



NSPS Employee Bulletin: Impact of NSPS Transition to GS on Pay



9 May 2011

1. Reference

- a. Army NSPS Transition Guidance, 15 February 2011
- b. DoD NSPS Transition Guidance, 30 July 2010 and 5 November 2010
- c. Office of Personnel Management Fact Sheet: Pay Retention for Former Employees of the Department of Defense National Security Personnel System (NSPS).
- d. 5 Code of Federal Regulations, Part 536.

2. Purpose

This bulletin provides information to employees concerning the impact of transition from NSPS to GS on pay. For information on other subjects related to NSPS transition, check the Army (<http://cpol.army.mil/library/general/nsps/>) and DoD (<http://www.cpms.osd.mil/nsps/>) NSPS websites frequently for updates.

3. Pay setting for employees upon organizational transition from NSPS to GS

In most cases, when you transition from NSPS to GS, you will be assigned to the GS grade reflected on the position description (PD) for your NSPS position. You will not receive a lower salary than the salary for the NSPS position you occupy at the time of transition. (However, if you are on a temporary assignment, see paragraph 6 below.) Pay is determined in accordance with rules contained in government-wide regulations. When you transition, your salary will be set at one of the ten steps within the assigned GS grade, unless your pay exceeds step 10 of the GS grade.

- If your pay falls on a current GS step, your pay will be set at that step.
- If your pay falls between two of the GS steps, your pay will be set at the next higher step.
- If your pay is lower than step one of the GS grade, your pay will be set at step one of that grade.
- If your pay is higher than step 10 of the GS grade, pay retention will apply (see paragraph 5).

4. Pay Setting for OCONUS Locations

Your total pay will not be reduced at the time of transition from NSPS to GS (To the extent your pay reflects OCONUS salary enhancements, it may, however, change when you return to CONUS). Your pay will be set using GS rules and regulations. Pay setting will follow the same rules as in paragraph three above, unless you are in an occupation where Special Salary Rates (SSR) apply.

5. Pay Retention

You are eligible for pay retention if your adjusted salary exceeds step 10 of the applicable GS grade. (Note: This includes employees on temporary or term appointments.)

Under GS rules, if you are on pay retention, you will receive pay increases equal to 50% of any annual general pay increase (GPI) for the maximum rate (step 10) of your assigned GS grade. There is, however, an exception to this procedure if your adjusted salary is at or near the Executive Level IV (EX-IV) pay.

Under the GS, pay retention continues until your salary falls within the salary range (i.e., equals step 10 or less) for your assigned GS grade. At that time, pay retention will cease, your pay will be set at step 10, and you will receive 100% of any subsequent GPI. Additionally, there are other situations that will end your entitlement to pay retention. Your entitlement to pay retention will end and your pay will be reduced to step 10 of the assigned GS grade if:

- You have a break in service of one workday or more.
- You decline a reasonable offer of a position in which your rate of basic pay would be equal to or greater than your retained rate (after applying any geographic pay differences).
- You are reduced in grade for personal cause or at your request.

If you move to a position in a different pay system that is not covered by pay retention, your pay retention will end and your pay will be set in accordance with the rules of that system.

Also, if you move to another position in a covered pay system and your new pay is equal to or greater than the retained pay (after applying any geographic pay differences), pay retention will also end. For example, if you are promoted to a higher graded GS position and your pay is encompassed within the pay range for that position, your pay retention will end.

If you are placed on retained pay at transition and are receiving biweekly recruitment, relocation, or retention incentives, the amount of the incentive payments will not change at transition. Biweekly recruitment and relocation incentives will continue at the pre-transition level until the end of the term of the incentive agreement. Retention incentives will be recalculated to be based on step 10 of your GS grade at the time of the annual review.

If your adjusted salary is at or near the Executive Level IV (EX-IV) pay, you may be eligible to retain your pay up to the EX-IV level plus five percent. Additionally, there are special rules for employees on pay retention whose pay is at or near the EX-IV level, and who move from one location to another with a change in locality pay:

- Employees receiving a retained rate of pay above EX-IV as a result of transition from NSPS will be able to continue to exceed EX-IV if the retained rate at the new location is above EX-IV and below EX-IV plus 5% ,and none of the terminating events described above apply at the time of the geographic move.
- Employees receiving a retained rate of pay at or below EX-IV as a result of transition from NSPS may not receive a rate above EX-IV at the new location, even if the geographically converted retained rate is above EX-IV.
- Employees receiving a retained rate of pay above EX-IV as a result of transition from NSPS cannot retain that rate if the recalculated rate, based on the new locality, is below EX-IV.

6. Temporary Assignments

You will be returned to your permanent position of record the day prior to transition if the organization to which you are permanently assigned transitions to the GS while you are on a temporary reassignment or on a temporary promotion in accordance with the DoD guidance.

Managers will determine if the temporary assignment will be made permanent, be terminated, or continue as a temporary assignment after the transition.

- Temporary assignment made permanent: A personnel action will be processed prior to transition to place you permanently in the former temporary position. Your salary will be set at transition based on the new permanent position.
- Temporary assignment terminated: You will be returned to your permanent position from your temporary promotion (or temporary reassignment that may have resulted in a pay increase) prior to transition. Your base salary will be set at the same rate you received prior to the temporary action, with adjustments for pay increases (i.e., rate range increases, performance payout, etc.) that occurred during the time you were assigned to the position.
- Temporary assignment continues: If management determines that there is a continuing need for the temporary assignment, they may reinstate the assignment after transition, as long as you are eligible and qualified for the temporary position.
 - If you were on a temporary NSPS reassignment that would be a temporary promotion under GS rules, you may be noncompetitively temporarily promoted for up to 120 days.
 - If the temporary position is at the same or lower grade as your permanent position, you may be placed on a detail to that position after transition.
 - If you were temporarily promoted without competition under NSPS, your total time in a temporary promotion cannot exceed 120 days (the 120 days will include both NSPS and GS time at a higher level during the previous 365 days). Temporary promotions longer than 120 days require competition.

Pay setting may result in changes to pay upon transition from NSPS to GS due to variations in pay setting rules and section 1113(c)(1) of NDAA 2010. Pay will be set at the higher amount of either the result of the applicable GS pay setting rule or the pre-transition NSPS rate of pay. For example:

- A YA-02 employee making \$94,969 was competitively selected for a temporary promotion to an NSPS YA-3 position in January 2010. The pay was set at \$106,365 (a 12% temporary promotion increase).
- The day before transition, the employee is returned to his or her permanent position of record (GS-13 step 3, \$94,969). The temporary NSPS position that the employee held is transitioned from YA-3 to GS-14.
- Immediately after transition, the employee may be re-promoted back to the temporary position. The GS 2-step promotion rule to the GS-14 step 1 would result in a salary of \$105,211. Therefore, the employee would be re-promoted to the pre-transition NSPS salary of \$106,365.

7. Special Salary Rate (SSR) Occupations

SSRs may apply upon transition to GS. Your total pay will not be reduced at the time of transition from NSPS to GS. If you occupy a position that is covered by a SSR under GS, and your position is in an area with a Local Market Supplement (LMS) or Targeted Local Market Supplement (TLMS) (locations in CONUS and some overseas areas), your pay will be set under GS rules using either the SSR table or the applicable locality table, whichever is most advantageous to you.

Special Salary Rate tables and information are available on the OPM website at <http://apps.opm.gov/SpecialRates/index.html>.

Example of pay calculations using the SSR table:

- An NSPS General Engineer in Washington, DC, YD-0801-02, is transitioning to a GS-0801-09 position, covered by SSR Table 0414. The employee's NSPS base salary is \$49,515, and the adjusted salary is \$61,508, which includes the Washington, DC LMS of 24.22%, or \$11,993.
- This adjusted salary falls between GS-09 step 6 (\$60,953) and step 7 (\$62,338) on SSR Table 0414, so the pay is set at the higher level, \$62,338.

- SSR tables include a percentage that is applied at each covered grade level to determine the rate. On SSR Table 0414, that percentage is 24.993% for the GS-09 level.
- To calculate the base salary, the SSR pay of \$62,338 is divided by 1.24993, resulting in \$49,873. The employee's base salary is therefore set at \$49,873, the special rate supplement is \$12,465 (the difference between \$49,873 and \$62,330), and the adjusted salary is \$62,338.

8. Overtime Pay

Some employees may experience an increase in the rate of overtime pay upon transition, while others may experience a decrease, due to differences in the regulations governing the GS and NSPS systems.

- Under NSPS, overtime is paid at the "straight time" (regular) rate for NSPS employees in pay band 3 of the YA (professional and analytic), YD (scientific and engineering), YH (medical), and YK (investigative) pay schedules; pay band 4 of the YL pay schedule (fire protection); and pay bands 2 and 3 for supervisory pay schedules (YC, YF, YJ, and YN).
- Overtime for all other NSPS employees is paid at 1 & ½ times the hourly rate.
- Under the GS, overtime rates are contingent upon your status under the Fair Labor Standards Act (FLSA). If you are covered by the FLSA, you will be paid overtime at 1 & ½ of your regular rate of pay. If you are not covered by the FLSA, overtime is capped at 1 & ½ times the GS-10 step 1 rate, or your straight regular rate of pay, whichever is greater. (Note: FLSA status is shown in item 35 on SF 50s.)

9. Foreign Language Proficiency Pay (FLPP)

Under GS, FLPP is payable only if you are required to use the foreign language in your job. Supervisors will identify employees whose positions require proficiency in a foreign language to perform the work of the position; in these cases, you may continue to receive FLPP, although it may be a different amount than you previously received under NSPS.

You are encouraged to consult with your servicing Civilian Personnel Advisory Center for additional guidance.

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