

Pay Pool Funding for Spiral 1 Activities

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 1940, Performance Management
- c) Army Spiral 1.1, 1.2. and 1.3 Interim Guidance for January 2008 Pay Pool Funding, March 14, 2007

2. PURPOSE

To establish Training and Doctrine Command (TRADOC) policy, procedures, and delegations of authority for making pay pool funding decisions.

3. APPLICABILITY

This policy guidance applies to TRADOC Activities/Pay Pools that converted to NSPS under Spirals 1.2 and 1.3.

4. POLICY

- a. The NSPS pay system uses a pay pool concept to manage, control, and distribute performance based pay increases and bonuses. DOD established a 2.26% Element 1 funding floor for the January 2008 performance payouts. The Department of Army delegated the requirement to meet that funding floor to Army Commands. TRADOC will manage that requirement for the Command and will provide any necessary certification of expenditures.
- b. No additional money will be provided to cover funding for NSPS pay for performance. In accordance with NSPS Final regulations, §9901.313, to the maximum extent practicable, the overall amount allocated for compensation of civilian employees covered by NSPS may not be less than the amount previously allocated for compensation. TRADOC will provide historical spending for elements 1 and 3 of the pay pool fund. To the extent possible, funding should be consistent with those historical percentages. TRADOC is the approval authority for initial element 1 funding levels. After approval, funding for element 1 cannot be decreased below the approved level without TRADOC approval.
- c. TRADOC delegates the authority to allocate additional funds above the approved funding level to element 1 of the pay pool fund to the Major Subordinate Commanders and Commanders/Directors of Special Activities reporting directly to HQ TRADOC. It is

TRADOC's intent that this authority be further delegated to the management official who has authority over other civilian pay matters, such as Activity Directors or School Commandants. This authority can be further delegated no lower than the Pay Pool Manager level.

d. TRADOC delegates the authority to allocate funds to element 3 of the pay pool fund to the Major Subordinate Commanders and Commanders/Directors of Special Activities reporting directly to HQ TRADOC. It is TRADOC's intent that this authority be further delegated to the management official who has authority over other civilian pay matters, such as Activity Directors and School Commandants. This authority can be further delegated no lower than the Pay Pool Manager level.

e. Although the annual appraisal cycle for Spirals 1.2 and 1.3 will be shorter than the standard cycle, within TRADOC, the funding floor for element 1 will not be prorated.

5. EXPLANATION OF TERMS

a. Pay Pool – The dollar value of the funds set aside for performance payouts for employees covered by a pay pool. Pay pool also means the organizational elements/unit or other categories of employees that are combined for the purpose of determining performance payouts. The pay pool fund consists of three elements.

(1) Element 1 – The portion of the pay pool fund that is paid out as base salary increase. This element is equivalent to the money historically spent on quality step increases, "in band" promotions and within grade increases.

(2) Element 2 – A portion of the General Pay Increase (GPI) that the Secretary of Defense has identified for allocation to the pay pool fund. Element 2 may be paid as base salary increase or performance based cash awards.

(3) Element 3 – The portion of the pay pool fund that is paid out as performance based cash awards.

b. Funding Floor – The minimum percentage of funds that **must** be spent in element 1 of a pay pool fund. Funding floors/requirements for schools/activities for the January 2008 pay out will be based on historical averages provided by TRADOC.

6. FUNDING REQUIREMENTS FOR PAY POOL FUND ELEMENTS:

a. Element 1 Funding: For the January 2008 performance pay out, schools/activities should allocate a percentage of funds equivalent to the amount historically spent on quality step increases, within grade increases, and "in band" promotions. An estimated percentage will be provided to each school/activity by HQ TRADOC, Deputy Chief of Staff for Personnel, Infrastructure and Logistics (DCSPIL), Civilian Personnel

Directorate (CPD). For pay pools comprised of more than one Unit Identification Code (UIC), a weighted average percent must be used.

b. Element 2 Funding: At this time, it has not been determined whether a portion of the GPI will be allocated to element 2. When that decision is made, additional guidance will be issued.

c. Element 3 Funding: For the January 2008 performance pay out, activities and schools should allocate a percentage of funds equivalent to the funds historically spent for performance based awards. An estimated percentage will be provided to each school/activity by HQ TRADOC/DCSPIL/CPD.

d. There is not a minimum percentage that must be allocated to element 3. However, if employees are at the maximum pay rate of their pay band or market compensation range, any assigned shares must be paid as bonus. It is therefore unlikely that schools and activities will not have an element 3 bill. This element 3 bill does not change the element 1 funding floor requirement. The results of the interim mock pay pool may be used to project whether element 3 funding will be adequate.

e. Activities should recognize that reconsideration decisions on performance ratings may result in additional shares to be paid to employees. Less than 1 percent of the DOD NSPS Spiral 1.1 population requested reconsideration of their performance rating. Additional funds may also be needed to compensate employees transferring to the activity after 1 October 2007 who are eligible for an NSPS payout.

7. APPROVAL PROCEDURES

Schools and activities will provide proposed pay pool funding allocations for both element 1 and element 3 to HQ TRADOC/DCSPIL/CPD no later than 8 Jun 2007. Proposed funding allocations may be sent by facsimile to DSN 680-5252 or sent by electronic mail to Bob.Hart1@us.army.mil. If the proposed funding for element 1 is less than the historical average previously provided by TRADOC, the school/activity will provide an explanation/rationale for the difference. If the proposed funding for element 1 exceeds the historical average, no explanation is required. Proposed funding allocations will be reviewed and consolidated to ensure proposed levels allow the Command to meet the minimum funding floor requirements. Schools and activities will be provided the approved funding levels for element 1 to the schools and activities no later than 15 Jun 2007.