction of a crime which is a felony, and in some instances of a lesser crime, may constitute a basis for disciplinary action, including separation. When an employee is convicted of a felony, full details, including recommended action, will be forwarded to the Commander, AAFES for appropriate action. The mere fact of an arrest or indictment on a charge of a criminal offense is not a basis for disciplinary action. However, the alleged misconduct itself, stated in specific terms, may be the basis for disciplinary action, regardless of any arrest, indictment, conviction, or even acquittal in judicial proceedings. Disciplinary action on charges of misconduct or delinquency need not wait upon a conviction of an employee of a criminal offense. Likewise, an employee's acquittal on an indictment charging him with committing a criminal offense does not invali-

date disciplinary action for the cause that resulted in the arrest or indictment, as long as the disciplinary action is independent of the judicial proceedings.

1-28. Assignments to areas of armed conflict. *a.* Notwithstanding any other provision of this regulation, AAFES employees assigned outside the United States, its territories and possessions to a geographic area of armed conflict may have a workweek in excess of 40 hours, as may be determined by the Commander, AAFES. Employees will be eligible for overtime pay for hours in excess of 40 hours, in accordance with instructions published by the Commander, AAFES.

b. USP (non-EMP) employees who transfer to such geographic areas from another position, will be transferred back to their former position after serving a tour of duty in those areas. If such a position cannot be made available, a similar position in the same grade will be offered in the general geographic area of the former position. If this is not reasonably possible, a similar position of the same grade will be offered in another area.

c. Employees newly hired under special employment agreements for specified periods of employment in such geographical areas will be separated upon expiration of the agreed period or extension thereto. If subsequently rehired within 90 days, such employment will be considered a reinstatement under the provisions of paragraph 2-4, except that the reinstatement will be at the salary for the step of the position grade which is determined after crediting length of former agreed period of service toward within grade step increases.

Section IV. FOREIGN AND NONFOREIGN AREAS

1-29. Treaties and oversea command policy. Except for the categories of employees listed below, employment of individuals in oversea foreign areas will be in accordance with applicable treaties, agreements, laws and oversea command policies: (See however 5 U.S.C. 8172 and 8173.)

a. US citizens.

b. US nationals.

c. Permanent resident aliens of the US serving in other than their country of nationality.

1-30. Employment of US citizens in foreign countries. US citizen and US national individuals will be employed on the Hourly Pay Plan, the Commission Pay Plan, or the Univer-

sal Salary Plan. Upon the prior approval of the Commander, AAFES, in special circumstances, such employees may be hired under a special contract of employment.

1-31. Oversea allowances and differentials. Pursuant to Executive Order 11137, 7 January 1964, and Executive Order 10000, 16 September 1948 (13 F.R. 5453), as amended, civilians employed overseas who are US citizens will receive allowances and differentials in accordance with rates of payments authorized and/or listed in the Department of State Standardized Regulations (Government Civilians, Foreign Areas) and in regulations published in the Federal Personnel Manual.

a. Foreign areas oversea differentials and allowances.

(1) Foreign areas are defined as any areas (including the Trust Territory of the Pacific Islands) situated outside the United States, the Commonwealth of Puerto Rico, the Canal Zone and the possessions of the United States.

(2) The rates of payments authorized for the allowances and differentials will be the same as those prescribed for other employees of the Departments of the Army and the Air Force in the same locality.

(3) The types of allowances and differentials will be the same as those authorized for other employees of the Departments of the Army and the Air Force in the locality, except that an education allowance may be paid as authorized in Section 270 of the Department of State Standardized Regulations (Government Civilians, Foreign Areas) under Executive Order 10903.

(4) US citizen employees who meet the eligibility requirements contained in Section 030 of the Department of State Standardized Regulations (Government Civilians, Foreign Areas) are eligible for oversea allowances and

differentials, provided that their rates of basic compensation are fixed in conformity with rates paid for work of a comparable level of difficulty and responsibility in the United States, exclusive of Alaska and Hawaii.

b. Nonforeign areas allowances and differentials.

(1) Nonforeign areas are defined as Alaska, Hawaii, the Commonwealth of Puerto Rico, Virgin Islands, Guam and other areas listed in Section 591.201 of Title 5 of the Code of Federal Regulations.

(2) The rates of payments authorized will be the same as those prescribed by the Civil Service Commission in regulation published in the Federal Personnel Manual, under Executive Order 10000 of 16 September 1948 (13 F.R. 5453, as amended, for other employees of the United States in the same locality.

(3) The allowances and differentials prescribed will not apply to employees who are stationed in either the Canal Zone or in any "foreign area" as defined in *a*(1) above.

(4) Allowances and differentials will be prescribed only for those employees whose rates of basic compensation are fixed in conformity with rates paid, for work of a comparable level of difficulty and responsibility, to employees stationed in the United States, exclusive of Alaska and Hawaii.

c. These allowances and differentials will be excluded from computations made for purposes of group insurance and retirement deductions and for purposes of lump sum payments at time of separation, whether overseas or in the United States.

d. When government housing is furnished to AAFES employees, any rental charges in excess of those paid by appropriated fund civilian employees will be paid by the AAFES.

CHAPTER 2

EMPLOYMENT AND PERFORMANCE

Section I. RECRUITMENT, APPOINTMENT, AND REHIRE

2-1. Recruitment. *a.* Qualified individuals from outside sources may be considered for recruitment. Outside sources may include, but are not limited to, state employment agencies, schools, colleges, universities, trade and commercial associations and government agencies. Newspaper advertisements, posters and bulletin board notices may be utilized when considered necessary.

b. No fees will be paid by AAFES to employment agencies, except upon specific prior approval by the ER chief, OES commander or the Commander, AAFES.

c. Applicants will be required to submit an AAFES application for employment prior to being considered for appointment. Applications of individuals not appointed will be retained on file no less than 3 months.

2-2. Appointment criteria. *a.* To be considered for appointment, an individual must submit a complete and accurate application for employment reflecting that the individual meets the minimum requirements for the position under consideration.

b. Approval from the Director, Personnel Division, HQ AAFES must be secured prior to consideration of any individual who—

(1) Was separated from previous employment with AAFES for cause, disqualification, unsatisfactory performance, or gross inefficiency.

(2) Was convicted of a felony.

(3) Was convicted of a misdemeanor (other than as a juvenile offense) involving a fraudulent or dishonest act.

(4) Was discharged from the Armed Forces of the United States with other than an honorable discharge.

c. In case of any individual who was previously employed by AAFES, a recommendation (oral or written) will be secured from the official designated below. An individual may be appointed prior to receipt of the recommendation.

(1) The Director, Personnel Division, HQ AAFES, AAFES when the individual is being considered for a USP position.

(2) The appointing authority at the location where previously employed when the individual is being considered for appointment to a position other than a USP position.

2-3. Appointment. *a.* After selection of an individual for appointment, but prior to official appointment, each individual must submit the following:

(1) Evidence that he is in satisfactory physical condition, if requested. The appointing authority may, if he deems it advisable, require a medical certificate or physical examination at AAFES expense.

(2) Evidence of compliance with the provisions of the Dual Compensation Act if applicable (para 1-15).

(3) Work permit, birth certificate or other evidence of minority or majority status when requested by the appointing authority. Individuals under 16 years of age will not be employed.

(4) Applications for fidelity bond.

(5) AAFES FORM 1100-1 (Affidavit).

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(6) DD Form 98 (Armed Forces Security Questionnaire), for USP employees and HPP employees occupying sensitive positions.

(7) IRS Form W-4 (Employee's Withholding Exemption Certificate).

(8) AAFES FORM 1700-10 (Employee Insurance Data (Regular full-time employees only).

(9) Social Security Form SS-5 (Application for Social Security Number) if the employee does not have a social security number.

(10) DD Form 898 (Statement of Personal History) if required by the appointing authority.

(11) AAFES FORM 1100-4 (Certificate of Understanding).

(12) Statement of Mobility, as prescribed by the Commander, AAFES.

b. The authority to appoint AAFES employees has been delegated as stated in section II, chapter 1. The appointing authority will insure that written references are requested and will determine the cases in which a pre-employment credit report is required.

c. Official appointment will be effective upon issuance to the individual of a copy of a properly executed AAFES personnel action. The effective date of appointment will be the date indicated on the personnel action.

d. Appointments are considered probationary for the periods specified below and these periods may not be extended.

(1) Positions paid under the Universal Salary Plan, management trainee program and college trainee program—1 year.

(2) All other positions—90 days.

e. Employees will not be appointed to part-time, temporary or on-call employment for the purpose of determining the employee's suitability for regular full-time employment.

f. Employees will be appointed to step 1 of the grade assigned to the position the employee will occupy, except that:

(1) Employees with special qualifications or experience may be appointed to step 2.

(2) Employees who will require further training may be assigned to a lower grade, in accordance with the provisions on training assignments in section I, chapter 4.

(3) Upon specific approval by the Commander, AAFES, an employee can be appointed to a step higher than step 2.

2-4. Reinstatement of former employees. a. A regular full-time employee who is separated and subsequently reemployed as a regular full-time employee within 90 days of the effective date of the separation will be considered reinstated.

(1) The Personnel Action will indicate that the employee has been reinstated.

(2) Normally, the employee will be reinstated to the same grade and step.

(3) If the employee is to be reinstated to a lower grade, the reinstatement will be considered a downgrade. The provisions of downgrade will apply.

(4) If the employee is to be reinstated to a higher grade, the reinstatement will be considered a promotion. The provisions on promotion will apply.

(5) The employee will retain and accrue employee benefits (sick leave, time for step advancement, etc.) as if he had been in a leave-without pay status at his previous grade and step during the break in service, except as follows:

(a) The employee will be required to complete a new application for fidelity bond.

(b) If contributions to the retirement fund (including any interest)—

1. Were not returned to the employee upon separation, previous employment and the time between separation and reinstatement will be counted for retirement.

2. Were returned to the employee upon separation, the employee may pay the contribution back to AAFES (including any interest). In such cases, previous employment and the time between separation and reinstatement will be counted for retirement. Or he may retain the contributions returned. In such case,

the employee's time for retirement purposes only will commence effective with the date of reinstatement.

b. A regular full-time employee who is converted to a regular part-time status (or separated and reemployed as a regular part-time employee) and is subsequently converted to regular full-time status within 90 days of the effective date of termination of his previous status as a regular full-time employee will be considered as reinstated. The provisions set in a(5) above will be applied except that the employee will not be required to complete a new application for fidelity bond.

c. All regular full-time AAFES civilian employees who enter the Armed Forces of the United States will be afforded the opportunity of veteran reemployment rights, in accordance with applicable federal laws, as follows:

(1) A veteran will be reemployed within 30 days after application for restoration to his former position if the position still exists, provided the veteran applied for reemployment within 90 days of release from military service or from hospitalization continuing after discharge for a period of not more than 1 year. If restoration to the former position is not possible, or the individual is no longer qualified, the veteran will be placed in a position of like responsibility, status and pay for which he is qualified.

(2) If it is found that the veteran cannot be placed in any position in the exchange where he holds reemployment rights, his record will be forwarded to the appropriate exchange region, oversea exchange or Headquarters, AAFES for possible placement in other exchange activities.

(3) Where a veteran is returned to his former position and that position has been reallocated to a higher level without substantial change in duties and responsibilities, he will be entitled to all benefits of the reallocation.

(4) A veteran restored under these provisions will not be separated for 1 year after date of reinstatement without cause.

(5) Upon return from military service, a veteran eligible for restoration will be given full credit for all step advancements for which he would have been considered if he had been present.

(6) If reemployment is denied after active military service, the provisions of section III, chapter 3 will apply to these employees.

2-5. Rehire of former employees. Employees who are separated and are reemployed, but who do not qualify under paragraph 2-4a, b, and c, will be considered as rehired. Employees who are rehired will be considered the same as newly appointed employees, except that for individuals rehired to regular full-time status—

a. Prior service as a regular full-time employee will be creditable service for purposes of determining vacation leave accrual rate; and

b. Upon payment of any required deposit or redeposit of retirement contributions, including interest, the employee will receive for retirement purposes credited service for the prior periods of service in accordance with provisions of the AAFES retirement program.

c. Previous creditable time will be included in considering the employee for service awards.

Section II. CATEGORIES OF EMPLOYEES

2-6. Regular full-time. A regular full-time employee is an employee hired for an expected period of more than 90 days with a regularly scheduled workweek of 35 to 40 hours per week.

2-7. Regular part-time. A regular part-time employee is an employee hired for an expected period of more than 90 days with a regularly scheduled workweek of at least 16 but less than 35 hours.

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2-8. Temporary full-time. A temporary full-time employee is an employee hired for—

- a. A specific period of 90 days or less; or
- b. An unspecified period not to exceed 180 days based on a specific event (e.g., absence of employee for maternity leave, or for an operation); or
- c. Only in unusual circumstances a specified period not to exceed 180 days, based on a specific event.

Such employees have a regularly scheduled workweek of 35 to 40 hours. Employees utilized for more than 90 days or 180 days, as applicable, will be converted to regular full-time.

2-9. Temporary part-time. A temporary part-time employee is an employee hired for an expected period of 90 days or less with a regularly scheduled workweek of at least 16 but less than 35 hours. Employees utilized for more than 90 days will be converted to regular part-time (para 4-17) except military personnel employed on off-duty hours.

2-10. On-call. a. An on-call employee is an employee hired to perform a recurring job (including inventory), but who is not hired for a definite period, nor assigned a regular scheduled workweek.

b. Normally, an on-call employee will not be requested to work more than 16 hours in any 1 week. When determined necessary because of emergency, because of sudden and unforeseen sickness or at the time of the annual physical inventory, an on-call employee may be requested to work in excess of 16 hours in 1 week. In no event will an on-call employee be authorized to work more than 80 hours during any 4-week period (2 consecutive pay periods).

c. A roster will be maintained of all on-call employees. An employee may be separated from on-call employment in accordance with paragraph 3-19.

d. AAFES is not obligated to utilize on-call employees at all or to utilize any individual on-call employee. The determination to use any on-call employee will be made by the appointing

authority. No supplemental directive will be issued and no agreement will be made which limits in any way the appointing authority's freedom to utilize such employees or to utilize any specific on-call employee.

e. Status as an on-call employee does not obligate the employee to work upon request. The employee, at his option, may agree to work or may refuse any offered work.

f. On-call employees are not eligible for any benefits other than overtime pay and shift differential, when appropriate.

2-11. Casual. a. A casual employee is an employee hired to perform an unskilled nonrecurring job. Casual employees are not hired for a definite period nor assigned a regular scheduled workweek.

b. The provisions of this regulation, except paragraphs 1-13 through 1-18, 2-12 and 2-23 do not apply to casual employees.

2-12. Employee utilization, payment, and benefits. a. Regular full-time, regular part-time, temporary full-time temporary part-time and on-call employees will be utilized to perform approved standard and nonstandard jobs. Casual employees may be utilized to fill unskilled nonrecurring jobs.

b. Payment may be made—

(1) In accordance with the Universal Salary Plan, Hourly Pay Plan or Commission Pay Plan for all employees, except casual employees. To regular part-time employees, in accordance with the Universal Salary Plan, if approved by the Commander, AAFES.

(2) In accordance with the terms of the contract when the employee is hired pursuant to an employment contract.

(3) In accordance with the approved minimum wage for the area (or higher, upon written determination by the appointing authority that higher wages are necessary) for casual employees. Payments to casual employees will be made from the working fund disbursement account.

c. Subject to any limitations set out in the specific provisions relating to benefits, the fol-

lowing employees are eligible for major benefits as set out below.

(1) Group Insurance—regular full-time employees.

(2) Retirement Benefits—regular full-time employees.

(3) Overtime Pay—all employees except executive, administrative and professional employees. (Generally, all employees except USP employees may be eligible for overtime pay.)

(4) Shift Differential—employees paid under the Hourly Pay Plan (including on-call employees) except Commission Pay Plan employees.

(5) Time-off for Holidays—any employees, except on-call and casual employees.

(6) Military Leave with Pay—regular full time employees.

(7) Sick Leave—regular full-time employees.

(8) Maternity Leave—regular full-time employees.

(9) Vacation Leave—regular full-time employees.

(10) Step Advancements—regular full-time and regular part-time employees paid under the Universal Salary Plan or the Hourly Pay Plan, and military personnel employed on off-duty hours.

(11) Premium Pay for Sunday Work (Effective 24 February 1978)—regular full-time employees paid under the Hourly Pay Plan except Commission Pay Plan employees.

Section III. HOURS OF WORK

2-13. Administrative workweek. The administrative workweek will consist of 7 consecutive days extending from 0001 hour Saturday to 2400 hours the following Friday.

2-14. Regular scheduled workweek. *a.* The regular scheduled workweek consists of the specific hours during the administrative workweek that the employee is scheduled to work.

b. The regular scheduled workweek will not exceed 40 hours. Except where inconsistent with operational needs, the hours scheduled will not exceed 8 hours per workday and will not be scheduled for more than 5 days in an administrative workweek. The regular scheduled workweek will not include hours on more than 6 days or include more than 10 hours on any one workday, except during an annual or other directed inventory.

c. Changes in the regular scheduled workweek will be posted on the bulletin board and otherwise brought to the attention of the employees at least 2 weeks prior to the effective date of the new schedule, except in cases of emergency or extraordinary business needs.

d. Frequency changes of the regular scheduled workweek will not be made.

e. Personnel assigned as over-the-road drivers may be scheduled to work up to a maximum of 15 hours per day, following 8 consecutive hours off-duty subject to the following conditions.

(1) Driver will not be permitted to drive more than 10 hours.

(2) Driver will not be permitted to drive for any period after having been on duty 15 hours.

2-15. Meal periods. *a.* No employee will be permitted to work more than 6 hours in any workday without a meal period.

b. Meal periods will be indicated on the work schedule.

c. Meal periods will be scheduled for not less than 30 minutes nor more than 1 hour.

d. Meal periods will not be considered as work time.

e. As an exception to *b*, *c*, and *d* above, upon determination by the appointing authority, employees may be scheduled to have their meal period on the job. In such case, the employees will be authorized a total of 20 minutes during a designated period in which they may have

their meal. Such meal periods are considered time worked. On-the-job meal periods will be authorized only when it is not reasonably practical or economical to provide a normal meal period.

2-16. Workday. A workday consists of the hours which an employee works in one 24-hour period beginning with the scheduled start of work.

2-17. Minimum hours. *a.* Normally, no employee, except a casual employee, will be required to work less than 3 hours in one workday unless the duties to be performed are recurring in nature and a shorter period is acceptable to the employee.

b. No casual employee will be required to work less than 1 hour in a workday.

2-18. Rest periods. *a.* Except when clearly inconsistent with operational requirements, employees working 6 hours or less will be authorized one 15-minute rest period and employees working more than 6 hours will be authorized two 15-minute rest periods during the workday.

b. Rest periods will be taken at the times designated by the supervisor.

c. Rest periods are considered as time worked.

d. Additional personnel will not be assigned to allow employees rest periods.

2-19. Time worked. Time worked will be recorded in hours and tenths of an hour and will include—

a. All hours when the employee was directed or permitted to work (including rest periods).

b. The commuting time from the employee's residence to work and back to his residence, in cases where the employee is called back to work to perform any unscheduled overtime.

c. Hours worked at either a permanent or temporary duty station. Time outside the employee's regular scheduled workweek spent

traveling in connection with authorized official travel will not be considered hours worked. An employee otherwise entitled to overtime pay may be worked on an occasional basis not to exceed 15 minutes of the regular scheduled hours of the workday without payment therefor. Periods of 15 minutes or less are accumulated but are dropped for each day. Periods of more than 15 minutes will be recorded as tenths of an hour, e.g., 16 minutes will be recorded as three-tenths of an hour.

2-20. Employees under 18 years of age. *a.* Employees under 18 years of age will not be permitted to work after 2200 hours or before 0600 hours.

b. Employees under 18 who are attending school full time will not be permitted to work more than 4 hours on any school day, more than 8 hours on nonschool days or more than 28 hours during any administrative workweek.

c. Employment of persons under 16 years of age is prohibited.

2-21. Pregnant employees. An average who has notified her supervisor that she is pregnant will not be permitted to work after 2200 hours or before 0600 hours, more than 8 hours in any workday, or more than 40 hours in any workweek (para 5-34).

2-22. Overtime. (Effective 24 February 1973). *a.* Only time worked in excess of 8 hours a day or 40 hours during the administrative workweek is considered overtime work as provided in *c* and *d* below.

b. AAFES policy is to keep overtime work at a minimum.

c. Hourly Pay Plan employees (excluding Commission Pay Plan employees) qualify for overtime pay when they have worked in excess of 8 hours a day or 40 hours during the administrative workweek, whichever results in the greater number of overtime hours officially authorized and performed by the employee.

d. Commission Pay Plan employees and employees under the Universal Salary Plan who do not qualify as bona fide executive, administrative or professional employees are entitled

to overtime pay only when they have worked over 40 hours during the administrative workweek.

e. Unless unusual circumstances arise, overtime work should be scheduled and notice should be provided at least 1 week in advance. An employee will not be required to work overtime without at least 1 day's notice, except in emergencies. Employees may be utilized to work overtime without any prior notice on a voluntary basis. Brief time periods may be worked prior to or subsequent to a regular work shift, without being considered work time. Rounding off will be limited to dropping no more than 10 to 15 minutes per day. To be considered work time, the employee must be told or permitted to work by an exchange official for periods in excess of the regular assigned workday and the tasks performed must be productive and an integral part of the job.

f. Compensatory time off will not be authorized.

2-23. Overtime pay. a. Overtime pay will be at the rate of 1 1/2 times the employee's regular rate (hourly rate plus shift differential, if earned) except as provided in b below.

b. Employees paid on the Commission Pay Plan will be paid overtime in accordance with the above, except that—

(1) No overtime pay will be authorized if the employee's regular rate for the week exceed 1 1/2 times the authorized minimum wage for the area where he works.

(2) The "regular rate" utilized for computation of overtime pay will be the higher of the computed regular rate or the approved minimum wage for the area. The computed regular rate is the total commissions earned in a workweek divided by the hours worked in the workweek (excluding c(2) and (3) below).

c. Hours for purposes of overtime pay include—

(1) Hours worked.

(2) Hours of vacation sick and administration leave.

(3) Authorized holiday hours, if any, in accordance with paragraph 2-27. (If the employee is required or permitted to work, include the greater of hours worked on hours of time off authorized in accordance with paragraph 2-27.)

2-24. Premium pay for Sunday work. (Effective 24 February 1973). a. Regular full-time employees paid under the Hourly Pay Plan, except Commission Pay Plan employees, whose regular work schedule includes a period of service of 8 hours or more, any part of which is on a Sunday, are entitled to be paid at the employee's regular rate (hourly rate plus shift differential, if earned) plus premium pay at a rate equal to 25 percent of the regular rate for each hour of regularly scheduled work performed during that period of service but not in excess of 8 hours.

b. If an employee's regular work schedule includes a period of service of less than 8 hours, any part of which is on a Sunday, the employee is entitled to Sunday premium pay only for the hours worked not in excess of the number of hours regularly scheduled for the period.

2-25. Additional hours. a. An employee may be required to work hours in addition to those included in his regular scheduled workweek. Employees will not be required to work more than 40 hours during the administrative workweek on a continuing basis (whether or not eligible for overtime pay).

b. Employees will not be requested to work additional hours during the workweek and be authorized to come in at a later time or leave earlier another day during the workweek to compensate for the additional hours. This is construed as compensatory time.

2-26. Shift differential. (effective 24 February 1973). a. Employees paid on the Hourly Pay Plan, except Commission Pay Plan employees, are eligible for a shift differential in addition to their hourly (scheduled) rate—

(1) amounting to 7 1/2 percent of the hourly rate for regularly scheduled nonover-

time work, the majority of the hours of which occur between 1500 hours and 2400 hours; and

(2) amounting to 10 percent of the hourly rate for regularly scheduled nonovertime work, the majority of the hours of which occur between 2300 hours and 0800 hours.

b. When an employee's regular workday schedule for a holiday qualifies for shift differential, his rate for holiday pay will include shift differential, whether or not he is required to work the holiday.

c. Shift differential will not be included in base rate for any purpose (e.g. sick or vacation leave, retirement or group insurance contributions), except overtime pay, holiday pay, and Sunday premium pay.

2-27. Legal holidays. a. The following are observed as legal holidays:

- (1) New Year's Day.
- (2) Washington's Birthday.
- (3) Memorial Day.
- (4) Independence Day.
- (5) Labor Day.
- (6) Columbus Day (beginning 1971).
- (7) Veteran's Day.
- (8) Thanksgiving Day.
- (9) Christmas Day.
- (10) Any other day proclaimed by Federal law or Executive Order.

b. All regular and temporary full-time employees will be authorized time off for holidays as follows:

(1) The holiday, if it is scheduled workday.

(2) The following workday, if the holiday falls on Sunday and Sunday is not a workday.

(3) The preceding workday, if the holiday falls on any other nonworkday.

c. All part-time employees will be authorized time off for holidays as follows:

(1) The holiday falls on a scheduled workday.

(2) The activity is closed because of time off for a holiday, in accordance with b above.

d. All employees, except employees in a leave-without-pay status, who are authorized time off for a holiday will be paid at their regular rate of pay (plus shift differential, if applicable) for all hours normally scheduled.

e. Employees may be required to work on holidays including substituted days even though they are authorized time off in accordance with the foregoing. Employees eligible for overtime pay (para 2-22c) who are required to work will be paid at their regular rate (plus shift differential if applicable) for the hours worked. This pay is in addition to any pay authorized by the preceding subparagraph and means double pay for the regularly scheduled hours worked.

Section IV. PERFORMANCE REVIEWS

2-28. Purpose. a. Performance reviews are used to promote effective utilization of exchange employees. Preparation of performance reviews stimulates supervisors to evaluate objectively their performance and that of subordinates. Performance reviews identify for the employee those areas where his performance is satisfactory or outstanding, as well as those areas where improvement is required.

b. The performance review is not to be construed as limiting the responsibility of supervisors for continuous informal evaluations of employees under this supervision. Whenever ap-

propriate, supervisors will thoroughly discuss with employees their improvement in job performance or failure to achieve or maintain expected standards of job performance.

2-29. When performance reviews are required. Performance reviews will be prepared as follows:

a. Thirty days prior to the end of the 90-day or 1-year probationary period.

b. After 120 days from the date of employment for USP employees excluding trainees in

the management trainee program and the college trainee program.

c. Annually, as prescribed by the Commander, AAFES.

d. When the employee or his immediate supervisor are transferred, as prescribed by the Commander, AAFES.

e. At the end of the prescribed period indicated in a warning letter issued in accordance with paragraph 3-2.

2-30. Performance review forms. Performance reviews will be prepared on forms prescribed by the Commander, AAFES.

2-31. Preparation, review, and approval of performance reviews. a. The individuals responsible for preparation, review, and approval of performance reviews for all AAFES employees will be as prescribed by the Commander, AAFES.

b. Performance reviews will be prepared by the first line supervisor, reviewed by the second

line supervisor and approved by the third line supervisor.

c. In the event that the individual designated to prepare, review, or approve the performance review is sick or otherwise absent for a prolonged period, the next line supervisors will, as appropriate, prepare, review, or approve the performance review.

2-32. Administration of performance reviews.

a. After the performance review has been prepared, reviewed and approved, it will be shown to the employee and discussed with him by the supervisor. The employee will be provided a copy of the performance review.

b. In the event that the employee objects to the performance review, he may submit his comments to the approving authority. The reviewing and approving authority may take exception to the performance review by making appropriate comments in the remarks section.

c. The employee's comments and the approving authority's action, a copy of which will be provided to the employee, will be attached to the performance review and will be filed with all copies of the performance review.

CHAPTER 3

PERSONNEL RELATIONS

Section I. COUNSELING AND DISCIPLINE

3-1. Counseling. *a.* The purpose of counseling is to promote more effective performance. Counseling is an appropriate means of assuring an employee that he is doing a good job, of stimulating an employee to work more carefully, of making the employee aware of future opportunities in AAFES, etc. Effective counseling improves employee morale and exchange efficiency. Most counseling will be accomplished by the employee's first line supervisor, but second and higher level supervisors are encouraged to use counseling where appropriate.

b. Each employee will be counseled by his first line supervisor at the time when his performance review is presented to him.

c. An employee whose efficiency or conduct is below acceptable standards will be counseled by his supervisor. Prior to issuing a warning letter or taking disciplinary action, the supervisor will counsel the employee. In counseling such an employee, the supervisor should clearly point out the areas where the employee needs to improve. He should indicate how the employee may improve and, when appropriate, should offer to provide assistance to the employee.

d. The supervisor will make a summary notation of all counseling on the employee's counseling card. Each entry will be dated and signed by the supervisor.

3-2. Warning letters. *a.* Supervisors will issue a warning letter, as appropriate, to an employee when—

(1) The employee is not adequately meeting the requirements set out in his job description; and

(2) The employee has not responded adequately to counseling; and

(3) The performance deficiencies are of a significant or material nature.

b. The warning letter will—

(1) Specifically identify the performance requirements which the employee is not meeting satisfactorily.

(2) Specifically identify what the employee may do to help improve his performance.

(3) Offer assistance to the employee in improving his performance.

(4) Provide for a warning period of not less than 30 days nor more than 90 days for the employee to improve his performance.

(5) Notify the employee that a performance review will be prepared at the end of the warning period; that if his performance is determined to be satisfactory, the employee will be continued in his current position; that if his performance is determined to be unsatisfactory, he may be given a lateral or downgrade transfer or separated for unsatisfactory performance.

(6) Advise the employee that he has the right to file a written reply within 21 days. If the explanation in the employee's written reply is satisfactory to the supervisor, he may withdraw the warning letter and so advise the employee.

c. At the end of the warning period, a performance review will be prepared. If the employee's performance during the warning period is satisfactory, the employee will be so advised. If the employee's performance during

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the warning period was unsatisfactory, then a copy of the warning letter and the subsequent performance review will be forwarded to the official with authority to separate the employee. In appropriate circumstances, the official may transfer the employee in accordance with paragraph 4-5. The employee will be advised of his right to submit a grievance in accordance with section III, chapter 3. The employee will be notified of the final determination no later than 30 days after the end of the warning period.

d. A copy of the warning letter and of the performance review will be included in the employee's official personnel folder.

3-3. Disciplinary actions—general. *a.* The purpose of disciplinary actions is to promote effective employee utilization. Accordingly, emphasis will be placed on stimulation of better performance.

b. Disciplinary actions will be taken whenever appropriate. In some cases, disciplinary actions may be appropriate subsequent to counseling which did not result in improved conduct or performance. Disciplinary action may be taken based upon performance, upon conduct on the job, or upon conduct off the job.

c. Disciplinary actions include verbal reprimand, written reprimand, suspension, separation for gross inefficiency and separation for cause.

3-4. Verbal reprimand. *a.* A verbal reprimand may be given by the employee's supervisor based upon the following:

(1) Failure to adequately perform his job as set out in the employee's job description.

(2) Conduct on the job involving insubordination, violation of laws, regulations, rules or procedures, or other conduct incompatible with maximum employee efficiency.

(3) Conduct off the job reflecting discredit on AAFES.

b. In administering a verbal reprimand, the supervisor will proceed as follows:

(1) Investigate the facts prior to administering a verbal reprimand.

(2) Call the employee to his office or to another private area.

(3) Tell the employee that he intends to give him a verbal reprimand and point out the specific basis for the reprimand.

(4) Allow the employee to explain the circumstances and his views.

(5) If the employee's explanation is satisfactory, advise the employee, withhold the reprimand and close the interview.

(6) If the employee's explanation is not satisfactory, proceed with the reprimand, explain why the employee's explanation is unsatisfactory and tell the employee how he can improve. He will be advised that future instances may result in more severe disciplinary actions or other appropriate action. The supervisor will note the basis for the reprimand, the employee's explanation and the date on the employee counseling card. The employee will be advised of his right to submit a grievance in accordance with section III, this chapter.

3-5. Written reprimand. *a.* Upon approval of the reviewing authority (for performance reviews), the supervisor may issue a written reprimand based upon the same circumstances as set out in paragraph 3-4a(1), (2), and (3). A written reprimand may be more appropriate because of the seriousness of the deficiency or because of prior or associated deficiencies.

b. In administering a written reprimand, the supervisor will proceed as follows:

(1) Investigate the facts.

(2) Explain to the employee that it is intended to issue a written reprimand and the reasons therefor.

(3) Allow the employee to explain the circumstances and his views.

(4) If the employee's explanation is satisfactory, the written reprimand will not be issued.

(5) If the employee's explanation is unsatisfactory, prepare and sign the written reprimand. The written reprimand must—

- (a) Refer to paragraph 3-5.
- (b) Specifically identify the basis for the reprimand.
- (c) Tell the employee how he can improve.
- (d) Advise the employee that future instances may result in more severe disciplinary action or other appropriate action.
- (e) Advise the employee of his right to submit a request for review or a grievance in accordance with section III, this chapter.
- (6) Secure the written approval of the reviewing authority. The proposed letter will be reviewed by the appropriate personnel office for procedural accuracy.
- (7) Present the written reprimand to the employee in person and in private (except when the employee is absent for an indefinite period, in which case the reprimand will be sent registered mail, return receipt requested).
- (8) A copy of the written reprimand will be placed in the employee's official personnel folder. It may be removed after 2 years with approval of the reviewing authority, provided other disciplinary action has not been taken during the intervening period.

3-6. Suspension. *a.* The official with authority to separate the employee may suspend an employee for any period up to 20 workdays based upon the circumstances set out in paragraph 3-4a(2) or (3). Suspension may be appropriate because of the seriousness of the conduct or because of prior associated deficiencies.

b. In administering a suspension, the official will proceed as follows:

- (1) Investigate the facts.
- (2) Prepare and sign a notice of proposed suspension. The notice will indicate—
 - (a) That the official intends to suspend the employee.
 - (b) The proposed effective date and duration of the suspension.
 - (c) In specific detail the basis for the suspension.
 - (d) That the employee may submit his written explanation of the circumstances or his

views within 5 working days of receipt of the notice of proposed suspension.

(e) That the employee's submission, if any, will be considered prior to making a final decision whether to suspend.

(3) Make a final determination whether or not to suspend after full consideration of any submission by the employee.

(4) Notify the employee in the event it is determined to withhold the suspension.

(5) Prepare and sign a letter of suspension and have it handed to the employee by his supervisor (record time and place on the copy) or, if the employee will be absent for an indefinite period, send it registered mail, return receipt requested. The letter of suspension must—

- (a) Refer to paragraph 3-6.
- (b) Specifically identify the basis for the suspension.
- (c) Tell the employee how he can improve.
- (d) Advise the employee that future instances may result in more severe disciplinary action or other appropriate action.
- (e) Advise the employee of his right to submit a request for review or a grievance in accordance with section III, this chapter.

c. A copy of the notice of proposed suspension, the employee's explanation, the letter of suspension and a copy of the personnel action effecting the suspension will be filed in the employee's official personnel folder.

3-7. Separation for gross inefficiency. *a.* An employee may be separated for gross inefficiency (sec II, this chap.) by the official with authority to separate (sec II, chap. 1).

b. Gross inefficiency is defined as an intolerable failure on the part of the employee to produce intended results or to perform as expected manifesting incompetence, incapability, or indifference.

3-8. Separation for cause. An employee may be separated for cause (sec II, this chap.) by the official with authority to separate the employee (sec II, chap. 1) on the basis of conduct specified in paragraph 3-4a(2) or (3) when—

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- a. Counseling and/or disciplinary actions are determined to be inappropriate, or
- b. Counseling and/or disciplinary actions have been utilized without apparent success, and

c. The act of misconduct or delinquency is of such a nature or so repetitious that retention of the employee in any capacity is determined to be incompatible with the best interests of AAFES.

Section II. SEPARATIONS

3-9. Separations—general. a. Set out in the paragraphs 3-10 through 3-26 are the types of separations which may be utilized. The official with authority to separate an employee is as specified in section II, chapter I.

b. The appendix indicates whether a notice of proposed separation is required and sets forth the applicable notice periods.

c. Notices of proposed separation, where required, and notices of separation, where required, will be in writing and will indicate—

(1) The type of separation.

(2) The basis for the separation. The facts supporting the basis for separation must be stated specifically and in detail.

(3) The effective date of the separation. (All separations will be effective as of the close of business.)

(4) That the employee has the opportunity to explain the circumstances and his views (notice of proposed separation only). The employee will be informed in the notice that he has a right to file a reply in writing, and in his reply to set forth any matters, explanations, or denials he deems to be appropriate. The reply must be filed during the period prescribed in the appendix for notice of proposed separation. The provisions of this subparagraph are inapplicable when the Commander, AAFES exercises the options conferred upon him by paragraphs 3-24a and 3-25c.

(5) That the employee may submit a request for a review or a grievance (notice of separation only) in accordance with section III, this chapter (except when the separation is voluntary or when separated under para 3-13a, b, c, 3-14, 3-17, 3-18, 3-19, 3-20, 3-24, 3-25c or 3-26).

d. Upon determination by the official with authority to separate the employee that it is in the best interests of AAFES—

(1) During the period of notice of proposed separation, the employee may be detailed to another assignment consistent with his skills and current assignment (para 4-10) or placed on administrative leave (para 5-29).

(2) During the period of notice of separation, the employee may be detailed to another assignment consistent with his skills and current assignment (para 4-10), placed on administrative leave (para 5-29) until the effective date of separation, or given pay in lieu of notice period, in which event separation is effective at the close of business on the date set forth in the notice of separation.

e. A separation interview will be conducted with the employee.

f. Each employee separated will be advised that Federal Unemployment Compensation may be available to former exchange employees. He will be advised of the nearest local office where he may seek advice.

3-10. Separation for unsatisfactory performance. Employees may be separated for unsatisfactory performance, determined as specified in paragraph 3-2c.

3-11. Separation for cause. a. Employees may be separated for cause under the circumstances specified in paragraph 3-8.

b. When the act of conduct on which the separation for cause is based is such that there is reasonable cause to believe that the employee is guilty of a crime for which a sentence of imprisonment can be imposed, the employee

will be given the lesser notice periods prescribed in the appendix for separation for cause.

3-12. Separation for gross inefficiency. Employees may be separated for gross inefficiency under the circumstances specified in paragraph 3-7.

3-13. Separation for disqualification. Employees may be separated for disqualification if they—

a. Are denied coverage under the AAFES fidelity bond.

b. Disavow or refuse to submit (or resubmit) AAFES FORM 1100-1 (Affidavit) and DD Form 98 (Armed Forces Security Questionnaire).

c. Are not granted the security clearance required for the employee's position (or if such security clearance is withdrawn). Separations for security reasons will be processed in accordance with the AR 230/AFR 40 series regulations.

d. Are determined to be physically or mentally unfit other than on a temporary basis, but only if the employees do not qualify for a disability separation.

3-14. Separation during probationary period. *a.* Employees may be separated during the probationary period based upon determination that it is not in the best interests of AAFES to continue to employ the individual.

b. Separation during the probationary period is not a prejudicial separation. It may result from a mismatching of employee and position, from a determination to reorganize or reduce personnel, or from the employee's inability to adjust to the work atmosphere.

c. Employees may be separated upon notice of separation up to and including the last day of their probationary period, even though the effective date of separation may occur subsequent thereto.

3-15. Separation for disability. *a.* Employees

whose physical or mental condition renders them incapable of performing the duties of their assigned positions for an indefinite period of time, as determined by the official with authority to separate the employee, may be separated for disability.

b. The official with authority to separate will require the employee to provide written evidence from the employee's physician attesting to his physical or mental capacity to perform useful and efficient service in his present position or any other position of similar responsibility and grade. The employee may be required to submit to an examination by a qualified physician retained by AAFES.

c. The official with authority to separate will determine whether it is appropriate to reassign the employee to another position for which he is otherwise physically or mentally qualified or to separate the employee for disability.

d. Separation for disability will be effective at the expiration of the notice period or, upon exhaustion of accrued sick and/or vacation leave, whichever is later. At the employee's option, he may receive a lump-sum payment for accrued vacation leave.

3-16. Separation for reduction in force. Employees may be separated for reduction in force under the provisions of paragraphs 4-12 through 4-16.

3-17. Separation because of death. The effective date of separation will be as of the close of business on the day of the employee's death.

3-18. Separation upon expiration of the agreed period. *a.* Employees will be separated upon expiration of the agreed period of employment unless such period has been extended or the employee has been converted to a regular full-time or regular part-time status. (See also

b. Separation under this paragraph will be appropriate only in cases where the employee was hired on a temporary full-time or temporary part-time basis or pursuant to an approved employment contract.

c. No notice of proposed separation or notice

of separation will be given to employees on a temporary full-time or temporary part-time basis or hired under an employment contract for a period of 1 year or less. However, a copy of the personnel action separating the employee will be furnished to the employee at least 1 week in advance of the effective date of separation.

d. Employees hired pursuant to an employment contract of more than 1 year will be given the notice provided in the appendix.

3-19. Separation from on-call employment. *a.* On-call employees who are not utilized at least 15 hours per month may be separated from on-call employment. The basis for separation will be shown as "services no longer required."

b. No notice of proposed separation or notice of separation will be given. A copy of the personnel action separating the employee from on-call employment will be furnished to the employee.

3-20. Separation based upon resignation. *a.* Employees will be separated based upon resignation in accordance with the following:

(1) Resignation will be submitted in writing to the employee's supervisor.

(2) Employees should indicate the reason for resignation and the effective date for separation.

(3) Employees should give AAFES notice as provided in the appendix, or longer whenever possible. If the prescribed notice is not given, a notation will be made on the employee's service record card. The notation will indicate the employee's reasons for giving short notice and whether the short notice was acceptable to AAFES.

b. Employees will be separated on the date indicated in their written resignation unless they are separated under some other paragraph prior to that date.

c. No notice of proposed separation or notice of separation will be given. A copy of the personnel action separating the employee based upon resignation will be furnished to the employee.

d. Employees may be separated under this paragraph when the employee resigns to avoid separation for cause, unsatisfactory performance, or gross inefficiency.

3-21. Separation based upon abandonment of position. Employees may be separated under this paragraph upon determination that the employee has abandoned his position. All reasonable efforts to contact the employee will be made prior to such determination and the determination normally will not be reached until at least 7 working days from the date the employee was last on the job. The effective date of separation will be the last day the employee was on the job.

3-22. Separation based upon declination of transfer. EMP employees and all USP employees who have signed affirmative mobility statements may be separated under this paragraph in accordance with the following:

a. When an employee declines a proposed transfer or requests reconsideration of a proposed transfer, his declination or request for reconsideration together with the reasons therefor will be forwarded in writing through AAFES channels to the Commander, AAFES, within 20 days after receipt of official notification of proposed transfer. The Commander, AAFES will evaluate the declination or request for reconsideration and determine whether the proposed transfer will be withdrawn. If the proposed transfer is not withdrawn, and the employee fails to accept the proposed transfer within 10 days after his receipt of such notification, the employee will be separated. Failure to respond to a notification of proposed transfer within 30 calendar days of its receipt will be construed as acceptance of the proposed transfer.

b. If a proposed transfer is withdrawn, the provisions above apply to each subsequent declination of proposed transfer.

3-23. Separation for maternity. *a.* Employees may be separated for maternity under the conditions specified in paragraph 5-34.

b. Employees will be given notice of separa-

tion for maternity. Separation will be effective 5 days after receipt of notice and/or after all accrued sick and vacation leave (in that order) is exhausted, if such leave exceeds 5 days. Employees, at their option, may be paid a lump sum for any accrued vacation leave. If the employee does not have 5 days sick and vacation leave, she will be placed on leave without pay for the remainder of the notice period.

3-24. Separation for retirement. *a.* EMP employees in the entry EMP grade level and above may be separated for retirement either at their own option or at the option of the Commander, AAFES when they—

(1) Have 30 years or more creditable exchange service and are 55 years old or older, or

(2) Have 20 years or more creditable exchange service and are 60 years old or older, or

(3) Are 62 years old or older.

b. All employees other than those specified in *a* above may be separated for retirement, at their option, when they meet the criteria specified in *a*(1), (2), or (3) above.

c. Employees are expected to give 90 days written notice of intention to separate for retirement. The notice may be withdrawn only upon approval of the Commander, AAFES.

d. Employees separated under *a*(1) and (2) above, at the option of the Commander, AAFES, are entitled to the options specified in paragraph 3-25c(2) (c), relative to request for reconsideration and request for a Show Cause Board; they are not entitled to request for review or grievance hearing under the provisions of section III, this chapter.

3-25. Separation for retirement (early). *a. Optional early retirement.*

(1) Employees who do not qualify under paragraph 3-24, but who are at least 52 years old and have at least 5 years of creditable exchange service, may be separated for retirement upon the employee's written request and with the approval of the Commander, AAFES.

(2) Employees are expected to request early retirement at least 90 days prior to the

requested effective date. The employee's request may be withdrawn any time prior to receipt of approval from the appointing authority.

(3) If early retirement is approved, the effective date will be the date approved by the appointing authority, except that the employee, at his option, may extend the retirement date 1 month.

b. Involuntary early retirement.

(1) An employee may be separated and involuntarily retired after he has completed 25 years of creditable exchange service or after he has attained age 50 and has completed 20 years of creditable exchange service.

(2) Involuntary separation for early retirement shall be deemed to have occurred if it is against the will and without the consent of the employee, other than for cause on charges of misconduct or delinquency, or if it results from the employee's refusal to accept a downgrade or from the employee's declination of transfer.

(3) The notice of proposed separation and notice of separation will be in accordance with the appendix for the appropriate reason for separation.

c. EMP early retirement.

(1) EMP early retirement under the provisions of this paragraph is a nonprejudicial action and is for the purpose of honorably retiring EMP employees who have served AAFES in a satisfactory manner for a long period of time, but who can no longer meet or fulfill EMP requirements and obligations. EMP early retirement applies to those employees who have EMP status, who are in an EMP grade level (para 5-8), and who are 45 years old or older and have 20 years or more creditable civilian service. EMP early retirement is not grievable.

(2) EMP employees to whom EMP early retirement applies, who are 45 years old or older and have 20 years or more creditable exchange service, may be retired at the discretion of the Commander, AAFES, under the following provisions and procedures.

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(a) EMP early retirement procedures may be pursued if—

1. It is determined that it is in the best interest of AAFES that the services of the employee should be terminated because his performance and potential are judged marginal or he is otherwise unable to meet AAFES requirements.

2. There is a record of marginal performance which is not considered substandard to the degree that would warrant separation for unsatisfactory performance, or

3. There is conduct on or off the job which is incompatible with acceptable standards for AAFES executives, but which is not of sufficient magnitude to warrant separation for cause.

(b) EMP early retirement may be recommended to the Commander, AAFES, through the appropriate AAFES channels by: EMP promotion boards, rating supervisors, reports of audits, inspections or field visits, or approving authorities of performance evaluation reviews.

(c) Upon the receipt of the recommendation for EMP early retirement, the facts will be identified and evaluated. If it is determined by the Commander, AAFES, that the recommendation is valid, the employee will be given a written notice of proposed separation which will advise of the intention to separate him effective the last day of the month following expiration of notice of separation period prescribed in the appendix. The notice of proposed separation will also advise the employee of the following options:

1. To accept EMP early retirement as set forth in the notice of proposed separation. Failure to respond within 21 days of receipt of the notice of separation will be construed as acceptance of the retirement action and no further recourse is available to the employee, or

2. To request reconsideration in writing direct to the Commander, AAFES, ATTN: Personnel Division, within 21 days of receipt of notice of separation stating the employee's reasons as to why such action should not be taken, or

3. To request in writing, through ap-

propriate channels, within 21 days of receipt of notice of separation or within 21 days of receipt of response to the request for reconsideration referred to in 2 above a hearing by a Show Cause Board appointed by the Commander, AAFES, to afford the employee opportunity to show cause why he should not be retired. Exercise of the option to request reconsideration in writing (2 above) does not preclude a hearing before a Show Cause Board, provided the request for a Show Cause Board hearing is made within 21 days of the receipt of the response to the request for reconsideration. Acceptance by the employee of an unfavorable response to a request for reconsideration or failure to request a Show Cause Board hearing within 21 days of receipt of such unfavorable response will be construed as acceptance of the response, and the employee will have no further recourse. The Show Cause Board will make recommendations to the Commander, AAFES, whose decision is subject to review by the Chairman, Board of Directors, whose decision is final.

(d) If the decision of the Commander, AAFES is adverse to the employee, he will be advised that within 10 days after receipt of the decision he may submit through the Commander, AAFES a request for review by the Chairman, Board of Directors.

(e) The Show Cause Board will be composed of three employees qualified to serve on a Central Promotion Board for the grade held by the employee, appointed on written orders by the Commander, AAFES, specifying the matters to be heard, the action to be taken, and the scope of the findings required. Employees who participated in recommending early retirement of the employee concerned may not serve on the Board. The orders will also designate the senior member as chairman and the junior member as recorder. All members will be voting members. The Commander, AAFES will appoint an employee in writing to represent management in hearings before the Board.

(f) The Board chairman will be responsible for giving advance notice in writing to all persons concerned in the case, with instructions regarding the nature of their

participation. Notices will include date, time, and place of the hearing; a statement of the purpose of the hearing and of the right of both sides, including the Board, to produce evidence in documentary form or by testimony of witnesses; a statement of the right of the employee to secure assistance and information through appropriate offices and of his right to have representation and his responsibility to arrange for that representation.

(g) The testimony of witnesses who are not readily available may be introduced by written statements or by deposition as written interrogatories.

(h) The Board will meet at the call of the Chairman and as often as necessary to complete the hearing and prepare its report. The hearings will be closed except as directed by the Commander, AAFES. The primary function of the Board is to ascertain and report the facts in order that the Commander, AAFES may have adequate information on which to base his decision.

(i) Hearings will be conducted in accordance with procedures prescribed and published by the Commander, AAFES in AAFES publications. The record may be a verbatim transcript or written summary as directed by the Commander, AAFES.

(j) The Board will prepare and forward a report in duplicate to the Commander, AAFES as soon as possible but, except for extraordinary circumstances, not later than 10 days after receipt of the record of the hearing.

(k) The report will include as a minimum—

1. The request for a Show Cause Board hearing.
2. Orders appointing the Board.
3. Notices of the hearing.
4. The record of the hearing with exhibits.
5. The Board's statement of the issues.
6. The findings. Findings should be made on each point in issue.
7. The recommendation, which must be appropriate to, and consistent with, the findings.

(l) In case of disagreement among members of the Board, separate reports may be submitted as to findings, recommendations or both.

(m) The recorder will be responsible for the proper preparation of the report.

(n) Reports will be signed by members of the committee. If separate reports are submitted, they will be signed by the committee members submitting such separate reports.

(o) The Commander, AAFES will render a written decision within 20 days of the receipt of the Board report and so advise the employee. If the decision of the Commander, AAFES is adverse to employee, he will be advised that within 20 days after receipt of the decision he may request through the Commander, AAFES a review by the Chairman, Board of Directors. A copy of the decision of the Commander AAFES will also be forwarded to the AAFES activity where the employee is assigned.

(p) A request for a review of the decision of the Commander, AAFES must be in writing, state the part of the approved findings being questioned, and the basis for the request for review. A copy of the report will be made available for the use of the employee in the preparation of a request for a review.

(q) The reviewing authority (Chairman, Board of Directors) will secure the legal advice of The Judge Advocate General of the Army or of the Air Force prior to rendering his decision. The reviewing authority will render his decision within 30 days after receipt of the request for review. The decision will include the statement that, unless the hearing is to be reopened, the decision is final and not subject to further review. The reviewing authority may approve or disapprove the decision of the Commander, AAFES or remand the case for further hearing, in which event he will prescribe in detail further action to be taken. One copy of the decision will be forwarded to each of the following: the employee, the Commander, AAFES, and the AAFES activity where the employee is assigned.

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3-26. Separation for retirement (mandatory). *a.* Employees will be separated for retirement at age 62, except as provided below. Notice of proposed separation for retirement will be given in accordance with the appendix.

b. Employees will have 60 days after receipt of notice of proposed mandatory retirement to submit a request for extension of employment, if they so desire. If approved, extensions will not be granted in increments of more than 1 year. In case of disapproval, notice of separa-

tion will be in accordance with the appendix; i.e., at least 150 days prior to the date when the employee will be 62 years old or the date he is to retire or, if he was previously extended for 1 year, at least 150 days prior to the date he is then scheduled to retire. In case of approval of the request for extension, the employee will be informed without delay. The Commander, AAFES may revoke any extension beyond age 62 at any time, subject to the notice periods provided in the appendix.

Section III. REQUESTS FOR REVIEW AND GRIEVANCES

3-27. Complaints—general. *a.* Complaints will be dealt with in an expeditious manner and as informally as possible.

b. An employee who has a complaint will first report to his first line supervisor. The supervisor will make every reasonable attempt to resolve it. Should the employee be dissatisfied with the decision rendered, he will present his complaint orally to his second line supervisor who will informally investigate the facts of the case and attempt to resolve it.

c. If the complaint is against the first line supervisor, or if the employee believes that discussion of his complaint would be prejudicial to his interests, he may, after notifying his first line supervisor, present his complaint directly to his second line supervisor. If the second line supervisor does not satisfactorily adjust the complaint, the employee may present his complaint to his third line supervisor for adjustment.

d. If the employee is not satisfied with the action taken, he may submit a grievance or a request for review in accordance with paragraphs 3-28 through 3-37. The provisions of *a* through *c* above will not prevent the employee from immediately submitting a grievance or a request for review if the employee believes that the nature of his complaint is such that it cannot be resolved by discussion with supervisors.

e. It is an employee's right to submit requests for review and grievances. The employee will be advised of his rights and, upon request, will be provided assistance by the per-

sonnel office in preparing his written request for review or grievance. No employee will be intimidated or coerced not to exercise his right and no employee will be discriminated against nor will reprisals be taken because of exercise of such right. The employee will be advised of his right to be represented at a grievance hearing by counsel or any other individual selected by the employee and at the employee's expense. In addition, one AAFES employee selected by the grievant who consents to serve may have time off from his duties for the purpose of representing grievant at the hearing and up to 8 hours time off from his duties for the preparation of grievant's case. AAFES employees assigned to General Counsel or personnel duties may not serve as the grievant's representative. Employee may not have more than two representatives during the hearing, including legal counsel. If the employee has two representatives during the hearing one must be designated as his lead representative or counsel at the beginning of the hearing.

f. Where a collective bargaining agreement containing a procedure for the review of complaints or grievances has been negotiated with a labor organization having exclusive recognition under EO 11491, as amended, an employee within the unit to which the agreement is applicable may select either the procedures in the negotiated agreement or the procedures under this section, but not both, except that a negotiated employee grievance procedure which conforms to EO 11491, as amended, to applicable laws, and to regulations of the

United States Civil Service Commission and this section is the exclusive procedure available to employees in the unit when the agreement so provides.

3-28. Request for review. *a.* Employees may submit written requests based upon—

(1) Matters pertaining to the application and interpretation of governing laws, regulations, manuals, and other directives.

(2) Job descriptions, grade allocation and reallocation.

(3) Assignment and reassignment.

b. Requests for review must pertain to matters which are personal to the employee.

c. The request for review will be submitted to the employee's immediate supervisor in writing within 21 days after the effective date of the action to be reviewed or at any time if the request for review relates to a continuing situation or condition. The supervisor will forward the request for review through AAFES channels to the Commander, AAFES ATTN: Personnel Division. The Commander, AAFES, or his designee, will issue a written response to the employee.

3-29. Grievances. *a.* Employees may submit grievances on all matters except—

(1) A matter properly a basis for consideration under the Equal Opportunity procedures.

(2) Notices of proposed personnel actions.

(3) Voluntary actions on the part of the employee including, but not limited to, abandonment of position.

(4) Separation for disqualification (except pursuant to para 3-13d).

(5) Separation during probation.

(6) Separation upon expiration of the agreed period.

(7) Separation from on-call employment.

(8) Separation for retirement (mandatory).

(9) Wage, salary, or commission rates and schedules.

(10) Matters not personal to the employee.

(11) Separation for security reasons (para 3-13c).

(12) Warning letter (para 3-2).

(13) A decision to disapprove a superior accomplishment award or other type of honorary or discretionary award.

(14) Cases involving unfair labor practices as set forth in EO 11491, as amended, unless the issues involved are otherwise subject to this grievance procedure.

(15) Cases which involve assessment of pecuniary liability.

(16) Proposals, petitions, and complaints of employee unions and organizations.

(17) Actions directed by Department of Defense, Department of the Air Force, Department of the Army, or other Federal agencies.

(18) Substantive content of regulations and directives.

(19) Organizational changes and manpower requirements.

(20) Matters which are properly subject for a request for review under paragraph 3-28.

(21) A decision not to designate an employee an EMP employee.

(22) A decision by the Commander, AAFES, to retire an employee under the provisions of paragraph 3-25c and paragraphs 3-24a(1) and (2).

(23) Nonselection for promotion where grievant's sole allegation is that he is better qualified than the person selected.

(24) Frivolous or facetious matters.

b. If the management official (para 3-30a) determines that an employee's complaint is nongrievable, he will so advise the employee in writing. The employee may within 10 days of his receipt thereof appeal this determination to the Commander, AAFES, ATTN: Personnel Division. The determination of the Commander, AAFES, on whether or not an item is

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grievable is in all cases final and not subject to further appeal or review.

c. If an employee desires to pursue his complaint or grievance beyond the steps set forth in paragraph 3-27b and c, he must submit his grievance in writing to the AAFES personnel office at the employee's place of employment; i.e., exchange, ER, area or regional headquarters, OES headquarters, or Headquarters AAFES, as appropriate. The grievant must state his grievance in sufficient detail to permit the official considering it to understand its basis and must also state the remedy requested, which must be personal to him. The matter, issues, and requested remedy brought before a grievance examiner will be limited to those set forth by the employee in his written complaint. However, the employee may, 10 days or more prior to the date set for the convening of the grievance hearing, amend his complaint to add new issues or requested remedies. The grievance must be submitted in writing—

(1) Within 21 days after the effective date of the action provoking the complaint; or

(2) Within a reasonable time after the complaining party becomes aware of the problem, if the grievance relates to a continuing situation which was not the result of a personnel action.

d. The personnel office maintaining the grievant's personnel records, will, upon the grievant's request, assist the grievant in preparing his written request for a grievance hearing.

e. The request for grievance will be forwarded to the management official. Requests for grievance which are not in accordance with a and c above will be returned to the grievant with an explanation as to why they will not be accepted. The grievant will be given 10 days to resubmit his request for grievance in accordance with a and c above. If the grievant fails to resubmit his grievance within 10 days, the grievance will be considered withdrawn.

f. Grievance procedures will be in accordance with procedures prescribed and published by the Commander, AAFES, in AAFES publications.

3-30. **Management official.** a. Except as provided below, the management official is the chief AAFES executive, military or civilian, of an AAFES organizational element (CON-US, Offshore or OES exchange; CONUS, Offshore or OES area or region; OES headquarters).

(1) If the grievant is assigned to Headquarters AAFES, the management official is the Director, Administrative Services Division, HQ, AAFES.

(2) If the grievant is an EMP employee whose EMP status is withdrawn by the Commander, AAFES or who is suspended or separated by the Commander, AAFES the management official is the Commander, AAFES.

(3) If the grievant is the chief AAFES executive of an AAFES organizational element, the management official is the chief AAFES executive of the next higher organizational element.

b. The management official will—

(1) initially determine whether requests for grievance comply with the provision of paragraphs 3-29a and c;

(2) forward proper requests for grievance to the grievance examiner in accordance with paragraph 3-31b;

(3) select the individual to represent management during grievance hearings;

(4) provide facilities, a court reporter or stenographer, recording equipment and any other assistance required by the grievance examiner;

(5) file any appeal required on behalf of management;

(6) perform such other related functions as prescribed by the Commander, AAFES.

3-31. **Grievance examiners.** a. Grievance examiners are qualified individuals who conduct grievance hearings as prescribed by the Commander, AAFES.

b. Upon receipt of a request for a grievance hearing which meets the requirements of paragraph 3-29c, the management official will fur-

nish one copy of the request to the grievance examiner. The grievance examiner will be responsible for establishing the date, time and place of the grievance hearing in coordination with the parties concerned. He will also be responsible for giving advance notice in writing to all persons concerned in the case, with instructions regarding the nature of their participation. Notices will include the date, time and place of the hearing; a statement of the purpose of the hearing and of the right of both the grievant and management to produce evidence in their behalf in documentary form or by testimony of witnesses; a statement of the right of both the grievant and the management representative to secure assistance and information from the servicing personnel office; and of the right of the grievant to have representation and his responsibility in arranging for that representation.

c. The grievance examiner will conduct the hearing in accordance with procedures prescribed and published by the Commander, AAFES in AAFES publications. The functions of the grievance examiner are to ascertain and acquire all relevant facts, to evaluate and weigh those facts, to identify the issues involved, to make findings of fact and to render a decision on the grievance binding upon both management and the grievant, subject to appropriate appellate rights. The grievance examiner will prepare a record of the grievance hearing which will include a verbatim transcript or a summarized record of the hearing, a statement of the issues involved, appropriate findings of fact and a statement of his decision, including instructions for corrective action where required. The record may be a verbatim transcript or a summarized record of the hearing at the option of the grievance examiner.

d. Evidence introduced during the hearing will be limited by the grievance examiner to matters material and relevant to the grievance. Both the grievant and management will be entitled to present a summation which may include comments on all relevant factual and legal issues involved.

3-32. Preparation for hearing. a. The management official will select an individual to pre-

pare and present the case for management. The grievant and the management official will notify the grievance examiner in writing of the identities of their respective representatives in advance of the hearing.

b. The grievance examiner is authorized to consult with the grievant and the management official and/or their representatives on an informal basis in advance of the hearing in order to clarify the issues, attempt an informal resolution, secure agreement as to certain undisputed facts, and to attempt to narrow the issues to be considered during the hearing.

3-33. Grievance records. a. The transcript of the grievance hearing will be prepared in duplicate and will be forwarded to the grievance examiner. After action by the grievance examiner, the original of the complete record will be forwarded to the management official. A copy will be made available for the use of the grievant by the management official or by the grievance examiner, as appropriate.

b. The grievance record will include as a minimum:

- (1) The request for a grievance hearing.
- (2) Notice of the grievance hearing.
- (3) The transcript/record of the hearing with exhibits.
- (4) The grievance examiner's report which will include:
 - (a) A statement of the issues.
 - (b) A statement of the findings of fact.
 - (c) The grievance examiner's decision with instructions for appropriate corrective action where required.

c. The cost of preparation of the verbatim transcript/summarized record of the hearing will be chargeable to the AAFES element to which the grievant is (or was) assigned. The grievant may secure a personal copy of the record at his expense from the management official.

d. The grievance examiner is responsible for the proper preparation of the record and he will sign the report portion of the record prior to forwarding in accordance with paragraph 3-34a.

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3-34. Decision of grievance examiner. *a.* The grievance examiner will render a written decision on the grievance. Copies of the grievance examiner's decision will be forwarded to the grievant, to the management official, and to any intermediate headquarters, ER and OES headquarters, as appropriate. If the grievant's requested remedy is disapproved, he will be advised that he may appeal the decision in accordance with paragraph 3-35. If the grievant's requested remedy is approved, the management official will be advised that he may appeal the decision in accordance with paragraph 3-35. If the grievant's remedy is approved in part and denied in part, both the grievant and the management official will be advised of their right to appeal.

b. In the event corrective action by management is required by the decision of the grievance examiner, implementation of the corrective action may, at management's option if an appeal is to be filed, be deferred pending appeal and decision by the appellate authority. The appeal and decision by the appellate authority will be accomplished on a priority basis as expeditiously as possible.

3-35. Right to appeal. *a.* Both the grievant and the management official may appeal unfavorable decisions of the grievance examiner.

b. Appeals must be in writing, must state the part of the determination of the grievance examiner being appealed and the basis for the appeal. The appealing party may attach additional written arguments in support of his appeal. Appeals must be forwarded to the grievance examiner within 10 days after the appealing party's (receipt) of the decision of the grievance examiner. An extension of the 10-day time limitation may be authorized by the grievance examiner upon written application of the appealing party [presented prior to the expiration of the 10-day period.] A copy of any appeal submitted by either interested party will be forwarded to the other party.

c. The grievance examiner will attach a copy of the record of the hearing to any appeal submitted before forwarding to the appellate authority. In the event of an appeal by both the

grievant and the management official, both appeals and a copy of the record of the hearing will be forwarded by the grievance examiner to the appellate authority.

d. The grievance examiner, if his decision is appealed, may reconsider and change his prior decision on the grievance at any time prior to forwarding of the appeal and record to the appellate authority. If, as a result of his reconsideration, the grievance examiner alters his prior determination, both the grievant and the management official will be so advised. In any such case, the appeal rights prescribed in paragraph 3-34a will again apply.

3-36. Appellate authority. *a.* The appellate authority is as follows:

(1) If the management official is a CONUS or Offshore exchange general manager, an ER Chief, or the Director, Administrative Services Division, HQ AAFES, the appellate authority is the Commander, AAFES, or his designee.

(2) If the chief executive of an OES exchange, area or region is the management official, the appellate authority will be OES commander.

(3) If the OES commander is the management official, the appellate authority will be the Commander, AAFES, or his designee.

(4) If the Commander, AAFES, is the management official, the appellate authority will be the Chairman, Board of Directors.

b. The appellate authority will secure the legal advice of his servicing General Counsel prior to rendering his determination except that when the Chairman of the Board of Directors is the appellate authority, he will secure the legal advice of The Judge Advocate General of the Army or of the Air Force, as appropriate, prior to rendering his determination.

3-37. Determination by appellate authority.

a. The appellate authority will render a written determination on the appeal. The written determination will, unless the hearing is to be reopened or unless other corrective action re-

quiring further review is to be taken, include a statement that the determination by the appellate authority is final and not subject to further appeal or review. The appellate authority may approve, disapprove, or amend the decision of the grievance examiner, return the case for further hearing, or return the case for other corrective action and will pre-

scribe in detail further action which will be taken, including return to duty or other appropriate action.

b. One copy of the determination will be forwarded to each of the following: the grievant, the grievance examiner, the management official, and any intermediate headquarters, ER and OES headquarters as appropriate.

CHAPTER 4

ASSIGNMENT AND COMPENSATION

Section I. JOB AND PAY RATE CHANGES

4-1. Explanation of terms. *a. Base salary.* Base salary is the rate of pay for a given grade and step, exclusive of any overtime, differential, allowance, holiday premium pay or other emoluments.

b. Grade. Grade is the numerical designation within the applicable pay plan which reflects the relative degree of difficulty or responsibility of a job and identifies the range for base salary.

c. Step. A step is a numerical designation within a grade which reflects a specific salary within the base salary range established for the grade.

d. Promotion. A promotion is the grant of a higher grade to an employee.

e. Step advancement. A step advancement is the grant of a higher step within the same grade to an employee.

f. Reallocation. Reallocation is the change of the grade (either up or down) assigned to a particular job, based upon a change in the assigned duties and/or responsibilities. Reallocation includes changes in grade as a result of volume fluctuations (of sales, employees supervised or administered, and bank deposits) for certain jobs (para 4-22).

g. Transfer. A transfer is the change in assignment of an employee.

(1) *Administrative transfer.* An administrative transfer is a change resulting from a reorganization without a change in the employee's job assignment or worksite.

(2) *Local transfer.* A local transfer is a change in the assignment of an employee. It

may or may not involve a change in the work site of the AAFES activity to which the employee is assigned. A transfer is a local transfer as long as the difference in the distance between the employee's residence and the old worksite, and the distance between the employee's residence and the new worksite, is less than 30 miles by the usually traveled route (e.g., if the distance between residence and old worksite were 10 miles and the distance between residence and new worksite were 35 miles, the difference in distance would be 25 miles and the transfer would be a local transfer).

(3) *Nonlocal transfer.* A nonlocal transfer is a change in the assignment of an employee which involves a new worksite and the difference in distance between the employee's residence and the old and new worksites is 30 miles or more ((2) above).

(4) *Determination of transfers.* In unusual circumstances, when application of the definitions contained in (2) and (3) above results in obvious inequities, other factors such as commuting time or difficulty in making transportation connections may be considered in determining whether a transfer is local or nonlocal. All such cases must be approved by the Commander AAFES.

h. Downgrade. A downgrade is the reduction of an employee's grade, except that it also includes transfers at the grade pursuant to paragraph 4-5a(1) (b)2.

i. Temporary promotion. A temporary promotion is a promotion as a result of an assignment pursuant to paragraph 4-7.

j. Detail. A detail is a temporary assignment and not a transfer.

k. Reduction in force (RIF). A RIF is a reduction in the work force of an exchange, an ER, an OES area or region, an OES headquarters, or Headquarters, AAFES.

l. Training assignment. A training assignment is an assignment of an individual to a new position with a higher allocated grade, or assignment of a new appointee to a position for which he is not yet qualified and for which he needs further training.

m. Conversion. A conversion is a change in an employee's employment category, in the pay plan under which an employee is paid or from one Hourly Pay Plan current wage schedule to another.

4-2. Promotion. *a.* An employee may be promoted based upon a transfer, reallocation or completion of training under paragraph 4-11. Employees are selected for promotion on the basis of performance, potential, length of AAFES service, and veteran status, in that order of importance. Promotions will be effective with the first day of a pay period.

b. Employees paid under the Hourly Pay Plan will be promoted to the lowest step in the new grade which results in an increase at least equivalent to a one-step increase in the old grade. If the employee was at the highest step of the old grade, then the increase must be at least equivalent to the difference between the next to highest and highest step of the old grade.

c. Employees paid under the Universal Salary Plan will be promoted to the lowest step in the new grade which results in an increase at least equivalent to a two-step increase in the old grade. If the employee was at the next to highest or highest step of the old grade, then the increase must be at least equivalent to the difference between the highest step and the second from the highest step of the old grade.

d. If application of *b* or *c* above would result in a base salary higher than that for the highest step of the new grade, then the employee

will be promoted to the highest step in the new grade.

e. Promotions to an EMP grade level may be made in accordance with section II, chapter 5.

f. An employee who is to be promoted and who has been receiving pay at a rate applied under salary retention pursuant to paragraph 4-8 will be promoted from the step which he would be receiving had salary retention not been applied.

g. Notwithstanding any other provision of this regulation, no USP employee will be promoted more frequently than once each 12-month period or to a grade more than one grade higher than his current grade except under conditions prescribed by the Commander, AAFES.

4-3. Step advancement. *a.* Step advancements will be effective with the first pay period following completion of the prescribed waiting period.

b. Step advancements may be authorized as provided below:

(1) HPP and USP employees are eligible for advancement to the next higher step (unless they are in the highest step) after serving the following periods in the current step of the grade held.

(a) HPP—four-step rate schedule.

1. Step one for 26 weeks.
2. Step two for 52 weeks.
3. Step three for 78 weeks.

(b) HPP—six-step rate schedule.

1. Step one for 26 weeks.
2. Step two for 52 weeks.
3. Step three for 52 weeks.
4. Step four for 52 weeks.
5. Step five for 78 weeks.

(c) USP step rate schedule.

1. 52 weeks each in step one, two, and three.
2. 104 weeks each in step four, five, and six.
3. 156 weeks each in step seven, eight, and nine.

(2) Step advancements will be granted except when—

(a) The employee is not performing at a satisfactory level.

(b) The employee is given written notice prior to eligibility for step advancement that the step advancement is being withheld. Such notice must indicate—

1. Specifically the respects in which his performance is not considered satisfactory.

2. What steps the employee should take to improve his performance.

3. That the employee's performance will be reviewed again in 60 days.

If the level of performance is then considered satisfactory, the step advancement will be granted effective with the beginning of the next pay period. If performance is not yet at a satisfactory level, the employee will be notified in writing of the respects in which the performance is still not satisfactory, that the step advancement will be withheld, and that the employee will be considered again for step advancement 1 year from the date of initial eligibility for the step advancement.

(3) For creditable service toward step advancement while in LWOP status, see paragraph 5-31.

4-4. Reallocation. a. Jobs will not be reallocated retroactively except as may be authorized under the provisions of paragraph 4-22 on jobs where grades may fluctuate.

b. If the job to which an employee is assigned is reallocated to a higher grade than the one the employee currently holds, but less than the EMP entry grade, one of the following actions will be taken to be effective with the first pay period following receipt of the official authorization:

(1) Promote the employee to the higher grade subject to the provisions of paragraph 4-2g, or

(2) Designate the employee for a training assignment, under paragraph 4-11, or

(3) Transfer the employee laterally, if subject to transfer in accordance with para-

graph 4-5, or if not, with the consent of the employee, or

(4) Detail the employee to the higher grade position or to another position, or

(5) Temporarily promote the employee to the higher grade in accordance with paragraph 4-7.

c. If the job to which an employee is assigned is reallocated to a grade lower than the one the employee currently holds, one of the following actions will be taken to be effective with the first pay period following receipt of the official authorization (consistent with any required notice periods):

(1) Promotional transfer in accordance with paragraphs 4-2 and 4-5.

(2) Lateral transfer if the employee is subject to transfer in accordance with paragraph 4-5, or if not, with the consent of the employee, or

(3) Downgrade in accordance with paragraph 4-6, unless the employee has a personal grade.

4-5. Transfer. a. Transfers may be lateral, promotional, or downgrade.

(1) A lateral transfer is a change in assignment with no change in grade and step (except where required as stated in (b) below).

(a) USP employees will be laterally transferred at the same grade and step.

(b) HPP employees will be laterally transferred (on the same or different wage schedule) as follows:

1. At the same grade and step if this results in the same base salary.

2. At the lowest step in the same grade which results in a base salary at least equal to the current base salary. Where the employee is transferred to the highest step of the new grade but this results in a lower base salary, the transfer is a downgrade and the provisions on downgrade apply.

(2) A promotional transfer is a change of assignment resulting in a higher grade. The

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provisions of paragraph 4-2 on promotions apply.

(3) A downgrade transfer is a change of assignment resulting in a lower grade. The provisions of paragraph 4-6 on downgrade apply.

b. Transfers may be administrative, local, or nonlocal (para 4-1). Administrative transfers have no effect on the employee's base salary and may be implemented at any time and without any notice to the employee.

c. Local transfer may be made on the following basis:

(1) Lateral transfers may be made at any time and for any reason, as determined to be in the best interests of AAFES. Reasons for such transfers may include, but are not limited to, RIF, reallocation, unsatisfactory performance during a warning period (para 3-2), and more effective use of the work force.

(2) Promotional transfers may be made at any time and without notice when determined to be in the best interest of AAFES.

(3) Downgrade transfers may be made based upon—

(a) RIF.
(b) Unsatisfactory performance (para 3-2).

(c) The consent of the employee.

d. Nonlocal transfer of HPP employees and employees not specified in e below, may be made on a voluntary basis. These employees will be transferred nonlocally upon determination by the OES commander of the Commander, AAFES that the employee has skills or experience which are critically needed and not readily available in the labor market of the receiving AAFES activity.

e. Nonlocal transfer of EMP employees and all USP employees who have signed affirmative mobility statements is essential to the worldwide efficiency of AAFES.

(1) It is the objective of AAFES not to make a nonlocal transfer during the employee's normal tour of duty, except as a result of—

(a) RIF.

(b) Unsatisfactory performance (para 3-2).

(c) Operational requirement for specific skills or experience which the employee possesses and he is determined to be the best qualified and available for the position concerned.

(2) Tours of duty in CONUS are normally 4 years. Tours of duty in other areas will be published by the Commander, AAFES.

(3) It is the objective of AAFES not to prescribe oversea tours of duty which require a period of service outside the 48 contiguous states and District of Columbia for more than 5 years, except when extended service is authorized and approved by the Commander, AAFES.

(4) It is the objective of AAFES to give notice of proposed promotional or lateral transfer to employees 6 months prior to the effective date and notice of transfer 4 months prior to the effective date, except as a result of—

(a) RIF, in accordance with the provisions of paragraphs 4-12 through 4-16.

(b) Unsatisfactory performance (para 3-2). Advance notice consistent with the protection of AAFES interest will be given.

(c) Operational requirement ((1) (c) above). Notice of proposed transfer and notice of transfer will be given as early as possible under the circumstances.

(5) It is contrary to AAFES policy to downgrade transfer employees, except as a result of—

(a) RIF.

(b) Unsatisfactory performance during a warning period (para 3-2).

(c) Voluntary downgrade transfer initiated by the employee.

(6) Transfer to a lower graded position of an EMP employee who has been granted a personal grade in accordance with paragraph 4-9 is not a downgrade transfer except as provided in paragraph 4-6b.

4-6. Downgrade. *a.* Employees may be downgraded as a result of—

(1) Unsatisfactory performance (para 3-2).

(2) Reallocation (including reallocations due to volume fluctuations).

(3) Transfer pursuant to RIF.

(4) Voluntary downgrade transfer initiated by the employee.

(5) Reinstatement to a lower grade position.

(6) Declination of EMP status when nominated, selected and/or promoted under paragraphs 5-8 and 5-10 as applicable.

b. EMP employees in the entry EMP grade level and above may be downgraded (from their personal grade) pursuant to *a*(1), (4), or (5) above in accordance with section II, chapter 5. Assignment of these EMP employees to a job with a lower allocated grade is not a downgrade.

c. In case of downgrade the notice of proposed downgrade (or downgrade transfer) must be given to the employee indicating the basis for the downgrade and the proposed effective date. Fifteen days or more after notice of proposed downgrade, notice of downgrade will be given. The notice period will be 30 days except that under *a*(2) (reallocations due to volume fluctuations only) and (5) above no notice will be given.

d. Downgrade pursuant to *a*(1) above will be to the first step of the lower grade.

e. Downgrade pursuant to *a*(2), (3), (4), or (5) above will be to the highest step rate of the lower grade for which the base salary does not exceed the employee's current base salary. In these cases, time spent in the step last held in the former higher grade will be credited toward the next step advancement in the lower grade.

4-7. Temporary promotion. *a.* USP employees may be granted temporary promotions under the following circumstances:

(1) When assigned to hardship areas specified by the Commander, AAFES.

(2) When the employee's current grade is lower than entry EMP grade level and the position the employee occupies is reallocated higher than his current grade.

b. Employees granted temporary promotions will be paid at the temporary grade and step as if the employee has been promoted in accordance with paragraph 4-2c.

c. Temporary promotions granted during assignments to hardship areas pursuant to *a*(1) above will be in effect for the period of assignment. Temporary promotions granted pursuant to *a*(2) above will be in effect for a period not to exceed 18 months. However, employees are eligible for consideration for regular promotions during the period of temporary promotion. Upon expiration of the 18-month period, employees who remain in the same position will be regularly promoted pursuant to paragraph 4-2 to the allocated grade of the position.

d. Unless the employee is promoted pursuant to paragraph 4-2, the employee will be returned to his former grade and step not later than completion of the periods prescribed in *c* above. Such return is not a downgrade. Service time in the temporary promotion grade will be credited toward eligibility for step advancements, and the employee will be granted any step advancement for which he would have become eligible in his former grade.

4-8. Salary retention. *a.* Regular full-time USP and regular full time HPP employees who are downgraded (but continue to be regular full-time) through no request or fault of their own will be granted salary retention in accordance with *b* through *e* below. (See also para 4-17.) Salary retention is not applicable to employees in EMP grade level and status or to Commission Pay Plan employees.

b. Employees will be granted salary retention provided they—

(1) Were assigned to a position with a higher grade for at least the 2 previous years immediately prior to downgrade (excluding temporary promotion grades). This period in-

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cludes any period or periods of nonpay status occurring in the 2-year period.

(2) Performed satisfactorily during this period as reflected on their performance evaluations.

c. Salary will be retained at the base salary in effect on the date of downgrade for the grade and step held by the employee, except that if an employee had more than one higher grade during the preceding 2 years, the salary will be retained at the base salary in effect on the date of downgrade for the highest step held in the lowest grade held during such period.

d. HPP employees who were not assigned to a position with a higher grade for the 2 previous years may be eligible for salary retention as follows:

(1) If the employee has performed satisfactorily for at least the 2 previous years and his base salary during the period was always higher than his base salary after downgrade, he will be granted salary retention.

(2) The base salary retained will be equal to the base salary he earned at the time of downgrade.

e. Salary retention is terminated at any time the employee's base salary equals or exceeds the base salary retained, or 2 years after downgrade, whichever occurs earlier. The salary retention period after downgrade includes any period or periods of nonpay status.

4-9. Personal grades. a. Employees in the entry EMP grade level and above, upon approval by the Commander, AAFES (Board of Directors for special rate), may be designated EMP employees and granted a personal grade equal to or higher than their current grade.

b. EMP employees in the entry EMP grade level and above will be paid at their personal grade regardless of the grade allocated for the job to which they are assigned.

4-10. Details. a. Employees may be detailed in accordance with b through e below to facilitate more effective use of AAFES personnel. No employee has the right to be detailed ex-

cept as specified below. In certain cases, employees may be eligible for higher pay during the period of a detail. However, except as specifically provided, an employee is not considered promoted and termination of the detail and payment at the former grade and step is not a downgrade. Employees may be detailed to lower, equal or higher graded positions, except that no employee will be detailed to a position clearly inconsistent with his skill and experience level. Details will not be used over a long period of time in lieu of other appropriate personnel actions such as recruitment, promotion, or transfer. Personnel actions, when required, will specifically indicate that the employee has been detailed. A detail is not a transfer. Details are normally to the same worksite, but, when necessary, employees may be detailed within the local transfer area. In unusual circumstances, an employee may be detailed to a position outside the local transfer area on a TDY basis.

b. An HPP employee may be detailed for the following and similar reasons: absences; unfilled positions; special projects; pending other personnel actions such as promotion, downgrade, transfer, or separation. Details of HPP employees will be made for the following periods and under the following conditions:

(1) Details of 15 calendar days or less. No personnel action will be prepared and the employee will continue to be paid at his assigned grade and step.

(2) Details of more than 15 calendar days and up to and including 180 calendar days. A personnel action will be prepared. The employee will be paid at the higher of his currently assigned grade and step or the detail grade and step (as if the employee had been promoted). If the detail grade and step is higher, then the pay will begin with the first day of the pay period following the 15th calendar day of detail.

(3) Details will not exceed 180 days.

c. USP employees may be detailed for the reasons given in b above. Details of USP employees may be made for the following periods and under the following conditions:

(1) Details of 30 calendar days or less. No personnel action will be prepared and the employee will continue to be paid at his assigned grade and step.

(2) Details of more than 30 calendar days but no more than 120 calendar days. Personnel action will be prepared but the employee will be paid at his assigned grade and step.

(3) Details of over 120 calendar days up to one year. A personnel action will be prepared. The employee will be paid at the higher of his currently assigned grade and step or the grade and step of the detail position, as if the employee had been promoted, except that if the grade of the detail position is an EMP grade, the provisions of section II, chapter 5 apply. If the detail grade and step is higher, then the pay will begin with the first day of the pay period following the 120th calendar day of detail.

(4) Details will not exceed 1 year.

d. Employees continued in a detail position (at the same or higher grade than the employee's assigned grade) longer than prescribed in b(3) or c(4) above will be—

(1) Laterally transferred to the position to which he was detailed if the detail position is at the same grade.

(2) Promotionally transferred to the position to which he was detailed if the detail position is at a higher grade than the position from which he was detailed. If the transfer is to an EMP grade level position, the provisions of section II, chapter 5 apply.

e. Employees detailed to lower graded positions will be returned to their assigned position no later than at the end of the periods specified in b(3) or c(4) above.

4-11. Training assignments. a. A training assignment is an appointment or transfer of an employee to a position for which he is not fully qualified. (This paragraph does not apply during the period that employees are trainees in the Management Development or College Trainee programs as set out in section IV, chapter 5, or to employees occupying HPP or EMP grade level positions.)

b. The employee's grade and step during the training assignment will be—

(1) Current grade and step (plus any step advancements accrued during the training assignment). During a training assignment, an employee may be given interim increases to grades lower than that allocated to the position for which he is being trained. Progression through intermediate grades lower than the grade of the position for which the employee is being trained is not subject to the provisions of paragraph 4-2c. The interim increase may be to any intermediate grade and step which will result in a salary increase but which will provide a lower salary than that of the grade and step for which the employee would have been eligible, had he been fully qualified. Promotion from the interim grade to the allocated grade upon completion of training will be in accordance with paragraph 4-2c, except that the employee will not be granted a step exceeding that which he would have reached had he been promoted to the allocated grade as a fully qualified employee at the time he was given the training assignment.

(2) For new appointees, step one of the grade which is not more than two grades lower than the grade allocated for the position.

c. An employee will be placed in a training assignment only when—

(1) He is newly appointed, or

(2) He is assigned to a position with a higher allocated grade than the grade he currently has (as a result of transfer or reallocation), and

(3) The employee is not fully qualified to perform the duties of the assigned position.

d. When an employee is placed in a training assignment, the following will apply:

(1) Determine that the employee needs additional training prior to being fully qualified for the position.

(2) Establish a training plan for each employee including—

(a) Identification of the areas where the employee needs training.

(b) Identification of the specific training required (including on-the-job and formal training).

(c) Establishment of a training period. A specified training period must be established. The length of the training period may be any appropriate period but in no case in excess of 2 years, except that if the employee is not available for training due to sickness or other proper cause, the period may be extended to cover the absence.

(3) Notify the employee prior to appointment or transfer that he will be placed in a training assignment and advise him of the allocated grade of the position and of his grade and step during the training assignment.

(4) Prepare a personnel action which identifies the assignment as a training assignment, the allocated grade of the position, the grade and step during the training period and the beginning and ending dates of the training period.

(5) Prepare a detailed narrative evaluation of the employee's performance during the training period which will indicate whether the employee satisfactorily completed the required training.

e. If the employee satisfactorily completes the required training, he will be promoted to the appropriate step in the grade allocated for the position. The promotion will be effective with the first pay period following—

(1) The end of the training period, or

(2) Such earlier date as the employee has satisfactorily completed the required training.

f. If the employee does not satisfactorily complete the required training during the training period, or if it is determined at some earlier time that the employee will not satisfactorily complete the training, the training assignment will be terminated. The employee will be—

(1) Transferred to his former position or to another appropriate position with an allocated grade and the same as the grade of his former position (this does not constitute a downgrade), or

(2) In the case of new appointees, transferred to another position for which he is fully qualified or separated during the probationary period.

4-12. Reduction in force (RIF) policies. When it appears that it may be necessary to transfer, downgrade, or separate employees based on a RIF, the following policies will apply:

a. Downgrade or separation of regular full-time employees will be avoided or held to the minimum.

b. Employees will be given as much notice of RIF as possible.

c. Local employment offices, appropriate firms, and Federal, State, and local government agencies will be contacted to assist separated employees to find new jobs.

d. RIF action will not be used where other personnel actions are more appropriate (e.g., separation for cause or unsatisfactory performance).

e. If consistent with the fulfillment of mission requirements, the necessary reduction can be achieved through curtailment of the hiring of new employees, curtailment of conversions of temporary employees to regular employees and/or through separation of employees during probation, then no action will be taken to transfer, downgrade, or separate regular full-time or part-time employees.

4-13. RIF determination. No RIF action will be taken until—

a. Formal determination has been made that the work force must be reduced due to reorganization (which includes changes in positions resulting in upward or downward reallocation pursuant to paragraph 4-4), excessive personnel cost, phase down, inactivation, consolidation, transfer of function, or the need to reemploy a person exercising restoration rights under paragraph 2-4c, and

b. The affected positions have been identified by job title.

4-14. RIF procedures—HPP employees. a. Rosters will be prepared of all current em-

ployees in the job titles affected. Only employees assigned to the same RIF element (i.e., exchange, ER, oversea exchange system headquarters, an OES area or region, or Headquarters, AAFES) within a 30-mile radius of the geographical location of the place where the surplus positions are, will be included on the rosters.

(1) Separate rosters will be prepared of regular full-time, regular part-time, and employees serving in the probationary period.

(2) Within each roster, the employees will be listed by grade.

(3) Within each grade, the employees will be listed in descending order by retention score.

b. Retention scores will be computed and will be the total of—

(1) Performance evaluation score (average of last three evaluations). If the employee was not previously rated three times, then the average of the last two evaluations, or if not available, the one evaluation available. If no evaluation is available, one will be prepared.

(2) Score for training accomplishments. Two points (not to exceed a total of six points) for each AAFES management development course which the employee has taken and completed satisfactorily.

(3) Exchange length of service score computed on the basis of one point for each complete year of AAFES service as regular full-time employee, up to 10 years, and one-half point for each year exceeding 10 years.

(4) Veteran's service score of one point, if the employee served on active duty in the United States Armed Services for at least 1 continuous year, or regardless of length of service if a disabled veteran.

c. A list will be prepared of all HPP positions which are vacant or are filled by employees in a probationary status.

d. Starting with the highest grade, the employee with the highest retention score will be considered for the following, in the order listed, to the extent available.

(1) Promotional transfer.

(2) Continuance in same position.
(3) Lateral local transfer to a vacant position.

(4) Lateral local transfer to a position filled by an employee in a probationary status.

(5) Downgrade local transfer to a vacant position.

(6) Downgrade local transfer to a position filled by a probationary employee.

(7) Lateral local transfer to a part-time position.

(8) Downgrade local transfer to a part-time position.

(9) Separation.

e. Each subsequent employee (first all regular full-time, then regular part-time, then probationary employees) will be considered in order as specified in d above. Employees will be considered only for jobs for which they are qualified.

f. Upon completion of the action required in e above—

(1) Employees to be promotionally or laterally transferred will be given 15 days written notice of transfer. A copy of the personnel action may be utilized for this notice.

(2) Employees to be downgrade transferred will be given at least 15 days written notice of proposed downgrade transfer.

(3) Fifteen days or more after notice of proposed downgrade employees to be downgrade transferred will be given 30 days written notice of downgrade transfer. A copy of the personnel action may be utilized for this notice.

g. As a subsequent action, 7 days or more after completion of the action required by f(2) above, employees to be converted from regular full-time to regular part-time or separated for RIF will be given 15 days written notice of the proposed action. After 15 days or more, these employees will be given 15 days written notice of conversion or separation. A copy of the personnel action may be utilized for this notice.

h. Actions will be adjusted, as appropriate, if employees resign.

4-15. RIF procedures—USP employees. a. *Initial procedures.* When USP employees are affected by a RIF, rosters will be prepared of all current employees within the same RIF element in the job titles identified as being affected RIF element is defined as ER, the OES, or Headquarters, AAFES, as appropriate.

(1) Separate rosters will be prepared of EMP employees and non-EMP employees.

(2) Within each roster, the employees will be listed by grade.

(3) Within each grade, the employees will be listed in descending order by retention score computed on the basis of performance, potential, length of AAFES service and veteran's status in that order of importance. Computation of retention score will be in accordance with procedures prescribed by the Commander, AAFES.

b. *EMP RIF Plan.* EMP employees will be afforded retention rights over all other categories of employees without regard to location or grade of the position worldwide, and will be considered on the basis of their qualifications to fill positions.

(1) Starting with the highest grade on the roster, the RIF element will recommend one of the following actions for consideration in the order listed below:

- (a) Continuance in the same position.
- (b) Transfer to any vacant USP EMP position or USP non-EMP position.
- (c) Transfer to a position filled by a probationary employee.
- (d) Transfer to a position occupied by a non-EMP USP employee.
- (e) Declare the employee as surplus to the needs of the RIF element.

(2) Each subsequent EMP employee at each lower grade, in descending order, will be considered as provided in (1) above.

(3) The completed EMP RIF plan, together with a separate list of all vacant USP

positions and all probationary USP employees within the RIF element will be forwarded to the Commander, AAFES for review.

(4) The Commander, AAFES will review the EMP RIF plan and will—

(a) Approve the EMP RIF plan as forwarded; or

(b) Modify the EMP RIF plan by directing assignment to other positions within the worldwide AAFES; or

(c) Declare those EMP employees not otherwise considered for assignment or reassignment as surplus to the present needs of the worldwide AAFES and direct an administrative or physical transfer to HQ AAFES pending identification of a suitable position.

(5) The approved or modified RIF plan will be returned to the RIF element with instructions for implementation.

(6) Except as provided in paragraph 4-16, EMP employees will be separated for RIF only under the following conditions:

(a) They are assigned to Headquarters, AAFES, under (4)(c), above, and

(b) There is no assignment available worldwide commensurate with the employee's qualifications and AAFES operational needs, and

(c) The action is personally approved by the Commander, AAFES.

(7) Upon receipt of the approved or modified EMP RIF plan, the RIF element will implement the actions directed by the Commander, AAFES.

(a) All employees to be local transferred will be given 15 days' written notice of transfer.

(b) All employees to be non-local transferred will be given 15 days written notice of proposed non-local transfer. After 15 days, the employees will be given at least 30 days' notice of non-local transfer.

c. *USP (non-EMP) RIF plan.* USP Non-EMP employees will be considered for retention on the basis of their qualifications to fill positions.

(1) Starting with the highest grade on

the roster, the RIF element will recommend one of the following actions for consideration in the order listed below:

- (a) Promotional transfer to a vacant position.
- (b) Continuance in same position.
- (c) Lateral transfer to a vacant position.
- (d) Lateral transfer to a position occupied by a probationary employee.
- (e) Downgrade transfer to any vacant non-EMP position.
- (f) Declare the employee as surplus to the needs of the RIF element.

(2) Each subsequent USP (non-EMP) employee at each lower grade, in descending order, will be considered as provided in (1) above.

(3) The completed USP (non-EMP) RIF plan together with a separate list of all vacant USP positions and all probationary USP employees within the RIF element will be forwarded to the Commander, AAFES for review.

(4) The Commander AAFES will review the USP (non-EMP) RIF plan and will—

- (a) Approve the USP (non-EMP) RIF plan as forwarded; or
- (b) Modify the USP (non-EMP) RIF plan by directing assignment to other positions within the worldwide AAFES; or

(c) Approve separation for RIF either as a result of declaring employee surplus to the needs of AAFES, or as a result of being displaced by an EMP employee under b(1) (d) above.

(5) The approved or modified USP (non-EMP) RIF plan will be returned to the RIF element with instructions for implementation.

(6) Upon receipt of the approved or modified USP (non-EMP) RIF plan, the RIF element will implement the actions directed by the Commander, AAFES.

(a) All employees to be laterally or promotionally local transferred will be given 15 days written notice of transfer.

(b) All employees to be downgrade local transferred will be given at least 15 days written notice of proposed downgrade local

transfer. After expiration of such notice, the employees will be given 15 days notice of downgrade local transfer.

(c) All employees to be promotionally, laterally, or downgrade nonlocal transferred will be given at least 15 days' written notice of proposed promotional, lateral, or downgrade nonlocal transfer. After expiration of such notice, the employees will be given at least 30 days' notice of promotional, lateral, or downgrade nonlocal transfer.

d. Employees serving in the probationary period. The Commander, AAFES, within 30 days, will notify the RIF element whether the probationary employees are approved for transfer to other positions outside the RIF element or are to be separated in accordance with paragraph 3-14.

e. Severance pay. USP employees separated pursuant to a reduction in force will be authorized severance pay subject to the following qualifications:

(1) They have 2 continuous years' service following completion of 1-year probationary period, and

(2) They are not otherwise qualified for an immediate retirement annuity at time of separation, and

(3) No other suitable position is available within the worldwide AAFES. Payment Formula: 1 week's base salary for each year of creditable service up to 10 years; 2 week's base salary for each year of creditable service over 10 years. Creditable service for this purpose is USP and HPP service as a regular full-time employee and service periods in temporary full-time status when converted to regular full-time.

The maximum amount allowable will not exceed 1 year's base salary (26 biweekly pay periods of 80 hours each) at employee's grade at time of separation. Should an employee be subsequently reinstated or rehired, severance pay will be terminated. Should the employee become entitled to severance pay upon a subsequent termination, the remaining entitlement will be computed deducting the number of weeks for which employee previously received severance pay. Severance pay will be paid at

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the same rate of basic compensation received immediately before separation, and at the same pay intervals until the allowable entitlement is exhausted. The final payment will consist only of that portion of the employee's severance pay entitlement remaining. Lump sum payment is not authorized.

4-16. Refusal of transfer pursuant to RIF. Any employee who refuses an offer of transfer in connection with a RIF will be separated and will forfeit the travel and transportation entitlement provided in paragraph 4-42.

4-17. Conversion. *a.* When an employee is converted from one pay plan to another or from one current wage schedule to another current wage schedule (e.g., from a schedule applicable to a Craft and Maintenance activity to a schedule applicable to a Food activity) and the conversion is not intended as a promotion or a downgrade, then conversion will be effected at the step in the grade which results in the base salary most nearly equal to but not less than the employee's current base salary. (Where promotion or downgrade is intended, the provisions relating to promotion or downgrade will apply.) When an employee is converted to a new pay plan or wage schedule at the same or higher grade and the rate for the highest step after conversion is lower than the employee's base salary before conversion, salary will be retained at the base salary in effect for the grade and step held by the employee on the date of conversion. Salary retention will be in accordance with paragraph 4-8 (except *b* and *d*).

b. An employee may be converted from one employment category to another as specified below:

(1) A regular full-time employee may be converted to a regular part-time employee—

- (a) Pursuant to RIF.
- (b) With the employee's consent.

(2) A regular part-time employee may be converted to a regular full-time employee if he consents. Employees will be selected for conversion on the basis of performance and potential.

(3) A temporary full-time employee may be converted to—

(a) Regular full-time, if the employee consents. Selections will be made on the basis of performance potential, length of AAFES service and veteran status in that order. Upon conversion the period of continuous service as a temporary full-time employee immediately prior to conversion will be credited as regular full-time service for all purposes.

(b) Regular part-time, if the employee consents. Upon conversion the period of continuous service as a temporary full-time employee immediately prior to conversion will be credited as regular part-time service toward any probation period and qualification for step advancement.

(4) A temporary part-time employee may be converted to a regular part-time employee, or to a regular or temporary full-time employee, if the employee consents. Selection will be made on the basis of performance and potential. Time served as a temporary part-time employee will not be credited for other purposes.

(5) A temporary employee employed longer than 90 days, or such other period specified at the time of appointment, in accordance with paragraph 2-8 or 2-9, will be converted to a regular full-time or regular part-time employee, as appropriate. The employee will receive credit for service as a temporary employee, as provided in (3) and (4) above.

(6) Casual, on-call, and contract employees may not be converted to another status but may be considered for appointment to another status.

(7) Wage or salary adjustments due to a change in applicable wage or salary schedules of commission rates are not considered conversions. Employees will continue in the same grade and step (e.g., pursuant to a locality wage survey or a change in the base salary prescribed for USP grades and steps).

(8) Conversions to and from a Commission Pay Plan are on a voluntary basis. To the extent reasonably possible, the principle set out in *a* above will apply. In the event of a reorganization which will result in a change in pay plans

(to or from a Commission Pay Plan), employees surplus to AAFES needs on one pay plan may be subject to RIF.

4-18. Simultaneous actions. Whenever two or

more personnel actions relating to one employee are to be effective on the same day, the actions will be processed in the order most advantageous to the employee.

Section II. WAGE AND SALARY

4-19. Rates of pay and pay plans. Rates of pay will be determined on the basis of the duties and responsibilities of the job (except as provided in para 4-11 and sec II, chap. 5) and generally will be commensurate with the prevailing rates for comparable work on a local, sectional, or nationwide basis. In oversea areas, rates of pay for US citizens will be fixed in conformity with rates paid for work of a comparable level of difficulty and responsibility to employees assigned in the United States, to the extent consistent with oversea major command policy. United States citizen employees in oversea areas whose rates of pay are so fixed will be paid allowances and differentials pursuant to Executive Order 11137 of 7 January 1964.

a. The following pay plans are authorized:

- (1) Universal Salary Plan (USP).
- (2) Hourly Pay Plan (HPP).
- (3) Commission Pay Plan.
- (4) Special employment agreement.

b. Rates of pay, structure, and availability of the authorized pay plans will be established as described below.

(1) The rates and grade and step structure of the Universal Salary Plan will be commensurate with the rates and grade and step structure of the Civil Service General Schedule. A special "A" grade conversion schedule will be published by the Commander, AAFES for compensation of those employees retaining eligibility for payment at "A" rates earned under previous classification policies. When General Schedule rates are changed, the Commander, AAFES will adjust the USP rates to insure that they continue to be commensurate. The USP is applicable to executive, managerial, professional and technical jobs and the employees occupying those jobs in accordance with job classification procedures established by the Commander, AAFES. In foreign areas, the

USP is applicable only to US citizens and US nationals. The rates and structure for Special Rate will be as prescribed by the Board of Directors as a level higher than grade USP 15. Special Rate is applicable to positions and individual employees, as approved by the Board of Directors.

(2) The rates of pay for the HPP will be as approved by the Commander, AAFES. In the 50 states, the District of Columbia, and Puerto Rico, the approved rates are based upon the average of rates paid by reputable employers in the community for similar work under similar conditions, as determined on the basis of locality wage surveys. In other areas, local conditions, oversea major command policies and applicable treaties and agreements will be considered in determining the approved rates. The HPP consists of a series of wage schedules containing four or six steps in each grade, the number of which is approved by the Commander, AAFES. The HPP is applicable to clerical, retail, food, craft and maintenance and warehousing jobs and to the employees occupying these jobs in accordance with position classification procedures established by the Commander, AAFES.

(3) Rates paid under the Commission Pay Plan will be computed on the basis of an established percentage of sales volume attributable to the employee. The commission percentage will be established by the Commander, AAFES on the basis of locality wage surveys in the 50 United States, the District of Columbia and Puerto Rico, or upon appropriate data from other sources. The Commission Pay Plan is applicable to jobs for which it is deemed appropriate by the Commander, AAFES.

(4) In unusual circumstances, as determined by the Commander, AAFES, rates of pay other than those established under the pay plans described in (1), (2), and (3) above

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may be established by the Commander, AAFES, for the purpose of concluding a special employment agreement with an individual employed to accomplish a specific function in a specified period of time. This authority may not be delegated. Rates of pay for such special employment agreements will not exceed the maximum rate of grade USP 15.

(5) Under the Fair Labor Standards Act, the Commander, AAFES may establish special wage rates for students and handicapped workers.

4-20. Authority and responsibility. In addition to the authorities for establishment and application of the various authorized pay plans specified in paragraph 4-9—

a. The Commander, AAFES will—

(1) Administer and continuously evaluate the wage and salary program.

(2) Provide technical wage and salary assistance.

(3) Approve job descriptions and grades of all jobs in CONUS and all jobs occupied by US citizens and US nationals outside of CONUS.

(4) Approve the application of new and revised schedules within the authorized pay plans.

(5) Conduct locality wage surveys at Headquarters, AAFES.

b. ER chiefs will—

(1) Monitor the wage and salary program at the ER and at the exchanges within the ER area.

(2) Conduct locality wage surveys at the ER and at exchanges within the ER area.

c. OES commanders will monitor the wage and salary program within the OES.

d. General managers will—

(1) Monitor the wage and salary program at the exchange.

(2) Assist in locality wage surveys conducted by the ER chief, as required.

e. The official specified in b, c and d above will review job descriptions periodically, but not less often than annually, to insure that each job description accurately describes the duties

and responsibilities actually being performed by each employee assigned to that job and to insure that each employee is being paid at a rate within the grade shown on the job description of the job to which the employee is assigned (however, see para 4-10, 4-11 and sec. II, chap. 5). In the case of employees paid on the Commission Pay Plan, it will be insured that each employee is performing the duties for which the commission percentage was established and that the employee's pay is computed on the basis of the established percentage.

4-21. Job analysis and evaluation. a. Job analysis is the study of detailed information about job functions (duties and responsibilities) and the preparation of a job description setting forth this information.

b. Job evaluation is the comparison of similarities and differences between the functions of the various jobs to determine the relative value of the jobs to AAFES. It results in the classification of the job as to pay plan and relative value and the allocation of a specific grade.

c. Job analysis and evaluation will be utilized to describe and allocate the grades of all standard and nonstandard jobs in CONUS and all standard and nonstandard jobs occupied by US citizens and US nationals outside of CONUS.

(1) The primary functions of standard jobs are identical throughout AAFES. Each standard job will be provided with a standard job description published by the Commander, AAFES stating the job title, job code number, grade, applicable pay plan, the duties and responsibilities of the job, and recommended minimum qualification requirements.

(2) If the total functions of a job do not conform to those of any standard job, it will be a nonstandard job. In this case, a job description will be prepared and forwarded through AAFES channels to the Commander, AAFES for review and approval. A tentative grade may be determined through the processes of job analysis and job evaluation in comparison to standard jobs. However, any incumbents of such nonstandard jobs will be informed that the job is subject to reallocation.