



NSPS Transition Update PM DCO Session

DON Transition Management Office

7 October 2010



Questions and Answers

Q Caucus is not required in NSPS facilitation, true or false?

A True! You can do it, it's just not required

Q Can an employee challenge the number of shares awarded?

A No! Just the actual assessment

Q Will the PPM or the Panel as a whole be in the facilitation?

A The PPM can decide

Q Who brings the settlement agreement?

A Trick question! This is not a negotiation. The PPM or panel issues a decision

Q The employee should focus their discussion on the rating of record, not the shares or the value of those shares

A True!



Awards Ceiling - FAQ

Q Does the 1% ceiling apply to the funds available for performance awards for the individual, the organization or both?

A The 1% ceiling applies to the total funds available for recognizing performance at the Echelon I and II level. Individual awards may exceed 1% provided that the overall amount expended by the organization does not exceed 1% of the total basic salaries of all covered employees.



Awards Ceiling - FAQ

Q What salaries are included in the 1% ceiling?

A In calculating the 1% ceiling, Echelon I and II Commands will use the total basic salaries of transitioning employees as of the day prior to the transition date. Salaries will not include the adjustment made in transitioning from NSPS to GS.



Awards Ceiling - FAQ

Q What is included in “basic” salary?

A For purposes of this guidance, calculations should be based on total basic salary (base salary rate plus any applicable locality adjustment).



Awards Ceiling - FAQ

Q My Command transitioned from NSPS to GS, but we hired employees over the past few months directly into GS. Are those employees included in the DoD awards ceiling?

A Only employees who transition from NSPS to GS are included in the DoD ceiling. Any employees hired directly into GS are not covered by the DoD guidance. Commands should establish business rules regarding rewards for employees not covered by the DoD guidance.



Awards Ceiling - FAQs

Q Are all awards and bonuses included in the 1% ceiling?

A The 1% ceiling affects all performance-related awards and bonuses for NSPS employees transitioning to GS. The DoD ceiling does not include QSIs, time-off awards, on-the-spot or special act awards when recognizing contributions not covered under an employee's performance plan or position of record.



Awards Calculation Example

Example: An organization has 100 employees (\$1,000,000 in total basic salaries). 90 of these employees transitioned from NSPS to GS on 18 July 2010 (\$900,000 in total basic salaries). The remaining 10 were hired directly into GS (\$100,000 in total basic salaries). How should the organization calculate their awards budget to ensure they do not pay more than 1% under the DEPSECDEF's guidance?

Answer: The only employees covered by the awards ceiling are those employees who transition from NSPS to GS (and not those hired directly into GS). Therefore, the organization can spend no more than:

$$\$900,000 \times 1\% = \mathbf{\$9,000}$$

for performance-based awards for transitioning employees for awards based on contributions toward performance plans for the FY2010 appraisal period.



Awards Ceiling - FAQ

Q How should Commands calculate individual awards – as a percentage of salary or as a dollar amount?

A Previous guidance informed organizations to pay out awards as a percentage of salary at the time the RPA was cut. Due to the DEPSECDEF's 1% awards ceiling, this guidance has changed. To ensure that organizations pay no more than the 1% cap, awards will be calculated as whole dollar amounts based on pre-transition salary.



Awards Ceiling - FAQ

Q Under 5 CFR 451.104(g), “when granting an award paid as a percentage of basic pay...for an employee [on pay retention], the rate of basic pay is the maximum payable rate for the employee’s grade or level, rather than the retained rate.” For employees who are granted pay retention as a result of the transition, do they receive awards as a percentage of their actual salaries or on step 10 of their classified grade?

A Since employees are being granted a dollar amount for awards (rather than the amount expressed as a percentage of current pay), the provision referenced does not apply. Awards will be granted based on actual pre-transition salary.



Individual Award Calculation Example

Example: David's basic salary on the day prior to transition from NSPS to GS was \$100,000. He received an increase in salary to set him on a step upon transition, so his salary after transition was \$105,211. Based on his excellent performance for the FY2010 appraisal period, he has been granted an award amount of 1.5%. What will his award amount be?

Answer: David will receive a percentage of his basic salary on the day prior to transition:

$$\$100,000 \times 1.5\% = \mathbf{\$1,500}$$



Questions

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