

Civilian Personnel

Paysetting for Host-Nation Employees in Belgium

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\*This regulation supersedes AE Regulation 690-530-1, 28 January 2011.

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**Summary.** This regulation provides instructions on paysetting decisions for host-nation (HN) employees in Belgium.

**Summary of Change.** This revision—

- Updates the policy and procedures on determining pay rates ([para 7](#)).
- Incorporates administrative and editorial changes throughout.

**Applicability.** This regulation applies to HN 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.

**Records Management.** Records created as a result of processes prescribed by this regulation must be identified, maintained, and disposed of according to AR 25-400-2. Record titles and descriptions are available in the Army Records Information Management System at <https://www.arims.army.mil>.

**Supplementation.** Organizations will not supplement this regulation without the approval of the Civilian Personnel Division (CPD), Office of the Deputy Chief of Staff, G1, HQ USAREUR-AF (AEPE-C).

**Suggested Improvements.** The proponent of this regulation is the CPD (mil 314-537-1521). Users may suggest improvements to this regulation by sending DA Form 2028 to USAREUR-AF G1 (AEPE-C), Unit 29351, APO AE 09014-9351, or to *usarmy.wiesbaden.usareur.list.usareur-cpd-ippb@mail.mil*.

**Distribution.** This regulation is available only electronically and is posted in the Army in Europe Library & Publishing System at <https://intranet.eur.army.mil/aepubs/SitePages/HomeNew.aspx> or <https://www.aepubs.eur.army.mil>.

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## 1. PURPOSE

This regulation prescribes policy and procedures on paysetting for host-nation (HN) employees in Belgium.

## 2. REFERENCES

### a. Publications.

- (1) DOD Appropriations Act 2010 (Public Law 111-84).
- (2) DOD Directive 1400.25, DOD Civilian Personnel Management System.
- (3) DOD Manual 1416.08, DOD Manual for Foreign National Compensation.
- (4) AR 25-400-2, The Army Records Information Management System (ARIMS).
- (5) USEUCOM Instruction 1406.01, Administration of Civilian Employees in the U.S. European Command Area of Responsibility.
- (6) United States Army Garrison (USAG) Benelux Pamphlet 600-1(E), Host Nation Labor Regulation.

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

### 3. EXPLANATION OF ABBREVIATIONS

The [glossary](#) defines abbreviations.

### 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 Benelux 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 an action becomes effective.

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

c. Pay on simultaneous actions is generally set in the order that gives the employee the maximum benefit. The only exception are annual pay adjustments that are effective on the same day as another pay action. In this case, the pay adjustment must be processed first.

d. An employee's existing rate of pay will be preserved to the highest extent in all reduction-in-force (RIF) and transfer-of-function actions to which grade- or pay-protection 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 with the U.S. Forces overseas (direct hires) will normally be set at the minimum rate of the grade to which appointed, unless superior qualifications based on a valid applicable policy and approved by the hiring command are explicitly consented.

**b. Appointment of Employees Returning to Federal Service With the U.S. Forces Overseas (Direct Hires) After a Break in Service of at Least 1 Day, and of Employees Currently Employed With the U.S. Forces Overseas (Direct Hires) Outside Belgium.** The pay rate will be fixed in the new pay scale at a grade-and-step rate that preserves (as closely as possible) the employee's existing or last rate of basic pay. If the employee's existing rate of basic pay falls between two steps, the pay will be set at the higher step.

**c. Within-Grade (Seniority) Increase (WGI).** After meeting the requirements for creditable service ([table 1](#)), an employee is eligible for an increase in the rate of pay by advancing to the next step in the same pay grade.

| <b>Table 1<br/>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) Step increases are effective on the 1st day of the month following the month in which the seniority is accrued. For example, an employee at BA-5 step 1 hired on 1 May 2021 will accrue his or her seniority on 30 April 2022. Therefore, the 1st of the month following the month in which the seniority is accrued will be 1 May 2022.

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

(3) 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 that is in effect on the day before the change. For employees at the top step of the grade, an “equivalent increase” will be the difference between the top step and the next lower step.

(4) When an employee resigns from his or her position or is terminated, and then returns to Federal service with the U.S. Forces after a break in service, the waiting period served before returning to duty will not be taken into account for the computation of the next WGI. The employee will need to serve a new complete waiting period before earning his or her next seniority increase.

(5) Upon a voluntary or involuntary change in pay schedules, the waiting period served in the current pay schedule will not be taken into account for the computation of the next WGI increase in the new pay schedule. The employee will need to serve a new complete waiting period before earning his or her next seniority increase in the new pay schedule.

(6) Employees hired under several temporary or replacement contracts with the U.S. Forces for the same grade and series with or without a break in service will receive credit for their seniority for WGI purposes. Their creditable service will be computed as follows:

(a) For each temporary contract, subtract the beginning date of the contract from the ending date of the contract.

(b) For each period of service, add 1 day to account for inclusive days. Any period of service is at least 1 day.

(c) One month always equals 30 days, and 1 year always equals 12 months. If the ending day is lower than the beginning day, add 30 to the ending day and subtract 1 from the ending month. If the ending month is lower than the beginning month, add 12 to the ending month and subtract 1 from the ending year.

(d) The following example assumes that the employee was hired under a BA-5 step 1 temporary contract from 14 December 2020 through 3 March 2021 (included).

|                           | Year       | Month           | Day             |
|---------------------------|------------|-----------------|-----------------|
| Ending Date               | 2021<br>-1 | 03<br>-1<br>+12 | 03<br>+1<br>+30 |
| Beginning Date            | - 2020     | - 12            | - 14            |
| <b>Creditable Service</b> | <b>0</b>   | <b>02</b>       | <b>20</b>       |

(e) The employee will return to Federal service with the U.S. Forces on 18 May 2021. Subtract the creditable service from the new entry-on-duty (EOD) date. If the EOD day is lower than the number of days of creditable service, add 30 to the EOD day and subtract 1 from the EOD month. If the EOD month is lower than the number of months of creditable service, add 12 to the EOD month and subtract 1 from the EOD year.

|                                     | Year        | Month     | Day       |
|-------------------------------------|-------------|-----------|-----------|
| New EOD                             | 2021        | 05<br>-1  | 18<br>+30 |
| Creditable Service                  | - 0         | - 02      | - 20      |
| <b>New Service Computation Date</b> | <b>2021</b> | <b>02</b> | <b>28</b> |

(f) Once the new service computation date is computed, the step increase date will be set in accordance with [subparagraph \(1\)](#) above. In the above example, the next step increase date (step 2) will be 1 March 2022.

**d. Promotion.** A promotion is defined as a change from one position in a pay schedule to another, higher-grade position in the same pay schedule. 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 WGI. The WGI date will be recalculated based on the date of promotion.

(4) For employees currently employed with the U.S. Forces overseas (direct hires) outside Belgium, the promotion rule within the BA or BB schedule will be applied once the pay rate is fixed in the new pay scale ([subpara b above](#)) if there is no break in service.

**e. Temporary Change of Duties.** A temporary change of duties is defined as an assignment for a specified period established by the supervisor or the announcement. This change can be noncompetitive for a period of maximum 120 days or competitive for maximum 5 years. The employee is expected to return to his or her regular duties at the end of the assignment. The change of duties can be in the form of a temporary promotion if the employee meets the qualification requirements for the position, or in the form of a detail if the person does not meet the qualifications standards. Pay will be set as follows:

(1) For temporary promotions, the employee will receive a pay supplement equivalent to the difference between his or her current rate of pay and the new temporary promotion rate of pay. Promotion rules will be applied on the same basis as for a permanent promotion to determine the new temporary promotion rate of pay.

(2) For details, the employee does not receive any pay supplement.

**f. Change to a Lower Grade.** A change to a lower grade is defined as a change from one position in a pay schedule to another, lower-grade position in the same pay 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 protection in accordance with [subparagraph h](#) below.

(2) An employee who applies for and voluntarily accepts a change to a lower grade in a position without known promotion potential (not a trainee position) will have pay set as closely 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. If the employee's current rate of pay exceeds the top step in the new grade, pay will be set at the top step. In the event of repromotion to the former grade, the promotion rule of the BA or BB schedule will be applied. Pay will not be automatically set to the step the employee previously held in the former grade.

(3) An employee who accepts a change to a lower-graded position when that position has known promotion potential to the same grade or to a grade that is higher than the grade the employee currently holds (for example, a trainee position) will have pay set as closely 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 closely as possible to the existing rate of pay before the change to the lower grade. 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 if he or she had remained in the former grade before the change to the lower grade. Time served in excess of the required waiting period will be credited towards the next step increase. The CPAC will prepare a detailed communication sheet documenting the situation and will file the sheet in the employee's Official Personnel File.

**g. Change in Pay Schedules.** A change in pay schedules is defined as a change from a position covered by the BA schedule to a position covered by the BB schedule or vice versa. Changes in pay schedules can be either involuntary or voluntary. Pay will be set at the lowest step in the new grade and new schedule that provides an increase. If, in case of an involuntary change in pay schedules, 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 protection according to [subparagraph h](#) below. If, in case of a voluntary change in pay schedules, the current rate of pay exceeds the rate of the top step in the new grade and schedule, pay will be set at the top step, and the employee will not be entitled to pay protection.

**h. Pay Protection.** An employee is entitled to pay protection if he or she is changed to a lower grade as a result of the application of new classification standards, an involuntary change in pay schedules ([subpara g above](#)), an involuntary change to a lower grade ([subpara f\(1\) above](#)), or a RIF.

(1) Employees who receive a RIF notice are entitled to pay protection if they are assigned by management to a lower-graded position within their competitive area.

(2) Employees who receive a RIF notice are entitled to pay protection if they apply for, are selected, and accept a position outside their competitive area that is one or two grades lower than their current position.

**i. Pay Adjustments in Belgium.** Pay adjustments in Belgium are driven by two factors: the cost-of-living index (COLI) and wage surveys (that is, compensation comparisons to the private sector).

(1) **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 2020 and amounts to 1.7410. The COLI increase is normally a 2-percent increase.

(2) **Wage Surveys.** The U.S. Forces determine salaries and wages by conducting an annual wage survey in accordance with DOD Manual 1416.08. The results of the survey are then expressed as a percentage value based on the following formula:

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

**(3) Pay Increase Limits.**

(a) Pay increases are subject to the U.S. Congressional Pay Cap. The DOD Appropriations Act 2010 (Public Law 111-84) limits the rate of foreign national pay increases. Salary increases granted to direct- and indirect-hire foreign national employees of the DOD funded by this Act will not exceed the percentage increase authorized by law for U.S. DOD civilian employees or the percentage increase that the appropriate HN grants its own employees, whichever is higher.

(b) If the annual wage survey result—which cannot exceed the U.S. Congressional Pay Cap—is higher than the mandatory Belgian COLI increase that is applicable that same year, HN employees will receive a U.S. Forces supplement, also called Delphi Factor, that is equal to the difference between the wage survey result and the COLI increase.

(c) If the annual wage survey results in a pay increase—which cannot exceed the U.S. Congressional Pay Cap—and no mandatory Belgian COLI increase is applicable that same year, HN employees will receive a U.S. Forces supplement (Delphi Factor) that is equivalent to the U.S. Congressional Pay Cap.

**NOTE:** The annual wage survey results may not always reach the level of the U.S. Congressional Pay Cap. Pay increases may be lower than those that U.S. Federal employees receive for the same year.

**j. Effective Dates.**

(1) The CPAC representative will coordinate the EOD date with management in accordance with the guidance provided by the Merit Promotion and Placement Plan for Host Nation Employees in Belgium.

(2) All actions resulting in a change to pay normally become effective no earlier than the 1st day or the 15th day of the month once—

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

(b) The required waiting periods in subparagraph c above have been completed. COLI adjustments become effective on the date set by Belgian authorities.

(3) Actions resulting in a change to pay due to exceptional circumstances will be reviewed on a case-by-case basis.

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



## GLOSSARY

|                      |   |
|----------------------|---|
| AE                   | Army in Europe  |
| AEA                  | Army in Europe and Africa   |
| APO                  | Army Post Office  |
| AR                   | Army regulation   |
| COLI                 | cost-of-living index  |
| CPAC                 | civilian personnel advisory center  |
| CPD                  | Civilian Personnel Division, Office of the Deputy Chief of Staff, G1,<br>Headquarters, United States Army Europe and Africa |
| CPI                  | consumer price index  |
| DA                   | Department of the Army  |
| DOD                  | Department of Defense   |
| EOD                  | entry on duty   |
| HN                   | host nation   |
| HQ USAREUR-AF<br>mil | Headquarters, United States Army Europe and Africa<br>military  |
| RIF                  | reduction in force  |
| U.S.                 | United States   |
| USAG                 | United States Army garrison   |
| USAREUR-AF           | United States Army Europe and Africa  |
| USAREUR-AF G1        | Deputy Chief of Staff, G1, Headquarters, United States Army Europe and<br>Africa  |
| USEUCOM              | United States European Command  |
| WGI                  | within-grade increase   |