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20 JUN 1977

MEMORANDUM FOR: Chief, Graphics and Authentication Division,
Office of Technical Services

FROM :
Chief, Position Management & Compensation Division

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SUBJECT : OTS Paper Manufacturing Pay Rates

REFERENCE : Memorandum for the Record, same subject, dated
July 1976

1. This memorandum confirms our mutual agreement to
change the method of computing the pay rates for grades GAE-02
and GAE-03 as discussed between you and of this division
on 16 May 1977.

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2. PMCD recently conducted a review of the methodology
used to compute wage rates for Back Tender (GAE-02) and Beaterman
(GAE-03) positions. The original study established that the
maximum hourly rate for GAE-02 and GAE-03 should not overlap with
GAE-04 but should be equal to 92% of the pay for GAE-04, step 1.
Therefore; the 92% factor has been used to determine the fifth
step rate for the two lower graded skills. The first through
fourth steps are constructed from step 5 downward with the result
that step 1 equals 81.8% of GAE-04 step 1. Although this method
achieves the proper results we have found that it is awkward to
apply and believe it can be replaced by an alternate method which
provides the same equity alignment of pay.

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3. The proposed alternate method of computing the base
rate for grades GAE-02 and GAE-03 provides for the establishment
of step 1 for those grades at ^{82%}81.8% of the GAE-04, step 1 pay
rate. The 81.8% mentioned above has been rounded to 82% in this
proposal as a means to avoid another awkward computation and does
not seriously distort the intent of the pay alignment criteria.
Normal construction of 3% step increments developed upward from
that base produces approximately the same pay for GAE-02 and
GAE-03 at step 5 as under current methods.

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4. On the basis of the aforementioned discussions,
PMCD will implement the change with the upcoming pay adjustment

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which we understand is tentatively scheduled to become effective on 18 June 1977.



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