

## **Interim Department of Army NSPS Instruction**

### **1. REFERENCES**

- (a) Public Law 108-136, National Defense Authorization Act, November 24, 2003
- (b) Title 5, Code of Federal Regulations, Part 9901, "Department of Defense National Security Personnel System"
- (c) DoD Civilian Personnel Manual 1400.25-M, Chapter 1900
- (d) DoD Managers' Interim Guidance for Establishing Pay for Employees in NSPS
- (e) Memorandum, AG-1(CP), 11 May 2007, subject: Reduction In Force Clearance Procedures

### **2. PURPOSE**

This document provides interim procedural instructions for the National Security Personnel System (NSPS). The document further supplements the subchapters of reference (c) and the interim NSPS Department of Army policy and must be used in concert with those documents. Supplementation is not authorized; however, implementing procedures and programs to carry out the provisions of this guidance may be issued as appropriate.

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

### **3. APPLICABILITY**

These procedural instructions apply to all DA positions covered by NSPS except for Army centralized interns, local interns, upward mobility employees, developmental employees, and employees in a formal training program in DA. For such positions, Army instructions at Appendix 1 for NSPS Intern/Developmental Programs will be applied.

## **AI-SC 1920 - CLASSIFICATION**

### **AI-SC 1920.8. CRITERIA FOR CLASSIFYING POSITIONS**

#### **AI-SC 1920.8.1. Determining the Occupation and Title**

a. Leader Positions. Given the broad pay bands of the NSPS classification architecture, there is no separate classification category for leader positions. Position titles identified as "lead" or "leader" are automatically changed to the authorized (non-supervisory) title for their assigned occupation. Employees may, however, continue to perform "lead" duties under NSPS. Lead positions may be identified by adding an appropriate "organizational 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. After conversion, managers and supervisors of leader positions should carefully consider the

need for continuation of leader duties. Certain leader positions may warrant reclassification as supervisors, keeping in mind resource management and fiscal considerations such as supervisory ratios, span of control, efficiency of operations, and cost effectiveness in accordance with AR 570-4, Manpower Management. In other cases, it may be more practical to continue assigning leader duties or to discontinue them altogether.

b. 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 the organization 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.

#### AI-SC 1920.9.2. Determining FLSA

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 against the duties, skills requirements, and performance objectives of the position. The matrix at Appendix 2 provides guidance on the application of this criterion. Appendix 2, however, is not a substitute for the criteria in Part 551, Subpart B. Authorized management officials should consult with their servicing CPOC/CPAC for advice and guidance on making FLSA determinations.

### **AI-SC 1930 - COMPENSATION**

#### AI-SC 1930.9. PERFORMANCE-BASED PAY

##### AI-SC 1930.9.6.1. Calculating the Performance Payout

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

##### AI-SC 1930.9.6.3.2. Prorating the Payout

NSPS Performance Based Pay Pool payouts are prorated based on hours worked to reflect 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 3 to this document. 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) may adjust 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 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 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 SC 1940 of reference (c).

#### AI-SC 1930.10. PAY ADMINISTRATION

All NSPS pay setting decisions must be fully documented and retained by the authorized official. A written transmittal will be submitted to the CPOC to record pay setting decisions when the Request for Personnel Action (RPA) has been submitted in advance of the recruit action and selection of a candidate. The Gatekeeper Checklist will be used to record pay setting decisions made prior to submitting an RPA to the CPOC. In all cases, the authorized management official and when appropriate, the higher level management official will be identified.

##### AI-SC 1930.10.4. Setting Pay Upon Reassignments

Any increase or decrease 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.

##### AI-SC 1930.10.6. Setting Pay Upon Reduction in Band

Any increase or decrease 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.

##### AI-SC 1930.11.2. Pay Retention Delegation

This documentation shall be retained with the case file at the servicing CPOC in accordance with Army records management instructions.

#### **AI-SC 1940 - PERFORMANCE MANAGEMENT**

##### AI-SC 1940.4. GENERAL ROLES AND RESPONSIBILITIES

AI-SC 1940.4.1. Performance Review Authority (PRA)

Advisors to the PRA may include Civilian Personnel, Resource Management, Legal Counsel, and other management advisors as necessary.

AI-SC 1940.5.4. Communicating Performance Expectations

Supervisors shall communicate to the employee that the lower weighted objectives are not unimportant to mission accomplishment, or insignificant to the final performance rating.

AI-SC 1940.5.7.3. Army Standard Job Objective for Supervisors

The Army Standard Supervisory Objective shall serve as the basic supervisory objective. Army organizations may add unique requirements as appropriate. 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 1940.5.7.4.) 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.

AI-SC 1940.8.3.2. Range of Options to Address Unacceptable Performance

An improvement period is an option that provides the supervisor and an 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 an improvement period is strongly encouraged.

AI-SC 1940.9.3. Supervisory Assessment of Employees

AI-SC 1940.9.3.4. The use of the "performance/potential" block on the evaluation form is retained under NSPS. The Higher Level Reviewer provides bullet comments on the

employee's overall performance and on the employee's potential to perform different and/or higher level work. The Component section (Currently Part Q – For Component Use Only) of the evaluation form should be used for the comments.

#### AI-SC 1940.10. RATING METHODOLOGY

##### AI-SC 1940.10.7. Rating of Record

AI-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, and 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 1940.12.4.1 of reference (c)). A summary timeline of the NSPS performance management cycle is provided at Appendix 4.

#### AI-SC 1940.11. PAY POOL POLICIES AND PROCEDURES

##### AI-SC 1940.11.1. Pay Pool Composition

AI-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, and Army Service Component Commands.

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.

AI-SC 1940.11.1.2. Sub-Pay Pools

Sub-pay pools continue to 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.

AI-SC 1940.11.4. Pay Pool Panel Composition and Responsibilities

AI-SC 1940.11.4.1. Nondisclosure Agreement: Pay Pools will use the Nondisclosure Agreement located in Appendix 7 of this instruction.

AI-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.

AI-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 5.

AI-SC 1940.12. CHALLENGING THE RATING OF RECORD

AI-SC 1940.12.4. Procedures for Administrative Reconsideration

AI-SC 1940.12.4.1.1. 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.

AI-SC 1940.12.4.3. In addition, allegations that a performance rating was based on prohibited discrimination or retaliation may also be processed through other applicable review processes (e.g., Merit Systems Protection Board, Office of Special Counsel, etc.).

AI-SC 1940.12.4.3.1. Election when discrimination is alleged. Requests for reconsideration that contain an allegation of prohibited 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.

AI-SC 1940.12.4.8. The Pay Pool Manager shall establish the means for the service (delivery) of the reconsideration decision. The date of receipt should be the actual date that the employee received the reconsideration decision.

AI-SC 1940.12.4.14. 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 CPAC shall retain these files in accordance with Army recordkeeping procedures for 4 years.

**AI-SC 1950 - STAFFING AND EMPLOYMENT**

AI-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 1940.2.3 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.

AI-SC 1950.6.3.3.10. Alternative Forms of Competition

Army will publish the alternative forms of competition on CPOL to ensure applicants are aware that these additional recruitment methods may be used to fill positions within Army.

AI-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 CPOC 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.

AI-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 CPOC.

AI-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 CPOC 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 Request for Personnel Action (RPA), the applicant's resume, and performance appraisal to the servicing CPOC.

**AI-SC 1960 - WORKFORCE SHAPING**

AI-SC 1960.5.1. Announcement

Activities must submit advance notifications or requests, including BRAC actions, through their headquarters to Headquarters, Department of Army, Assistant G-1 for Civilian Personnel, Chief, Policy and Program Development Division (PPDD). See reference (e) for RIF notification and clearance/approval forms and procedures.

## Appendix 1

### Intern/Developmental Program Instruction

#### 1. REFERENCES

- (a) Public Law 108-136, "National Defense Authorization Act," November 24, 2003
- (b) Title 5, Code of Federal Regulations, Part 9901, "Department of Defense National Security Personnel System"
- (c) AR 690-950, Civilian Personnel Career Management, 31 Dec 01
- (d) DoD Civilian Personnel Manual 1400.25-M, SC 1910, General
- (e) DoD Civilian Personnel Manual 1400.25-M, SC 1911, Conversion
- (f) DoD Civilian Personnel Manual 1400.25-M, SC 1920, Classification
- (g) DoD Civilian Personnel Manual 1400.25-M, SC 1930, Compensation Architecture Pay Policy
- (h) DoD Civilian Personnel Manual 1400.25-M, SC 1940, Performance Management
- (i) DoD Civilian Personnel Manual 1400.25-M, SC 1950, Staffing and Employment
- (j) DoD Civilian Personnel Manual 1400.25-M, SC 1960, Workforce Shaping
- (k) Managers' Interim Guidance for Establishing Pay for Employees in NSPS, May 2006
- (l) Interim Department of Army NSPS Policy for Spiral 1 Organizations

#### 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 guidance, as necessary, to the DoD implementing issuances at references (d) through (j) and the corresponding Army instructions at reference (l). 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).

#### 3. APPLICABILITY

This document applies to all Department of Army positions covered by NSPS. 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 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 to 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, Codes, and Titles (reference f).

#### 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 (g) and (i) 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 (g) 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 has been obtained. All pay setting decisions will be in writing to ensure an adequate audit trail and maintained by the supervisor in his/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 CPAC/CPOC 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 those situations, an equivalent to the FCR will be identified and perform the functions of the FCR. A newly hired 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 (g), the Accelerated Compensation for Developmental Positions (ACDP) 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 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 CPOC to document the approved salary for the employee and will be filed on the left side of the employee's OPF. 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 20%, to achieve the target salary level, but not to exceed the maximum rate of pay band 2. Any increase higher than 20% 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 20%. Interns/developmental employees in programs offering target salaries beyond Pay Band 1 (previously full performance level GS-13 or higher positions) 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 CPAC/CPOC.

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 to 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 achieving organizational goals and objectives and ultimately the mission accomplishment.

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 must be given to the suitability of the employee for continued government employment. If the employee is not in a probationary period, serious consideration must be given to determine if 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 references (h) and (l). Within those guidelines, the organization can decide to establish a single pay pool for interns or integrate interns into other pay pools. It is generally expected that Army commands with appropriate Army delegations of authority will issue further guidance on designing pay pools within their organizations.

d. **Performance Shares.** Shares awarded as a result of the intern's performance appraisal will be paid out as a cash bonus only. Interns/developmental employees will not receive an increase in base pay through the performance management process.

## 8. STAFFING AND EMPLOYMENT

a. **Probationary Periods.** Interns/developmental employees who are employed in the excepted service as career employees (ex: 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 the MITP requirements. Interns in programs offering noncompetitive promotion potential to positions with target salaries exceeding pay band 1 (previously GS-13 or higher positions) will be noncompetitively promoted to pay band 2 at an appropriate time and will continue their training program requirements.

c. **Competitive Examining.** 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. Organizations may concurrently consider applicants from other targeted recruitment sources, as specified in the vacancy announcement.

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. This is not a promotion since the employee remains in Pay Band 1 until completion of the intern program unless the intern/developmental employee is in a program offering target salaries beyond Pay Band 1 (previously GS-13 or higher positions). However, managers should assess the employee's performance and readiness for more complex work every six months at a minimum and compensate them appropriately. Refer to the section on compensation and ACDP for more information on setting pay within pay band 1.

## 9. WORKFORCE SHAPING

Separate competitive groups will be defined for employees in the excepted and competitive service, under different excepted appointment authorities and with different work schedules. Interns, developmental employees, and employees in a trainee status will not be placed in a competitive group with employees in full performance level positions.

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
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Higher Level Manager's Approval (if required):

Printed Name	Signature	Date
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**Appendix 2**

**DETERMINING COVERAGE UNDER FAIR LABOR STANDARDS ACT (FLSA)**

The decision logic table below provides guidance on the application of the exemption criteria in 5 CFR, Part 551, Subpart B. This Appendix is not a substitute for the criteria in Part 551, Subpart B. Authorized management officials should make FLSA determinations in coordination with the servicing CPOC/CPAC.

If the position's primary duty is	And	And	And	Then
the management (as defined in section 551.104) of a Federal agency or any subdivision thereof	Customarily and regularly directs the work of two or more other employees	Has the authority to hire or fire other employees or whose suggestions and recommendations as to the hiring, firing, advancement, promotion or any other change of status of other employees, are given particular weight	Whose annual rate of basic pay is more than \$23,660 (551.203)	Exempt 551.205
the performance of professional work	Requiring advanced knowledge in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction	Whose annual rate of basic pay is more than \$23,660 (551.203)	Exempt 551.207, 551.214, 551.215, 551.216	
OR				
Requiring invention, imagination, originality or talent in a recognized field of artistic or creative endeavor				
OR				
	As a computer systems analyst, computer programmer, software engineer or other similarly skilled workers in the computer field			

the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customer	Exercises discretion and independent judgment with respect to matters of significance	Whose annual rate of basic pay is more than \$23,660 (551.203)	Exempt 551.206
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## Appendix 3

## PRO RATING OF PERFORMANCE BASED PAY POOL PAYOUTS

Type of Action (Trigger)	Pro Rate (Y/N)	Rationale
<b>LWOP</b> (over 90 days)	Y	Absence of pro rating disadvantages other pay pool members. Members on LWOP have adjusted performance objectives to reflect significant periods of absence. Pro rating recognizes adjusted expectations in performance and contribution to mission
<b>Annual or Sick Leave</b>	N	Pro rating is not appropriate for employees on leave since such leave is considered an entitlement.
<b>Part-Time Employment Bonuses</b> (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.
<b>Part Time Employment - Pay Increases</b> (Less than 32 Hrs p/wk)	N	Part Time employees' pay increases are already paid proportionate to hours worked (automatically pro rated).
<b>Part Time Employment - 32+ Hrs</b>	N	These employees are generally considered full time for most purposes.
<b>Intermittent Employment Bonuses</b>	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.
<b>Intermittent Employment Pay Increases</b>	N	Intermittent employees' pay increases are already paid proportionate to hours worked (automatically pro rated).
<b>Non NSPS position to NSPS</b>	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.
<b>Pay Increases (Reassignment, Promotion, Incentive Awards)</b>	N	Too many variables, including range of salary options. Pay increases are best factored into the payout distribution determination process.

## Appendix 4

### SUMMARY TIMELINE FOR NSPS PERFORMANCE MANAGEMENT CYCLE

The automated performance management tool shall be used to support the process.

a. Performance plans shall be in place and communicated to employees within 30 days from the beginning of the rating cycle, i.e., the end of October (under a normal rating cycle).

b. Once an approved plan is established (approved by higher level reviewer and communicated to the employee) employees should begin self-assessment and document accomplishments of performance objectives. Supervisors shall begin monitoring performance and provide ongoing feedback to employees as appropriate.

c. There should be ongoing informal feedback during the rating cycle. Supervisors are strongly encouraged to have more than one formal feedback. At least one formal, documented face-to-face interim review shall be conducted at the mid-term of the employee's rating cycle.

d. Employee self-assessment should be completed and provided to the rater no later than 7 calendar days following the end of the rating period or timeline as established by local policy.

e. The Pay Pool Manager shall determine the date by which supervisor assessments (recommended ratings, share assignments and payout distributions) approved by the Higher Level Reviewer should be completed and provided to the Pay Pool Panel.

f. Pay Pool Panel meetings with final approved ratings, share assignments and payout distributions by the Pay Pool Manager should be completed by the end of November or a locally established timeline.

g. Supervisors should inform employees of the final approved rating, share assignments and payout distributions in December.

h. Rating reconsideration process shall be conducted in accordance with timelines established in reference (c).

i. The effective date of performance payouts shall be in January of the following year.

## Appendix 5

### PERFORMANCE ASSESSMENTS AND PAY ADJUSTMENTS FOR SPECIALLY SITUATED EMPLOYEES

- **DEPLOYED CIVILIANS**
- **EMPLOYEES IN LONG-TERM TRAINING**
- **EMPLOYEES IN EXTENDED APPROVED PAID LEAVE**

1. Employees who are absent from their permanent position to perform service in support of a military contingency or emergency operation, assigned to long-term training, or in an extended approved paid leave status and who have completed the NSPS minimum period of performance for a rating (see reference (c), SC1940.2.3.) in their permanent position for the current appraisal period. At the end of the performance appraisal period, the employee will participate in the rating and pay pool process as outlined in reference (c), SC1930 and SC1940. The rating of record will be based on the performance and contributions made by the employee while in his or her permanent position performing under an approved performance plan. NSPS performance management procedures described in reference (c) SC1940 will be observed to the extent practicable. Subject to pay pool policies and procedures, the employee shall receive a final rating of record and pay adjustment determination consisting of the appropriate increase in base salary and/or bonus.

2. Employees who are absent from their permanent position to perform service in support of a military contingency or emergency operation, assigned to long-term training, or in an extended approved paid leave status and who have NOT completed the NSPS minimum period of performance for a rating (see reference (c), SC1940.2.3.) in their permanent position for the current appraisal period. At the end of the performance appraisal period, performance pay adjustments shall be based on either the employee's last NSPS rating of record or the modal rating received by other employees covered by the same pay pool, pay schedule, and pay band, whichever is most advantageous to the employee.

3. Specific accomplishments while in a deployed status or in a training assignment may be recognized through the incentive awards system, if appropriate. Compensation for the long hours of work that is traditionally a part of serving in a deployed status is appropriately handled through applicable overtime pay provisions.

4. If a modal rating or the employee's last rating of record is used, the pay adjustments provisions in DoD 1400.25-M, SC1940.AP1. shall apply.

## Appendix 6

### **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 certify in writing, 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. A copy of the certification will be provided to the rating official and the servicing Civilian Personnel Advisory Center. The Pay Pool Manager may withdraw certification 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 7  
Pay Pool  
NONDISCLOSURE AGREEMENT**

As a pay pool panel member, manager, administrator, or observer\* (pay pool panel participants), 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 be personal information protected by the Privacy Act.

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 permitted by DoD NSPS Implementing Issuances (DoD 1400.25-M), Army NSPS policy, or statute. I agree to coordinate any other disclosure of pay pool process information with the pay pool's servicing legal office prior to releasing any information, including disclosures for official inquires and investigations

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**

\_\_\_\_\_  
**PAY POOL IDENTIFIER**

\*See definition in AP-SC 1940.11.4.