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Civilian Personnel

Paysetting for Host-Nation Employees in Belgium

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\*This regulation supersedes AE Regulation 690-530-1, 13 September 2005.

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**Summary.** This regulation provides instructions on paysetting decisions for local national (LN) employees in Belgium.

**Summary of Change.** This revision—

- Updates the cost-of-living-index factor for Belgium (para 7g).
- Incorporates administrative changes throughout.

**Applicability.** This regulation applies to LN personnel employed by the U.S. Forces in Belgium. For the purpose of this regulation, U.S. Forces include all activities serviced by the United States Army Civilian Human Resources Agency, Europe Region, and positions paid from appropriated or nonappropriated funds.

**Supplementation.** Organizations will not supplement this regulation without USAREUR G1 (AEAGA-CL) approval.

**Forms.** AE and higher level forms are available through the Army in Europe Library & Publishing System (AEPUBS) at <https://aepubs.army.mil/>.

**Suggested Improvements.** The proponent of this regulation is the USAREUR G1 (AEAGA-CL, DSN 379-6565). Users may suggest improvements to this regulation by sending DA Form 2028 to the USAREUR G1 (AEAGA-CL), Unit 29351, APO AE 09014-9351.

**Distribution.** C (AEPUBS).

## CONTENTS

1. Purpose
2. References
3. Explanation of Abbreviations
4. Policy
5. Responsibilities
6. Operating Principles
7. Determining Pay Rates

### Tables

1. Step Increase Waiting Periods
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## 1. PURPOSE

This regulation prescribes policies and procedures on paysetting for local national (LN) employees in Belgium.

## 2. REFERENCES

### a. Publications.

- (1) DOD Directive 1400.25, DOD Civilian Personnel Management System.
- (2) DOD 1416.8-M, DOD Manual for Foreign National Compensation.
- (3) USEUCOM Directive 30-6, Administration of Civilian Employees in the United States European Command Area of Responsibility.
- (4) United States Army Garrison (USAG) Benelux Pamphlet 600-1(E), Host Nation Labor Regulation ([https://cpolrhp.cpol.army.mil/eur/cpac/benelux/hostnation/AGP600-1\\_E.pdf](https://cpolrhp.cpol.army.mil/eur/cpac/benelux/hostnation/AGP600-1_E.pdf))
- (5) USAG Benelux Pamphlet 600-1-2, Pay Protection.

### b. Form. DA Form 2028, Recommended Changes to Publications and Blank Forms.

## 3. EXPLANATION OF ABBREVIATIONS

COLI	cost of living index
CPAC	civilian personnel advisory center
CPI	consumer price index
DOD	Department of Defense
HQ USAREUR	Headquarters, United States Army Europe
LN	local national
U.S.	United States
USAG	United States Army garrison
USAREUR	United States Army Europe
USEUCOM	United States European Command

#### 4. POLICY

U.S. Forces policy is to preserve an employee’s existing rate of basic pay to the maximum extent possible.

#### 5. RESPONSIBILITIES

The civilian personnel advisory center (CPAC) staff will make nondiscretionary paysetting determinations and process pay actions in an accurate and timely manner according to applicable laws and this regulation.

#### 6. OPERATING PRINCIPLES

a. The specific rate of pay will be set in individual cases when the action becomes effective.

b. Pay cannot be set below the first step (step 1) or above the last step of the grade (step 10 of white collar BA grades or step 7 of blue collar BB grades) unless authorized under grade- or pay-retention regulations.

c. Pay on simultaneous actions is generally set in the order that gives the employee the maximum benefit. The one exception is when there is an annual pay adjustment that is effective on the same day as another pay action. When this happens, the pay adjustment increase must be processed first.

d. An employee’s existing rate of pay will be preserved to the highest extent in all reduction-in-force and transfer-of-function actions to which grade-retention or pay-retention regulations do not apply.

#### 7. DETERMINING PAY RATES

Pay will be set as follows:

**a. New Appointment.** The pay rate for an employee who has no previous Federal service or is appointed after a break in service will normally be set at the minimum rate of the grade to which appointed.

**b. Within-Grade (Seniority) Increase.** After meeting the requirements for creditable service (table 1), an employee is eligible for an increase in the rate of pay by advancement from one step in the pay grade to the next step in the same grade.

<b>Table 1</b>			
<b>Step Increase Waiting Periods</b>			
<b>White Collar</b>		<b>Blue Collar</b>	
<b>To</b>	<b>Period</b>	<b>To</b>	<b>Period</b>
Step 2, 3, 4	1 year	Step 2	1 year
Step 5, 6, 7	2 years	Step 3, 4, 5	2 years
Step 8, 9, 10	3 years	Step 6, 7	3 years

(1) White collar employees earn up to nine seniority increases, and blue collar employees may earn up to six seniority increases.

(2) When an employee receives an “equivalent increase,” the waiting period for the next step increase begins. An “equivalent increase” is defined as the difference between the pay of the employee and the pay applicable to the next higher step in the same grade in effect on the day before the change. For those employees at the top step of the grade, an “equivalent increase” will be the difference between the top step and the next lower step.

**c. Promotion.** A promotion is defined as a change from one position in a pay schedule to another in the same pay schedule when the representative rate of the new position exceeds the representative rate of the old position. The representative rates are step 4 of the BA schedule and step 2 of the BB schedule. Except as provided in d(3) below, pay will be set as follows:

(1) On promotion within the BA schedule, pay will be set at the lowest step in the new grade that provides an increase of at least two steps within the grade from which promoted.

(2) On promotion within the BB schedule, pay will be set at the lowest step in the new grade that provides an increase of at least one step within the grade from which promoted.

(3) After promotion, employees will serve a new waiting period for the next within-grade (seniority) increase.

**d. Change to Lower Grade.** A change to a lower grade is defined as a change from one position in a pay schedule to another in the same pay schedule when the representative rate of the new position is less than the representative rate of the old position. The representative rates are step 4 of the BA schedule and step 2 of the BB schedule.

(1) When an employee is involuntarily changed to a lower grade, pay will be fixed in the new grade at a step rate that preserves (as closely as possible) the employee's existing rate of basic pay. If the employee's existing rate of basic pay falls between two steps in the lower grade, the pay will be set at the higher step. If the existing rate of pay exceeds the rate of the top step in the new grade, employees will be entitled to pay retention in accordance with subparagraph f below.

(2) An employee who applies for and voluntarily accepts a change to a lower grade in a position without known promotion potential will have pay set as close as possible to the employee's current rate of pay. If the employee's current rate of pay falls between two steps in the new grade, pay will be set at the higher step.

(3) An employee who accepts a change to a lower graded position when that position has known promotion potential to the same or higher grade than the employee currently holds will have pay set as close as possible to the current rate of pay. If the employee's current rate of pay falls between two steps in the new grade, pay will be set at the higher step. On promotion to an intervening grade, the employee's pay will be set as close to the existing rate of pay as possible. If the rate of pay falls between two steps in the new grade, pay will be set at the higher step. On repromotion to the former grade, pay will be set to the step the employee would have attained in the former grade. Time served in excess of the required waiting period will be credited towards the next step increase.

**e. Change in Pay Schedules.** A change in pay schedule is defined as a change from a position covered by the BA schedule to a position covered by the BB schedule or vice versa. Pay will be set at the lowest step in the new grade and new schedule that provides an increase. If the current rate of pay exceeds the rate of the top step in the new grade and schedule, the employee will be entitled to pay retention according to subparagraph f below.

**f. Pay Retention.** An employee who does not meet the prerequisites for pay protection according to USAG Benelux Pamphlet 600-1-2 and (except as provided for in subparagraph d above) whose rate of pay is involuntarily reduced will be entitled to pay retention. The employee will be placed in the top step of the applicable grade and will receive a pay retention supplement in amount of the difference between the existing rate of pay and the rate of the top step of the new and lower grade. On implementation of the annual wage survey, the employee will receive the full U.S. Forces wage survey increase applicable to the top step of the employee's grade. Fifty percent of this increase is subtracted from the pay retention supplement.

(1) The following example assumes a U.S. Forces survey increase in amount of 2.5 percent effective 1 September 2005:

Employee's old grade and step:	BB-11, step 9
Pay on 31 December 2004:	€2,740.78
Employee's new grade and step:	BB-7, step 7
Pay on 1 January 2005:	€2,352.58
Pay retention supplement:	€388.20
Pay on 1 September 2005:	€2,411.39
Increase to BB-7/7:	€58.81
50 percent offset to pay retention supplement:	€29.90
New pay retention supplement:	€358.30
Total pay:	€2,769.69

(2) Pay retention ends when the employee's rate falls below the top step of the assigned grade or is less than any step rate of a grade to which promoted.

**g. Cost of Living Index (COLI).** In accordance with Belgian law, wages and salaries are adjusted whenever the Belgian consumer price index (CPI) exceeds a certain threshold. This is driven solely by changes in the CPI and may occur more than once in a calendar year or not occur in a calendar year at all. The fixed basic (100 percent) salaries and wages are then multiplied by the COLI factor to determine the actual salaries and wages to be paid. The COLI factor in effect on the date of this regulation has been applicable since 1 October 2010 and amounts to 1.5156.

(1) The U.S. Forces determine salaries and wages by conducting an annual wage survey according to DOD 1416.8-M. The results of the survey are then expressed as a percentage value based on the following formula:

$$\text{Increase (\%)} = (\text{U.S. Forces New Pay} / \text{U.S. Forces Old Pay}) - 1$$

(2) To comply with Belgian law on indexation, the new values will also be compared to the values of the fixed basic salary and wage tables to determine the reference factor according to the following formula:

$$\text{U.S. Forces Reference Factor} = (\text{U.S. Forces New Pay} / \text{U.S. Forces Fixed Base Pay})$$

(3) The result will be rounded to four decimal places and then compared to the COLI factor. If the U.S. Forces pay determined by the annual wage survey ((1) above) is less than the COLI factor published by the Belgian Ministry of Defense and the pay derived from that factor, all regular schedule LN employees whose rates of pay are below the rates determined by means of the COLI factor will receive a U.S. Forces supplement in the amount of the difference between the U.S. Forces schedule rate and the COLI factor rate. An existing U.S. Forces supplement will be absorbed by annual wage survey increases in the U.S. Forces schedules and recomputed when employees move to a different grade or schedule.

**h. COLI for Employees Entitled to a Retained Rate.** Employees entitled to pay retention will retain an individual fixed base pay determined by dividing their pay on the day preceding the change authorizing the pay retention by the COLI factor in effect on that day. If the sum of their scheduled pay and the pay-retention supplement is less than the amount determined by application of the COLI factor to their individual fixed base pay, a U.S. Forces supplement will be paid in addition to the pay-retention supplement.

(1) The following example assumes a U.S. Forces survey increase of 2.5 percent effective 1 September 2005 and a COLI increase to 1.3728 effective 1 November 2005:

Employee's old grade and step:	BB-11, step 9
Pay on 31 December 2004:	€2,740.78
Employee's new grade and step:	BB-7, step 7
Pay on 1 January 2005:	€2,352.58
Pay retention supplement:	€388.20
Individual fixed base pay:	€2,036.39
U.S. Forces fixed base pay:	€1,747.96
Pay on 1 November 2005:	€2,411.39
Pay retention supplement:	€358.30
Total pay:	€2,769.69
Minimum COLI pay:	€2,795.56
U.S. Forces supplement:	€25.87

(2) Increases in pay based on the annual wage survey will be applied to the scheduled rate of pay and the pay-retention supplement according to subparagraph f above. If the resulting total pay is less than the applicable minimum COLI pay based on their individual fixed base pay, the U.S. Forces supplement will be adjusted accordingly. If the resulting total pay is equal to or greater than the applicable minimum COLI pay based on the individual fixed base pay, the U.S. Forces supplement will be discontinued.

**i. Effective Dates.**

(1) All actions resulting in a change to pay normally become effective no earlier than the first day of the month following either of the following:

(a) The date the servicing CPAC representative certified that all requirements for promotion or change in pay schedule have been met.

(b) Completion of the required waiting periods in subparagraph b above. COLI adjustments become effective on the date set by Belgian authorities.

(2) General pay adjustments based on the DOD wage survey process become effective on the date set by the USAREUR G1.