

## Compensation Policy for Spiral 1 Activities

### 1. REFERENCES.

- a) Title 5, Code of Federal Regulations, Chapter XCIX, Part 9901, Department of Defense Human Resources Management and Labor Relations Systems
- b) DoD Civilian Personnel Manual, 1400.25.M, Subchapter 1930, Compensation Architecture Pay Policy
- c) Manager's Interim Guidance for Establishing Pay for Employees in NSPS, May 2006
- d) Draft Interim Department of Army NSPS Policy, Subchapter 1930, NSPS Compensation
- e) Draft Interim Department of Army NSPS Instruction, Subchapter 1930, Compensation

### 2. PURPOSE.

To establish Training and Doctrine Command (TRADOC) policy, procedures, and delegations of authority for making discretionary compensation decisions when allowable by law, regulations, and available funds for U.S. citizen appropriated fund (APF) employees under the National Security Personnel System (NSPS).

### 3. APPLICABILITY.

This policy guidance applies to appropriated fund civilian employees employed in all TRADOC organizations and activities who have converted to the NSPS.

### 4. POLICY.

- a. This policy provides the NSPS compensation and pay setting procedures for TRADOC organizations and supplements Department of Defense (DOD) implementing issuances, reference (b). This guidance applies to all pay setting determinations and is intended to be used in concert with references (a), (b), and (c).
- b. The broad range of NSPS pay bands provides substantial pay-setting flexibilities. Due to the potential for increased long-term salary costs, authorized management officials and higher-level management officials must exercise fiscal control and pay management oversight.

### 5. EXPLANATION OF TERMS.

- a. Authorized Management Official (AMO): The AMO is the individual with delegated authority to recommend or approve a specific type of personnel/pay action. The AMO designation may vary in an activity based on the type of pay action.

b. Higher-Level Management Official (HLMO): The higher-level management official is an individual who is at least one level higher than the supervisor making the initial pay recommendation. The HLMO designation may vary based on the type of pay action.

## 6. GENERAL ROLES AND RESPONSIBILITIES.

a. Approval authority for discretionary pay setting and compensation determinations is delegated from Department of Army to Army organizations. TRADOC hereby delegates such authorities to:

(1) Major Subordinate Commanders.

(2) Commanders/Directors of Special Activities who report directly to HQ TRADOC.

Commanders and Directors will ensure these policies are applied equitably and should further delegate approval authority to the lowest practical level in accordance with the attached delegation matrix (Appendix 1). Delegations will be in writing and will specifically identify the AMO by position rather than by personal identity (for example, immediate supervisor rather than Mr. Smith). It should be noted that the positions designated at the AMO and HLMO will normally vary based on the type of pay action being addressed. (For example, the Pay Pool Manager (PPM) may be designated as the AMO for increases of up to 5% associated with voluntary reductions in band while the selecting official may be designated as the AMO for voluntary reassignments. TRADOC's intent is to delegate most, if not all, compensation authorities the school/activity level.

b. AMOs and HLMOs will ensure that pay setting decisions are consistent, fiscally sound, and based on financial considerations, local labor markets, current salaries of employees and needed skills. In determining the appropriate salary, recommending and approving officials will:

(1) Consider local conditions that affect the recruitment and retention of qualified employees, to include availability of candidates.

(2) Collect background information that is necessary to make the pay decision (i.e., current salary, breadth of skills, experience and qualifications, education, current pay level, other job offers).

(3) Consider the availability of funds to employ personnel to carry out assigned functions, and as necessary, coordinate with the appropriate financial office.

(4) Consider the effect a particular pay action may have on other employees in the organization.

(5) Obtain any necessary reviews and approvals.

c. The servicing Civilian Personnel Advisory Centers (CPACs) and Civilian Personnel Operation Centers (CPOCs) will provide assistance on compensation determinations. However, responsibility and accountability for these determinations rests with the approving official and the management chain of command.

## 7. APPROVAL PROCEDURES.

a. The authority to administer pay is a responsibility of the AMO with delegated authority to approve or recommend pay determinations. In situations requiring approval by a HLMO, the individual (HLMO) will be at least one level higher than the supervisor (AMO) making the initial pay recommendation.

b. Authority to approve exceptions to policy described in this guidance rests with HQ TRADOC. Requests for exceptions should be forwarded through the chain of command to HQ TRADOC, DCSPIL, ATBO-C, 5D North Gate Road, Suite D302, Fort Monroe, VA 23651-1048.

c. To ensure an adequate audit trail, all pay setting decisions must be documented through use of the NSPS Salary Determination Worksheet at Appendix 2. The AMO must retain a copy of the worksheet and a transmittal memorandum documenting the approved pay will be attached to the Request for Personnel Action (RPA) or the completed referral list and shall be retained with the case file at the CPOC in accordance with Army records management instructions.

d. Pay setting decisions not covered by the procedures in this guidance may be decided by commanders and managers delegated authority to set pay.

## 8. PAY SETTING.

a. When establishing the salary range to be advertised in a vacancy announcement, activities may indicate either the full salary range of the pay band or a limited range within the pay band. If a narrow salary range is used, the activity is limited to this range when setting pay, regardless of the qualifications of the selectee. Local procedures should include coordination with appropriate management officials to ensure advertised pay ranges are fiscally sound, consistent with organization priorities and needs, and reflect the market conditions for recruitment of the required skills.

b. A selecting official may determine and recommend a pay action, but only the AMO and/or the HLMO may approve a specific pay rate. The proper rate of pay is determined in accordance with the personnel action being taken. Recommended levels of delegation are intended as guidelines for supplemental delegations by MSCs and activities.

c. In establishing the pay for an employee, the salary offered should be the minimum level necessary to gain acceptance of the job offer from the selected candidate in accordance with limitations in this guidance.

d. **New Hires.** (No previous Federal service or candidates with a break in Federal service). In accordance with the DOD Managers Interim Guide to Establishing Pay (reference c.), individuals who are newly appointed or reappointed to the Federal service will have their pay set based upon the former GS-grade equivalent of the position being filled. Before setting pay, the manager must determine former GS-grade equivalent of position to be filled and determine the step 1 of former GS-grade equivalent position using the GS Base Salary table. The minimum rate of pay/salary offer is the minimum rate of the appropriate pay band. Salary may not exceed Step 1 of former GS-grade equivalent plus 30% (not to exceed the maximum rate of the pay band).

(1) The AMO may set salary from beginning salary in band up to 20% above step 1 of the former GS-grade equivalent, as necessary to be competitive in the applicable market.

(2) Setting pay above 20% will be on an exception basis must be approved by the HLMO.

e. **Reassignment.** A reassignment occurs when an employee moves, voluntarily or involuntarily, to a different position within the pay band or to a position in a comparable pay band on a temporary or permanent basis. If a reassignment is to the same or comparable level of work, no increase will normally be given. Examples of when an increase upon reassignment would be appropriate include when the position is considered critical to the mission of the organization, when the position is considered hard-to-fill based on previous recruitment efforts, or when the position is perceived undesirable due to working conditions. Types of reassignment actions include:

(1) **Employee Initiated Reassignment (Voluntary):** Generally, the AMO may increase, decrease, or leave unchanged, the employee's salary as appropriate in accordance with SC1930.10.4.1. At a minimum, the approval level may be no lower than one level above the official who approved the reassignment. Management may only provide an employee up to a 5% cumulative increase to base salary as the result of a voluntary reassignment within a 12-month period, unless an exception is approved. Approval for exceptions to the 5% cumulative increase to the base salary as the result of a voluntary reassignment within a 12-month period is the HLMO.

(2) **Management Directed Reassignment:** When management reassigns an employee within his/her current pay band or to a comparable pay band, the AMO shall set pay no less than the employee's current salary and may increase the employee's current base salary up to 5%. At a minimum, the approval level to adjust salary may be no lower than one level above the official AMO who approved the reassignment. This increase is discretionary and must be in compliance with SC1930.10.4.2. There is no

limit to the number of times an employee may be reassigned by management, and the employee is eligible for the 5% increase with each reassignment.

(3) Involuntary Reassignment: When an employee is involuntarily reassigned to a comparable pay band through adverse action procedures (as a result of poor performance and/or misconduct), the AMO may recommend reducing the employee's base salary by up to 10%. The reduction must be approved by the HLMO. The reduction may not cause an employee's base salary to fall below the minimum rate of the employee's assigned pay band. An employee's base salary may not be reduced more than once in a 12-month period based on unacceptable performance, conduct, or both. Additionally, an employee's base salary may not increase as a result of the involuntary reassignment.

f. Promotion (including temporary promotion). A promotion occurs when an employee moves on a temporary or permanent basis to a position in a higher pay band within or across pay schedules and/or career groups. A minimum increase of 6% in base salary will be granted for all promotions unless 6% places an individual's salary above the top of the pay band. The AMO may approve an increase of 6 – 20%. Any increase of more than 20% up to 30% must be reviewed and approved by the HLMO.

g. Reduction in Band. A reduction in band occurs when an employee moves, voluntarily or involuntarily, to a position in a lower pay band. An AMO may increase, decrease, or maintain an employee's base salary on a voluntary or management-directed reduction in band, but must set the employee's pay within the assigned pay band.

(1) Voluntary: The AMO may approve a recommendation to increase base salary up to 5% upon placement in a lower pay band if factors such as scarcity of candidate, reassignment from non-supervisory to supervisory position, remote location, need for skills, hard to fill locations, and entering a training program are present. An employee may only receive up to 5% cumulative increase to base salary as the result of a reduction in band within a 12 month period, unless an exception is approved by the HLMO. Salary may also be decreased in any amount agreed to by the employee as long as his or her salary does not drop below the minimum of the assigned pay band.

(2) Involuntary: The AMO may recommend a reduction in an employee's base salary by up to 10% when an employee is involuntarily moved to a lower pay band through adverse action procedures (as a result of poor performance and/or misconduct). This reduction may not cause an employee's base salary to fall below the minimum rate of the employee's new band or exceed 10% (unless a larger reduction is needed to place the employee at the maximum rate of the lower band.) The employee's base salary may not be reduced below the minimum of the assigned pay band. A reduction may not occur more than once in a 12-month period based on unacceptable performance, conduct, or both. No increase in base salary may be granted under this section.

## 9. ADDITIONAL COMPENSATION DELEGATIONS.

a. Classification Authority. Classification authority is delegated to Major Subordinate Commanders and Commanders/Directors of Special Activities who report directly to HQ TRADOC with the authority to further delegate. Authority to classify Pay Band 3 positions cannot be delegated below the PPM.

b. Pay Pool Composition. Pay pool composition proposals require endorsement of the Commander/Director of the School or Activity. Proposals will be submitted through the chain of command to HQ TRADOC/DCSPIL for approval.

c. Pay Retention. Pay retention prevents a reduction in base salary that would otherwise occur by temporarily preserving an employee's former base salary when the rate exceeds the maximum rate of the new pay band. SC1930.11.1 of reference (b) outlines instances where pay retention is required and will be applied. An AMO may provide pay retention to an employee not entitled to pay retention under SC1930.11.1 but whose payable rate of basic pay otherwise would be reduced as a result of a management action. This authority applies to personnel actions initiated by management, not at the employee's request, and not for poor performance and/or misconduct. This authority is applied on a case-by-case basis. Records must be maintained to document the circumstances surrounding the action and reasons for granting pay retention.

## 10. ADDITIONAL COMPENSATION CONSIDERATIONS.

a. Reduction in Force (RIF). Employees who are reassigned or reduced in band through RIF procedures may not have their pay decreased and are not eligible for an increase to base salary except to set their base salary at the minimum rate of the new pay band.

b. Movement from NSPS to other pay systems (GS, WG, etc.) When an employee moves out of the NSPS pay system, pay is set using the appropriate pay setting directives for the gaining employer/organization.

c. Movement to NSPS from other pay systems (GS, WG, etc.) to include transfer of employees. When an employee moves to the NSPS pay system, including a transfer from an agency not covered by NSPS, pay is set using the appropriate policies of the gaining employer/organization. Management must determine whether the move is equivalent to a reassignment, promotion, or reduction in band and follow the applicable pay setting rules.

## DELEGATED AUTHORITY MATRIX

**Authorized Management Official (AMO) – has authority to recommend or approve a specific type of pay/personnel action and is held accountable for budget decisions. The AMO designation will normally vary in an activity based on the type of pay action.**

**Higher Level Management Official (HLMO) – at least one level above AMO. The HLMO designation will normally vary based on the type of pay action.**

WHAT	WHO	HOW MUCH	RECOMMENDED LEVEL	RESTRICTIONS/ COMMENTS
New Hires	AMO	GS equivalent step 1 + 20%	PPM	
	HLMO	GS equivalent step 1 + 21-30%	PRA	
Voluntary Reassignment	AMO	N/A	Selecting Official	Recommends increase
	HLMO	Increases up to 5% Exceptions to 5% cumulative increase in 12 months	PPM	
Management Directed Reassignment	AMO	NA	Selecting Official	Recommends increase
	HLMO	Increases up to 5%	PPM	Higher Level approval is required for cumulative increases of more than 20% in 12 months
Involuntary Reassignment (Adverse Action)	AMO		First Level Supervisor	Recommends/ Proposes Action
	HLMO	Reductions Up to 10%	Next Level Official	Decides Action Limited to one reduction in 12 months

**PPM: Pay Pool Manager**

**PRA: Performance Review Authority**

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WHAT	WHO	HOW MUCH	RECOMMENDED LEVEL	RESTRICTIONS/ COMMENTS
Promotion	AMO	6 - 20% Increase	PPM	
	HLMO	21 – 30%	PRA	
Voluntary Reduction in Band	AMO	Increase of up to 5% or reductions in any amount agreed upon by employee	PPM	Limited to 5% in a 12 month period
	HLMO	Exceptions to the 5% cumulative increase in 12 months	PRA	
Involuntary Reduction in Band (Adverse Action)	AMO		First Level Supervisor	Recommends/Proposes Action
	HLMO	Reductions up to 10%	Next Level Official	Decides Action Limited to one reduction in 12 months
Involuntary Reduction in Rate of Pay (Adverse Action)	AMO		First Level Supervisor	Recommends/Proposes Action
	HLMO	Reductions up to 10%	Next Level Official	Decides Action Limited to one reduction in 12 months

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WHAT	WHO	HOW MUCH	RECOMMENDED LEVEL	RESTRICTIONS/ COMMENTS
Classification Authority	Through the Chain of Command	N/A	Lowest practical level	Pay Band 3 can not be delegated lower than the PPM
Pay Pool Composition				Approval of pay pool structure and composition remains at HQ TRADOC/DCSPIL
Pay Retention	AMO		PRA	Can not be delegated lower than PPM

**PPM: Pay Pool Manager**  
**PRA: Performance Review Authority**

# NSPS Salary Determination Process Worksheet - New Hires, Promotions, Reassignments (page 1 of 2)

<b>Candidate Information</b>	<b>NSPS Job Information (To Be Filled)</b>
<b>Name:</b>	<b>Location:</b> <b>NSPS Position Title:</b>
<b>Current Job Title:</b>	<b>NSPS Pay Schedule/Occupation Code /Pay Band :</b> <b>Former GS-Grade &amp; Series or Equivalent:</b>
<b>Current NSPS Pay Schedule &amp; Pay Band OR GS-Series-Grade (if applicable):</b>	<b>NSPS Salary Range:</b> <b>Target Level Salary Range:</b>

<u>Nature of Action (Check One)</u>	<u>Pay-Setting Guidance (See Manager's Guide for Specific Guidance)</u>
<input type="checkbox"/> New Hire	New-Hire pay may be set no higher than Step 1 of the former GS-grade equivalent plus 30.0% (up to the pay band maximum rate of pay) Salary Range: _____
<input type="checkbox"/> Promotion	Between 6.0% and 20.0%, not to exceed the NSPS Pay Band maximum
<input type="checkbox"/> Reassignment - Voluntary	Either 1) Any decrease amount but no less than the NSPS Pay Band minimum OR 2) Any increase between 0% and 5.0% but not to exceed the NSPS Pay Band maximum Date of last reassignment: _____ % of Increase/Decrease: _____
- Management-Directed	Between 0% and 5.0% for each action, not to exceed the NSPS Pay Band maximum
- Involuntary	Decrease between 10.0% and 0%, but no less than the NSPS Pay Band minimum Date of last reassignment: _____ % of Decrease: _____
<input type="checkbox"/> ACDP	Generally not to exceed 20.0% annually; but no more than Pay Band 1 maximum

### SALARY INFORMATION: Candidate's Current Salary, Internal Salary Analyses, Proposed Salary

Use the Pay-Setting Guidance above (See Manager's Guide for more detailed information). Complete the entire Worksheet before determining the appropriate "Proposed Salary" to ensure a thorough comparison with all relevant pay-setting factors.

<b>Candidate's Current Salary</b>	<b>Internal Salary Data of Incumbent(s) in Same or Similar Position(s) (1)</b>	<b>PROPOSED SALARY (including Local Market Supplement)</b>
<b>Total Annual Salary:</b> (Includes Base Salary + Locality/Geographic Pay; Exclude Bonuses, Awards, Lump-Sums Amounts)  <b>Years of Relevant Experience:</b>	<b>Avg. Salary:</b>  <b>Number of Incumbents:</b>  <b>Highest Salary:</b>  <b>Avg. Years in Position:</b>	<b>New NSPS Salary:</b>  <b>% Difference:</b> (from Current Salary)  <b>Is Salary Offer Within:</b> - Unit/Org/Dept Salary Budget? Y/N - Pay-Setting Guidance? Y/N (2)
<b>For External, Non-Federal, New-Hire Candidates Only</b>  <b>Prior to Committing to a Proposed Salary, Factor in the "Total R Perspective" and/or the use of any Recruitment Bonus or Relocation Bonus.</b>		<b>Was the "Total R Perspective" Considered and Emphasized, Especially the Value of FEHB, Leave Programs, etc? Y/N</b>  <b>If This Salary Offer Includes any Recruitment or Relocation Bonus, Indicate the Amount(s):</b> - Recruitment Bonus: \$ - Relocation Bonus: \$ - Total Bonus: \$

(1) Unit or Organization Average Salary - Obtain from your HRO / HR Specialist, if needed.

(2) If the "Proposed Salary" is not within the Pay-Setting Guidelines, complete the "Pay Factors Justification" section on page 2.

**NSPS Salary Determination Process Worksheet - New Hires, Promotions, Reassignments (page 1 of 2)**

**ASSESS the CANDIDATE'S JOB-RELATED EXPERIENCE, TRAINING, AND SKILL/COMPETENCY**

Indicate the Candidate's:

Education Level and/or Degrees: \_\_\_\_\_ Years of Relevant Experience: \_\_\_\_\_

List Relevant Training (Licenses, Certifications, etc): \_\_\_\_\_

Place an "X" in the Appropriate Level of Job-Related Experience, Training, and Skill Levels/Competencies of the Candidate. Consider the full-range of the Candidate's breadth, depth, and scope of relevant job duties, responsibilities, and complexity.

<u>Candidate's Employment History Indicates</u>	Experience	Training	Competencies (Knowledge, Skills, Abilities)	Breadth, Depth, and Scope of Relevant Job Experience
Meets Minimum Position Levels				
Exceeds Minimum Position Levels				
Prior Direct Experience, Can "Hit the ground running"				
Possesses Unique Skills Critical to Unit/Agency/Department (Identify)				

**IF PROPOSED SALARY IS NOT WITHIN GUIDELINES**

Check only those pay factors that were considered in reaching this pay decision and provide appropriate justification.

Pay Factors	Notation on salary determination
Critical Agency Business Need	
Current Salary / Salary History	
Relevant Work Experience	
Education Levels	
Training	
Competencies	
Use of Any/All of the "3 R's"	
Other (Describe)	