

ARMY FREQUENTLY ASKED QUESTIONS (FAQ)

As of 12 January 2007

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A. CONVERSION

A-1Q: Employees on temporary promotions are to be returned to their permanent positions prior to conversion. Immediately after conversion, the employees can be returned to the former position and re-promoted/reassigned on a temporary basis and their salaries set at the same level they were before conversion (a one-time exception allowed for in DoD Issuance SC1911.4.6). Does this also apply if the action is later made permanent under NSPS?

A: If the temporary action is then made permanent (i.e., the reassignment/promotion does not expire), the manager has the option of maintaining the employee's same pay under SC1911.4.6. Even though, the employee must compete for the placement action to be made permanent, SC1911.4.6. still applies.

A-2Q: Will a freeze be placed on submitting personnel actions for organizations converting to NSPS?

A: Yes, all personnel actions must be submitted to the CPOC for processing 2 weeks prior to the conversion to NSPS. If a recruit/fill/placement action cannot be processed and effective prior to conversion to NSPS, the RPA will be processed following NSPS conversion and in accordance with NSPS regulatory requirements.

A-3Q: When can employees who are on temporary promotions prior to converting to NSPS be returned to their temporary promotions?

A: Employees may be returned to the temporary position immediately after conversion to NSPS.

A-4Q: Is an employee, who is on temporary reassignment at time of conversion and returned to a temporary reassignment after conversion, eligible for the 5% increase in salary?

A: The one-time pay setting rule may be used to set the employee's base salary at the same rate as before the conversion for an employee who is temporarily reassigned immediately after conversion to the NSPS position he/she held on a temporary basis immediately before conversion. For subsequent temporary reassignments, whether from a non-NSPS position to an NSPS position or between positions within NSPS, an employee may receive up to a 5% increase consistent with the NSPS regulatory requirements.

A-5Q: Upon initial conversion to NSPS, will employees receive a local market supplement (LMS) instead of their current locality pay?

A: Each employee converted into NSPS will have an adjusted salary--a base salary and a local market supplement. However, the percentage value for some local market

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supplements may be zero (e.g., for occupations and locations where locality payments or special rate supplements do not apply under the General Schedule).

A-6Q: How will employees in the Acquisition Demonstration Project be converted to NSPS?

A: Acquisition demonstration project employees are placed in the career group and pay schedule that correspond to the occupational code and pay band of their position using Table SC1911-5 in DoD Manual 1400.25-M, SC1911.

A-7Q: Why are Defense Civilian Intelligence Personnel System (DCIPS) and Defense Intelligence Senior Executive Service (DISES) employees excluded from NSPS?

A: DCIPS employees are appointed and paid under authority of 10 U.S. Code, Chapter 81. As a result, DCIPS is outside the scope of Title 5 in most areas covered by NSPS; DCIPS organizations are already excluded from coverage under Chapter 71 by E.O. 12171 and the Director, NGA's determination under 10 U.S.C. § 461.

A-8Q: What happens to Veterans' Recruitment Authority (VRA) employees upon conversion to NSPS?

A: Individuals completing 2 years of satisfactory (substantially continuous) service at the time of conversion will be converted to permanent (competitive) career status. Employees serving on VRA appointments with time remaining on the initial 2-year period will be converted to permanent (excepted) career status and must satisfactorily complete 2 years of service. All time served under VRA appointments will count toward completion of the 2-year probationary period.

A-9Q: How is the within-grade increase (WGI) buy-in computed for employees converting to NSPS?

A: Employees (regardless of work schedule) who are at Step 9 or below and who have an acceptable performance rating will receive a prorated WGI adjustment. The WGI buy-in will be calculated based on the length of time (calendar days) accumulated toward the next WGI. The WGI buy-in is added to the employee's base salary and along with the local market supplement is considered the "NSPS adjusted base salary." The adjusted base salary is used in converting employees to NSPS.

A-10Q: Will employees on special salary rates receive their WGI buy-in using the step increment of the special salary table or the step increment of the basic pay (GS) salary table?

A: The special salary rate table (step increment) is used.

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A-11Q: What is the conversion process for converting positions where the grade-controlling work is not supervisory?

A: Prior to conversion, supervisory positions should be reviewed to determine if employees are performing non-supervisory work which meets the criteria for a higher pay band. If the position meets the criteria, the employee will be converted to the pay schedule and pay band with the highest maximum pay rate. The Defense Civilian Personnel Data System (DCPDS) is programmed to automatically 'convert' all supervisory GS/GM positions into NSPS supervisory pay schedules/bands based on the occupational code and guidance in DOD Manual 1400.25-M, SC 1911, Table SC 1911-1.

A-12Q: How is the time computed for employees serving in temporary appointments or term appointments upon conversion to NSPS?

A: Temporary and term employees who convert to NSPS will be covered by the rules of their original appointing authorities and will continue to work under the original timeframe. There is no authority to extend their appointment to the time periods authorized by the new NSPS temporary/term authorities.

A-13Q: Is there a remark on the Notification of Personnel Action (SF-50) to inform employees on temporary or term positions that nothing has changed on their appointment and NTE date?

A: No, there is no 'special' remark on the SF-50 advising term and temporary employees that the conditions and expiration of their appointments are not changing.

A-14Q: Is an employee on LWOP excluded from the mass conversion process until he/she returns to duty OR is the employee on LWOP returned to duty and converted as part of the mass conversion?

A: Employees on LWOP at the time of mass conversion will be converted with their organization. The conversion and buy-in will be accomplished without returning the employee to duty and any WGI buy-in will be calculated as of the date of conversion.

A-15Q: Are civilian employees deployed to temporary positions overseas in support of military operations excluded from conversion until they return to their permanent position?

A: No, employees on temporary assignments will be converted with their organization on their permanent position.

A-16Q: Prior to conversion to NSPS, the position was advertised as GS and a referral list was issued to management but no selection was made before conversion. Can management still select from the referral list after the position converts to NSPS?

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A: Yes.

A-17Q: If "yes," will the tentatively selected employee be considered a voluntary accession to a NSPS position?

A: Yes, if the employee accepts the position.

A-18Q: Will the selectee be entitled to a WGI buy-in?

A: No.

A-19Q: OR will the selectee be able to negotiate a WGI buy-in amount?

A: The employee is not entitled to a WGI buy-in and pay must be set IAW SC1930.10 applying highest previous rate rules. A new hire selected for an NSPS position through the announcement process can negotiate the starting base salary (IAW SC1930.10) with the selecting official/supervisor.

A-20Q: If the position was advertised as GS, with the standard statement that the position may convert to NSPS, but the referral list was not issued before the conversion date, and now the position has converted to NSPS, must the position be re-advertised?

A: No.

A-21Q: Must NSPS qualifications be applied to a position announced before conversion, but a selection made after conversion?

A: Yes.

A-22Q: Is it legal to apply NSPS qualifications since the vacancy announcement only included the GS qualifications statement?

A: Yes, this was confirmed by the legal staff.

A-23Q: An employee who is covered under NSPS is reassigned (transfer, promotion, etc.) to a GS position at a new DoD activity and location. When the new activity converts to NSPS, will the employee be eligible for another WGI buy-in during the mass conversion at the new activity?

A: An employee cannot receive more than one WGI buy-in. The WGI buy-in is a one-time event when an employee converts with his or her organization.

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A-24Q: How are matrixed employees converted to NSPS?

A: Employees are converted on their permanent position of record with their permanent organization.

A-25Q: If an employee has a projected retirement or separation date soon after the date his/her organization is scheduled to convert to NSPS, will the employee be required to convert to NSPS?

A: Yes; retirement or separation is not a reason to delay conversion.

A-26Q: How do GS-9 and GS-11 employees who are in positions with promotion potential convert to NSPS?

A: GS-9 and GS-11 employees who have not been promoted to the full performance level of their positions prior to conversion may be converted into Pay Band 1 (developmental pay band) with noncompetitive promotion to Pay Band 2.

A-27Q: An employee may only receive one WGI buy-in upon conversion to NSPS. An OCONUS employee is on pay retention due to accepting a lower-graded OCONUS position from a higher-graded position in CONUS, converts to NSPS and does not receive a WGI buy-in. Upon conversion pay retention terminates and the employee is placed within the pay band. The employee subsequently exercises statutory return rights to their former position in CONUS that has not yet been converted to NSPS. Is the employee eligible for a WGI buy-in when the CONUS organization converts to NSPS since they did not receive a WGI buy-in when their OCONUS position converted?

A: Yes, the employee is eligible for a WGI buy-in when the CONUS organization converts to NSPS. It's a one-time increase – and if the employee doesn't receive it during one conversion process, then the eligibility would remain for a future conversion (if one should occur). Also, the location (OCONUS or CONUS) of the employee on pay retention doesn't matter; he/she would still be eligible for a WGI buy-in in the future.

A-28Q: Do temporary or term employees with less than 90 days remaining on their appointments convert to NSPS?

A: Employees who are not expected to perform under an approved NSPS performance plan for at least 90 days may not be converted into NSPS. Prior to conversion, a review of employees in time-limited appointments must be conducted to determine the expected length of service of these employees. Employees who are expected to perform at least 90 days of service under an approved NSPS performance plan will convert into NSPS. Employees who are not expected to perform at least 90 days of service under an approved NSPS performance plan before the close of the appraisal period will remain under the General Schedule.

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A-29Q: Is there a tool or sample readiness timeline that organizations can use to plan for NSPS conversion?

A: The NSPS Readiness Tool will enable organizations to plan and evaluate their progress for getting ready to convert to NSPS. The Readiness Tool is password protected. To obtain a password, contact the Army Civilian Personnel Evaluation Agency.

A-30Q: When an employee on temporary promotion is converted to NSPS and then returned to the position to which temporarily promoted, will the temporary promotion salary include the WGI buy-in?

A: No, the employee's salary for the temporary promotion will not be adjusted to include the WGI buy-in.

A-31Q: Will employees who have a presumptive fully successful rating receive the WGI buy-in?

A: Yes.

A-32Q: Are employees with TAPES ratings of Level 4 or Level 5 eligible for the Within-Grade-Increase (WGI) buy-in? Is there a requirement to notify employees who will not receive a WGI buy-in?

A: An employee with a Level 4 or Level 5 rating of record will not receive the WGI buy-in. Employees with a rating of record of Levels 1, 2, or 3 under TAPES (i.e., acceptable level of competence) on the date of conversion will be eligible for WGI buy-in.

There is no specific requirement under NSPS to notify the employee that they are not eligible for the WGI buy-in, but good management practice is to notify the employee.

A-33Q: An employee is on a temporary promotion, and earned WGIs in the permanent position. The employee was returned to the lower graded permanent position prior to conversion and receives a WGI buy-in. If the employee is placed back in the temporary promotion, will their pay be set to include the earned WGI?

A: No, the employee may only receive the rate of pay held prior to the conversion.

A-34Q: How will pay be set for an employee whose temporary promotion did not end before conversion to NSPS?

A: Employees on a temporary promotion at the time of conversion to NSPS will be returned to their official permanent position of record prior to processing the conversion into NSPS. Pay in the permanent position of record will be computed to include any increase the employee would have received if not temporarily promoted, and a WGI adjustment (if applicable) will be calculated. Immediately after conversion, management

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may temporarily reassign or promote the employee with a temporary increase in pay up to the rate the employee was receiving during the temporary promotion.

A-35Q: Will employees on retained grade receive a WGI buy-in upon conversion?

A: Yes, if the employee has an acceptable level of performance. While the employee is converted on their position of record (not the retained grade), the WGI buy-In is based on the retained grade. If the employee is not already at step 10 of the retained grade, she/he will receive a WGI buy-in for time served toward the next within-grade increase. If their salary still exceeds the assigned rate range after conversion, the employee will be placed on pay retention for 2 years (from date of conversion).

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B. CLASSIFICATION

B-1Q: How are employees' positions converted to NSPS?

A: Employees are converted to NSPS based on their permanent positions of record, i.e., the classification of their position descriptions of record, with no loss of pay. The NSPS conversion criterion presumes that the employee's position description is accurate and properly classified. To determine the appropriate NSPS Career Group and Pay Schedule, compare the position's GS title and series to the conversion chart. The chart cross walks the series to the various career groups. To determine the NSPS Pay Band, compare the GS grade to the NSPS pay bands for the particular career group. For example, a non-supervisory Budget Analyst, GS-560-12 would convert to a Budget Analyst, YA-560, Pay Band 2. A non-supervisory Human Resources Assistant, GS-203-07 would convert to a Human Resources Technician, YB-203, Pay Band 2.

Note: A crosswalk of the NSPS occupational (code) definitions and authorized occupational titles can be located in the Appendices to SC1920 found on the NSPS website: www.cpms.osd.mil/nsps.

B-2Q: Is there a new NSPS job description format and must current job descriptions be rewritten in NSPS format?

A: A new form, DD2918, has been developed and formatted for NSPS position descriptions. The template has recently been released to the Components. Army is developing implementation guidance, but until it is released, the template cannot be used. FASCLASS is being modified to include the NSPS position description format. Current position descriptions are acceptable for conversion of employees into NSPS.

B-3Q: Do major duties still require that a percentage of time be identified on the position description?

A: OPM regulations do not define "major duty" nor the percentage of time required to be a major duty. Although NSPS does not establish or define major duty or percentage(s) of time, Components may establish them. Army has not issued guidance.

B-4Q: Can location of the position have an impact on the classification of the position?

A: The location of a position is not a classification factor under NSPS. Position classification under the NSPS considers the overall nature and purpose of the position's duties and responsibilities, along with the qualifications required. A position's classification is based on work that: is performed on a regular and frequent basis; is crucial to the position's primary purpose; and governs the position's primary qualifications.

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B-5Q: How will "Leader" positions be classified when converted to NSPS?

A: NSPS does not classify positions as "leader". Leader tasks and responsibilities are considered non-supervisory. Employees in positions that are currently classified as leaders are converted to the non-supervisory career groups and pay schedules that correspond to the occupation code (series) of their position. Since the title prefixes "Lead" and "Leader" are not authorized in NSPS, they are deleted upon conversion.

Under NSPS, assignment of "leader-type work" can be made whenever there is a sound, business-based reason for doing so. However, NSPS does not assume that "leader-type" work automatically carries a greater degree of responsibility than other types of non-supervisory work. **If a position is reclassified after conversion, and it is determined that a lead is required, a parenthetical "LEAD" can be added to the official position title in DCPDS.**

B-6Q: Is there a minimum number of employees that must be supervised for a position to be designated as supervisory?

A: A supervisory position cannot be established on the basis of only one subordinate position. To be classified as a supervisor and assigned to a pay band in the Supervisor/Manager Pay Schedule, the position must perform the supervisory functions of an immediate supervisor IAW DoD Manual 1400.25-M, SC1920, Appendix 5.

B-7Q: What happens if the work performed has higher earning potential than the supervisory work?

A: Supervisory positions that include non-supervisory work are classified in the Pay Schedule and Pay Band with the highest rate range. When the non-supervisory Pay Schedule has a higher rate range, the position is classified in that pay schedule. The position is classified in the non-supervisory pay schedule, titled as supervisor and coded as a supervisor in DCPDS.

B-8Q: If an employee supervises employees in YA Pay Band 2 and performs work in YA Pay Band 2, what supervisory pay band are they assigned to?

A: Supervisory YC Pay Band 2.

B-9Q: If an employee is currently a GS-1001-06, what series are they converted to and why?

A: The OPM GS-1001 series includes work which is analytical (Pay Schedule YA) and technical (Pay Schedule YB). Under NSPS, no occupational code (series) is/can be in more than one Pay Schedule. GS positions coded as Analytical are converted to YA-1001 occupational code, and GS positions coded as Technical or Clerical are converted to YB-1002 occupational code.

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B-10Q: Why are employees in GS-332 series changing to the 2203 series?

A: Under the General Schedule, the GS-2210, Information Technology Management Series, is supported by the GS-332, Computer Operation Series, and the GS-335, Computer Assistant Series. To emphasize the relationship between the analytical YA-2210 Information Technology occupation and the supporting occupations, NSPS established occupational codes in the Standard Career Group, Technician/Support Pay Schedule (YB) to replace the GS-322 and GS-335 series. YB-2203 replaces GS-322 and YB-2204 replaces GS-335.

B-11Q: Why is a supervisor at the GS-14 grade level converting to pay band 2, which is the same pay band for GS-12 and GS-13?

A: Under the General Schedule, a supervisory position typically – but not always – has a higher potential salary rate than the positions of subordinate employees. For example, a supervisory GS-13 usually supervises GS-12 employees; but a supervisory GS-15 may supervise GS-15 employees. Under the NSPS classification architecture, supervisory positions are placed in supervisory pay schedules. Immediate and intermediate supervisors of PB-2 employees are classified at supervisory PB-2 (e.g., YC or YF). Components may review supervisory GS-14 positions to determine if they meet the criteria for either supervisory or non-supervisory Pay Band 3. Where the component determines the position meets either criterion, the employee will be converted to the appropriate Pay Band 3.

B-12Q: Does a change in FLSA require a personnel action?

A: Yes, positions are presumed to be non-exempt until management makes a determination otherwise. To change the FLSA in block 35 of the SF-50 (Notification of Personnel Action), a change in data element personnel action must be processed (NOAC 800).

B-13Q: SC1911 guidance states that supervisory GS-11 positions are converted based on the pay schedule designation of the subordinates. In what supervisory pay band will a GS-11 supervisor convert if they have subordinates in different pay schedules (e.g. YA and YB)?

A: In cases where the subordinate base level is mixed, conversion should be based on the most appropriate placement, taking into consideration the mission and function of the position and its subordinate staff, level of work performed and other position management considerations.

For example: If the subordinate staff consists of six YB (technician/support) employees and two YA (professional/analytical) employees, the supervisor could meet the criteria for placement in either supervisory band YC-1 (based on YB subordinate level) or YC-2 (based on YA subordinates).

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However, if the primary function of the organization is to deliver technical or clerical support, conversion of the supervisor into YC-1 may, in this case, be more appropriate.

Other factors may also influence conversion, such as the level of work performed by the subordinates. For example, YA work performed at the top of the pay band (e.g., GS-13 level equivalent work) could substantiate placement of the supervisor into YC-2, even though the majority of the subordinate staff is in the YB pay schedule.

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C. PAY/COMPENSATION

C-1Q: Is there any guarantee that Congress will fully fund the NSPS pay system?

A: A provision in the statute authorizing NSPS (5 U.S.C. 9902(e)(4)) requires that, to the maximum extent practicable, the overall amount allocated for compensation of employees in an organization under NSPS shall not be less than the amount that would have been allocated for compensation of the employees if they had not been converted to NSPS. This requirement applies to fiscal years 2004 to 2008 and clearly signals Congress's intent regarding funding for compensation under NSPS.

C-2Q: When rate ranges are adjusted, do employees get a raise? Or, is the range extended/made larger?

A: If the minimum of the rate range is increased, the employee's base salary will be increased accordingly, unless the employee's performance is unsatisfactory, in which case the employee will receive no increase. If the maximum of the rate range is adjusted, no adjustment to the base salary will be made.

C-3Q: Is there any guarantee that employees will not lose purchasing power from one year to the next or any guarantee of inflation protection or cost-of-living raises?

A: Under NSPS, the annual pay increase will become Pay Band Rate Range Adjustment(s) determined and implemented under similar, but different, provisions. Changes to NSPS pay band rate ranges will be determined by the Secretary of Defense.

The general pay increase (GPI), often mistaken for a cost-of-living adjustment (COLA), is not a cost-of-living increase nor is it intended to compensate employees for inflation. The GPI is a reflection of the general movement of salaries over a one-year period. The NSPS compensation architecture does allow for some portion of the GPI to be put into the pay pool and be distributed during the performance pay out.

C-4Q: Under NSPS, will annual increases be eliminated?

A: See answer above.

C-5Q: Is it possible for every employee who converts to a pay band to advance to the top of their pay band over time? For example, can a GS- 14 who is converted to YA-3 have their salary increase to the top of pay band 3 over the years without an increase in responsibility?

A: Not necessarily. Performance and assignment of duties are the primary factors in determining progression through the pay band. The supervisor must also take into account the complexity and value of the work being performed , as well as difficulty in

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recruiting and retaining employees performing similar work and what other employees in the local area performing similar work are being paid. If the supervisor feels the employee is being adequately compensated for the work being performed, then performance pay outs may be given in the form of bonuses, rather than an increase to base salary.

C-6Q: Under NSPS, if an Army employee applies through an external announcement for a promotion to Air Force, how is pay set? Is there a limit on the amount of salary increase or is the promotion calculated using 2-step rule (about 6%).

A: Upon promotion, the employee will receive a minimum 6% increase, unless this would cause the employee's base salary to exceed the maximum rate of the new pay band. The employee may receive up to a 20% increase or higher if a higher level approval is obtained or if the greater increase is needed to reach the minimum rate of the new pay band.

C-7Q: Can an employee who is changed to a lower pay band receive a salary increase, e.g., employee in standard career group, professional/analytical PB 3 moves to another job in same CG, PB 2. Can the employee's pay be set higher than their current pay?

A: It is possible that an employee could receive a pay increase when accepting a voluntary reduction in band. The employee is eligible for up to a 5% increase upon voluntary reduction in band and/or voluntary reassignment in any 12-month period. Any increase may not cause the employee's base salary to exceed the maximum rate of the pay band to which assigned.

C-8Q: If an employee voluntarily reassigned and receives a 3% pay increase, then 6 months later, the employee is given a directed reassignment, what is the maximum amount of pay increase allowable?

A: The employee could be given up to a 5% increase in base salary on a management-directed reassignment.

C-9Q: Has there been further review of the issue of filling NSPS vacancies from the current GS applicant pool, competitive or non-competitive, and the impact of the 5% reassignment limitation rule?

A: The implementing issuances have not changed to allow for greater than a 5% increase upon reassignment of an employee from GS to NSPS.

C-10Q: If an employee is at the top of the band, how will pay be increased?

A: An employee's base salary cannot be increased to a level that exceeds the maximum of the applicable pay band. Generally speaking, if an employee is at the top

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of the pay band and the maximum rate is not increased, the employee will only receive additional pay in the form of a one-time lump sum bonus and/or as a result of a percentage increase in the local market supplement rate.

C-11Q: Will pay bands be adjusted to accommodate employees whose pay is already at the step 10 plus locality pay? (For example, their current pay appears to exceed the maximum of PB2 at the GS-13/10.)

A: The maximum of the rate range does not include the employee's LMS. Rate ranges only cover base salary. Therefore, an employee whose base salary is at the maximum of the rate range will receive the appropriate LMS in addition to the base salary. (In most cases, an employee's base salary plus LMS will still fit within the rate range.)

C-12Q: Can a manager increase or decrease an employees' pay for a voluntary reduction in band?

A: Yes, as long as the pay is set within the assigned pay band.

C-13Q: Will there be a remark explaining grade and pay retention on the conversion Notification of Personnel Action for employees previously on grade retention in the GS system?

A: Employees whose grade retention is terminated upon conversion to NSPS will have a remark on their SF 50 stating that grade retention is terminated. For many of those employees, their base salary will be accommodated within their assigned pay band; therefore, they will not be entitled to pay retention. The remark on the SF-50 will also advise the employee of this. Employees whose base salary is above their assigned pay band will be advised of the two-year period of pay retention and the ending date.

C-14Q: How will the salaries of employees on grade retention be set when converting to NSPS?

A: At the time of conversion, the employee will be converted to a career group, pay schedule, and pay band based on their assigned permanent position of record and their pay adjusted to base salary and local market supplement. After conversion, if the base salary exceeds the rate range for the assigned pay band, pay retention will be granted for a period of two years from the date of conversion.

C-15Q: Pay retention is currently limited to 2 years. What happens if the retained pay under grade or pay retention exceeds the top of the pay band?

A: Grade retention is not a feature of NSPS. At the time of conversion, employees whose base pay does not fit within the pay band will be placed on pay retention for 2 years from the date of conversion. At the end of the 2-year period, the employee's base salary will be reduced to the maximum rate of the pay band to which assigned, unless a terminating event occurs before that time.

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C-16Q: Can pay retention be used for developmental positions under a formal training plan?

A: The implementing issuances do not specify this situation as a situation that leads to an entitlement for pay retention at the Department Level. However, Components have been delegated authority to extend pay retention in situations deemed appropriate. As is the case today, this authority applies to actions initiated by management and may not be granted in situations that include actions at the employee's request.

C-17Q: How will pay be set if an employee leaves NSPS and later returns to another position covered by NSPS?

A: Pay for employees leaving NSPS will be set using the rules of the gaining pay system. Employees who become covered by NSPS again will have their pay set in accordance with NSPS pay setting rules.

C-18Q: If a Command undergoes a reduction in force, will the pay pool money remain the same or be divided among less people?

A: The amount of pay pool funds available for distribution is based on the number of employees who are eligible for an increase to base salary and/or a bonus at the time of the payout. Financial management policies will permit the adjustment of funding levels to accurately reflect the number and composition of the pay pool at the close of the appraisal period, including changes that are expected prior to payout. Additionally, recognizing that employees may be displaced to other organizations as a result of reduction in force, the proposed regulations allow Components to reward eligible employees who move involuntarily from one pay pool to another.

C-19Q: Will supervisory work under NSPS take more time? If so, will there be more money for overtime (OT)?

A: Experience from demonstration projects shows that for the first couple of years following conversion, more time is needed for supervisory duties. This extra time is reduced, however, after supervisors become more familiar with the system and when the benefits of a more highly-performing organization are realized. It is unlikely that any extra OT monies will be programmed to assume this extra supervisory work.

C-20Q: If the pay of a dentist/physician falls below the minimum at conversion to NSPS, can their base pay be adjusted upward?

A: Dentists and physicians on the YG pay schedule do not receive a Local Market Supplement (LMS) unless they are in one of the specialties in the targeted LMS table. Assuming the dentist is not an oral surgeon (the only dentist specialty on the targeted LMS table), he/she would not receive any LMS under NSPS - only base salary. The employee's salary should be set at least at the pay band minimum.

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C-21Q: There is no guidance in the NSPS implementing issuances on converting employees from NAF to NSPS and conversion rules are used to determine if selection is to be processed as reassignment, reduction or promotion under NSPS rules.

A: Conversion rules are not used to determine if a selection is a reassignment, reduction in band, or promotion - that determination is made by comparing the level of work the employee is currently performing to the level of work of the Pay Band the employee is being assigned to. Pay is set in accordance with SC1930.

C-22Q: SC1911.3.1.3 for Alternative Personnel Systems (APS) states that conversion rules to NSPS follow the conversion rules stipulated in the APS system, but only Navy Personnel systems are listed. Can this principle be applied for movement from NAF to NSPS since NAF has a comparison provision in DOD 1400.25 Subchapter 1405 (SC1405.AP1.T1)?

A: The table at Appendix 1 of CPM Subchapter 1405 may be used as one source in determining comparable levels of work, but the table will not cover all possible situations because the NSPS and NAF pay bands do not correspond exactly.

C-23Q: With the current GPPA changes, the percentage of salary increase can be annotated in the remarks section of the NSPS. However, there is no electronic way to show these changes if the remark is omitted and thus no way to pull data from DCPDS. How will the amounts given in a 12 month period be tracked?

A: The NSPS Guide to Processing Personnel Actions provides separate legal authority codes to distinguish among reassignment actions that include a salary increase, decrease or no change to base salary. While there is no specific field in DCPDS to track the exact amount of each salary increase (or to track cumulative increases), the use of this legal authority code (in conjunction with the use of the remark) will flag to activities that an increase was received.

C-24Q: How is the percentage of salary increase computed under SC1911.4.8, which allows for the setting of pay on noncompetitive promotion equivalents when the grade level of the promotion is encompassed within the same pay band and the employee's performance warrants the pay increase, and the promotion would have otherwise occurred during that period?

- For example, a previous GS-05 (Developmental GS-6), now in pay band one. Under the GS system the employee would receive the two step promotion rule.

For Example:

GS-5 step 1 (Basic Salary) = \$25,195

GS-5 step 3 (Basic Salary) = \$26,875

GS-6 step 1 (Basic Salary) = \$28,085

Under the GS two-step promotion rule, GS-5 step 3 is less than GS-6 step 1, so salary is set at GS-6 step 1. The percentage increase from GS-5 step 1 to GS-6

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step 1 is 11.47%. We propose to set the pay as if under GS using the two-step rule, then calculate the percentage of the increase (11.47%) and then increase current NSPS base salary by that percentage

A: SC1911.4.8 allows for a one-time increase that would be equivalent to a noncompetitive promotion. This example is consistent with the NSPS implementing issuance.

C-25Q: Can highest previous rate (HPR) be used in pay setting for GS to NSPS, or is the activity limited to the 5% increase to base pay upon reassignment to the GS position? An example is an employee who is currently a GS-09 step 10 moves into YA-2 position. The employee previously held GS-13 step 5 and it would be more advantageous to use this previously earned higher rate.

A: The activity is limited to the 5% increase under the reassignment procedures in SC1930.10.4. The maximum payable rate rule/application of highest previous rate is not a feature of NSPS pay setting.

C-26Q: An employee on temporary promotion from GS-11 to GS-12 step 2 is deployed overseas at time of conversion. The employee converts to NSPS on a permanent position to YA-2 with WGI buy-in based on GS-11 permanent position of record. Employee is then re-promoted back to GS-12. Pay is set at Step 1 (use of HPR – the applicable rule for the gaining (GS) system). Employee loses pay. How can we ensure this does not happen?

A: Essentially it involves an interpretation of a sentence in SC1911.4.6. which states, "Immediately after conversion, management may temporarily reassign or promote the employee with a temporary increase in pay up to the rate the employee was receiving during the temporary promotion." The employee may be temporarily reassigned from their permanent NSPS position to another NSPS position and given a base salary increase equal to the GS-12, step 2, the pay that the employee was receiving on the temporary promotion before conversion. This rate may then be used as the highest previous rate upon placement back into the temporary GS position. There are three possible methods for documenting this:

1. Establish and classify an NSPS position (if one is not already available), temporarily reassign the employee to that position, then temporarily promote the employee back to the GS-12, step 2, position. The temporary reassignment and temporary promotion would be effective on the same day.
2. Move the employee directly from the permanent NSPS position to the temporary GS-12, step 2, position and document via a memorandum of record that HPR is based on a temporary reassignment within NSPS in accordance with SC1911.4.6.

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3. Move the employee directly from the permanent NSPS position to the temporary GS-12, step 2, position and document via a remark on the SF 50 stating that HPR is based on a temporary reassignment within NSPS in accordance with SC1911.4.6.

The determination as to which method to use is discretionary. This solution permits the employee's GS-12, step 2, salary that the employee was receiving before conversion into NSPS to be preserved, and is consistent with the GS pay setting provisions for use of HPR.

C-27Q: If employee's target position is within the pay band, and the one-time exception for a within-band promotion is not sufficient to reach the employee's target position, what can be done?

A: After conversion, salary increases within the band may occur through the performance payout process or reassignment to a different position or set of duties. Upon reassignment to a different position or set of duties, the employee may receive up to a 5% increase in base salary. There is no limit to the number of times an employee may receive an increase to base salary based on management reassignments. There are also other forms of compensation that may be provided to employees in addition to salary increases (e.g., awards, etc) that may be appropriate.

C-28Q: How will the A76 costs be determined in NSPS?

A: This issue is still being researched. The DoD Implementing Issuances do not address A76 competitions.

C-29Q: What is the sequence for processing the January payout?

A: The rate range adjustment is processed first, then the performance payout is processed.

C-30Q: If someone is on Leave Without Pay (LWOP) at the time of a pay pool payout, will they still receive a payout?

A: If the employee is on LWOP and eligible for a rating, they will be included in the pay pool spreadsheet and assigned a rating, share assignment, and payout distribution. The payout may be prorated if they were on LWOP for more than 90 days in the performance cycle and the LWOP was for reasons other than military service or work related injury. If they are on LWOP at the time of the payout, their salary will be updated in the Defense Civilian Personnel Data System effective with the pay increases of pay pool members in a paid status. However, the employee on LWOP will not receive the increase until they return to duty in a pay status. Bonus payments would be paid out in January whether or not the employee was in a LWOP status.

C-31Q: When will the performance payouts be effective?

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A: Performance-based payouts will be effective the first day of the first pay period beginning after January 1 of each year.

C-32Q: Is pay frozen regardless of performance during the 2-year pay retention entitlement?

A: Yes, the employee's base salary is frozen. Any increase received as a result of the performance payout process must be received in the form of a bonus. The employee will receive any increase in the local market supplement, provided he or she is rated above unacceptable.

C-33Q: How is pay set for employees who receive an Accelerated Compensation for Developmental Employees (ACDP)?

A: ACDP is intended to assure that a measured progression through pay band 1 to the journey level position is achieved. Pay increases will generally be no more than 20% per year. Army guidance requires the employees' performance to be reviewed at 6-month intervals with the option to award a portion of ACDP at that time. For example, employees may receive a 10% increase at 6 months and another 10% increase at 12 months; or they may receive 20% at 12 months. If two 10% increases are awarded, the total increase may be slightly over 20% per year.

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D. LOCAL MARKET SUPPLEMENT (LMS)/COLA/OVERSEAS

D-1Q: What will the LMS be in the future?

A: The precise LMS for the future are unknown. The process and variable factors that affect Title 5 locality pay and special salary rate decisions today will still be applicable under NSPS. Budget estimates that consider civilian pay use aggregate figures (e.g., pay will increase by x% in a given year) rather than discrete estimates of locality pay increases.

D-2Q: Does NSPS change an employee's entitlement to COLA?

A: The cost of living allowance(s) (COLA) under Title 5 applies only to employees in foreign areas and to employees in Alaska, Hawaii, Puerto Rico, Guam, Northern Mariana Islands, and the Virgin Islands. NSPS does not change the COLA rates that are payable for these locations. The rates for foreign areas are determined by the State Department. The rates for Alaska, Hawaii, et al. are determined by the Office of Personnel Management.

D-3Q: Will employees in Hawaii be eligible for a LMS and COLA?

A: NSPS regulations are sufficiently flexible to provide LMS to employees receiving a non-foreign COLA. LMS are established in response to labor market conditions and apply to employees located in specific geographic areas or who work in occupations that warrant additional compensation. Any decision to authorize a local market supplement would take into account the COLA that is payable for that location.

D-4Q: Could the LMS be significantly less than our current locality pay? Could employees lose pay under NSPS?

A: NSPS LMS, like the Title 5 locality pay and special salary rate provisions, are additional pay (added to base pay) to address environmental factors. Environmental considerations may include mission requirements, market condition, availability of funds, pay adjustments received by employees of other Federal agencies, overseas allowances and differentials, and any other relevant information. These factors are either location or occupation specific or both, that are not fully addressed by the world-wide base salary rate in NSPS or by the basic pay rate in the General Schedule system.

As with the GS system, the NSPS percentage of base salary may be impacted by currently unknown future changes in area coverage and environmental conditions. Depending on the outcome of the annual review, geographical boundaries may be adjusted which could result in a different LMS, either higher or lower, for some or all individuals included in the new boundaries. The review could result in occupation-specific LMS being adjusted to a higher or lower percentage based on the various conditions mentioned earlier. We can expect to see changes driven by market forces and could see adjustments to LMS in particular occupations or locations. However, until

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the Department establishes its own procedures for LMS, the intent is to use the Employment Cost Index and OPM locality and special salary rates as the basis for LMS changes.

D-5Q: Can future LMS decisions decrease an employee's current base pay or will LMS only impact future increases?

A: At the time of an adjustment, a LMS can be increased, decreased, or remain the same. Past experience with GS locality pay indicates that a decrease is unlikely, but there is the possibility that an LMS could be decreased. If that occurs, the LMS portion of an employee's adjusted salary would decrease; however, the base salary might simultaneously increase as a result of a rate range adjustment.

D-6Q: In the new system, the Secretary of Defense has the latitude to adjust the pay bands and if it's decided not to adjust the pay bands, the LMS and any COLA would go into the pay pool. Does that mean that an employee at the top of their pay band might not receive an increase for that year?

A: The Secretary of Defense may decide the amount of a pay increase to allocate to rate range adjustments, the amount for LMS adjustments, and the amount for pay pool funding. Secondly, rate range adjustments are made to base salary before any LMS is applied. Individuals whose base salary is at the top of their pay band would not receive the minimum rate range adjustment for their pay band unless the maximum rate for their pay band is also increased allowing additional base salary for them to receive a portion or all of any minimum rate range base salary increase. However, they would still receive the full appropriate LMS. In addition, based on their performance rating and shares awarded, employees at the top of their pay band may receive performance bonuses.

D-7Q: If a 2% LMS is authorized instead of the current 17.5% Locality Pay, is that a reduction in pay under NSPS for employees who are at an acceptable level of performance?

A: Under the current construct, the amount of the LMS paid is not based on work assigned at the individual level. Every employee in the same occupational specialty, with an appropriate performance rating, covered by a particular LMS, will receive the same percentage of base salary. If an employee moves from one LMS area or occupation to another area or different occupation, the total adjusted salary (base salary plus the LMS) may be affected by the new LMS. This is no different than what happens today when an employee moves from one locality area or special salary rate to another area or occupation.

D-8Q: The LMS pool of money may stay the same or increase annually but it can be divided differently across the professional series. For example, to increase LMS for General Engineers, series 801, there would have to be a decrease in the LMS for one or more other series. The concern is that an excellent performing

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worker can receive a pay cut over time because they happen to be in a series that is not lacking in that local market.

A: It is correct that there is a finite amount of money available for any of these supplements, and it would need to be allocated in some fashion across all LMS and categories. Both the General Schedule and the NSPS LMS may address all positions within a geographical area, specific occupations or groups of occupations within a geographical area to establish supplemental pay to alleviate pay disparity. Under the General Schedule, a supplement that applies to all positions within a geographical area is called locality pay while a supplement that applies to a specific occupation or groups of occupations is labeled a special salary rate. Under NSPS, both of these categories may be found under the generic title of LMS. The NSPS implementing issuances require that all existing local market supplements be reviewed at least annually for possible adjustment, in conjunction with the rate range adjustments that will be effected the first pay period in January. This review could result in the local market supplements being unchanged, increased or decreased and would establish the percentage of any change. While there is the possibility of a LMS being decreased, experience with the GS locality pay indicates that this would be a rare occurrence since no locality pay percentage has been reduced since GS locality pay was first introduced in 1994. Rather, locality pay percentages have stayed the same or have been increased in an amount considered appropriate to alleviate pay disparity between the world-wide base rate and the pay provided to non-government employees resulting from environmental factors.

D-9Q: Will overseas allowances and differentials be considered part of basic pay?

A: No, they will not change (e.g., COLA, Post Differential, LQA, etc.). The only difference under NSPS is that overseas employees may receive a LMS based on occupation. Currently, they do not receive 'locality pay.'

D-10Q: An employee with an official worksite in Hawaii and receiving a 25% non-foreign area cost of living allowance (COLA) is temporarily assigned (under either a temporary promotion or temporary reassignment) to a position in San Francisco, and is paid per diem allowances during the temporary assignment. What effect does this have on the COLA the employee is receiving, and does the employee receive the LMS that applies in San Francisco to his position?

A: For an employee who is temporarily assigned to a different local market area, and who receives per diem allowances, the official worksite remains unchanged (see SC1930.8.1.2.3.1. and the definition of "official worksite" at 5 CFR 591.201). As a result, the employee in this scenario continues to receive the 25% COLA that applies to his permanent duty station (official worksite) in Hawaii, and does not receive the LMS that applies to his temporary duty station in San Francisco. The 25% COLA is calculated using the base salary of the position to which temporarily assigned.

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D-11Q: In this same scenario, what happens if the employee is authorized a temporary change of station and receives payment for relocation expenses in lieu of being paid per diem allowances?

A: If an employee is authorized a temporary change of station and receives payment for relocation expenses in conjunction with a temporary assignment, the temporary duty station becomes the official worksite for the duration of the assignment (see SC1930.8.1.2.3.1. and the definition of “official worksite” at 5 CFR 591.201). With the change in official worksite, the employee is no longer eligible for the COLA that applies in Hawaii, but does receive the LMS that applies to his position in San Francisco. The LMS is calculated using the base salary of the position to which the employee is temporarily assigned.

D-12Q: An employee with an official worksite in San Diego is temporarily assigned (under either a temporary promotion or temporary reassignment) to a position in Hawaii, and is paid per diem allowances during the temporary assignment. What effect does this have on the LMS that the employee is receiving, and does the employee receive the 25% COLA that applies in Hawaii?

A: The employee’s official worksite remains unchanged, because he/she has not been authorized a temporary change of station and payment for relocation expenses in conjunction with the temporary assignment. As a result, the employee receives the LMS applicable in San Diego. The LMS is calculated using the base salary of the position to which the employee is temporarily assigned (even though the position is physically located in Hawaii). The employee is not eligible for the COLA that applies in Hawaii because the official worksite is San Diego.

D-13Q: What if the employee is authorized a temporary change of station in the previous scenario?

A: If the employee is authorized a temporary change of station and receives payment for relocation expenses in conjunction with a temporary assignment, the temporary duty station becomes the official worksite for the duration of the assignment (see SC1930.8.1.2.3.1. and the definition of “official worksite” at 5 CFR 591.201). With the change in official worksite, the employee is no longer eligible for the LMS that applies in San Diego, but does receive the COLA that applies in Hawaii.

D-14Q: How is pay set for an overseas employee exercising mandatory return rights to a position converted to NSPS during his/her absence?

A: The employee’s pay will be set in accordance with either 10 U.S.C. 1586 and SC1930.10.8. of the NSPS implementing issuances, **or** the management-directed reassignment procedures at SC1930.10.4.2 of the NSPS implementing issuances – whichever provides the greater benefit to the employee. Under those procedures, the authorized management official shall set pay no less than the employee’s current salary and may increase the employee’s current base salary by up to 5% percent.

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Example 1: Employee is a GS-12, step 4 overseas - basic pay is \$60,895, but has mandatory return rights to a GS-11 position which has been converted to NSPS (YA-2). Calculations are as follows:

Option 1 - Title 10 entitlement (SC1930.10.8):

Employee is returned to rate of GS-11, step 5 = \$52,349 (step 5 includes GS-11 step increases earned while overseas)

WGI - buy-in is added = \$1,452

Total = \$53,801

Then add Local Market Supplement (LMS)

or

Option 2 - Reassignment under NSPS (SC1930.10.4.2):

Employee's basic pay at GS-12, step 4 = \$60,895

Management matches the current pay of \$60,895 and may give an increase of up to 5% of the employee's current basic pay of GS-12, step 4 (a maximum increase of \$3,045 in this case).

Then add LMS

In this case, the employee's pay must be set using option 2 in order to maintain the policy in SC1930.10.4.2. of setting pay no less than the employee's current salary. At the discretion of the gaining Component/activity, an increase of up to 5% could be granted.

Example 2: Employee is a GS-12, step 8 overseas – basic pay is \$68,275, and has mandatory return rights to a GS-13 position which has been converted to NSPS (YA-2). Calculations are as follows:

Option 1 – Title 10 entitlement (SC1930.10.8):

Employee is returned to a rate of GS-13, step 4 = \$72,414 (step 4 includes GS-13 step increases earned while overseas)

WGI – buy-in is added = \$587

Total = \$73,001

Then add LMS

or

Option 2 – Reassignment under NSPS (SC1930.10.4.2):

Employee's basic pay at GS-12, step 8 = \$68,275

Management matches the current pay of \$68,275 and can give an increase of up to 5% of the employee's current basic pay of GS-12, step 8 (a maximum increase of \$3,414 in this case).

Then add LMS

In this case, the employee's pay must be set using option 1 in order to maintain the maximum entitlement under title 10 as an overseas returnee.

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D-15Q: OCONUS employees who receive a special salary rate under the GS that is not subsumed within NSPS pay band into which they convert will receive a local market supplement (LMS) when they transition to NSPS.

Two questions:

1. Has the LMS been established for HI, HA and AK and if not, do these individuals receive on retained pay? OR

2. Do employees receive the same percentage they would have earned under special salary rate (SSR)?

A1: Yes, OCONUS employees who receive SSRs, and whose salary cannot be subsumed within the base rate of the pay band (for example, Physicians), shall receive an LMS. DoD CPMS posted the LMS rates for Spiral 1. These LMS rates could apply to qualifying positions in HI, HA and AK.

A2: The percentage of LMS, if applied, may be the same as the SSR it replaces, but the percentage could differ depending on the market data available when the LMS rates are published.

D-16Q: What happens to an employee who converts to NSPS while overseas, and then exercises mandatory return rights to (1) to a position converted to NSPS during his/her absence or (2) to a position not under NSPS?

A(1): If moving from an OCONUS NSPS position to a CONUS NSPS position, you would process it as a normal NSPS to NSPS action. For example, you were a GS-12 in OCONUS and converted to NSPS as a YA-2. You are returning to your former position which was converted to NSPS as a YA-2. The personnel action would be processed as a reassignment with management having the option to give up to a 5% increase.

A(2): If you are moving from an OCONUS NSPS position back to a CONUS GS position, you would follow the pay setting rules of the gaining system. In this particular case, you would apply HPR as outlined in 5 CFR 531.221(d), which covers the new OPM paysetting rules.

D-17Q: Will targeted LMS rates apply to employees stationed in foreign areas?

A: Yes. In fact, the same targeted LMS rate for a given occupation or specialty is applied world-wide. For example, a physician at Madigan Army Hospital in CONUS shall receive the same targeted LMS rate as a physician at Landstuhl Army Medical Center in Germany.

D-18Q: An employee on a special salary rate (SSR) in Europe converts from GS to NSPS with no loss in pay. The SSR is subsumed into the NSPS base pay and there is no LMS. (1) Shouldn't SSR be considered as LMS under NSPS in OCONUS? (2) It appears that employees keep the special salary rate that was subsumed into base pay for the rest of their careers. How is pay set for an

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OCONUS employee previously on SSR who transfers to a GS position or a NSPS position with LMS?

A: Where the NSPS pay bands accommodate GS special rates, there is no need to establish an LMS for the SSR. This is one of the advantages of pay banding in that it minimizes the need for targeted LMS (which are the NSPS counterparts to SSR).

(1) For an OCONUS employee, a GS SSR is either subsumed within the pay band, in which case the employee receives a base salary and no LMS, or (if the SSR is not subsumed) the employee receives a base salary plus an LMS.

(2) Once the employee converts to NSPS, the employee no longer receives the SSR. Pay in the General Schedule would be set using the employee's NSPS adjusted salary (per the definition of rate of basic pay in 5 CFR 531.203). If the employee returns to an NSPS position in CONUS, he/she would receive the LMS that applies to the position.

D-19Q: What happens when a GS CONUS employee on a SSR is selected for a NSPS OCONUS position with no LMS? For example, a GS-610-11 nurse is hired for a YH-610-2 OCONUS position.

A: An employee moving from a position such as a nurse GS-610-11 with a special salary rate supplement in CONUS to a nurse YH-610-2 position in OCONUS with no LMS would have the NSPS base salary set using the employee's GS base rate (not including the special rate supplement).

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E. PERFORMANCE MANAGEMENT

E-1Q: How is pay tied to performance?

A: Performance affects pay in many ways. Base salary increases and Local Market Supplements will not be paid to “Level 1” performers. “Level 1” or “Level 2” employees will not receive performance payouts. The individual’s performance and contributions determine: (1) their Pay Pool Rating Level (i.e., Levels 1-5); (2) the Pay Pool Share Range (i.e., number of shares); (3) the Pay Pool Share distribution (salary vs. bonus); and (4) eligibility for an Extraordinary Pay Increase (EPI) or an Organizational/Team Achievement Recognition (OAR). The EPI (salary and/or bonus) may be given when the payout formula is insufficient to recognize performance and/or contributions of an exceedingly high value (i.e., exceeds Level 5) or when a team’s contribution warrants group recognition outside the normal payout formula. Performance is the third most important factor affecting retention standing and displacement rights in organizational workforce reshaping

E-2Q: How will a supervisor rate an employee’s performance if the employee works 2nd shift and the supervisor works day shift? What about employees on 3rd shift operations?

A: Performance management is a priority for supervisors, managers, and employees under NSPS. The success of a supervisor’s performance is linked to the performance of their employees and the execution of performance management and pay-for-performance responsibilities. Supervisors are accountable for those employees who work at remote locations and on other shifts.

E-3Q: Does an employee receive a “special” rating when their military supervisor relocates due to a permanent change of duty station (PCS)?

A: Yes, if a military supervisor has supervised the employee for more than 30 days and is now changing duty stations (i.e., will cease to exercise supervisory duty for the employee), the supervisor must complete a closeout assessment (brief narrative description) of the employee’s accomplishments for that rating cycle up to that point. The closeout assessment must be documented utilizing the performance management form.

E-4Q: Are digitally signed appraisals acceptable using the automated tool for NSPS performance evaluation?

A: In August 2006, the DoD Program Executive Office (PEO) advised that a hardcopy signature must be used as the official signature until the automated system is further developed.

E-5Q: If employees are realigned from one command to another command on the last day of the NSPS performance cycle and this places the employees in a

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completely different NSPS pay pool at the time of the January payout, are the employees eligible to receive a salary increase or bonus award assuming they valued performers or higher? If so, who pays and how would that work?

A: Section 1940.AP1.9 of DoD 1400.25-M governs the payout of employees who change NSPS jobs after the last day of the appraisal period and before the effective date of the payout. In such cases, if the employee meets the minimum criteria for an annual rating of record and he/she moves to a pay pool under a different Performance Review Authority before the payout, the losing Pay Pool determines the rating of record. The rating of record will drive the payout and the payout will be calculated and paid based upon the pay pool funding and share valuation of the gaining pay pool. The gaining pay pool will be responsible for the payout.

E-6Q: If an employee receives both a performance bonus and a performance pay increase resulting from their performance payout, will each action be processed as a separate personnel action?

A: Yes, the intent is to process the performance bonus as one personnel action and the performance pay increase as a separate personnel action.

E-7Q: If an employee is on a Detail or Temporary Promotion for 120 days or less during a rating cycle and the supervisor of the employee on the detail provides input on the employee's performance during the detail, what form is used to provide the input and what is the "special appraisal" called? Does the temporary supervisor prepare an appraisal form for that period of time and enter it into the system? If the temporary assignment lasts 90 days or more, are objectives required?

A: At the time of the temporary assignment, the employee, temporary (gaining) supervisor, and the supervisor of the permanent position shall jointly determine whether to adjust the employee's assigned job objectives. Both supervisors will also jointly determine when to provide feedback to the employee on their performance so that the employee receives at least one formal interim review. The temporary supervisor shall complete a closeout assessment for an employee who has been assigned for at least 30 days. The "closeout assessment" is a brief narrative description of the employee's performance, accomplishments, and contributions during that period of time. The intent of the assessment is to ensure that there is documentation on the employee's performance for the rating cycle because pay increases and bonuses are based on accomplishments under NSPS.

There is no formal "guest rater" in the design of the NSPS performance management, and this term is not included in the performance management form. The "closeout assessment" is captured in Part M - Rating Official Assessment For Closeout Assessment, of the performance management form.

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E-8Q: Will the Senior Level Review be mandatory when organizations convert to NSPS?

A: Yes. Under NSPS, performance plan, formal interim review(s), recommended rating of record, share assignment, and payout distribution are subject to higher level review.

E-9Q: Is it correct that the only time a special purpose rating of record is issued is after an employee has been issued a Level 1 rating? Does the Level 1 rating ever go away?

A: Yes, the special purpose rating is only for employees who had received a Level 1 rating and since then have improved and sustained their performance to a Level 2 or above for a period of more than 90 days. The new rating would not erase the Level 1 rating of record. Rather, the employee will now have an additional rating of record. At a minimum, the pay pool panel must be convened and consider the appropriateness and validity of the special purpose rating.

E-10Q: Where should comments from the higher level reviewer and Individual Development Plan be recorded in the Performance Form?

A: Both should be captured in Part Q of the DD Form 2906.

E-11Q: How is an employee who leaves for another Army NSPS position overseas after the end of the rating cycle but before the payout rated? Does the organization continue to rate the employee since the employee is under the same PRA at the time of the payout?

A: If the employee is eligible for a recommended rating of record, the employee shall be rated and assigned a rating of record by the rating official, pay pool panel and pay pool manager of record on the last day of the appraisal period. The rating shall be the basis for the payout.

Since the employee will be under the same PRA, the payout will depend on the business rules established by the PRA.

E-12Q: Will performance plans be required for summer hires/seasonal employees under NSPS? Are they entitled to a performance payout?

A: If a summer hire or a seasonal employee has performed under an approved NSPS performance plan for 90 days or more, the employee will receive a rating for the rating cycle. These employees normally shall have their approved performance plan in place within the first 30 days of their entrance on duty. However, they would not be entitled to any performance payout because they would not be covered under NSPS at the time of the payout. These employees should be informed that they are ineligible for a performance payout when hired. However, such employees may be considered for incentive awards.

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E-13Q: What is the purpose of the contributing factors?

A: The DoD senior leadership determined that the NSPS rating scheme must include both an evaluation of accomplishments and the manner of performance. The use of contributing factors was approved by senior leadership to consider the manner of performance in accomplishing job objectives.

E-14Q: Is the senior review process different than the military system in which the senior rater can disagree with the rater's rating and narrative, state the reason of disagreement, but cannot change the actual rating?

A: Yes, there are differences between the military system and NSPS for the senior review process. Under NSPS, the senior rater confers and reconciles any differences with the rater before approving the recommended rating and performance payout for the pay pool process. The employee cannot see the disagreement between the rater and the senior rater, even if it is documented.

E-15Q: What is the rationale behind the pay pool manager's authority to change the rating of the rater?

A: Pay pool managers have the authority to approve the pay pool panel's recommendations to change ratings, share assignments, and payout distribution in order to reconcile differences in the application of the DoD standard rating benchmarks, and locally established payout policies.

E-16Q: Will the supervisor (rater) have to rewrite the narrative on an objective because it no longer supports a Level 5 rated objective?

A: The rater may have to modify the narrative on that objective if the rating score assigned to that objective has been changed. There are situations that there is no need to change the narrative. When the narrative accurately captures the results/accomplishments related to the objective but the rating score assigned to the objective is higher than what is prescribed in the DoD standard rating benchmarks, then the rating score will need to be adjusted but not the narrative.

E-17Q: How would the ratings be changed without changing the narrative for each objective or the contributing factors?

A: If the Summary Rating for the entire evaluation is changed, then the narrative would need to be adjusted. For example, the narrative for one or more job objective(s) and/or contributing factors assessment would have to be adjusted to support a change from Level 5 to Level 4 to reach a specific rating range for the new rating level (e.g., adjust the objective(s) and/or contributing factors to reach a rating range of 3.51 to 4.50 which equates to a Level 4 Summary Rating).

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E-18Q: Why can't the supervisor tell the employee what rating was recommended before the pay pool manager provides the final rating?

A: Under NSPS, the recommended rating is not a valid rating until it is approved by the authorized official (pay pool manager) and shall not be shared with employees to avoid negative impact on morale.

ARMY FREQUENTLY ASKED QUESTIONS (FAQ)

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F. PAY POOLS

F-1Q: How will the organization address a situation when the pay pool payout is processed later than the first pay period beginning on or after January 1?

A: DoD Implementing issuances state that “Performance-based payouts shall be effective the first day of the first pay period beginning on or after January 1 of each year.” Due to the nondiscretionary manner in which the payout date is established, it is expected that any payout that occurs after the first pay period beginning on or after January 1 of each year will be retroactive to that first pay period.

F-2Q: Can funds be mixed during the pay pool process?

A: Regardless of whether or not a pay pool is comprised of employees paid from different funding sources, funds are not mixed during the pay pool process. This is because the pay pool is a virtual rather than an actual pool of money. No check is ever drawn on the pay pool. The pay pool concept simply facilitates allocating raises and bonuses to employees (based on performance) in a manner that meets a planned overall amount. The actual payments to employees are drawn on the program element that funds the employee’s position. In the case of a performance bonus, a lump sum payment is made on the first pay period starting on or after January 1 of the next year. In the case of a performance base salary increase, it is an ongoing bill which is paid 26 pay periods a year beginning with the first full pay period in January.

F-3Q: Can pay pools be comprised of organizations/employees funded from different sources?

A: Yes. There are currently pay pools within DoD that include persons from different funding sources. While organizations participating in a pay pool contribute at relatively the same rate (“X” percent of base pay of the employees covered by the pay pool), the actual bill an organization incurs may be more or less than the organization’s virtual pay pool contribution. For this reason, it is recommended that organizations assess the design of each “mixed funded” pay pool to determine whether the impact on overall budget management of an organization is acceptable.

F-4Q: The implementing issuances require the Performance Review Authority to issue a General Pay Pool Notice to employees within 90 days from the beginning of the performance period to inform employees concerning the pay pool structure to which they are assigned. Does this mean a General Notice must be issued 90 days before the beginning of the appraisal period?

A: There is no requirement to issue a Notice to Employees before the beginning of the appraisal period. The implementing issuances require that a Notice to Employees be posted within the first 90 days of the appraisal period but not less than 90 days prior to the end of the appraisal period.

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F-5Q: How is the pay out factor percentage calculated? Who determines the factor - is it at the Command, UIC level, or other? Can it be adjusted by the Commands; e.g. can the pay out factor be increased, decreased, etc.?

A: The Army NSPS interim guidance delegates authority to determine pay pool funding (within DoD funding guidelines) to Commands (Army Commands, Army Service Component Commands, and Direct Reporting Units).

- There is a DoD funding floor (2.26%) that must be met for pay pool increases.

However, this floor is not a "per pay pool" floor, but an overall aggregate for Army.

- Commands may determine funding for each pay pool or establish pay pool funding guidelines to be followed by subordinate organizations.

- The pay out factor is a sum of the percent of base salary to be set aside for pay pool base salary increases and pay pool salary bonuses. These are decisions of affordability and performance emphasis, as decided by Command management or as delegated to and decided by organizational levels within the Command.

F-6Q: Are Discretionary Performance Payout Funds paid from sources other than the pay pool?

A: Management may use appropriate funding sources (not pay pool funds) to provide for discretionary performance payouts. The word "may" is intended to imply the discretionary authority to use these flexibilities--not the source of the funding.

F-7Q: Can the membership of a pay pool be changed during the performance cycle?

A: Yes, the makeup and structure of a pay pool can change during the performance cycle up until 90 days from the end of the performance period. Some of the events triggering such a change include reorganizations, transfers of function, and identification of conflicts in the pay pool process resulting from mock pay pool reconciliation and payout processes. When such changes result in different pay pool membership, officials, or structure than communicated in the original General Notice, organizations must issue a new general notice advising employees of the changes to the pay pool.

F-8Q: If an employee leaves a pay pool and receives an early annual appraisal, which pay pool considers the recommended rating and determines the final rating?

A: The "losing" rating official shall complete the recommended rating of record, share assignment, and payout distribution. This information will go to the "new" rating official who may add comments to the record and the "new" pay pool panel will complete the pay pool process. The "new" pay pool manager will approve the final rating of record and payout.

F-9Q: How is an employee's payout affected when he/she receives a salary increase after the end of the appraisal cycle, but before the effective date of the

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payout? For example, an employee earns \$50,000 on 31 October 2006, and receives a \$10,000 promotion on 15 November. Since the payout amount is the result of multiplying the employee's base salary times the number of shares times the share value (%), is the base salary used in the payout calculation the old (\$50,000) or the new (\$60,000) salary? In addition, when do rate range adjustments get added in?

A: The employee's salary as of the end of the appraisal cycle is used during the pay pool process to calculate the employee's salary increase and bonus. When an employee receives a salary increase after the end of the appraisal cycle, but before the effective date of the payout, the salary increase paid from the pay pool will be added to their current salary as of the effective date of the payout.

For example:

Salary increases outside of the pay pool process:

Base Salary on 31 October 2006	\$50,000
Promotion on 15 November 2006	+ \$10,000
New Base Salary as of 15 November 2006	\$60,000
Rate Range Adjustment in January	+ 1,020
New Base Salary on Day of Performance Payout	\$61,020

Salary increases resulting from the pay pool process:

The employee's base salary on 31 October (\$50,000) is used during the pay pool process. The employee receives a Level 4 rating and 3 shares. The share value in this pay pool is 1.2%. Therefore, the employee's performance payout equals $\$50,000 \times 3 \times .012$, or \$1,800. The pay pool manager approves a salary increase of \$1,000 and a bonus of \$800.

The \$1,000 salary increase is added to the employee's base salary on the day of the payout. In this example, the \$1,000 would be added to \$61,020, and the employee's new base salary would be \$62,020.

F-10Q: When an employee is rated unacceptable, the employee is ineligible for any rate range adjustment. Will the organization be able to roll the unused rate range value for unacceptable employees into their pay pool?

A: An activity will not be able to roll the unused rate range value for unacceptable employees into their pay pool. These are not pay pool funds.

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G. STAFFING AND EMPLOYMENT

G-1Q: Do emergency hiring authorities continue under NSPS?

A: Yes, all current competitive and excepted hiring authorities may continue to be used when appointing individuals to NSPS positions.

G-2Q: What is the definition of “new hire” in NSPS?

A: The term "new hire" refers to a person who is not currently employed as a Federal civilian employee. The starting rate of pay for individuals who are newly appointed or reappointed to the Federal service may be set anywhere within the assigned pay band.

G-3Q: Since there is no career-conditional status under NSPS, when does an employee acquire reinstatement eligibility?

A: An employee has reinstatement eligibility to an NSPS position as soon as he or she receives a career, i.e., permanent, appointment in NSPS.

G-4Q: Is it possible for every employee to advance to the top of their pay band over a period of time?

A: Not necessarily. While placement in YA1 always leads to full performance work in YA2 (or higher), this doesn't mean that every employee should or will advance to the upper end of pay band 2. Managers will need to carefully evaluate the work of the position to see if the employee's base salary is commensurate with the duties and responsibilities he/she performs, giving consideration to various other factors such as "what is the going rate for performing this type of work?"

G-5Q: What happens to employees who are Tenure 2, Career-Conditional?

A: There is no "Career Conditional" category under NSPS. Employees who are Tenure 2, Career-Conditional, at time of conversion will automatically convert to Tenure Group 1, which is a Career employee, including employees serving a probationary period. A career employee is an individual appointed without time limit to a competitive or excepted service position in the Federal career service.

G-6Q: Under NSPS, will Veterans Recruitment Authority (VRA) appointees be able to exceed the GS-11 salary since pay band 2 goes to the GS-13 salary?

A: Eligible VRA applicants may be appointed to positions in pay bands which include work up to and including GS-11 or equivalent in a pay band; e.g., Pay Bands 1 and 2 of the Professional/Analytical pay schedules, Pay Band 1 of the Supervisory Pay Schedules, etc. The employee's salary may be set anywhere within the assigned pay band and is not capped at the GS-11 step 10 level.

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G-7Q: Is there a limit on term appointments?

A: Term Appointments under NSPS can be made for an initial period of 5 years, with a 1-year extension for a maximum of 6 years. Components may approve this 1-year extension and/or may re-delegate approval to lower levels. There is no provision for any extension of the term appointment beyond the 6-year maximum limit.

G-8Q: Can a YA-3 employee with no supervisory experience be non-competitively reassigned to a YC-3 position?

A: Movement from YA-3 to YC-3 is considered a comparable level of work and competition is not required.

G-9Q: One of the criteria for conversion to career appointment is that an employee "be converted to a career position in the same pay band for which hired." Does that mean that if a term employee was subsequently promoted through competition to another term position, that the employee is eligible for a conversion to a career appointment at the higher pay band?

A: For a term employee to be converted to career appointment, the job vacancy announcement must clearly state that an employee hired on a time-limited basis may be converted to a permanent position if the position is in the same pay band for which hired and the employee has completed at least 2 years of continuous service with a performance rating at Level 2 or higher.

G-10Q: How can an employee-initiated "change to lower band" be involuntary? How does that differ from a management-directed "change to lower band"?

A: Under NSPS, a reduction in band is either voluntary or involuntary. A voluntary reduction in band occurs at the employee's request and may include an increase or a decrease in salary. An involuntary reduction in band is an adverse action associated with an employee's poor performance or misconduct. The terms "employee-initiated" and "management-directed" are associated with reassignment actions.

G-11Q: Will the "3-Rs" still be available for use under NSPS?

A: Yes, retention allowances, relocation bonuses, and recruitment bonuses may continue to be used as incentives under NSPS.

G-12Q: At what point does an NSPS employee have to compete for a GS position? For example, a GS-11 employee is converted to YA-2. Six months later, the employee applies for a GS-12 position in another organization. Must the employee compete for the GS-12 position?

A: Yes. When filling a GS position, the General Schedules rules apply. If the employee is currently performing duties at a lower level in the NSPS position than the

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GS position being filled, this would be a competitive movement (i.e., it would be processed as a promotion if the NSPS employee is selected for the position). If conversion into NSPS is fairly recent, and there has been no change in the duties and responsibilities since conversion, you could probably safely equate the work in the NSPS position with the previous GS-grade to make the determination of whether the movement is competitive. However, over time, this will become more difficult to do, so a careful review of the duties and responsibilities the applicant describes will be needed to determine if he/she should be considered noncompetitively when moving between these two systems.

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H. QUALIFICATIONS DETERMINATIONS

H-1Q: Is the following action noncompetitive?

An employee who was a GS-14 Deputy to a GS-15 Director moved to another GS-14 supervisory position. The employee's previous position converted to supervisory YC-3 based on the deputy responsibilities. The employee converted to supervisory YC-2 based on his/her current position. Would the employee have noncompetitive promotion eligibility to pay band 3 based upon previously holding the Deputy position?

A: No, the employee must compete for a promotion to a pay band 3 position since he/she never actually held a pay band 3 position.

H-2Q: How will minimum qualifications be determined for employees moving to a new pay schedule/pay band?

A: To be eligible for promotion or placement, candidates must meet the minimum qualification standards for a position as prescribed by either OPM or the Department, as appropriate. Under NSPS, to be minimally qualified, candidates must meet the requirements for the lowest level of work within the band and must also meet any specific requirements (certification, education, selective factors) for the position being filled. Until DoD-unique qualification standards are developed, OPM qualification standards will be used.

H-3Q: How is quality of experience determined for movement to a higher band?

A: Quality of experience relates to how closely or to what extent an applicant's background and recency of experience, education, and training are relevant to the duties and responsibilities of the announced position. Candidates must have the knowledge, skills, abilities and competencies to successfully perform the work of the position at the appropriate level. To qualify for a higher pay band, an individual must have at least 1 year of experience equivalent to the next lower pay band. Since time-in-grade no longer applies, this experience may be Federal or non-Federal.

H-4Q: When announcing a position equivalent to the GS-3/4 level on the technician/support pay schedule, would the minimum qualification requirement be U.S. citizenship as it is for GS-1 (the lowest level of work in PB1), or could some period of experience be set (e.g., 6 months), in addition to U.S. citizenship, as a minimum for qualifying for the position?

A: For a position with duties 'classified' at the lowest level of PB1 of the technician/support pay schedule, U.S. citizenship would be all that is required. No specific number of months or years of experience are required to qualify for positions in PB1 of the technician/support pay schedule—and months of experience should not be used as a screen-out factor. For positions in this band that involve more complex work,

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applicants must demonstrate possession of the knowledge, skills, abilities and competencies required to perform the work, in addition to meeting any other requirements, such as licensure, certification, medical requirements, etc.

H-5Q: Is an applicant with a Masters' Degree and no experience qualified for Pay Band 2?

A: Yes, the OPM Qualification Standards identify either a masters' degree or 1 year of lower level experience as qualifying for a GS-09 which constitutes the lowest level of work in (most) pay band 2 positions. Therefore, the applicant has met the qualifications for entry level of pay band 2 through substitution of education for experience.

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I. PROBATIONARY PERIODS

I-1Q: If a Federal employee transfers to DoD, will they be required to complete a new probationary period?

A: No, an employee who has completed an initial probationary period will not be required to serve another initial probationary period when selected for an NSPS position. With some exceptions, employees who have not completed an initial probationary period will be required to complete a 1-year initial probationary period when selected for an NSPS position. Probationary periods of DoD employees will not start over upon conversion into NSPS.

I-2Q: Is the probationary period for new hires still 1 year?

A: Yes, under NSPS, initial probationary periods are at least 1 year. DoD has the authority to establish probationary periods up to 3 years for categories of positions or types of work that require a longer period to evaluate the employee's ability to perform the work.

I-3Q: Will the option of establishing up to a 3-year probationary period be delegated to components?

A: No. This determination must be made at Department of Defense.

I-4Q: Federal Career Intern Program (FCIP) employees are required to serve a 2-year probationary period now. Will that change under NSPS?

A: No.

I-5Q: What is an 'in-service' probationary period?

A: An 'in-service' probationary period is a period of time used to determine whether the employee fulfills the requirements of the position to which assigned. Currently, supervisory probationary periods are the only type of in-service probationary period.

I-6Q: If an employee is currently serving a 1-year probationary period and will not complete the probationary period before the organization converts to NSPS, will the employee have to serve the remaining months?

A: Yes. An employee who is serving an initial probationary or trial period or an in-service probationary period (i.e., supervisory probationary period) upon conversion to an NSPS position will complete the time remaining toward completion of the NSPS probationary period after conversion. Time served in the non-NSPS position will count toward the 1-year requirement.

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J. ANNOUNCEMENTS AND COMPETITIVE EXAMINING PROCEDURES

J-1Q: What salary range should be stated on the vacancy announcement?

A: Components have the discretion to advertise the full salary range of the pay band or a limited range within the pay band. When advertising the full salary range, supervisors may want to add a statement to the announcement that indicates the base salary of the selectee will be set based on his or her qualifications (e.g., education, experience, training, availability of funds, etc.) If a narrow salary range is used, supervisors will be limited to this range when setting pay, regardless of the qualifications of the selectee.

J-2Q: Must every position in YA Pay Band 1 (now equivalent to GS-5 thru GS-11) be recruited as a YA-1 target YA-2?

A: Yes, every position in YA1 has a full performance band of at least YA2. The same is true for the entry band of the professional/analytical pay schedules in the other career groups. Although positions in the professional/analytical pay schedules are classified into pay band 1 with a full performance level of pay band 2 (or higher), the position doesn't necessarily have to be recruited or filled at pay band 1. If the work of the specific position is journeyman level work, then recruitment/placement in pay band 2 is appropriate. If the work of the specific position is developmental, then recruitment/placement in pay band 1 is appropriate.

J-3Q: When a manager wants to fill a vacancy using an alternative form of competition, must employees be notified of the vacancy or will a general announcement suffice?

A: A general notice is sufficient since vacancy announcements are not required when using alternative forms of competition. However, components must ensure employees are aware that these alternative forms of competition may be utilized. This may be accomplished through newsletters, bulletin boards, websites, or other methods of communication. A general notice that these processes may be used is sufficient.

J-4Q: When management recruits for a position that was previously a GS-11 with full promotion potential to GS-12, would they announce the position, for example, as YA-1 with FPL to YA-2, or is it announced as a YA-2 position?

A: The position should be announced according to management's organizational needs. If management wants to fill the position at entry/developmental/intern level, then they should announce it as a YA-1, target YA-2. However, if the employee is expected to be capable of performing journey level work immediately, then recruitment at pay band 2 would be appropriate. In this case, the position would not have promotion potential, and would be advertised at the full performance level. Management should not look at what the position used to be under GS, but rather at what level of work the NSPS position involves and what they are trying to accomplish when they fill the position.

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J-5Q: Are there restrictions in determining the area of consideration for competitive examination?

A: When using competitive examining procedures, the vacancy announcement must be open to all U.S. citizens. If management desires, first consideration may be given to applicants in the local commuting area and other targeted sources.

J-6Q: What is the narrowest area of consideration that management may select for external applicants?

A: The minimum area of consideration is all U.S. citizens within the local commuting area.

J-7Q: Army has delegated authority to administer the Administrative Careers With America (ACWA) examination for GS-5 and GS-7 occupations. Under NSPS, candidates selected from the ACWA examination will be appointed to pay band 1. If a candidate has a master's degree and qualifies for a GS-9 appointment and is therefore exempt from the ACWA examination, can that candidate be appointed to pay band 1 without taking the exam?

A: NSPS has not changed ACWA requirements. In the absence of more specific guidance, activities must evaluate positions on a case-by-case basis to determine if the ACWA examination is required.

J-8Q: Under delegated or competitive examination, must a manager select the highest scoring applicant since they aren't referred in groups of three? For example, if there are candidates scoring 99, 98, 97, 95 (TP vet), 94, and 90 (CPS vet), must the manager select the candidate who scored 99? For a second selection, the candidate who scored 98?

A: In most cases, competitive examining procedures under NSPS will be identical to the current delegated examining procedures. Therefore, the OPM DEU handbook should be followed, except in those instances where the DoD implementing issuances specifically provide for variation. Under NSPS, all qualified applicants may be referred on the certificate in score and veterans' preference order, following the same rules as today for rating an applicant and applying veterans' preference entitlements. The difference under NSPS is all qualified applicants may be referred to the supervisor, rather than referring candidates in groups of three.

Therefore, in the scenario above, let's first assume this is a non-scientific/professional position, and there is only one vacancy. In that case, the compensable veteran will float to the top of the list, just as today. The manager may initially select one of the candidates with the following scores: 90CPS or 95TP. The manager may not select the candidates with a score of 99, 98, or 97, unless he/she has selected, or successfully objected to, the compensable veteran (90CPS). If the certificate includes all non-

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preference eligibles or all preference eligibles, management may select any candidate on the list.

J-9Q: What will replace the “Rule of Three” under NSPS?

A: Under NSPS competitive examining procedures (numerical rating and ranking), the “rule of three” has been eliminated. Therefore, all qualified applicants may be referred. Components also have the option of using category rating procedures, which do not include the “rule of three.”

J-10Q: What is the authority that implemented category rating and how long has it been in place?

A: Category rating is not unique to NSPS and is currently authorized by the OPM Delegated Examining Operations Handbook. Within the Department, category rating is conducted in accordance with the Category Rating and Selection Procedures memorandums issued by the DUSD (CPP) on June 19 and June 20, 2004.

J-11Q: Under competitive examination, if a pay band covers professional positions at the GS-7 and GS-9 level, do compensable disabled veterans (CPS) ‘float to the top’?

A: Yes, in pay band 1. PB-1 professional and scientific positions are subject to preference eligibles ‘floating to the top,’ regardless of the salary range covered by that band. Pay Band 2 of the professional and scientific pay schedules also covers work at the GS-9 level, so when filling professional or scientific positions in PB-2 or PB-3, preference eligibles who have a compensable service-connected disability of 10% or more will not ‘float to the top’ of the list.

J-12Q: Objections to veterans must go to OPM in order to ‘bypass’ them. Do all objections to veterans go to OPM in order to ‘bypass’ them or just the compensable disabled veterans?

A: OPM retains the authority to approve or disapprove requests to bypass preference eligibles with a service-connected, compensable disability of 30% or more. The NSPS implementing issuances continue DoD’s authority to adjudicate requests to ‘pass over’ preference eligibles with less than a compensable service-connected disability of 30%.

J-13Q: Can applicants from a certificate be eliminated once they have been non-selected three times?

A: The “rule of three” is not a provision of NSPS, and all qualified applicants may be referred to the selecting official, instead of limiting the list to the three eligible names. However, three valid considerations leading to the non-selection of a preference eligible, as set forth in 5 USC 3317(b), is not a sufficient reason to discontinue consideration of that candidate.

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J-14Q: Does DoD retain authority for non-citizen hiring or does that authority reside with the Component and, if so, how far down can that be delegated?

A: Army has the authority to authorize filling positions with non-citizens, and there are no further delegations.

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K. PROMOTIONS

K-1Q: Is there a minimum pay increase for an employee who is promoted to a position in a higher pay band?

A: Yes, there is a minimum increase of 6% for promotions. However, regardless of the minimum percentage, the salary resulting from the promotion cannot be lower than the minimum of the rate range for the applicable pay band and no higher than the maximum of the rate range for the applicable pay band.

K-2Q: What happens to the 'time-in-grade' requirement that an employee must complete before being eligible for promotion?

A: Positions covered by NSPS are excluded from the time-in-grade restrictions.

K-3Q: If an employee is on a GS-11 target 12 position and is converted to NSPS, how will the target promotion be handled?

A: During the first 12 months following conversion, the NSPS conversion rules allow a one-time exception for employees who are not eligible for Accelerated Compensation for Developmental Positions (ACDP) to receive pay increases for noncompetitive promotion equivalents when the grade level of the promotion is encompassed within the same pay band.

K-4Q: How is the one-time exception processed?

A: Employees who are eligible for the one-time promotion equivalent increase will receive a pay adjustment and a personnel action will be processed. The pay increase will ensure the employee's pay is set at the salary range of the equivalent full performance GS position.

K-5Q: Does an employee retain their promotion potential upon conversion to NSPS? (e.g. promotion potential to non-supervisory GS-14)

A: In many cases, the existing full performance level will be subsumed by the pay band the employee is assigned to at the time of conversion and the employee will be eligible for the one-time promotion equivalent exception. However, if the full performance level (GS grade) at the time of conversion is in a higher band, the employee will be eligible to be promoted non-competitively to the full performance band upon meeting qualifications requirements and the approval of the supervisor.

K-6Q: Will accretion of duty promotions exist under NSPS?

A: Yes, the authority for accretion of duties still exists under NSPS as an exception to merit promotion.

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K-7Q: How is pay set on a promotion (movement to a higher pay band)? How is the 6% increase computed (base salary, round up, round down)?

A: Upon promotion, pay must be increased by a minimum of 6%, up to a maximum of 20%. The pay may not be lower than the minimum rate of the higher band and may not exceed the maximum rate of the higher band. Higher-level management must approve an increase greater than 20%, unless the greater increase is needed to set the employee's pay at the minimum of the higher band.

Salaries will be rounded in a way that ensures the implementing issuances are followed. For example, the issuances provide that an increase on a reassignment cannot exceed 5%; therefore, to ensure that the limitation is not exceeded, fractional amounts must be rounded down. For example, if the calculation of a 5% increase on a reassignment results in \$2617.65, the product must be rounded down to \$2617.

Conversely, the issuances provide for a minimum increase of 6% on a promotion; therefore, to ensure the minimum requirement is met, fractional amounts must be rounded up. For example, if the calculation of a 6% increase on a promotion results in \$3278.34, the product must be rounded up to \$3279.

K-8Q: An employee was hired as a GS-07 target GS-13 with the understanding that he/she would progress through GS-09, GS-11, GS-12, to GS-13 if performance was satisfactory. How does NSPS affect an accelerated promotion path?

A: NSPS provides for Accelerated Compensation for Developmental Positions (ACDP) which allows management to accommodate the general schedule promotion path. This is a method under which management can increase an employee's base salary, award a bonus, or do a combination of both, when the employee is participating in a formal training program or other developmental program defined by the Component. This accelerated compensation is provided in recognition of the employee acquiring defined, job-related competencies combined with successful performance of job objectives. The accelerated compensation payment is in addition to the annual performance payout.

K-9Q: Is accelerated compensation only for Pay Band 1 employees? Is a rating of record required to give an accelerated compensation?

A: Yes, accelerated compensation is restricted to employees in PB-1 of the professional and analytical pay schedules and the investigative pay schedule. (Note: the salary range for PB-1 of the Professional & Analytical pay schedule covers GS-5, step 1, through GS-11, step 10.) A Rating of Record (level 3 or higher) is not required to receive accelerated compensation; however, an authorized management official must determine that the employee is performing at Level 3 during a performance assessment period. Accelerated compensation is based on demonstrated acquisition of job-related competencies.

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K-10Q: In order to receive an Exceptional Performance Promotion, does the level 5 rating have to be a current rating of record?

A: Yes.

K-11Q: Does an employee who is currently a GS-13, but previously held a permanent GS-14, have non-competitive promotion eligibility to the next pay band?

A: Yes, an employee, who previously held a GS grade level that is now in a higher pay band than the employee is currently assigned, is eligible to be considered for noncompetitive promotion to the higher pay band provided she/he held that GS grade on a permanent basis.

K-12Q: Why is movement from YE, pay band 2, to YD, pay band 1, a promotion?

A: Work in the professional/analytical pay schedule is always considered a higher level of work than work in the technician/support pay schedule. Therefore, any move from the technician/support pay schedule to the professional/analytical pay schedule is always a promotion.

K-13Q: A GS-13 employee is converted to NSPS pay band YA-2. The employee applies and is selected for a GS-14 position. What is the nature of action, and how is pay set?

A: The nature of action is a promotion since the employee never previously held or competed for a GS-14 or pay band 3 position. Under 5 CFR 531.17, the GS promotion pay setting rule applies to certain employees moving from a non-GS Title 5 system (such as NSPS) but only if the system provides for conversion to GS-equivalent rates before leaving the non-GS system. Since NSPS does not have such a conversion rule, the CFR does not permit application of the GS pay setting rules, other than applying the maximum payable rate. Therefore, the employee's salary would be set using the highest previous rate (HPR).

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L. TEMPORARY PROMOTIONS

L-1Q: A GS-14 on temporary promotion to GS-15 converts to NSPS and the temporary promotion is subsequently made permanent. Will the employee's salary remain where it was set for the temporary promotion?

A: Yes, the employee may be placed on a temporary promotion after conversion, and the NSPS promotion pay-setting rule will provide the opportunity to match what the employee received on the GS- temporary promotion prior to conversion.

L-2Q: Currently employees can be noncompetitively temporarily promoted for 120 days in a year's time. Under NSPS, employees can be noncompetitively temporarily promoted for 180 days. If an employee is serving on a temporary promotion at the time of conversion, does he/she get 're-promoted' for 180 days from date of conversion or does the number of days already served on the temporary promotion count toward the 180 day total?

A: Employees on a temporary promotion at the time of conversion may have the time limit extended to the 180-day maximum. Example: Employee is on a 120-day temporary promotion and has completed 60 days at the time of conversion. After conversion, the temporary promotion may continue for another 120 days for a total of 180 days. The 180 days does not start over at conversion.

L-3Q: Can an employee have more than one non-competitive temporary promotion?

A: There are no changes to the rules on temporary promotions, only the length of time has changed from 120 to 180 days.

L-4Q: Is there a time limit on competitive temporary promotions?

A: There are no changes to the rules on competitive temporary promotions.

All time spent on noncompetitive temporary promotions and details to higher graded positions during the preceding 12 months counts toward the 180-day total. If the temporary promotion is extended beyond 180 days, competition is required.

The maximum time period for a temporary promotion is 5 years, unless the Office of Personnel Management (OPM) authorizes the agency to make and/or extend it for a longer period. A temporary promotion that was originally made under competitive procedures can be extended up to 5 years without further competition.

L-5Q: How is pay set for employees who are on temporary promotions and returned to their permanent positions?

A: When an employee is returned to their permanent NSPS position, the employee receives appropriate adjustments for pay increases such as rate range increases and

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performance payouts that occurred during the time the employee was assigned to the temporary position.

L-6Q: A temporary or term employee was hired from a GS vacancy announcement that indicated the position may be converted to permanent without further competition. The employee converts to NSPS in the temporary or term position. Can the employee be converted to the permanent position following conversion to NSPS without further competition?

A: Yes, the employee may be converted to the NSPS permanent position based on his/her eligibility from the GS vacancy announcement.

L-7Q: An employee competed and was selected for a temporary supervisory GS-13 position that could be made permanent without further competition. The employee converted to NSPS from the permanent GS-12 position to YA-2 and was placed back on the temporary promotion at YC-2 with the pay that was earned before the conversion using the exception from the conversion guidance. How will the employee's pay be set if the employee's temporary position is made permanent?

A: The base salary the employee was receiving is continued when the temporary reassignment is converted to permanent.

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M. REASSIGNMENTS/DETAILS

M-1Q: How will the pay be set for NSPS employees who are reassigned to GS positions outside of their current commuting area?

A: The pay setting rules of the gaining system dictate how their pay will be set (including their locality pay). Since the employee will be moving from a non-GS position to a GS position, pay may be set using the GS maximum payable rate rule (5 CFR 531.221(d)).

M-2Q: Is a reassignment between Components subject to the 5% increase? Currently, a GS-12 step 2 moves from Army to Navy and remains a GS-12 step 2.

A: Yes, an employee who transfers to another Component and is assigned a comparable level of work may receive up to a 5% increase in a 12-month period.

M-3Q: What is the difference between reassignments versus reduction in band when moving between Professional/Analytical Pay Schedule to Technician/Support Pay Schedule.

A: Movement from the professional/analytical pay schedule to a technician/support pay schedule is always a reduction in band because work in the technician/support pay schedule is at a lower level. Within the respective pay schedules, movement from a higher pay band (higher level of work) to a lower pay band (lower level of work) is also a reduction in band. Across the respective pay schedules, movement between comparable pay bands is a reassignment. For example, movement from Pay Band 2, Professional/Analytical Pay Schedule, Standard Career Group, to Pay Band 2, Professional/Analytical Pay Schedule, Scientific and Engineering Career Group is a reassignment. Movement from Pay Band 1, Technician/Support Pay Schedule, Standard Career Group to Pay Band 1, Technician/Support Pay Schedule, Scientific and Engineering Career Group is also considered a reassignment.

M-4Q: Who determines how/when employees move up within a pay band based on new work assignments?

A: Managers may move employees within the pay band based on new work assignments and may grant an increase to base salary within their pay band through reassignments. Reassignment under NSPS is the movement of an employee within DoD from his or her position of record to a different position or set of duties in the same or a comparable pay band.

M-5Q: How will reassignments work within the pay schedules? Will Priority Placement Program (PPP) registrants have to be cleared?

A: At a minimum, reassignments resulting in a change to occupational code, pay schedule, pay band, pay rate, or assigned pay pool will be accomplished by an official

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personnel action. If an employee is reassigned to a new position, with new duties and qualifications requirements, a personnel action must be processed. PPP does not need to be cleared for a management-directed reassignment of an employee to a position with no known promotion potential to a higher pay band.

M-6Q: How are details processed under NSPS?

A: There is no requirement to process an official personnel action to record a detail, unless the detail crosses Component or agency lines or is needed to temporarily reassign an employee from NSPS to another pay system within the Component (e.g., NSPS to General Schedule). If the employee is being assigned to a substantially different position and is qualified, a temporary reassignment or a temporary promotion may be appropriate.

M-7Q: If an official personnel action is not required for a detail, how will an employee receive credit for work performed for future position consideration?

A: The employee receives credit for work performed on a detail by claiming and describing such work on his or her application for employment or résumé.

M-8Q: NSPS requires details be documented only if the detail crosses Agency lines. Will documenting details remain an option if an activity/agency would like to continue to document them if details are within that activity/department?

A: The implementing issuance does not preclude Components from processing details if they choose to do so.

M-9Q: How can an employee be detailed (does not cross Component or Agency lines) who does not qualify for the position? Can an employee be detailed without a personnel action?

A: With the exception of positive education, licensure and certification requirements, an employee does not need to meet qualification requirements to be detailed to another position. Under NSPS, this would not require a personnel action, and the employee could gain credit by delineating their experience on their resume.

M-10Q: A GS-14 supervisor applies and is selected for a promotion to a temporary NSPS pay band 3 position. The employee receives a pay increase of 6-20%. The employee is subsequently selected for another pay band 3 position which is permanent. Will the employee's pay band 3 salary remain the same?

A: Yes, the employee's pay can be maintained at the rate set for the temporary action, but it cannot be increased.

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N. WORKFORCE SHAPING (RIF)

N-1Q: How far in advance of restructuring actions should competitive areas be defined?

A: Competitive areas must be defined within 90 days of a reduction in force (unless otherwise approved by the Component Head). Components have discretionary authority to establish procedures for defining and modifying competitive.

N-2Q: Can different types of competitive areas be used for a single RIF? e.g 'organization' as a competitive area for one part of the RIF and 'product line' for another?

A: No. The type of competitive area must be determined for each RIF you conduct.

N-3Q: Is bump and retreat a feature of reduction in force (RIF) under NSPS RIF procedures?

A: Under NSPS procedures, the two rounds (bump and retreat) have essentially been combined. Employees are ranked on a retention list in order of their retention standing, based on their 1) tenure, 2) veterans' preference, 3) performance, and 4) length of service. The highest standing employee then "displaces" a lower standing employee.

N-4Q: Is an employee on a retention list fully qualified to displace a lower standing employee since they are both in the same competitive group?

A: Not necessarily. A retention list may contain employees in multiple occupations (codes) who are performing a variety of duties and responsibilities. Therefore, qualification determinations must be made prior to displacing a competing employee with lower retention standing.

N-5Q: What are the changes to transfer of function (TOF) rules under NSPS?

A: Under NSPS TOF rules, the concept of transfer of work is eliminated. In any instance where work ceases to exist in one location and appears in another, a TOF is the resultant action. Under TOF, an employee is entitled to move with his position if the alternative is separation or reduction in band. Under transfer of work, there was no entitlement. Under the NSPS rules, all employees whose work is being transferred, and who would be otherwise separated or reduced in band if not transferred, are entitled to transfer with their work and incur PCS costs (if applicable). If an employee is being transferred under TOF 'rules' and the TOF results in a surplus of employees in the gaining competitive area, the gaining competitive area will determine the retention rights of transferring employees before actually relocating those employees.

Note: A transfer of function may occur when work is moved from one competitive area to another; however, these competitive areas may be in the same geographic area.

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N-6Q: Do employees on probationary status go to the bottom of the tenure group or the veterans' subgroup?

A: Employees on probationary status go to the bottom of their tenure group as shown in the example below:

Alice	Tenure I	AD
Susan	Tenure I	A
Rick	Tenure I	B
Tim (probationary)	Tenure I	A
Tracy (probationary)	Tenure I	B

N-7Q: Do employees with a Level 1 performance rating have displacement rights?

A: Yes. They are only taken out of competition if they have a final written decision of removal prior to the effective date of the RIF.

N-8Q: Is there an automated RIF system?

A: Yes.

N-9Q: If term employees are terminated early, must RIF procedures be used?

A: Yes. Unless the term employee does not satisfactorily meet probationary period requirements, RIF procedures must be used to terminate them when their position is abolished.

N-10Q: Upon conversion to NSPS, are employees with exceptional ratings of record treated the same as employees with average or poor ratings.

A: Under NSPS, a uniform appraisal program will be consistently applied throughout DoD. To facilitate uniformity, acceptable ratings will be converted to a Level 3 NSPS rating and will be replaced with an actual NSPS rating.

N-11Q: How is a RIF processed in an organization with employees in the legacy personnel system and the NSPS?

A: Activities must conduct two simultaneous RIFs – one for employees in the current personnel system and one for those employees who have converted to NSPS.

N-12Q: How will a RIF be processed for organizations scheduled to convert to NSPS within the near future?

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A: If the effective date of separations resulting from the RIF is less than 120 days after the organization is scheduled to convert to NSPS, the conversion will be delayed until the RIF is conducted in the legacy personnel system. If the RIF separation date will be more than 120 days after the scheduled conversion to NSPS date, the organization will convert to NSPS as scheduled and the RIF will be processed using the NSPS rules.

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O. LABOR

O-1Q: If employees in administrative jobs are responsible for assisting management in NSPS personnel-related functions, but are not scheduled for conversion under NSPS, can these individuals receive NSPS-related training?

A: Yes, individuals not spiraling under NSPS, but who will be responsible for certain NSPS-related functions, should receive training addressing the specific NSPS-related functions they will be performing. This may be effectively accomplished by scheduling the employees for relevant HR modules or desk-side briefings focusing exclusively on the future duties. This is true regardless of the employees' bargaining unit affiliation.

O-2Q: To accomplish the successful implementation of NSPS, individuals are assigned to our Transition Management team, but are not scheduled for conversion into NSPS, can they still be part of the transition management team?

A: Yes, these individuals can be part of the transition management team, though it may be more advantageous to appoint individuals scheduled to convert into NSPS as they may have a better understanding of the system, as well as a more pressing interest in its successful conversion. However, individuals best qualified to perform the transition management functions should be given those assignments, regardless of Spiral or bargaining unit affiliation. Of course, access to internal agency labor relations matters should be limited to only management officials.