

Department of Army NSPS Policy

1. REFERENCES

(a) Title 5, United States Code, Chapter 99, Department of Defense National Security Personnel System

(b) 5 Code of Federal Regulations, Part 9901, Department of Defense Human Resources Management and Labor Relations Systems

(c) DoD Civilian Personnel Manual 1400.25-M, Chapter 1900, DoD Civilian Personnel Management System, December 1, 2008

(d) DoD Managing Compensation Under NSPS, March 2007

SC 1910 GENERAL

AP-SC 1910.1. ISSUANCE AND PURPOSE

This document provides Army policy, responsibilities and procedures for the National Security Personnel System (NSPS) and further supplements the subchapters of reference (c) and must be used in conjunction with that document. Supplementation of this Policy is not authorized except where permitted.

Appendix A provides Army's NSPS policy guidance as it pertains to Army centralized interns, local interns, upward mobility employees, developmental employees and employees in a formal training program.

NOTE: Army policy, indicated by the prefix AP, is numbered to align with the subchapters (SC) of the DoD implementing issuances at reference (c).

AP-SC 1910.2. APPLICABILITY

This policy applies to all Army positions covered by NSPS.

AP-SC 1910.3. POLICY

The Department of Army shall:

a. Take advantage of NSPS flexibilities, while maintaining a degree of uniformity that ensures effective and efficient use of Army's resources and complies with applicable laws.

b. Incorporate the principles of equal employment opportunity and workforce diversity into the design and implementation of civilian personnel policies at all organizational levels.

c. Assess impact and execution to ensure NSPS is responsive, competitive, cost effective, and supports the Army mission.

AP-SC 1910.4. RESPONSIBILITIES

AP-SC 1910.4.3. Delegation

Army delegates NSPS authorities set forth in this policy to the Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army. For purposes of this delegation, the Principal Officials of the Headquarters, Department of the Army (HQDA), their staffs and other elements, including Field Operating Agencies, Staff Support Agencies, and those Direct Reporting Units not covered above (to include the U.S. Army Acquisition Support Center) fall under the purview of the Administrative Assistant to the Secretary of the Army.

AP-SC 1910.4.6. When an issuance is modified merely to conform with changes to 5 United States Code or the Office of Personnel Management makes a change to or issues new regulations, the Army Headquarters, Assistant G-1 for Civilian Personnel office will issue conforming changes to this policy as needed in coordination with the Assistant Secretary of the Army (Manpower & Reserve Affairs) (ASA[M&RA]).

AP-SC 1910.5. PROCEDURES

AP-SC 1910.5.4. Unless otherwise specified within this policy, provisions of Reference (c) will be followed in instances where subject matter language covering Army NSPS employees is silent.

SC 1911 - CONVERSION INTO NSPS

AP-SC 1911.1. PURPOSE.

Army Organizations shall comply with the conversion rules and requirements mandated in SC 1911 and Army Conversion Guidance when converting positions and employees into NSPS.

AP-SC 1911.5. DETERMINATION OF PAY DURING CONVERSION PROCESS

AP-SC 1911.5.1.1. The Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army, may authorize increases to base salary of physicians and dentists converting into NSPS. As appropriate, this authority may be further delegated to the lowest practicable level.

AP-SC 1911.5.3. The Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army, may authorize increases to base salary of employees converting into NSPS from the Acquisition Demonstration Project. As appropriate, this authority may be further delegated to the lowest practicable level.

SC 1920 - CLASSIFICATION

AP-SC 1920.4. GENERAL

The DoD NSPS classification regulation is designed for direct application and action by managers and individual supervisors. Authorized management officials, as identified in AP-SC 1920.6.3.3., are fully responsible for making decisions related to application of those criteria to individual positions. Authorized management officials are also accountable for establishing, documenting, and managing positions under their authority in keeping with DoD, Army, and Command direction. Failure to properly execute this authority can result in rescission of classification authority and/or performance/disciplinary action under NSPS provisions.

AP-SC 1920.4.7. Documenting Classification Decisions

Positions established under NSPS are recorded in the DA Fully Automated System for Classification (FASCLASS). Army NSPS position records must include two certifications: (1) affirm the accuracy of the information describing the position and its requirements; and (2) affirm DoD NSPS classification regulations and standards are the basis for the stated classification of the position. These certifications are effected in the form of an electronic validation in FASCLASS. The first certification is made by the position's immediate supervisor (authorized management official) or a higher level official within the chain of command of the position being certified. The second certification may be made by the same official, or by a higher official in accordance with governing laws and DoD regulations. These certifications cannot be made by Human Resources (HR) practitioners, except for positions they supervise or those designated as authorized management officials in accordance with their organization's delegation of classification authority.

AP-SC 1920.4.8. Position Records

a. The requirements, process, and format for Army NSPS position recordkeeping are prescribed by the Office of the Assistant G-1 for Civilian Personnel (AG-1(CP)).

b. Not all changes to the duties and responsibilities of a position will require documentation in the position description; however, in making any such changes management must remain cognizant of the requirements of DoD 1400.25-M, SC 1920.4.8. Commands may establish policy and procedures for documenting such

changes. Substantive changes to duties and responsibilities that affect the market value of the position will be documented in the position description.

c. Authorized management officials or higher level officials shall not be required to provide in advance of hiring or affirm the accuracy of a GS-level equivalent for a position. Instead, this determination shall be made by the Civilian Personnel Advisory Center following a hiring action. The GS-level equivalent for a position shall be maintained separate from the position's job description and shall not be included on the position's job description.

d. Inactive NSPS positions that are abolished, or remain vacant for more than one year, are archived in the automated recordkeeping system for two years from the date abolished or vacated. Upon expiration of the two-year retention period, position records are destroyed unless longer retention time is specifically required for legal or administrative purposes.

AP-SC 1920.6. CLASSIFICATION AUTHORITY AND RESPONSIBILITY

AP-SC 1920.6.3. Army classification program authorities and responsibilities are assigned as follows:

a. The Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA(M&RA)) establishes the classification program's strategic direction, provides the overall policy framework, and approves policy guidance for administration of NSPS classification operational support functions.

b. The Deputy Chief of Staff G-1 (DCS G-1) provides executive advice and consultation to the ASA(M&RA) and directs the full spectrum of NSPS classification operational programs, policies, and systems through supervision of the Assistant G-1 for Civilian Personnel.

c. The Assistant G-1 for Civilian Personnel (AG-1(CP)) exercises authority and responsibility for the Army NSPS classification program in accordance with that prescribed in SC 1920.6.3.1 through SC 1920.6.3.5 to include:

(1) Advising on, or coordinating and collaborating with HQDA Principal Officials and Army Commanders on policies or operational concerns that cross command lines.

(2) Conducting classification program reviews and evaluations, directing action to correct problems and irregularities, and limiting or rescinding delegated classification as necessary.

d. Officials Exercising Classification Authority are responsible for:

(1) Managing classification programs and establishing classification requirements and guidance, where permitted.

(2) Managing the functions and positions within their purview in a manner that optimizes productivity, organizational effectiveness, and cost-efficiency while meeting mission requirements.

(3) Making classification decisions and related administrative determinations and documenting them in accordance with the requirements contained herein and in reference (c).

(4) Ensuring individuals to whom classification authority is delegated have proper training to perform their classification and position management responsibilities.

e. The DCS G-1 Civilian Human Resources Agency (CHRA) to include its subordinate advisory and operational offices, shall exercise authority and responsibility that includes:

(1) Providing classification advisory and operational support services to Army Commanders, managers, and supervisors, to include instruction and assistance on classification principles, operations, and procedures.

(2) Executing classification determinations made by Commanders, managers and supervisors.

AP-SC 1920.6.3.3. Exercising and Delegating Classification Authority

a. Army authority to classify civilian positions is delegated to the Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army. As appropriate, this authority may be further delegated to the lowest practicable level. This authority includes:

(1) Determining and certifying the occupational series and pay band of civilian positions, and making other classification-related administrative determinations such as Fair Labor Standards Act exemptions, in accordance with controlling position classification standards, regulations, and statutory requirements as specified in references (b) and (c).

(2) Re-delegating classification authority to subordinate managerial and supervisory positions within their chain of command or purview.

b. Delegation of classification authority must be documented in written records to be maintained in the office where the authority is held for the duration of the authority.

Delegations must stipulate the specific classification regulatory responsibilities inherent in the delegation, any limitations in the delegated authority, and must identify the position authorized to exercise those responsibilities. Delegations of classification authority should not identify by name the official encumbering the position. Once delegated to an authorized position, the delegation remains in effect until rescinded by the proper authority.

c. Delegation of classification authority must be exercised in keeping with the following requirements:

(1) Authorized management officials classify only those positions under their direct managerial or supervisory control. Authorized management officials are prohibited from classifying their own positions, or any subordinate position that has an impact on the classification of their own positions.

(2) Under no circumstances will the classification authority of the authorized management official exceed the level of authority delegated to any higher level commander/manager/supervisor within the delegated official's chain of command.

(3) Delegation of classification authority to HR practitioners or other staff members who are not Commanders, managers, or supervisors is prohibited.

AP-SC 1920.8.1. Determining the Occupation and Title

AP-SC 1920.8.1.2.1. Leader Positions. Title prefixes of "Lead" and "Leader" are not authorized in NSPS. Employees may, however, continue to perform "lead" duties under NSPS. Lead positions may be identified by adding an appropriate "parenthetical title" to the position description. As with other positions operating at varying levels of difficulty and responsibility, leader responsibilities are recognized and compensated through the performance management system. Managers and supervisors of leader positions should determine if reclassification to a supervisory position is warranted. Such decisions should consider, resource management and fiscal considerations such as supervisory ratios, position management, span of control and efficiency of operations.

AP-SC 1920.8.1.3. Deputy Positions. A position that fully shares with the manager the direction of all phases of the organization's program and work, or is assigned continuing responsibility for managing a major part of the manager's program when the total authority and responsibility for that part of the program is equally divided between the manager and the deputy. Deputy positions may be identified by adding an appropriate "organizational title" to the position description. Designation of deputy positions is subject to the manpower management controls outlined in AR 570-4.

AP-SC 1920.9. FAIR LABOR STANDARDS ACT COVERAGE DETERMINATIONS

AP-SC 1920.9.3. Determining FLSA Exemptions. As outlined in SC 1920.9.2 of reference (c), DoD employees in the NSPS classification system are presumed to be

covered by FLSA (non-exempt status) unless an authorized management official determines that one or more of the exemption criteria are met in 5 CFR, Part 551, Subpart B. Exemption criteria should be applied to the duties, skills requirements, and performance objectives of the position. Position descriptions in FASCLASS must include a statement that cites the specific paragraph(s) of Part 551, Subpart B of reference (b) for any position determined to be exempt. Authorized management officials should consult with their servicing HR office for advice and guidance in making FLSA determinations.

AP-SC 1920.10. CLASSIFICATION APPEALS

AP-SC 1920.10.4. Appeal Procedures: Responsibilities of the Human Resources Office (HRO) outlined in SC 1920 of reference (c), shall be carried out by the servicing Army Civilian Human Resource Agency, Civilian Personnel Advisory Centers (CPACs) and regional processing centers.

SC 1930 - NSPS COMPENSATION ARCHITECTURE PAY POLICY

AP-SC 1930.7.3. The AG-1(CP), in coordination with the ASA(M&RA) will issue compensation plans for managing pay progression in accordance with reference (c), SC 1930.7.3.

AP-SC 1930.8. OVERVIEW OF COMPENSATION ARCHITECTURE

AP-SC 1930.8.1.1.3. Pay Band Control Points

The Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army may establish pay band control points for pay pools within their organization or command. As appropriate, this authority may be further delegated to a level no lower than the Pay Pool Manager.

AP-SC 1930.9. PERFORMANCE-BASED PAY

AP-SC 1930.9.2.1. Elements of the Pay Pool Fund

AP-SC 1930.9.2.1.1. The Assistant Secretary of the Army for Financial Management and Comptroller (ASA FM&C) will provide annual guidance on Army pay pool funding, if any, for Element 1 pay pool funds. The ASA FM&C will set Element 1 funding floor(s) for the Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units, and the Administrative Assistant to the Secretary of the Army. The Army pay pool funding floors, if any, for Element 1 funds shall be met within Army by the Commanders of the Army Commands, the Commanders of the Army Service Component Commands,

the Commanders/Superintendent of the Direct Reporting Units, and the Administrative Assistant to the Secretary of the Army.

AP-SC 1930.9.2.1.1.1. The Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army may establish different Element 1 funding floors for each pay pool under their authority as long as the organization complies with current DoD and Army funding guidance. Such differences in pay pool funding floors may be required to accommodate differences in the market and makeup of pay pools. As appropriate, this authority may be further delegated to a level no lower than the Pay Pool Manager.

AP-SC 1930.9.2.1.2. Element 2 pay pool funds will be funded and administered in accordance with guidance issued by DOD and HQDA. Element 2 funds will be paid in the form of base salary increases for eligible employees. Separate Element 2 payout guidance may be provided for employees in developmental positions.

AP-SC 1930.9.2.1.3. The Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army may establish operating guidelines concerning the allocation of funds representative of Element 3 Pay Pool Funds (performance-based cash awards). As appropriate, this authority may be further delegated to a level no lower than the Pay Pool Manager.

AP-SC 1930.9.2.1.4. The Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army may authorize and reallocate from within their existing budget authority additional pay pool funding for Elements 1 and 3. Actions to increase pay pool funding to levels above budgeted amounts must be reviewed through standing program and budget review processes of the organization. As appropriate, this authority may be further delegated to a level no lower than the Performance Review Authority.

AP-SC 1930.9.3. Performance Shares

The authority to establish business rules concerning the assignment of shares within a share range is delegated to the Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army. As appropriate, this authority may be further delegated to a level no lower than the Pay Pool Manager.

Estimated share values will only be used and communicated within management as a tool for budget and compensation planning purposes. This information shall not be communicated with employees in the pay pool.

AP-SC 1930.9.6.2.2 Prorating the Payout

NSPS performance based pay pool payouts are prorated based on hours worked taking into consideration Leave Without Pay (LWOP), Part Time and Intermittent Employment, and/or entry into a NSPS position from a non NSPS position in accordance with Appendix 2 to this document. Generally, these absences during the rating cycle will be prorated as follows:

<u>Hours Worked</u>	=	<u>% of payout</u>
1561 - 2087	=	100%
1041 - 1560	=	75%
520 - 1040	=	50%

The AG-1 (CP) has the discretion to apply prorating guidance to address shorter performance cycles occurring during an organization's implementation year.

For purposes of the above computations, "Hours Worked" includes hours in an approved paid leave status in addition to hours actually worked. In the case of prorating due to part time employment, only the performance based pay pool bonus will be prorated since the "number of hours worked" automatically prorates pay increases for part time employees. LWOP due to absence to perform uniformed service in accordance with 38 U.S.C. 4303 (13) and 5 CFR 353.102 or LWOP due to absence as a result of a work-related injury will be not be prorated. Employees on LWOP for either of these two purposes will receive payouts in accordance with reference (c), SC 1940.

AP-SC 1930.9.8. Other Performance Payments

AP-SC 1930.9.8.1. Discretionary Performance Payouts

The Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army may establish internal procedures concerning application of the Discretionary Payout Authority within the organization as well as appropriate funding ranges when a decision is made to exercise this payout authority. As appropriate, this authority may be further delegated to the lowest practicable level, but no further than the Performance Review Authority or the Pay Pool Manager level.

AP-SC 1930.9.8.2. Special Circumstances.

Army organizations shall forward requests for payments under this provision through their chain of command, i.e. Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army through HQDA, AG-1(CP) to the Assistant Secretary of the Army (Manpower and

Reserve Affairs). Upon concurrence, requests will be forwarded to the Under Secretary of Defense (Personnel and Readiness) for approval.

AP-SC 1930.9.9. Pay for Developmental Employees

The use of Accelerated Compensation for Developmental Positions (ACDP) is limited to employees in the lowest pay band of a nonsupervisory pay schedule who are in developmental or trainee level positions and employees in positions assigned to the Student Career Experience Program (SCEP) in the YP pay schedule.

Appendix 1 paragraph 6c provides additional guidance on the use of ACDP. Appendix 1, paragraph 7, provides additional guidance on the performance payouts for these employees.

AP-SC 1930.9.9.1 Placement in Pay Band 1 – Employees or selectees who are qualified for a full performance position must be placed in the full performance position and not assigned to pay band 1. Placement in the pay band 1 may not be used to circumvent the NSPS reassignment rules.

AP-SC 1930.10. PAY ADMINISTRATION

All NSPS pay setting decisions must be fully documented and relevant documents retained by the authorized official. A written transmittal will be submitted to the servicing HR office to record pay setting decisions when the Request for Personnel Action (RPA) has been submitted in advance of the recruit action and resultant selection of a candidate. The RPA will be used to record pay setting decisions made prior to submission to the servicing HR office. In all cases, the authorized management official and when appropriate, the higher level management official will be identified. Personnel actions must be submitted in a timely manner. There are no provisions to allow for retroactive personnel actions due to untimely management action.

AP-SC 1930.10.2. Approval Procedures

The Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army are delegated the authority to set pay, with the authority to further delegate to the lowest practical level. This includes the authority to determine and approve salary in situations covered by SC 1930.10 through SC 1930.18 of reference (c) and to determine the approval levels where higher level management approval is required under reference (c). Where higher level management approval is required, that higher level management official must be no lower than one level above the authorized management official who approved the personnel action. Delegations of authority to authorized management officials and determinations regarding higher level management approval authorities must be in writing. All pay setting decisions must be in writing to ensure an adequate audit trail.

AP-SC 1930.10.3. Setting Pay Upon Reassignment

Any increase or decrease in pay upon reassignment is discretionary and shall be based on such factors as: availability of candidates, reassignment from non-supervisory to supervisory position, location of position, required skill levels, experience, education, or relative business or performance-based considerations. Consideration may also be given to local labor market, salaries of employees performing similar type work, and availability of funds.

AP-SC 1930.10.3.1. Employee-Initiated Reassignment

This type action occurs when an employee actively seeks a reassignment to a position without promotion potential to a higher pay band, by applying under a formal vacancy announcement, by requesting a reassignment within the same or comparable pay band currently held or by responding to a formal or informal solicitation by management.

AP-SC 1930.10.3.2. Management Directed Reassignment

This type action is initiated by management without regard to employee preference and should be used as a management tool to address specific mission needs. When directing reassignments, consideration should be given to, but is not limited to; avoiding reductions in force, improving operational efficiency, filling personnel/skill gaps to meet short term organizational goals, special/ongoing projects and efficiency of the service.

AP-SC 1930.10.5. Setting Pay Upon Reduction in Band

Any increase or decrease of pay within the new pay band is discretionary and shall be based on such factors as: availability of candidates, reassignment from non-supervisory to supervisory position, location of position, required skill levels, experience, education, or relative business or performance-based considerations. Consideration may also be given to local labor market, salaries of employees performing similar type work, and availability of funds.

AP-SC 1930.10.7. Setting Pay Upon Permanent Placement of Employees from YP Positions

Compare the current YP position to the permanent position to determine the comparable level of work. If the work of the two positions is comparable, then the conversion is a reassignment action. If the YP position is a lower level of work, then the conversion is a promotion action.

AP-SC 1930.12. PREMIUM PAY LIMITATION

AP-SC 1930.12.2.1. Army organizations shall forward requests for a waiver of the annual limitation *through* their chains of command, i.e. the Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army, *through* HQDA, AG-1(CP) *to* the Assistant Secretary of the Army (Manpower and Reserve Affairs). Upon concurrence, requests will be forwarded to the Under Secretary of Defense (Personnel and Readiness) for approval.

AP-SC 1930.19. PAY FOR DUTY INVOLVING PHYSICAL HARDSHIP OR HAZARD

AP-SC 1930.19.1. Establishment Of Hazard Pay Differentials

Army organizations shall forward requests to establish or modify hazard pay differentials *through* their chain of command, i.e. the Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army, *through* HQDA, AG-1(CP) *to* the Assistant Secretary of the Army (Manpower and Reserve Affairs). Upon concurrence, requests will be forwarded to the Under Secretary of Defense (Personnel and Readiness) for approval.

SC 1940 - PERFORMANCE MANAGEMENT

AP-SC 1940.2. APPLICABILITY

AP-SC 1940.2.1. Minimum Period of Performance

AP-SC 1940.2.2. Minimum Period of Performance for Employees Working Less Than Full Time or Working on an Annually Recurring Basis (seasonal employees)

Such employees who are working less than full time or working on an annually recurring basis during a current appraisal period shall be rated and become eligible for a performance payout if such employees have performed under an approved NSPS performance plan for 90 or more days during the current appraisal period. A workday is 8 hours of duty time. Forty (40) hours of duty time is considered as satisfying 7 days towards the period of performance.

AP-SC 1940.3. DEFINITIONS

AP-SC 1940.3.1. Poor Performance means the same as unacceptable performance as found in SC 1910 of reference (c).

AP-SC 1940.3.2. Higher Level Reviewer is an individual, normally in the employee's supervisory chain of command, and may be at a higher level in the organization than the rating official.

AP-SC 1940.3.3. Contributing Official is an individual, not in the employee's supervisory chain of command, but who may frequently or consistently assign work to the employee or observe the employee's performance, and who, under appropriate circumstances, assists the rating official in the performance management process related to that employee.

AP-SC 1940.4. GENERAL ROLES AND RESPONSIBILITIES

AP-SC 1940.4.1. The Performance Review Authority (PRA)

The Performance Review Authority, charged with the overall management of pay pools under his or her discretion, should review pay pool results to identify anomalies for operational improvements. The pay pool results, e.g. rating distributions, share distributions, performance share values, or any other results, will be published in such a way that employee confidentiality is preserved.

AP-SC 1940.4.1.1 Advisors to the PRA

Advisors to the PRA may include civilian personnel, resource management, legal counsel, and other management advisors as necessary.

AP-SC 1940.4.2. Pay Pool Managers

As a general rule, Pay Pool Managers will not manage pay pools of which they are members. Exceptions to this rule may be approved by a level no lower than the Performance Review Authority. Typically, exceptions would be limited to situations meeting both of the following criteria: (1) assignment of the Pay Pool Manager to membership in another pay pool would result in an unnatural alignment of the position in that pay pool and (2) selecting a different Pay Pool Manager for the pay pool to be managed would compromise the natural alignment of performance management responsibilities within the organization, function, or geographic area.

AP-SC 1940.4.4. Supervisors

AP-SC 1940.4.4.1.16. If a Commander or equivalent organization head is the Rating Official, he or she may also serve as the Higher Level Reviewer. The Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army may determine appropriate circumstances where the Rating Official may also serve as the Higher Level Reviewer. As appropriate, this authority may be further delegated to commanders or equivalent organization heads.

AP-SC 1940.4.4.2. All management officials in the rating process, to include Pay Pool Managers, shall meet rating official qualification requirements prior to executing performance evaluation responsibilities. In addition, pay pool panel participants and Pay Pool Managers shall complete the NSPS Pay Pool Management Course.

AP-SC 1940.4.4.3 A position may have supervisory responsibilities for NSPS performance management purposes even though the position is not in the supervisory pay band. For example, an employee whose position is not in the supervisory pay band because he/she only supervises one employee may serve as a rating official.

AP-SC 1940.4.7. Commanders and Heads of Activities

AP-SC 1940.4.7.1. Commanders and heads of activities are responsible for:

- a. Ensuring fair and consistent application of NSPS provisions in compliance with governing laws, rules, and regulations.
- b. Developing and communicating organizational goals and objectives.
- c. Communicating and ensuring visibility of Army values and ethics.
- d. Ensuring that employees are informed of their rating chain and rating cycles.
- e. Ensuring that all supervisors and employees receive adequate training or orientation concerning the performance appraisal system, including pay-for-performance.
- f. Ensuring all performance management functions for their organizations are executed within prescribed timelines.

AP-SC 1940.4.8. Higher Level Reviewer

AP-SC 1940.4.8.1. Higher level reviewers shall be involved in the performance management process throughout the rating period. Where feasible, higher level reviewers are incorporated into the Pay Pool Panel rating/payout deliberation process as panel members and/or as participants in a discussion involving the higher level reviewer and his/her subordinate rating officials. Specific responsibilities include:

- a. Ensuring that organizational goals and objectives are communicated to all employees and supervisors.
- b. Assessing and reviewing individual contributions to overall mission accomplishment.
- c. Maintaining awareness of performance plans and indicating by signing and approving the plan at the beginning of each rating cycle and at official interim reviews.

d. Conferring with subordinate rating officials and considering recommended ratings, share assignments, and payout distributions prior to submission to the Pay Pool Panel.

e. Assuring equitable and consistent application of, and compliance with, rating requirements by all subordinate rating officials.

AP-SC 1940.5. SETTING AND COMMUNICATING PERFORMANCE EXPECTATIONS

AP-SC 1940.5.2.1. Army Values

AP-SC 1940.5.2.1.1. The use of Army Values (Loyalty, Duty, Respect, Selfless-Service, Honor, Integrity and Personal Courage) in the performance management process is retained under NSPS. Rating Officials will discuss the Army values and ethics with employees, exchanging ideas about what values mean and what types of behavior indicate adherence. The Army values will be listed on the performance plan. The Rating Official will document positive aspects of the employee's support of Army values in the "For Component Use Only" section of the DoD NSPS evaluation form. Adherence to Army values enhances and complements performance. They are not intended to replace performance objectives, no numerical rating scores will be assigned to the Values, and they shall not be used in the determination of the performance rating.

AP-SC 1940.5.4. Adjustment of Expectations During the Appraisal Period

Performance expectations may be adjusted at any time. The supervisor shall communicate adjustments to performance expectations promptly to the employee. There is no required minimum period of time an employee must be under notice of an adjusted performance expectation before the employee may be held accountable for meeting a communicated adjustment.

AP-SC 1940.5.4.1. Adjustments to Job Objectives. Reasons for adjusting the content or weighting of job objectives in a performance plan may include conditions that change beyond the employee's ability to control or influence, complexity of the job objective or resources to complete the objective were underestimated, and changes in the organization's staffing, structure, or priorities. Any adjustments to job objectives must be made in writing. A supervisor may only make changes to an employee's performance plan within 90 days from the end of the rating period with the approval of the Pay Pool Manager.

AP-SC 1940.5.5. Performance Plans

AP-SC 1940.5.5.1.1. Rating periods shall only be extended under unusual circumstances, with the approval of the Pay Pool Manager. Such extensions shall not impact or delay the payout effective date.

AP-SC 1940.5.5.3. Contributing officials may assist the rating official in developing performance plans and communicating performance expectations, and will provide input to the rating official, as necessary, for ongoing employee performance dialogue and performance assessment.

AP-SC 1940.5.6. Job Objectives and Contributing Factors

AP-SC 1940.5.6.1.1. Mandatory Weighting of Job Objectives

NSPS job objectives shall be weighted. No job objectives will be weighted less than 10 percent and weighted objectives must total 100 percent. In the event an employee does not have the opportunity to perform the requirements of an objective, the objective will be “not rated” and the percentage assigned to that objective must be redistributed among the remaining objectives. Supervisors shall communicate to the employee that the lower weighted objectives are not unimportant to mission accomplishment, or insignificant to the final performance rating.

AP-SC 1940.5.6.3. Mandatory Job Objective for Supervisors

The Army Standard Supervisory Objective shall serve as the basic supervisory objective and shall be included in all supervisory performance plans and also in performance plans of employees who perform supervisory responsibilities, but who are not assigned to a supervisory pay band. Army organizations may add unique requirements as appropriate and determine how to quantify accomplishments in accordance with performance indicators. Army organizations may establish policies for adding requirements to the standard Army supervisory objective. More than one supervisory objective can be used to rate employees who are assigned to a supervisory position.

Army Standard Supervisory Objective - Execute the full range of human resources (including performance management as outlined in DoD 1400.25-M, SC 1940.) and fiscal responsibilities within established timelines and in accordance with applicable regulations. Adhere to merit principles. Develop a vision for the work unit; align performance expectations with organizational goals. Maintain a safe work environment and promptly address allegations of noncompliance. Ensure EEO/EO principles are adhered to throughout the organization. Ensure continuing application of, and compliance with, applicable laws, regulations and policies governing prohibited personnel practices; promptly address allegations of prohibited discrimination, harassment, and retaliation.

NOTE: To meet the EEO portion of this objective, supervisors must comply with those applicable provisions of the DoD Civilian Equal Employment Opportunity Program, DoDD 1440.1, and the Equal Employment Opportunity Commission's Management Directive 715. Communicate EEO policies and ensure adherence throughout the work unit. Seek early dispute resolution through Alternate Dispute Resolution techniques, promptly address accommodation requests, and ensure that EEO-related training requirements are met.

AP-SC 1940.6.4. Interim Reviews.

Supervisors will not indicate a recommended rating level or share assignment recommendation in the interim review nor share a proposed rating or share assignment during the interim review with the employee.

AP-SC 1940.6.4.4. While there is no requirement for a formal written interim review for employees who have been on-board for 180 days or less in a rating cycle, there must be performance feedback for these employees. The date and manner of performance feedback, such as face-to-face, should be documented in the Interim Review portion of the Performance Appraisal Application (PAA). If there are concerns that an employee is not performing at an acceptable level of performance there should be a formal written interim review documented in the PAA.

AP-SC 1940.6.4.5. The calculation of the 180 days begins with the date the employee reports to duty, not the date when the performance plan is approved.

AP-SC 1940.7. DEVELOPING PERFORMANCE

The “For Component Use Only” section of the DoD NSPS Performance Appraisal form may be used to document training objectives, requirements, and individual development plans.

AP-SC 1940.8. PERFORMANCE DEFICIENCIES

AP-SC 1940.8.1.1. Supervisors will document their efforts to assist employees in improving their performance before initiating any performance-based adverse action under Chapter 75.

AP-SC 1940.8.2.4. Range of Options to Address Unacceptable Performance

A performance improvement period is an option that provides the supervisor and the employee who is performing at an unacceptable level with a tool for structuring and documenting the employee's improvement within a defined period. The use of a performance improvement period is strongly encouraged, in addition to other steps designed to assist the employee.

AP-SC 1940.9. END OF YEAR PERFORMANCE ASSESSMENTS

AP-SC 1940.9.1.1. The Rating Official and Higher Level Reviewer will not share the recommended rating, share assignments, or payout distributions with employees or indicate a rating level within the written assessment. The Rating Official will only communicate the final rating of record, share assignments, and payout distributions awarded to the employee *after* the Pay Pool Manager's approval and prior to payout. This communication should also include a discussion of the employee's performance

related to that rating, acknowledgement of achievements, and areas for improvement and developmental opportunities.

AP-SC 1940.9.3. Supervisory Assessment of Employees

AP-SC 1940.9.3.4. The Higher Level Reviewer may provide bullet comments on the employee's potential to perform different and/or higher level work. The Component Unique Information section of the performance appraisal form should be used for the comments. These comments shall not be used in the determination of the performance rating.

AP-SC 1940.10. RATING METHODOLOGY

AP-SC 1940.10.7. Rating of Record

AP-SC 1940.10.7.2.1. When the supervisor communicates the rating of record, share assignment, and payout distribution to the employee after the pay pool process, the normal means of delivery should be face-to face. When circumstances require the use of a hard copy of the performance appraisal, the supervisor should obtain the signature of the employee as well as the date to indicate acknowledgement of receipt. The employee's signature does not indicate agreement or disagreement. If the employee refuses to sign the performance appraisal, the supervisor shall document that the information was communicated to the employee on that date and retain a record of the documentation. (Note: Documentation of receipt of the rating is an important step in the reconsideration process as stated in SC 1940.13.1.1 of reference (c)).

AP-SC 1940.11. PAY POOL POLICIES AND PROCEDURES

AP-SC 1940.11.1.1. Pay Pool Composition

AP-SC 1940.11.1.1. The pay pool structure is a critical strategic element of managing organizational performance. Organizations should consider the skills, work processes, workforce culture, mission, and other aspects of the total business culture in the design of pay pool structures. The pay pool and its structure may be redefined each performance cycle.

a. Army organizations may issue further guidance on designing pay pools. The Performance Review Authority (PRA) or authorized management officials may consider establishing pay pools that cross organizational boundaries. Possible pay pool structures include - divisions within an organization, similar occupations or jobs, geographic locations, career groups, pay bands, and/or mission.

b. The size of a pay pool should normally range between 35 and 300 employees. For pay pools with less than 35 employees, consideration should be given to combining organizations that report to the same chain of command, i.e.

Administrative Assistant to the Secretary of the Army (AASA), Army Commands, Army Service Component Commands, and Direct Reporting Units.

c. Pay pools can be established that combine supervisors and non-supervisors in the same pay pool or place them in separate pay pools. Consideration should be given to whether or not the size of a separate supervisory pay pool would provide an adequate funding level for that pay pool as well as a reasonable distribution of ratings.

d. The AG-1(CP) may issue further guidance on designing pay pools within Department of Army organizations.

AP-SC 1940.11.1.2. Sub-Pay Pools

Sub-pay pools share in the distribution of a pay for performance fund common to the pay pool to which it is attached. Generally, pay pools comprising over 150 employees should consider implementing a sub-pay pool structure.

AP-SC 1940.11.4. Pay Pool Panel Composition and Responsibilities.

AP-SC 1940.11.4.1. Nondisclosure Agreement

The members of a Pay Pool Panel, the Pay Pool Administrator, and any observers to pay pool panel deliberations will sign the Department of Army Pay Pool Nondisclosure Agreement as set forth in Appendix 4.

AP-SC 1940.11.4.2. Observers

Observers are persons who are authorized by the Pay Pool Manager or Performance Review Authority to be present during pay pool deliberations for purposes of training or transitioning.

AP-SC 1940.11.4.3 Consultants

Consultants are civilian personnel advisors, resource management advisors, and legal counsel who are asked by the Pay Pool Manager or Performance Review Authority to provide advice related to the pay pool process and/or pay pool deliberations. Consultants should be present during pay pool deliberations only to the extent necessary to provide the requested advice. The general obligation of consultants to maintain confidentiality of personnel and financial information applies equally to information related to the pay pool process. Consultants may disclose pay pool process information only to those persons with a need to know to effectuate the consulting function.

AP-SC 1940.11.4.4. Communication with Rating Official

The pay pool panel may recommend and the Pay Pool Manager may change recommended ratings of record, share assignments, and/or payout distributions. The rating official involved will be notified of the change by the panel along with the rationale for the change. The rating official will then be afforded the opportunity to provide further justification before the change(s) become final. In the case of an early annual recommended rating, contact with the losing rating official is encouraged. As directed by the Pay Pool Manager, the rating official will make changes (e.g., change objective ratings, address the influence of contributing factors, and, if required, modify the supervisory assessment) on the Performance Appraisal form (electronic or hard copy) to support the final rating. These changes will be sent to the Pay Pool Manager for final approval prior to providing the final performance appraisal to the employee.

AP-SC 1940.11.4.5. Automated Records Maintenance

Approved performance appraisals and the final ratings uploaded to employee records in DCPDS will constitute pay pool records maintained after the adjournment of individual pay pool panel meetings. In instances where the automated system is not used final pay pool records may include documents not uploaded to employee records in DCPDS.

Pay pool statistics and records may be retained as long as desired by using the Pay Pool Analysis Tool, which consists of Compensation Workbench input and has final ratings, shares, and payout information. Records of changes to ratings that occurred during the panel process should be retained in accordance with Army Pamphlet 25-403, *Guide to Recordkeeping in the Army*.

Panel members are discouraged from creating non-record materials; however, to the extent that such personal working materials are created by panel members, they should be retained by those members at least until the conclusion of the pay pool process including the reconsideration process.

AP-SC 1940.11.5. Pay Pool Manager Responsibilities

Pay Pool Managers are responsible for ensuring and monitoring compliance of supervisors and rating officials in the timely establishment of performance plans, recommended ratings of record, share assignments and payout distribution. Sub pay pool managers will exercise the authorities of a pay pool manager in the conduct of sub pay pool panels.

AP-SC 1940.11.6. Performance Review Authority (PRA) Responsibilities

The PRA may include the Pay Pool Manager or members of the Pay Pool Panel. However, the senior member or chair of the PRA cannot be a Pay Pool Manager or a Pay Pool Panel Member assigned to a pay pool under the jurisdiction of that PRA. This is in order to provide a level of performance reconsideration above the pay pool level.

Qualification/certification requirements for rating officials, Pay Pool Managers and PRA officials are outlined at Appendix 3.

AP-SC 1940.13. RECONSIDERATION OF RATINGS

AP-SC 1940.13.1. Procedures for Administrative Reconsideration

AP-SC 1940.13.1.4. If the employee designates another Army employee as his or her representative, the representative shall have a reasonable amount of official time, if otherwise on duty, to prepare the reconsideration request. Supervisors are not obligated to change work schedules, incur overtime wages, or pay travel expenses to facilitate the choice of a specific representative or to allow the employee and representative to confer. If representation conflicts with the official or collateral duties of the representative, the Pay Pool Manager may, after giving the representative an opportunity to respond, disqualify the representative.

AP-SC 1940.13.3.1. Requests for reconsideration that contain an allegation of discrimination will not be processed through this procedure. Instead, employees will be asked, in writing, to make an election between the following options:

- a. Withdraw the allegation of discrimination and continue under the reconsideration process; or
- b. Terminate the request for reconsideration and contact an EEO counselor in order to process the complaint through equal employment opportunity complaint procedures.

AP-SC 1940.13.3.1.1. Alternative dispute resolution procedures should always be considered and used, when appropriate, in resolving workplace disputes.

AP-SC 1940.13.8. The Pay Pool Manager shall establish the means for the delivery of the reconsideration decision. The date of receipt should be the actual date that the employee received the reconsideration decision.

AP-SC 1940.13.15. Reconsideration File

The Pay Pool Manager shall create a separate file, containing all relevant documents and any decision issued by the Pay Pool Manager and/or the PRA, for each reconsideration request filed under the administrative reconsideration process. The servicing HR office shall retain these files in accordance with Army Pamphlet 25-403, *Guide to Recordkeeping in the Army*.

SC 1950 - STAFFING AND EMPLOYMENT

AP-SC 1950.5 EMPLOYMENT (GENERAL)

AP-SC 1950.5.3.2. Establishing or Modifying a Qualification Standard

A request to establish or modify an existing OPM qualification standard will be sent through an organization's chain of command, i.e. the Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Unit and the Administrative Assistant to the Secretary of the Army to HQDA, AG-1(CP). Such requests will include information specified in the DOD implementing issuance and any additional information necessary to support the request.

AP-SC 1950.6 RECRUITMENT, SELECTION, AND PLACEMENT (GENERAL)

Employees who are first hired into an NSPS covered position but who will not be rated because they will not have performed the minimum period of service required under SC 1940.5.5.1 of reference (c) before the last day of the appraisal period will be advised that they are ineligible for the performance payout for the current appraisal period.

AP-SC 1950.6.3.3.10. Alternative Forms of Competition

Army authority to use any or all of the alternative forms of competition described in this section is delegated to the Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Unit and the Administrative Assistant to the Secretary of the Army. As appropriate, this authority may be further delegated to the lowest practicable level. If organizations elect to use an alternative form of competition, the minimum requirements in the Army NSPS Alternative Forms of Competition Procedural Guide must be followed. Organizations may restrict, but not expand, the applicability of these authorities. Using the alternative forms of competition does not negate the requirements of priority and mandatory placement programs. As such, all priority and mandatory placement programs, i.e., Priority Placement Program, will be cleared before filling a vacant position using one of these alternative forms of competition.

The Army NSPS Alternative Forms of Competition Procedural Guide shall be published at <http://cpol.army.mil/> to ensure employees are aware that these additional recruitment methods may be used to fill positions within Army.

AP-SC 1950.6.3.3.10.1. Assessment Boards

The head of the assessment board must ensure that employees within the area of consideration are notified before convening an assessment board. Notification may be accomplished via e-mail or by posting on bulletin boards, websites, or through any other method normally used to communicate with employees. The notification becomes part

of the case file maintained by the servicing HR Office and is retained in accordance with Army records management regulations. Appropriate uses for assessment boards may include: positions that have a high turnover rate throughout the year; multiple positions assigned to similar position descriptions in the same organization or location; or career program positions throughout the Army.

AP-SC 1950.6.3.3.10.2. Alternate Certification

Selecting officials must compare the selectee's resume against the pre-established criteria to establish that the selectee is ranked within the highest quality group as determined by rating factors established for the position. The manager submits the Request for Personnel Action (RPA), the applicant's resume, and appropriate justification for selection to the servicing HR Office.

AP-SC 1950.6.3.3.10.3. Exceptional Performance Promotion

Selecting officials determine and document the area of consideration prior to initiating a recruitment action. The selecting official must ensure that employees within the area of consideration are notified that the exceptional performance promotion may be used to fill a vacancy. Notification may be accomplished via e-mail or by posting on bulletin boards, websites, or through any other method normally used to communicate with employees. The notification becomes part of the case file maintained by servicing HR Office and is retained in accordance with Army records management regulations. Only employees in the area of consideration whose current Level 5 rating was based on performance in the same occupational code (or related interdisciplinary/interoccupational code) and similar function as the vacancy being filled are considered. The manager submits the RPA, the applicant's resume, and performance appraisal to the servicing HR Office.

AP-SC 1950.6.5.1.1 and 1950.6.5.1.2. Severe Shortage/Critical Need Hiring Authority

Army organizations will send requests for a severe shortage or critical need hiring authority *through* their chain of command, i.e. the Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army *to* HQDA, AG-1(CP).

AP-SC 1950.6.5.2.1.1. Duration of Term Appointments

The Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army are authorized to extend term appointments. As appropriate, this authority may be further delegated to the lowest practicable level. Justification for extending term appointments may include, but is not limited to, extension of project work, continuing extraordinary workload, or other

extenuating circumstances that were unforeseen when the specified time period of the term appointment was determined.

AP-SC 1950.6.5.2.2.1. Duration of Temporary Appointments

The Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army are authorized to extend temporary appointments. As appropriate, this authority may be further delegated to the lowest practicable level. The justifications for extending temporary appointments may include, but are not limited to, completion of a project, extended temporary peak workload, or other extenuating circumstances that were unforeseen when the determination was made to hire an employee on a temporary basis.

AP-SC 1950.6.5.3. Non-citizen Hiring

AP-SC 1950.6.5.3.2. Procedures for Appointment

Army organizations will send requests to hire non-citizens *through* their chain of command, i.e. the Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units and the Administrative Assistant to the Secretary of the Army to HQDA, AG-1(CP).

Appendix 1

Intern/Developmental Program Policy

1. REFERENCES

- (a) Public Law 108-136, National Defense Authorization Act, November 24, 2003
- (b) 5 Code of Federal Regulations, Part 9901, Department of Defense National Security Personnel System
- (c) AR 690-950, Civilian Personnel Career Management, 31 December 2001
- (d) DoD Civilian Personnel Manual 1400.25-M, Chapter 1900, DoD Civilian Personnel Management System, June 10, 2008
- (e) DoD Managing Compensation Under NSPS, March 2007

2. PURPOSE

This document implements the NSPS program as it pertains to Army centralized interns, local interns, upward mobility employees, developmental employees, and employees in a formal training program in the Department of Army who enter such programs in Pay Band 1 with a full performance level position in Pay Band 2. It provides Army supplemental guidance to the DoD regulations at reference (d) and the corresponding Army policy at reference (f). For ease of reading, the term intern/developmental employee refers to all employees in local intern programs, upward mobility programs, developmental programs, formal training programs, and formal centralized training programs in the Professional/Analytical Pay Schedules for the Standard Career Group (YA), Professional Pay Schedule for the Scientific and Engineering Career Group (YD) and the Medical Career Group (YH), and the Investigative Pay Schedule in the Investigative and Protective Services Career Group (YK). Paragraph 6(c) of this appendix is also applicable to employees in the lowest pay band of a nonsupervisory pay schedule who are in developmental or trainee level positions; and employees in positions which are assigned to a Student Career Experience Program and in a position in the YP pay schedule.

3. APPLICABILITY

The Administrative Assistant to the Secretary of the Army (AASA), the Commanders of the Army Commands, the Commanders of the Army Service Component Commands, the Commanders/Superintendent of the Direct Reporting Units, and the Career Program Functional Chief Representatives (FCR) may further define these procedures for purposes of central and local implementation as necessary. As appropriate, this authority may be further delegated to the lowest practicable level.

4. CONVERSION INTO NSPS

Army Civilian Training, Education, and Development System (ACTEDS) funded interns will convert to NSPS upon placement into an NSPS covered position. All other

interns/developmental employees will be converted to NSPS from other pay systems in the same manner and at the same time that other Army employees in their organizations are converted. Employees will be placed in Pay Band 1 and will not have a reduction in pay. Position titles are converted using Appendix 4 to SC 1920, Guide to NSPS Occupational Definitions and Authorized Titles (reference c).

5. CLASSIFICATION

Intern/trainee/developmental positions will be established within the following Career Groups and Pay Schedules and will be classified in Pay Band 1, Entry/Developmental Work:

- Standard Career Group – Professional/Analytical Pay Schedule
- Scientific and Engineering Career Group – Professional Pay Schedule
- Medical Career Group – Professional Pay Schedule
- Investigative and Protective Services Career Group – Investigative Pay Schedule

Employees are assigned work designed to provide the competencies, skills, and experience that will prepare them to perform work at pay band level 2 (full-performance/journey level). Pay Band 1 is not considered full-performance/journey level for professional/analytical/investigative occupations in Department of Army.

6. COMPENSATION

References (d) and (e) allow approval levels and procedures for setting pay to be delegated by the Department of Army in many areas.

a. Approval and Documentation Procedures. The approval levels for setting pay under this section are specified in AP-SC 1930.10.2. The requirements and limitations imposed by reference (d) will be followed unless exceptions are permitted and approved by the proper officials to whom pay setting approval authority has been delegated. Written procedures must be in place and identify when higher increases are appropriate, and ensure that pay setting decisions are consistent, fiscally sound, based on financial considerations, local labor markets, salaries of current employees, scarce skills, and, when necessary, coordination with the financial community, and/or the Army centralized training program office. All pay setting decisions will be in writing to ensure an adequate audit trail and will be maintained by the supervisor in his or her files. Requests for exceptions to established pay setting procedures will go to the FCR for approval. The approving official will send written documentation to the servicing HR Office to document the approved salary for an employee.

b. Setting Starting Pay For Interns/Developmental Employees. Headquarters, Department of Army (HQDA), Assistant G-1 for Civilian Personnel (AG-1(CP)) will

establish the entry-level salaries for all centralized DA interns. The FCR for each career program will establish the entry-level salary range for all other developmental employees in their career programs. We recognize that not every developmental employee/intern is a member of a career program. In these situations, an equivalent to the FCR will be identified and perform the functions of the FCR. A newly appointed intern or developmental employee will have his/her pay set based upon the previous GS equivalent of the position being filled. Pay may be set anywhere between the step one rate of the former GS-grade equivalent plus 30% (up to the pay band maximum rate of pay). In addition to factors in the checklist, a manager must consider:

- education and grade point average
- directly related work experience
- qualifications of the individual
- labor market
- scarcity of candidates
- organizational need
- career program requirements
- fiscal accountability
- other job offers the candidate may have received
- future earning potential as the employee is moved through the pay band

c. Increasing Pay In Pay Band 1. In accordance with reference (d), an Accelerated Compensation for Developmental Positions (ACDP) salary increase may be awarded to an intern/developmental employee to recognize that the employee has acquired the set of predefined job-related competencies through training or on-the-job experience as identified in the individual development plan (IDP) and has met performance expectations. The employee's supervisor must document in writing that the employee has completed the training and job assignments required in his/her IDP and performance plan. If training or other developmental requirements are not completed through no fault of the employee, the supervisor will determine when the objectives should be completed and if an ACDP increase is recommended or should be delayed. The ACDP payment is in addition to the annual performance payout. The manager may recommend an ACDP increase every six months, during the appraisal period, or in conjunction with the annual pay pool performance payout in accordance with established procedures. The amount of the payment is intended to assure that a measured progression through band 1 to the journey level is achieved, so payments

may vary through the developmental period. Generally, ACDP increases will be no more than 20% per year, but may be higher or lower depending upon individual circumstances. All pay decisions will be fully documented on the ACDP checklist at Enclosure 1 and made a matter of record. A transmittal memorandum will be sent to the servicing HR Office to document the approved salary for the employee and will be filed on the left side of the employee's OPF. The transmittal memorandum and any necessary documentation must be submitted in a timely manner. There are no provisions to allow for retroactive application of this pay increase. The checklist will be maintained by the authorized management official. Requests for approval to award an ACDP of more than 20% annually will be sent to the appropriate FCR.

d. Funding Of ACDP. Performance Review Authorities or, if delegated, Pay Pool Managers, must use appropriate funding sources to establish a fund for ACDP if there are pay band 1 employees in the organization. ACDP may not be funded through pay pool dollars.

e. Setting Pay For Promotions. HQDA, AG-1(CP) will establish the target salary ranges in pay band 2 for centralized ACTEDS interns, and the FCR will establish the target salary ranges for all other developmental employees at the time of recruitment. An authorized management official may approve a noncompetitive promotion from pay band 1 to pay band 2 for an intern/developmental employee who has achieved the desired training objectives and has acquired the experience required to perform at the journey level. For promotion, an employee's base salary may be increased from 6% up to 12%, but not to exceed the maximum rate of pay band 2. An increase above 12% may be required in order to achieve the target salary level. Any increase higher than 12% must be based on specific factors that warrant such an increase. Such factors may include the competencies achieved, employees in the unit performing similar type work, expected contribution to the mission, etc. A higher-level manager than the authorized management official recommending the increase will approve an increase to an employee's salary greater than 12%. Interns/developmental employees in programs offering target salaries will be noncompetitively promoted to Pay Band 2 at the appropriate time in their career development. All pay decisions that increase pay higher than 6% must be fully documented and made a matter of record. The authorizing official will send a transmittal memorandum indicating the approved salary increase to the servicing HR Office. Requests for personnel action to promote employees must be submitted in a timely manner. There are no provisions to allow for retroactive application of promotion actions.

f. Pay Retention Delegation. The authority to extend pay retention under this section is delegated to the Administrative Assistant to the Secretary of the Army (AASA), the Commanders of the Army Commands, the Commanders of the Army Service Component Commands, and the Commanders of the Direct Reporting Units. As appropriate, this authority may be further delegated to the lowest practicable level.

7. PERFORMANCE MANAGEMENT

Interns/developmental employees will follow the standard NSPS appraisal period of 1 October through 30 September each year. There will be one rating of record for each rating cycle, although there will be six-month reviews which may result in more than one increase to the employee's base salary as a result of increases under the ACDP.

a. **Aligning Performance Expectations and Training Requirements with Organizational Strategic Goals.** Supervisors will establish employee performance objectives that directly align with the organization's strategic goals and mission. The objectives will be developed in accordance with Specific, Measurable, Aligned, Realistic/Relevant, and Timed (SMART) guidance. Performance objectives for interns/developmental employees will consist of the master intern training plan (MITP), the individual development plan (IDP) and any on-the-job training experiences planned for the fiscal year. When communicating performance objectives to interns/developmental employees, supervisors will fully explain the relationship between an intern's performance objectives and training requirements to the achievement of organizational goals and objectives and, ultimately, to accomplishment of the mission.

b. **Unsuccessful Performance.** An intern/developmental employee with a current rating of Unsuccessful (i.e., Level 1) is not eligible to receive a pay increase associated with a rate range adjustment, local market supplement, performance payout, or ACDP. If the employee is in a probationary period, serious consideration should be given to the suitability of the employee for continued government employment. If the employee is not in a probationary period, serious consideration should be given to whether the employee should be allowed to remain in the internship/developmental program.

c. **Pay Pool Composition.** The pay pool funding for centralized ACTEDS interns will be managed by HQDA, AG-1(CP). For all other intern/developmental positions covered by this guide, pay pools will be structured in accordance with SC 1940.11 of reference (d) and AP-SC 1940.11 of (f). Within those guidelines, the organization can decide to establish a single pay pool for interns or integrate interns into other pay pools. In general, Army commands with appropriate Army delegations of authority will issue further guidance on designing pay pools within their organizations.

d. **Performance Payout.** Increases to base salary will be limited to the amount established for Element 2 pay pool fund. Any performance payout for Element 1 pay pool fund will be paid as a cash bonus only.

8. STAFFING AND EMPLOYMENT

a. **Probationary Periods.** Interns/developmental employees who are employed in the excepted service as career employees (e.g., Federal Career Intern Program (FCIP), Veterans' Recruitment Authority (VRA), Presidential Management Fellows Program (PMF), etc.) are subject to a probationary period of two years. Employees who have completed the initial probationary or trial period in another position in DoD prior to accepting the intern position will not be required to complete another probationary period.

b. Qualifications. Basic qualification requirements shall be determined using the Office of Personnel Management (OPM) "Operating Manual: Qualifications Standards Handbook for General Schedule Positions," or, when applicable, DoD developed qualification standards. For example, in determining qualifications for entry into Pay Band 1, candidates must fully meet the criteria established for GS-5 level qualifications for the occupation. Positions covered by NSPS are excluded from time-in-grade restrictions; however, employees will remain in Pay Band 1 positions until they complete all the requirements in their training plan, graduate from the intern/developmental program, and show the potential to perform at the full performance/journey level of the occupation. All interns/developmental employees should be promoted in accordance with their Master Intern Training Plan (MITP) requirements. Employees will be noncompetitively promoted to pay band 2 at an appropriate time and will continue their training program requirements.

c. Competitive Examining. Within limits set by law and regulation, organizations may target their recruitment strategy in order to increase the efficiency of the recruiting and hiring process without compromising merit principles. Organizations at a minimum shall consider applicants from the local commuting area.

d. Noncompetitive Promotions. The full performance/journey level position must be identified on the vacancy announcement; i.e., entry level Pay Band 1 salary range with eligibility for noncompetitive promotion potential to full performance/journey level Pay Band 2. Interns/developmental employees must complete all the requirements in their training plan and have a performance rating of Level 3 or above to be eligible for promotion to Pay Band 2. Interns/developmental employees will progress from less complex work to more complex work within Pay Band 1 while they are completing their training plan. These are not promotions, since the employee remains in Pay Band 1 until completion of the intern program.

Accelerated Compensation for Developmental Positions (ACDP) Checklist

Name: _____

Position, PS-Occ-PB: _____

Date of entry into Special Education Program (SPEP): _____

Meets Career Program criteria identified in IDP.

Explain _____

Current base salary, local market supplement (LMS), and total salary:

Base Salary: _____

LMS: _____

Total Salary: _____

Any additional compensation (i.e., 3Rs, SLRP): _____

Target salary range: _____

Internal equity within immediate organization: Y_____ N_____

Acceptable Level of Performance: Y_____ N_____

_____% increase recommended (generally no more than 20% annually).

Justification: _____

Proposed Total Salary:

Base Pay: _____

LMS: _____

Total Pay: _____

Supervisor's Name/Signature/Date:

Printed Name

Signature

Date

Higher Level Manager's Approval (if required):

Printed Name

Signature

Date

Appendix 2

PRO RATING OF PERFORMANCE BASED PAY POOL PAYOUTS

Type of Action (Trigger)	Pro Rate (Y/N)	Rationale
LWOP (over 90 days)	Y	Absence of pro rating disadvantages other pay pool members. Pro rating recognizes adjusted expectations in performance and contribution to mission
Annual or Sick Leave	N	Pro rating is not appropriate for employees on approved sick or annual leave since employees taking such leave are in a pay status.
Part-Time Employment Bonuses (Less than 32 Hrs p/wk)	Y	Absence of pro rating disadvantages full time members of pay pool. Part-time pay pool members would receive higher percentage increase in Total Compensation than full-time members.
Part Time Employment - Pay Increases (Less than 32 Hrs p/wk)	N	Part Time employees' pay increases are already paid proportionate to hours worked (automatically pro rated).
Part Time Employment - 32+ Hrs	N	These employees are generally considered full time for most purposes.
Intermittent Employment Bonuses	Y	Absence of pro rating disadvantages full time members of pay pool. Intermittent pay pool members would receive higher percentage of increase in Total Compensation than Full Time members.
Intermittent Employment Pay Increases	N	Intermittent employees' pay increases are already paid proportionate to hours worked (automatically pro rated).
Non NSPS position to NSPS	Y	Absence of pro rating disadvantages other members of pay pool. Employees new to pay pool may have their salary set upon placement to reflect time not spent in pay pool.
Pay Increases (Reassignment, Promotion, Incentive Awards)	N	Too many variables, including range of salary options. Pay increases are best factored into the payout distribution determination process.

Appendix 3

RATING OFFICIAL AND PAY POOL MANAGER QUALIFICATION/CERTIFICATION REQUIREMENTS

Rating Official. Managers and supervisors (including military supervisors) must complete the following training in order to be designated as a Rating Official under NSPS:

NSPS HR Elements/Performance Management for Supervisors Course (alternate title: Army NSPS Supervisors Course), or the Executive Leadership Course. A copy of the certificate of course completion must be provided to the Pay Pool Manager for documentation and record.

Sustainment Training. In the post conversion environment, NSPS sustainment training will be offered for new supervisors. Managers and supervisors (including military supervisors) must complete the NSPS HR Elements/Performance Management for Supervisors Course (alternate title: Army NSPS Supervisors Course), or the Executive Leadership Course. A copy of the certificate of course completion must be provided to the Pay Pool Manager for documentation and record.

Pay Pool Managers. Pay Pool Panel Participants and Pay Pool Managers must complete the NSPS Pay Pool Management course in addition to the NSPS HR Elements/Performance Management for Supervisors Course (alternate title: Army NSPS Supervisors Course), or the Executive Leadership Course. A copy of the course completion certificate must be provided to the higher-level Pay Pool Manager (for sub-pay pools) or the Performance Review Authority (PRA) for documentation and record.

The Pay Pool Manager will ensure that each rating official and pay pool panel member in his/her pay pool meets all of the Army qualification/certification requirements necessary to participate in the pay pool process. The Pay Pool Manager may withdraw supervisors' authority to rate employees for the following reasons and/or as determined by the Performance Review Authority Chair:

- Failure of a rating official to set performance expectations for assigned employees in compliance with local pay pool policies and procedures

- Failure of a rating official to conduct appropriate mid-cycle performance reviews with assigned employees

- Failure of a rating official to distinguish levels of performance for assigned employees in documentation provided to pay pool for review during annual review process, or

- Failure to complete required training

-Other reasons appropriate to compliance with NSPS performance management rules, regulations, implementing issuances or to the effective management of performance under NSPS

The Performance Review Authority will certify in writing that each Pay Pool Manager meets the Army qualification/certification requirements. A copy of the certification is provided to the Pay Pool Manager and the servicing Civilian Personnel Advisory Center.

**Appendix 4
Pay Pool
NONDISCLOSURE AGREEMENT**

As a pay pool panel member, manager, administrator, or observer*, I participate in, or am privy to, decisions related to pay pool administration, as well as the final rating and assignment of performance shares through the pay pool process. I understand that pay pool process information (whether written or oral) is confidential, is for official use only (FOUO), and may consist of personal information protected by the Privacy Act. (See AP-SC 1940.11.4. for additional guidance)

Pay pool process information includes information related to pay pool discussions and deliberations; funding determinations; recommended and final ratings; recommended and final numbers of shares; recommended and final performance payout amounts; and recommended and final distribution of performance payouts between salary increases and bonuses. Pay pool process information also includes information related to the administrative reconsideration of a rating.

I agree not to disclose pay pool process information to persons other than a pay pool panel member, the pay pool administrator, the performance review authority, and consultants, except as specifically authorized or required by DoD NSPS Implementing Issuances (DoD 1400.25-M), Army NSPS policy, or applicable regulation or statute. I understand that, if I have questions about my obligations pursuant to this Nondisclosure Agreement, I may contact the servicing legal office prior to releasing such information.

I understand that violation of this Nondisclosure Agreement may subject me to disciplinary action, discharge and/or to the civil and criminal penalties of the Privacy Act.

SIGNATURE

DATE

PRINTED NAME

*See definition in AP-SC 1940.11.4.