DEPARTMENT OF DEFENSE
WASHINGTON HEADQUARTERS SERVICES
1155 DEFENSE PENTAGON
WASHINGTON, DC 20301-1155

OCT 18 2006

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Local Interim Guidance for Implementing the National Security Personnel System in Serviced Activities of Washington Headquarters Services

Attached is the local interim guidance for implementing the National Security Personnel System (NSPS) in Serviced Activities of the Washington Headquarters Services (WHS). The guidance is in four parts and addresses position classification (attachment 1), pay-setting (attachment 2), staffing and employment (attachment 3), and workforce shaping (attachment 4), respectively, and supplements the provisions and requirements of the pertinent portions of the DoD Civilian Personnel Manual, 1400.25-M and interim Fourth Estate guidance which is also in the process of being issued. The guidance in the attached must be reviewed and applied in concert with these overarching issuances.

This interim guidance is effective immediately and will be superseded by the final WHS guidance that will be developed once the DoD Fourth Estate NSPS implementing issuance is officially released. You may direct any inquiries on this matter to David Bauer in the Office of Policy and Program Integration/WHS at (703) 604-6160 or at **dave.bauer@whs.mil.**

Ralph E. Newton
Acting Director

Attachments:
As stated

cc:
Director, DSS
Director, DTRA
Director, MDA
Director, TMA

CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION
DIRECTOR, NET ASSESSMENT
DIRECTOR, DEFENSE ADVANCED RESEARCH PROJECTS AGENCY
DIRECTOR, DEFENSE LEGAL SERVICES AGENCY
DIRECTOR, DEFENSE SECURITY COOPERATION AGENCY
DIRECTOR, AMERICAN FORCES INFORMATION SERVICES
DIRECTOR, DEFENSE PRISONER OF WAR/MISSING PERSONNEL OFFICE
DIRECTOR, DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
DIRECTOR, DEFENSE TEST RESOURCE MANAGEMENT CENTER
DIRECTOR, OFFICE OF ECONOMIC ADJUSTMENT
DIRECTOR, WASHINGTON HEADQUARTERS SERVICES

Department of Defense (DoD)
Washington Headquarters Services (WHS)

Interim Local Operating Guidance for Position Classification under the National Security Personnel System

References: (a) Section 9902 of title 5, United States Code
(b) Title 5, Code of Federal Regulations, Chapter XCIX, Part 9901, "Department of Defense Human Resources Management and Labor Relations System"
(c) DoD Civilian Personnel Manual, 1400.25-M, Chapter 1900"
(d) Fourth Estate Interim Guidance, The National Security Personnel System, Classification, dated October 1, 2006

1. Purpose

The purpose of this operating guidance is to:

1.1. Implement and supplement the guidance provided in the References (a) through (d).

1.2. Provide guidelines for classification procedures under the National Security Personnel System (NSPS) that promote consistency and equity while embracing the flexibilities of NSPS as employees move into and within WHS-serviced organizations.

2. Applicability

This guidance:

2.1. Applies to all positions covered by the NSPS in the Offices of each Under Secretary and Assistant Secretary of Defense; the Offices of the Assistant to the Secretary of Defense for Intelligence Oversight, Operational Test and Evaluation, and Net Assessment; the Joint Staff; Office of the Director, Administration and Management (DA&M); Washington Headquarters Services (WHS); Pentagon Force Protection Agency; Defense Security Cooperation Agency; Department of Defense Office of General Counsel; American Forces Information Service; Office of Program Analysis and Evaluation; Defense Prisoner of War/Missing in Action Office; Defense Advanced Research Projects Agency; Business Transformation Agency; Defense Technology Security Administration; Defense Test Resource Management Center; Office of Economic Adjustment; and the Raven Rock Mountain Complex (hereafter collectively referred to as the "WHS-serviced Organizations").

2.2. Is directly aligned with References (c) and (d) and must be used in concert with those issuances. Where this guidance is silent, the guidance contained in References (c) and (d) will be followed in its entirety.

3. Delegation of Classification Authority

3.1. Managers and supervisors must receive training prior to being delegated classification authority to ensure they are able to properly make final classification determinations consistent with applicable classification standards, principles, and guidance. (A final classification determination is when an individual with appropriate authority signs the position description (PD) to certify the legal and regulatory sufficiency of the position's classification and the associated payment of appropriated funds according to the position's classification.)

3.2. Once their staff has received appropriate training and gained experience in the application of classification requirements, each WHS-Serviced Organization Head may request from Director, WHS, the authority and responsibility to carry out the NSPS classification program in accordance with the regulations, policies and guidance prescribed by Subchapter 1920 of DoD 1400.25-M (Reference (c)), and Fourth Estate Interim Guidance, The National Security Personnel System, Classification (Reference (d)).

3.3. Any classification authority that has been delegated to a WHS-Serviced Organization Head may be further delegated as deemed appropriate and under the conditions and considering the guidance contained below. (See Enclosure E1.)

3.3.1. These re-delegations of classification authority must be in writing to each individual to whom authority is delegated and are limited to the incumbency of each position. Once a position is vacated, the delegation must be re-issued to the subsequent incumbent of the position before that individual can make any final classification determinations. The document delegating classification authority to the manager must specify what authorities are being delegated and any limitations (i.e., certain occupation codes, pay bands, etc.) placed on that delegation.

3.3.2. When delegating classification authority, consideration should be given to potential conflicts of interests (e.g., a manager cannot classify his/her own position or one that will directly affect the classification of the manager's position) and past practices in the organization.

4. Management Responsibilities

4.1. The Director, WHS, will be responsible for approving requests from WHS-Serviced Organizations Heads for delegated classification authority.

4.2. The Director, Human Resources, under the general direction of the Director, WHS, shall oversee the establishment of NSPS classification policies and practices for the WHS-serviced Organizations.

4.3. The Assistant Director for Personnel Services shall:

4.3.1. Implement the Classification Program.

4.3.2. Make classification determinations for positions in those organization where classification authority has not been delegated.

4.3.3. Ensure proper record keeping.

4.3.4. Develop and provide training on the new classification processes under NSPS.

4.4. The WHS-serviced Organization Head and the management official(s) with delegated authority shall monitor and ensure compliance with the provisions of this guidance.

5. Training

WHS/Human Resources Directorate shall develop and maintain the above required training in either an on-line or a classroom format, whichever better serves the needs and preferences of the organization. The training shall involve a mechanism to verify that the individuals receiving the training have acquired the requisite level of knowledge and understanding to make proper classification determinations. Refresher training shall also be developed and made available similarly.

6. Program Evaluation

Organizations must develop their own internal procedures for monitoring classification determinations to help promote internal consistency and equitable treatment of employees. WHS can assist with an organization's program of self-assessment. This will also prove beneficial in responding to external reviews and inquiries from Congress, the Office of Personnel Management, the General Accounting Office, the DoD Inspector General, etc. In the event of one of these reviews, WHS is available to provide assistance in responding.

7. Information Requirements

Organizations must keep the original copies of PDs and provide copies to WHS/HRD for maintenance in the employee's official personnel folder and to perform various functions including for recruitment and placement, actions under the Priority Placement Program, etc. Employees must also be provided a copy of the PDs for their positions. The organization is to keep the classified PD on file for a minimum of two years after a position becomes permanently vacated.

8. EFFECTIVE DATE

This Operating Guidance is effective immediately.

Ralph E Newton OCT 18 2006

Mr. Ralph E. Newton
Acting Director,
Washington Headquarters Services

Enclosure - 1
E1. Sample Letter Delegating Classification Authority To Managers/Supervisors

E1. ENCLOSURE 1
SAMPLE LETTER DELEGATING CLASSIFICATION AUTHORITY TO MANAGERS/SUPERVISORS

MEMORANDUM FOR

SUBJECT: Delegation of Classification Authority

Through the authority delegated to me, you are delegated authority to determine and approve the classification of the positions in your organization within the guidance provided by National Security Personnel System and applicable laws, regulations, and local implementing guidance for organizations serviced by Washington Headquarters Services. You may further delegate this authority to managers and supervisors at lower levels in your organization as you deem appropriate.

Name
Title

Department of Defense (DoD)
Washington Headquarters Services (WHS)

Interim Local Operating Guidance for Pay Administration under the National Security Personnel System

References: (a) Section 9902 of title 5, United States Code
(b) Title 5, Code of Federal Regulations, Chapter XCIX, Part 9901, "Department of Defense Human Resources Management and Labor Relations System"
(c) DoD Civilian Personnel Manual, 1400.25-M, Chapter 1900
(d) Fourth Estate Interim Guidance, The National Security Personnel System, Compensation Architecture, dated October 1, 2006
(e) through (f), see Enclosure E1.

1. Purpose

The purpose of this operating guidance is to:

1.1. Assign responsibility and implement and supplement the guidance provided in the References (a) through (d).

1.2. Provide guidelines for pay-setting procedures under the National Security Personnel System (NSPS) that promote consistency and equity while embracing the flexibilities of NSPS as employees move into and within WHS-serviced organizations.

2. Applicability and Scope

This guidance:

2.1. Applies to all positions covered by the NSPS in the Offices of each Under Secretary and Assistant Secretary of Defense; the Offices of the Assistant to the Secretary of Defense for Intelligence Oversight, Operational Test and Evaluation, and Net Assessment; the Joint Staff; Office of the Director, Administration and Management (DA&M); Washington Headquarters Services (WHS); Pentagon Force Protection Agency; Defense Security Cooperation Agency; Department of Defense Office of General Counsel; American Forces Information Service; Office of Program Analysis and Evaluation; Defense Prisoner of War/Missing in Action Office; Defense Advanced Research Projects Agency; Business Transformation Agency; Defense Technology Security Administration; Defense Test Resource Management Center; Office of Economic Adjustment; and the Raven Rock Mountain Complex (hereafter collectively referred to as the "WHS-serviced Organizations").

2.2. Is directly aligned with References (c) and (d) and must be used in concert with those issuances. Where this guidance is silent, the guidance contained in References (c) and (d) will be followed in its entirety.

3. Delegation of Pay-Setting Authority

Pay-setting authority; authority to approve pay retention for circumstances not already specifically defined in section subchapter (SC) 1930.11.1. of DoD Civilian Personnel Manual, 1400.25-M (Reference (c)); and/or authority to approve exceptions to the biweekly premium pay limitation may be delegated to each of the Heads of the WHS-serviced Organizations listed above, except where pay-setting authority was already delegated in Reference (c), by the Director, WHS, upon request. Once delegated, this authority may be further delegated as deemed appropriate by the WHS-serviced Organization Head and given the following considerations and conditions in this guidance:

3.1. The delegation and re-delegation of any the authorities listed in the preceding paragraph must be in writing to each individual to whom the authority is delegated. Once a position is vacated, the delegation must be re-issued to the subsequent incumbent of the position before that individual can make any pay determinations. The document delegating the pay authority to the manager must specify what authorities are being delegated and any limitations placed on that delegation. (See Enclosure E2. Sample Letter Delegating Pay Setting Authority To Managers/Supervisors)

3.2. When delegating pay-setting authority, consideration should be given to potential conflicts of interests and past practices in the organization.

4. Management Responsibilities

4.1. The Director, WHS, shall:

4.1.1. Approve requests from the Heads of WHS-Serviced Organizations for delegated pay-setting authority under the conditions addressed in Reference (d) and/or authority to approve exceptions to the biweekly premium pay limitation.

4.1.2. Forward requests to the Secretary or Deputy Secretary to approve a waiver to the annual aggregate pay limitation established by SC1930.12.1. and 12.2. of Reference (c) to apply an annual limitation equal to the rate payable under Reference (e).

4.1.3. Approve pay determinations of more than 20% over the current salary of employees being promoted, including as part of Accelerated Compensation for Developmental Positions (ACDP), and new hires to the Federal government. (SC1930.9.10. of Reference (c)).

4.2. The Director, Financial Management, WHS, shall establish budgetary guidelines and controls as necessary to manage pay-setting determinations for WHS-Serviced Organizations with delegated pay-setting authority but without budget authority.

4.3. The Director, Human Resources, WHS, shall oversee the establishment of NSPS pay policies and practices for the WHS-serviced Organizations.

4.4. The Assistant Director for Personnel Services (AD(PS)) shall:

4.4.1. Implement the pay policies and practices in this operating guidance.

4.4.2. Ensure proper record keeping for all pay actions.

4.4.3. Develop and provide training on the compensation processes under NSPS.

4.4.4. Ensure the proper and accurate processing of personnel actions to effect employees' pay actions.

4.4.6. Approve the following when the Organization Head is not delegated authority:

4.4.6.1. Approve pay determinations of more than 12% up to 20% over the current salary of employees being promoted, including as part of Accelerated Compensation for Developmental Positions (ACDP), and new hires to the Federal government. (SC1930.9.10. of Reference (c)).

4.4.6.2. Exceptions to the 12-month limitation on cumulative 5% pay increases during a 12-month period on voluntary reassignments and changes to lower pay bands. (SC1930.10.4. and SC1930.10.6.2. of Reference (c))

4.4.6.3. The application of the premium pay limitation on a calendar year basis instead of on a biweekly basis as allowed in Reference (c). (SC1930.12.2. of Reference (c))

4.4.6.4. More than one increase to a developmental employee's pay in a 52 week period under ACDP.

4.4.6.5. Approve pay retention for circumstances not already specifically defined in section SC1930.11.1. of Reference (c) but meet the intent for granting pay retention (e.g., when an employee's basic pay will be reduced due to factors beyond the manager's and employee's control). (SC1930.11. of Reference (c))

4.5. Branch Chiefs in PS shall approve the following for organizations where the Organization Head is not delegated pay-setting authority:

4.5.1. Pay to be set between 6 and up to 12% over the current salary of employees being promoted, including for ACDP, and new hires to the Federal government. (SC1930.10.6.2. of Reference (c))

4.5.2. Pay increases of up to 5% over employees' current pay on reassignments and changes to lower bands. (SC1930.10.4. of Reference (c))

4.6. The WHS-serviced Organization Head, with delegated pay authority, shall monitor and ensure compliance with the provisions of this guidance and approve:

4.6.1. Setting the pay for an employee as a result of a promotion, including as part of ACDP, or the starting pay for a new hire to the Federal government at a rate greater than 20% over the employee's or applicant's current salary. (SC1930.10.3. of Reference (c))

4.6.2. Exceptions to the 12-month limitation on the cumulative 5% pay increases during a 12-month period on voluntary reassignments and changes to lower pay bands. (SC1930.10.4. and SC1930.10.6.2. of Reference (c))

4.6.3. Reducing an employee's pay through adverse action procedures as a result of poor performance or misconduct.

4.6.4. Applying the premium pay limitation on a calendar year basis instead of on a biweekly basis as prescribed and according to the guidance in Reference (c). (SC1930.12.2. of Reference (c))

4.6.5. More than one increase to a developmental employee's pay in a 52 week period under ACDP if the cumulative increases will exceed 20% of the employee's pay.

4.6.6. Any internal pay policy developed, including restrictions on the approval levels described below, for the organization and provide a copy of the policy to the Director, WHS.

4.7. Selecting officials with delegated pay-setting authority from the Organization Head:

4.7.1. May set pay from 6 and to 12% over the current salary of employees being promoted, including as part of ACDP, and new hires to the Federal government.

4.7.2. Must obtain approval of a higher level management official in the organization to establish pay between 12 and up to 20% over the current salary of employees being promoted, including as part of ACDP, and new hires to the Federal government.

4.7.3. Must obtain approval of a higher level management official of more than one increase to a developmental employee's pay in a 52 week period under ACDP.

4.7.4. Must obtain approval of a higher level management official in the organization to increase employees' pay up to 5% over their current salary when being reassigned, transferred, or changed to lower pay bands.

4.7.5. Must document and submit to PS the basis for their pay decisions based on the considerations reflected in the paragraphs 5.1.1. through 5.1.7. below and using the form in Enclosure E3.

4.8. Management officials without delegated pay-setting authority must submit to PS for approval the requests with justification based on the considerations reflected in the paragraphs 5.1.1. through 5.1.7. below and using the form in Enclosure E3. or similar documentation to set the pay of employees for promotions (including as part of ACDP) and new hires at an amount

above 6% of current salary, and to set pay at an amount up to 5% of employees' current pay for reassignments, transfers, and changes to lower pay bands.

5. Pay Administration (SC1930.10. of Reference (c))

5.1. All pay determinations for external and internal hires and placements must be in writing, regardless of whether justification is required, using the form in Enclosure E3. or similar documentation. All the required documentation with required approvals as reflected above and justification should be provided to the WHS/Human Resources Directorate (HRD)/PS before a formal job offer is made by the WHS/HRD/PS. No action on a new or current employee will be effected until the written pay document is received by WHS/HRD and final concurrences are obtained. The justification must specifically address issues such as:

5.1.1. The budget and pay profile of the organization (i.e., the current budget situation, current pay levels of similarly situated employees, past practices in setting employees' pay in comparable positions, etc.)

5.1.2. Current and prior difficulties encountered in trying to fill the position (e.g., several job announcements were issued with few or no qualified applicants applying, the length of time that the position had been vacant, frequent declinations, etc.).

5.1.3. The demand for the unique or specialized skills or the superior qualifications required for the position as well as the scarcity of the skills or qualifications.

5.1.4. The pay levels in comparable positions within the private and public sector and the market demands for those positions.

5.1.5. The payment of a recruitment or relocation bonus, student loan repayment, and/or credit for non-Federal experience or military service for computing the service computation date for leave accrual purposes in lieu of or in addition to increased basic pay, as appropriate.

5.1.6. The employee's or applicant's current compensation.

5.1.7. The level and complexity of responsibilities of the position and the employee's past and anticipated performance and contributions.

5.2. Justifications for pay increases as a result of a promotion is not required when establishing the employees' pay at 6% or a greater amount if that is required to increase the employees' pay to the minimum amount of the pay band. Likewise, no justification is required to effect reassignments, transfers, and changes to lower bands without any pay increase. However, written documentation must be submitted to reflect that the intent of the selecting official in establishing the employee's pay.

5.3. Declining a reasonable offer will result in termination of an employee's entitlement to severance pay. A reasonable offer is a position:

5.3.1. In the employee's commuting area (unless serving under a mobility agreement);

5.3.2. Of the same tenure and work schedule; and

5.3.3. That is no lower than two pay bands under the position which the employee held prior to becoming eligible for severance pay if the offered position is within the same pay schedule. If the offered position is in a different pay schedule under NSPS, to be a reasonable offer, the maximum pay level of the offered position's pay band must exceed the maximum pay level of the pay band in the same pay schedule as the employee's position that is two pay band levels below the position which the employee held prior to becoming eligible for severance pay.

5.4. ACDP (SC1930.9.10. of Reference (c))

5.4.1. ACDP positions require individual development plans that align the employee's acquisition of work-related competencies to the organization's mission/goals. The supervisor of the employee must clearly document specified competencies that are to be acquired, performance goals, expected contributions, and methods of measuring their accomplishment such that the employee will understand what must be achieved in order to receive an increase in pay and/or a bonus under ACDP. Ideally, these should be conveyed within 30 days of the employee entering the position or after receipt of a pay increase under ACDP.

5.4.2. The ACDP may be awarded at any time during the appraisal cycle or in conjunction with the annual performance pay out. ACDP employees may be a part of a pay pool, but their accelerated payments will be managed outside of the pay pool. Employees should receive no more than one ACDP increase in a 52 week period. Exceptions to this should be made sparingly and approved as described above. The bonus when combined with any annual increase shall be no more than 20% over the employee's pay unless approved by the Organization Head with delegated pay-setting authority or the Assistant Director for PS consistent with the guidelines above.

5.4.3. The ACDP is designed to allow base salary increases generally equivalent to increases previously received by developmental employees covered by the General Schedule (GS). However, managers and supervisors should take into account the initial pay setting from when the employees were hired, which may have resulted in a higher initial salary than what would have applied under the GS.

5.5. Student Educational Employment Program (SEEP)

Individuals appointed under this Program must meet the eligibility requirements of title 5, CFR, Part 213 (Reference (e)). All appointees to a SEEP position will be appointed to a YP-1 Pay Schedule/Pay Band. There are no higher Pay Bands within this Pay Schedule. Unless an employee appointed to one of these positions is converted to another Pay Schedule or to another position (i.e., on another position description with a different set of duties defined) under this Pay Schedule, there are no allowances for any pay increases outside the annual performance pay out including under the ACDP. As a result, consideration should be given to appointing an

individual under this authority at a higher initial rate of pay than had been done in the past under the GS system since subsequent payouts will be smaller than what was allowed under career ladder progressions for a GS employee. There is wide latitude in setting an individual's initial pay rate since there are essentially no qualification requirements for the YP-1. Once the eligibility requirements stipulated under Reference (e) are met, the appointee's pay can be set anywhere in this pay band. In making this pay determination, the official should review those considerations listed above in paragraph 5.1.

6. Program Evaluation

Organizations must develop their own internal procedures for monitoring pay-setting determinations to ensure internal consistency and equitable treatment of employees. WHS can assist with an organization's program of self-assessment. This will also prove beneficial in responding to external reviews and inquiries from Congress, the Office of Personnel Management, the General Accounting Office, the DoD Inspector General, etc. In the event of one of these reviews, WHS is available to provide assistance in responding.

7. Information Requirements

Organizations must keep copies of the pay-setting letters to facilitate ensuring internal equity and consistency and provide the original copies WHS/HRD for maintenance in the employee's official personnel folder and merit promotion files.

8. EFFECTIVE DATE

This Operating Guidance is effective immediately.

Ralph E. Newton OCT 18 2006
Mr. Ralph E. Newton
Acting Director,
Washington Headquarters Services

Enclosures - 3
E1. References
E2. Sample Letter Delegating Pay Setting Authority To Managers/Supervisors Pay
E3. Setting Documentation Form

REFERENCES, continued

(e) Section 104 of title 3, United States Code
(f) Title 5, CFR, Part 213, "Excepted Service"

E2. ENCLOSURE 2

SAMPLE LETTER DELEGATING PAY SETTING AUTHORITY TO MANAGERS/SUPERVISORS

MEMORANDUM FOR

SUBJECT: Delegation of Pay-Setting Authority

Through the authority delegated to me, you are delegated authority to approve the pay determinations of your employees beyond the minimum amounts allowed and within the guidance provided by applicable laws, regulations, and local implementing guidance for organizations serviced by Washington Headquarters Services. This authority is limited to making and approving pay determinations when new employees are hired and current ones are promoted or reassigned to and within your organization. You may further delegate this authority to managers and supervisors at lower levels in your organization as you deem appropriate.

Name
Title

E3. ENCLOSURE 3

NSPS SALARY DETERMINATION PROCESS – NEW HIRES, PROMOTIONS, TRANSFERS, REASSIGNMENTS & CHANGES TO LOWER PAY BANDS

Candidate Information	NSPS Job Information (Position To Be Filled)
Name:	Location: NSPS Position Title:
Current Job Title:	NSPS Pay Schedule / Occupation Code /Pay Band : Former GS-Grade & Series or Equivalent:
Current NSPS Pay Schedule & Pay Band OR GS-Series-Grade (if applicable):	NSPS Salary Range:

Nature of Action (Check One):

☐ New Hire — New-Hire pay must be set be set no lower than the minimum rate of the pay band. Higher amounts may be paid based on numerous factors including the applicant's current compensation, expected contributions, the demand for the applicant's skills and experience, etc.(*)

☐ Promotion — Between 6 and 20 % not to exceed the NSPS Pay Band Maximum. Pay set between 6 – 12% may be approved by the selecting official; 13– 19% must be approved by a higher level management official(*); and amounts 20% or more must be approved by the Organization Head with delegated authority or, otherwise, by the Assistant Director for Personnel Services.

☐ Voluntary & Management-Directed Reassignments and Reductions in Band — Salary increases up to 5 % must be approved by a higher level management official above the selecting official(*). **Only for management-directed reassignment:** Cumulative salary increases above 5 % during a 12-month period must be approved by the Organization Head with delegated authority or, otherwise, by the Assistant Director for Personnel Services.

(*) For organizations without delegated pay-setting authority, these pay actions will be approved by the designated officials in the Personnel Services Division as noted in the local operating guidance.

SALARY INFORMATION: Candidate's Current Salary, Internal Salary Analyses, Proposed Salary

Complete the entire Worksheet before determining the appropriate "Proposed Salary" to ensure a thorough comparison with all relevant pay-setting factors. **This must be completed only when approval is required above minimum increases prescribed by law or DoD regulation.**

Candidate's Current Salary	**Internal Salary Data of Incumbent(s) in Same or Similar Position(s)**	**PROPOSED SALARY** (including Local Market Supplement)
Total Annual Salary: (Includes Base Salary + Locality/Geographic Pay; Exclude Bonuses, Awards, Lump-Sums Amounts) Years of Relevant Experience:	Avg. Salary of Employees in Similar Positions: Number of Incumbents: Highest Salary: Avg. Years in Position:	New NSPS Salary: Percent Difference: (from Current Salary) Is Salary Offer Within: - Unit/Org/Dept Salary Budget? Y/N

For External, Non-Federal, New-Hire Candidates Only Prior to Committing to a Proposed Salary, Factor in the total compensation perspective (i.e., benefits, bonuses, etc.) and/or the use of any Recruitment or Relocation Incentive.	**Was the total compensation perspective considered and emphasized, especially the value of FEHB, leave programs, etc? Y/N** If This Salary Offer Includes any Recruitment or Relocation Incentive, Indicate the Amount(s): - Recruitment $: - Relocation $: - Total $:

ASSESS THE CANDIDATE'S JOB-RELATED EXPERIENCE, TRAINING, AND SKILL/COMPETENCY

Indicate the Candidate's:

Education Level and/or Degree(s): _____

Years of Relevant Experience: _____

List Relevant Training (Licenses, Certifications, etc.): _____

_____

Place an "X" in the Appropriate Level of Job-Related Experience, Education, Training, and Skill Levels/Competencies of the Candidate. Consider the full range of the Candidate's breadth, depth, and scope of relevant job duties, responsibilities, and complexity.

Candidate's Employment History Indicates	Education	Training	Competencies (Knowledge, Skills, Abilities)	Breadth, Depth, and Scope of Relevant Job Experience
Minimum Position Levels				
Exceeds Minimum Position Levels				
Prior Direct Experience, Can "Hit the ground running"				
Possesses Unique Skills Critical to Unit/Agency/ Department (Identify)				

COMPLETE IF PROPOSED SALARY REQUIRES APPROVAL

Check only those pay factors that were considered in reaching this pay decision and provide appropriate justification.

Pay Factors		*Notation on Salary Determination*
	Critical Agency Business Need	
	Current Salary / Salary History	
	Relevant Work Experience	

	Education Levels	
	Training	
	Competencies	
	Use of Any/All of the "3 R's"	
	Other (Describe)	

Approval Process:

_____ _____
First Level Supervisor Date

_____ _____
Next level Supervisor/Manager Date

_____ _____
Assistant Director for Financial Management (As required) Date

_____ _____
Assistant Director for Personnel Services (As required) Date

_____ _____
Organization Head (As required) Date

Decision: Approved_____ Disapproved_____

Department of Defense (DoD)
Washington Headquarters Services (WHS)

Interim Local Operating Guidance for Staffing and Employment under the National Security Personnel System

References: (a) Section 9902 of title 5, United States Code
(b) Title 5, Code of Federal Regulations, Chapter XCIX, Part 9901, "Department of Defense Human Resources Management and Labor Relations System"
(c) DoD Civilian Personnel Manual, 1400.25-M, Chapter 1900
(d) Fourth Estate Interim Guidance, The National Security Personnel System, Staffing and Employment, dated October 1, 2006
(e) through (g), see Enclosure E1.

1. Purpose

The purpose of this operating guidance is to:

1.1. Implement and supplement the guidance provided in the References (a) through (d).

1.2. Provide guidelines for staffing and employment procedures under the National Security Personnel System (NSPS) that promote consistency and equity while embracing the flexibilities of NSPS as employees move into and within WHS-serviced organizations.

2. Applicability and Scope

This guidance:

2.1. Applies to all positions covered by the NSPS in the Offices of each Under Secretary and Assistant Secretary of Defense; the Offices of the Assistant to the Secretary of Defense for Intelligence Oversight, Operational Test and Evaluation, and Net Assessment; the Joint Staff; Office of the Director, Administration and Management (DA&M); Washington Headquarters Services (WHS); Pentagon Force Protection Agency; Defense Security Cooperation Agency; Department of Defense Office of General Counsel; American Forces Information Service; Office of Program Analysis and Evaluation; Defense Prisoner of War/Missing in Action Office; Defense Advanced Research Projects Agency; Business Transformation Agency; Defense Technology Security Administration; Defense Test Resource Management Center; Office of Economic Adjustment; and the Raven Rock Mountain Complex (hereafter collectively referred to as the "WHS-serviced Organizations").

2.2. Is directly aligned with References (c) and (d) and must be used in concert with those issuances and supersedes the guidance in Reference (e) as it pertains to positions covered by NSPS. Where this guidance is silent, the guidance contained in references (c) and (d) will be followed in its entirety.

3. Delegation of Appointing Authority

The appointing authority required to effect recruitment and placement actions for the WHS-serviced Organizations rests with the Director, WHS, as delegated from the Secretary of Defense. This is further delegated down through the Director, Human Resources/WHS, to subordinate levels in the organization and ultimately to the action officers in WHS who effect recruitment and placement actions. Although managers have position classification and pay-setting authorities as addressed in other guidance, they are not delegated any appointing authority.

4. Management Responsibilities

4.1. The Director, WHS, shall submit through the DA&M to the USD(P&R) requests for -

4.1.1. Probationary periods of longer than one year (subchapter (SC) 1950.5.2.1.1.1., DoD Civilian Personnel Manual, 1400.25-M, of Reference (c))

4.1.2. New or modified qualifications standards (SC1950.5.3.2. of Reference (c)).

4.1.3. Severe shortage/critical need hiring authority (SC1950.6.5.1. of Reference (c)).

4.2. The Director, Human Resources, under the general direction of the Director, WHS, shall oversee the establishment of NSPS pay policies and practices for the WHS-serviced Organizations.

4.3. The Assistant Director for Personnel Services shall -

4.3.1. Implement the Merit Promotion Program.

4.3.2. Ensure proper record keeping.

4.3.3. Ensure proper procedures are followed for determining when applicants are not eligible under merit promotion procedures (i.e., the applicants lack competitive status, eligibility under the Veterans Employment Opportunities Act, or eligibility under an interchange agreement).

4.3.4. Ensure all legal requirements are met before job offers are made.

4.3.5. Develop and provide training on the new recruitment and placement processes under NSPS.

4.3.6. Ensure that any movement of employees within the first 90 days after a new appointment to the Federal government is documented and is for sound management reasons and not an attempt to subvert legal or regulatory requirements on hiring (e.g., veterans preference) (SC1950.6.3.2. of Reference (c)).

4.3.7. Approve granting the pass over of a preference eligible with a compensable serviced-connected disability of less than 30% to the Secretary of Defense for approval. This authority is held through the Delegated Examining Unit maintained by PS (SC1950.6.2.5. of Reference (c)).

4.3.8. Forward to the Office of Personnel Management requests for the pass over of a preference eligible with a compensable serviced-connected disability of 30% or more (SC1950.6.2.5. of Reference (c)).

4.4. Management Officials shall:

4.4.1. Adhere to the policies, procedures, and intent of this Interim Operating Guidance.

4.4.2. Determine the method(s) of recruitment prior to announcing positions (SC1950.6.2. and SC1950.6.3. of Reference (c)).

4.4.3. Establish criteria for identifying the best qualified applicants for a position being filled under competitive examining and merit promotion procedures (SC1950.6.2. and SC1950.6.3.3.3. of Reference (c)).

4.4.4. Ensure appropriate consideration of employees absent for legitimate reasons (e.g., on detail, in training, on TDY, on leave (including military leave), deployed in military service operations or activities, or serving in public international organizations or on Intergovernmental Personnel Act assignments). (SC1950.6.3.3.2. of Reference (c)).

4.4.5. Ensure that the provisions of affirmative actions plans are considered in making selections.

5. Recruitment and Placement Policies, Practices, and Procedures

5.1. Merit promotion procedures (i.e., any method, including the alternative recruitment procedures reflected below, where candidates' experience, education, skills, and other pertinent merit-based factors are assessed to identify their relative levels of qualifications) are to be followed when selecting applicants for positions through (SC1950.6.3.3.6. of Reference (c)):

5.1.1. Temporary promotions of more than 180 days.

5.1.2. Placement of applicants or employees in higher banded positions or a positions with higher promotion potential, except under reduction in force procedures, than what was previously held on a permanent basis.

5.1.3. Selection for training programs that are required before employees may be considered for promotion (e.g., formal intern programs, upward mobility programs, etc.).

5.2. The following actions are exceptions to merit promotion procedures (SC1950.6.3.3.7. of Reference (c)):

5.2.1. Promotions resulting from a classification decision to increase the band of a position due to an accretion in the inherent complexity of the duties and responsibilities of positions. There should be no other employees reporting to the same supervisor as the person

being promoted in the same or a similar occupational code and pay band who would be qualified for the higher level work.

5.2.2. Position changes permitted by reduction in force procedures.

5.2.3. Promotions to higher pay bands as part of a career ladder progression.

5.2.4. Promotions to higher pay bands which are to be limited to 180 days or less

5.2.5. Re-promotions to pay bands previously held on a permanent basis, or movement to positions with promotion potential no greater than what was previously held on a permanent basis.

5.2.6. Consideration of candidates not properly considered in a prior competition.

5.2.7. Movement from a different pay system to a NSPS position considered to be at an equivalent level. This includes moving from a General Schedule (GS) two-grade interval position to a NSPS position in a professional or analytical occupational code and a pay band which includes the employee's present grade or a grade previously held. (e.g., a GS-12 employee may enter YA-2 position without competition since the GS grade is encompassed in the pay band).

5.3. Selections for positions shall be made without regard to political, religious, labor organization affiliation or non-affiliation, marital or family status, race, color, gender, sexual orientation, national origin, disability, or age. (SC1950.6.3.3.1. of Reference (c))

5.4. When following standard merit promotion procedures (i.e., issuing a job announcement followed by a merit promotion certificate), applicants for promotions will be placed on the certificates when determined to be among the best qualified of the applicants for the position. The criteria for identifying the best qualified will be established and ranked by the selecting official. The applicants will be referred on the competitive certificate list in order according to and with their assigned scores, ranking, or rating to help managers differentiate the level of the qualifications of applicants. (SC1950.6.3.3.3. and SC1950.6.3.3.4. of Reference (c))

5.5. Recruitment and placement practices dictate that all applicants for a position who are noncompetitively eligible for the position (i.e., they are minimally qualified and their grade levels or pay bands, as applicable, are at least commensurate with the pay band of the position being advertised) must be referred to the selecting official for consideration. Because this could produce a large number of noncompetitive applicants in some instances making a selection decision unwieldy, the applicants may be referred in order according to and with their assigned scores, ranking, or rating on the noncompetitive certificate list to help managers differentiate the level of the qualifications of the applicants.

5.6. Supervisors and managers have the right to select from a referral certificate or any other appropriate sources. Evaluation of candidates shall be based solely on job-related criteria that relate to the applicant's qualifications and experience for successful performance in the position to be filled. Due weight shall be given to performance appraisals and incentive awards.

5.7. All aspects of the Office of Personnel Management's displaced employee programs(e.g., Re-employment Priority List (RPL) and the Interagency Career Transition Assistance Plan (ICTAP)) and DoD Priority Placement Program (Reference (f) requirements shall be followed.

5.8. Unless there is agreement between the gaining and losing activities to do otherwise, a supervisor will release an employee by no later than the beginning of the next pay period that follows -

5.8.1. The two week period after official notification to the losing organization that the employee has been selected for promotion.

5.8.2. The 30 calendar day period after official notification to the losing organization that the employee has been selected for a lateral assignment by another supervisor.

5.9. Interviews are encouraged. Interview questions must be job-related. Since selecting officials are responsible for defending their selections for positions and the basis by which applicants are chosen for interview and selection, the official should establish and document the rationale behind these decisions.

6. Alternative Forms of Competition As deemed appropriate, managers may use any of the following recruiting methods where practical. A formal job opportunity announcement is not required for any of these methods. The rating criteria used must be established and documented before considering any employees for the vacancy. (See Enclosure E2.) The criteria must be merit-based and job related as documented in the position description (PD) or in supplemental information and established prior to consideration of any applicant(s). Managers may select a current Federal employee who is eligible and meets the pre-established criteria for the vacant position. Notification shall be posted on WHS/HRD's web site to advise employees that these method may be used to fill any vacancy. Managers may also use informal methods (e.g., emails, bulletin boards, etc) to solicit employee interest in vacant positions. In establishing the method to identify/establish the candidate pool, every effort needs to be made to ensure that any solicitation issued is objective and uniform in its search for applicants and allows reasonable time to allow candidates to apply or otherwise make their interest for a vacancy known. A copy of the solicitation, if used, and any certification list from which a selection was made must be kept in a case file. A sample notification of a vacancy and a sample certification list are attached in Enclosures E3. and E4. (SC1950.6.3.3.10. of Reference (c))

6.1. Assessment Boards (SC1950.6.3.3.10.1. of Reference (c))

6.1.1. These Boards may meet periodically or on an ad hoc basis and may be used under any circumstances and where practical to fill a vacancy. The lists of applicants certified by this Board are active for one year from the date of issuance. As a result, this form of competition is particularly suitable for filling positions in a workforce with high turnover, a workforce composed of numerous identical/additional positions, senior positions, and comparable situations. Applicants must submit a resume to receive consideration for a position under this method.

6.1.2. The Board must use the pre-established rating criteria. Personnel Services (PS)/Human Resources Directorate (HRD)/WHS will review candidates' resumes, prior to the

Board's review, to determine whether they meet minimum qualification standards for the position. The Board may also certify an individual employee for selection that the manager/supervisor has identified for consideration independent of any solicitation process. This individual may be hired if he/she meets the pre-established criteria as determined by the Board.

6.1.3. Based on the criteria established, the number of candidates, and their relative qualifications, the Board will determine the number of candidates to be referred on a certification list and where the cut off points will be to identify the best qualified applicants if appropriate.

6.2. Alternate Certification (SC1950.6.3.3.10.2. of Reference (c))

6.2.1. This may be used under any circumstances and where practical to fill a vacancy. However, since this method allows that the certification criteria and/or an applicant pool, which may be one person, to already exist, this form of competition is particularly suitable for filling hard-to-fill positions or those with unique skills or superior qualification requirements on an expeditious basis. An individual may be selected under this certification method if he/she is determined to be in the highest quality group based on the criteria. Applicants must submit a resume to receive consideration for a position under this method.

6.2.2. PS/HRD/WHS will review candidates' resumes to determine whether they meet minimum qualification standards and the established criteria for the position. PS/HRD/WHS may also certify an individual employee for selection that the manager/supervisor has identified for consideration independent of any solicitation process. This individual may be hired if he/she meets the pre-established criteria as verified by PS/HRD/WHS.

6.2.3. Based on the criteria established, the number of candidates, and their relative qualifications, the Staffing Specialist in PS will determine the number of candidates to be referred on a certification list and where the cut off points will be to identify the best qualified applicants as appropriate.

6.3. Exceptional Performance Promotion (SC1950.6.3.3.10.3. of Reference (c))

6.3.1. Since this method allows that the certification criteria and/or an applicant pool to exist before a recruitment action is even initiated, this form of competition is particularly suitable for filling jobs with an immediate need to be filled, hard-to-fill positions, a large local applicant pool, or those with unique skills or superior qualification requirements. Individuals may be selected using this method if they have received a level 5 rating on their most recent formal NSPS performance evaluation, and their current positions are in the same occupational code or involve similar functions to those of the position to be filled. Applicants do not need to submit a resume to apply for a position under this method.

6.3.2. Applicants must submit the requisite documentation to substantiate the level 5 rating. Other documentation (e.g., a Notification of Personnel Action or SF-75, "Request for Preliminary Employment Data") may be required to verify eligibility if the performance appraisal contains insufficient information.

6.3.3. PS/HRD/WHS will review available documentation to determine whether the candidates meet minimum qualification standards for the position prior to a selection being made.

7. Program Evaluation

PS/HRDWHS will develop its own internal procedures for monitoring merit promotion actions to ensure internal consistency and equitable treatment of applicants.

8. Grievances

Employees may file grievances relating to the procedures used to identify and rank candidates under merit promotion actions, including under the alternative forms of competition, according to the procedures specified in Administrative Instruction Number 37, "Employee Grievances," Reference (g). However, nonselection from among a group of properly ranked and certified candidates is not an appropriate basis for a formal complaint or grievance.

9. Information Requirements

PS/HRD/WHS will keep records of each merit promotions action in a case file. Records will include the recruitment method(s) used, any solicitation vehicle used, the selection certificate issued reflecting selection decision(s) made, the selection criteria used, a copy of all resumes of considered candidates (this may be in electronic form), other documentation required to verify the candidates' eligibility and qualifications, PPP documentation, methods used to clear ICTAP and the RPL (if required), and post selection documentation (i.e., letters or other documentation reflecting the salary offered to selectees, documentation supporting incentive bonuses offered, etc). (SC1950.6.3.3.5. of Reference (c)).

10. EFFECTIVE DATE

This Operating Guidance is effective immediately.

Ralph E Newton

Mr. Ralph E. Newton
Acting Director, OCT 18 2006
Washington Headquarters Services

Enclosures - 4

E1. References, continued

E2. Draft Form, Referral Check List

E3. Sample Notification to Employees

E4. Draft Form, Referral List

REFERENCES, continued

(e) Administrative Instruction Number 33, "Merit Promotion," dated July 30, 1997, superseded by this Interim Operating Guidance for employees covered by NSPS

(f) DoD Civilian Personnel Manual, 1400.25-M, Subchapter 1800, "Department of Defense Priority Placement Program," as amended

(g) Administrative Instruction Number 37, "Employee Grievances," dated February 24, 1989, and incorporating Change 1, dated October 29, 1990

E2. ENCLOSURE 2

DRAFT FORM
REFERRAL CHECK LIST

Position: _____
PD # (attached): _____
Location: _____
Area of Consideration: _____
Expanded Form of Competition Used:
_____ Assessment Board
_____ Alternate Certification
_____ Exceptional Performance Promotion

Pre-established criteria for ranking applicants (may include experience, training, awards, education, performance evaluation scores (ratings of record) or other appropriate information):

_____

_____

_____

_____

Panel Members (if using assessment board):

_____

_____

Applicants	Current Position

_____

E3. ENCLOSURE 3

SAMPLE NOTIFICATION TO EMPLOYEES

To All Career Employees in _____ (Area of Consideration; e.g. Division, Branch, Office, etc.)

Subject: Notice of Vacancy

The vacant position of_____ (pay schedule, pay band, occupational title) located in _____ (organization, location) will be filled using the expanded form of competition selected below:

_____ Assessment Board

_____ Alternate Certification

_____ Exceptional Performance Promotion

This person selected for this position will be responsible for (major duties).

If you are interested in being considered for this vacancy, please submit a resume (not to exceed 3 pages) to me by (methods may include e-mail, mail, hand delivery) no later than _____ (5 days from notification).

If you have additional questions about this position, please contact (name, number).

Manager Signature

NOTE: Notice will be filed with the recruitment case file at PS/HRD/WHS and retained in accordance with WHS records management regulations.

E4. ENCLOSURE 4

DRAFT FORM
REFERRAL LIST

The following candidates were ranked within the highest quality group:

Name | Position

_____

_____

_____

_____

_____

_____

_____

_____

_____

I have selected _____
(resume attached) because of the following specific job-related factors:

_____

_____

Signature:

_____ _____
Supervisor's Typed Name, Title Date

Signature:

_____ _____
HR Specialist's Typed Name, Title Date

Department of Defense (DoD)
Washington Headquarters Services (WHS)

Interim Local Operating Guidance for Workforce Shaping under the National Security Personnel System

References: (a) Section 9902 of title 5, United States Code
(b) Title 5, Code of Federal Regulations, Chapter XCIX, Part 9901, "Department of Defense Human Resources Management and Labor Relations System"
(c) DoD Civilian Personnel Manual, 1400.25-M, Chapter 1900
(d) Fourth Estate Interim Guidance, The National Security Personnel System, Workforce Shaping, dated October 1, 2006
(e) through (f), see Enclosure E1.

1. Purpose

The purpose of this operating guidance is to:

1.1. Implement and supplement the guidance provided in the References (a) through (d).

1.2. Provide guidelines for workforce shaping procedures under the National Security Personnel System (NSPS) that promote consistency and equity while embracing the flexibilities of NSPS as employees move into and within WHS-serviced organizations.

2. Applicability and Scope

This guidance:

2.1. Applies to all positions covered by the NSPS in the Offices of each Under Secretary and Assistant Secretary of Defense; the Offices of the Assistant to the Secretary of Defense for Intelligence Oversight, Operational Test and Evaluation, and Net Assessment; the Joint Staff; Office of the Director, Administration and Management (DA&M); Washington Headquarters Services (WHS); Pentagon Force Protection Agency; Defense Security Cooperation Agency; Department of Defense Office of General Counsel; American Forces Information Service; Office of Program Analysis and Evaluation; Defense Prisoner of War/Missing in Action Office; Defense Advanced Research Projects Agency; Business Transformation Agency; Defense Technology Security Administration; Defense Test Resource Management Center; Office of Economic Adjustment; and the Raven Rock Mountain Complex (hereafter collectively referred to as the "WHS-serviced Organizations").

2.2. Is directly aligned with References (c) and (d) and must be used in concert with those Issuances and supersedes the guidance in Reference (e) as it pertains to positions covered by NSPS. Where this guidance is silent, the guidance contained in References (c) and (d) will be followed in its entirety.

3. Delegation of Authority to Approve Reductions in Force (RIF) and Transfers of Function (ToF)

As the need arises, the Heads of WHS-Serviced Organizations may request from the Director, WHS, the authority and responsibility to authorize the conduct of RIFs and ToFs and to establish competitive areas and groups in accordance with the regulations, policies and guidance prescribed by DoD 1400.25-M, Subchapter (SC) 1960 (Reference (c)), and Fourth Estate Interim Guidance, NSPS, Workforce Shaping (Reference (d)).

4. Management Responsibilities

4.1. The Director, WHS, shall:

4.1.1. Approve requests from Heads of WHS-Serviced Organizations:

4.1.1.1. For authority to approve and effect RIF and ToF actions and to establish competitive areas and competitive groups.

4.1.1.2. To approve exceptions to the moratorium on issuing RIF notices to employees during the prohibited notice period from December 15th to January 3rd. (SC 1960.6.4.5.5.7. of Reference (c))

4.1.2. Retain authority and approve actions and determinations beyond what can be delegated under References (c) and (d)

4.1.3. Forward written requests for coordination of announcements through the DA&M and the Deputy Under Secretary of Defense (Civilian Personnel Policy) to the Assistant Secretary of Defense (Legislative Affairs) for RIF actions in the WHS-serviced Organizations that shall result in the involuntary separation of 50 or more employees, substantially reduce contract operations or employment (involving 100 or more people), or any RIF (including closure of installations) expected to be of special interest to Congress or the public so that these actions can be first coordinated and staffed within OSD and other appropriate Executive Agencies. (SC1960.5.1. of Reference (c))

4.1.4. Approve the establishment or change in competitive areas and/or competitive groups within 90 days of the effective date of a RIF. (SC1960.6.3. of Reference (c))

4.1.5. Be responsible for the following when these authorities have not been delegated to organization heads as appropriate:

4.1.5.1. Approving RIF and ToF actions and the establishment of competitive areas and groups. (SC1960.6. of Reference (c))

4.1.5.2. Requesting approval from the Secretary of Defense through the DA&M to issue RIF notices within 60 days of the effective date of the RIF. (SC1960.6.4.5.5.2. of Reference (c))

4.1.5.3. Approving exceptions to the prohibition on issuing RIF notices during the period between December 15 and January 3. (SC1960.6.4.5.5.7. of Reference (c))

4.1.5.4. Approving employees occupying critical or hard-to-fill positions to participate in voluntary separation incentive programs (VSIPs). (SC1960.6.4.5.5.9.4. of Reference (c))

4.2. The Director, Human Resources, shall oversee the establishment of NSPS workforce shaping policies, procedures, and practices for the WHS-serviced Organizations.

4.3. The Assistant Director for Personnel Services (AD(PS)) shall:

4.3.1. Assist management in the RIF planning process by providing the necessary advice and guidance in properly effecting a RIF or ToF to include promoting the fair and equitable treatment of employees in the development of competitive areas.

4.3.2. Administer Voluntary Early Retirement Authority (VERA) and VSIP programs and conduct early registrations in the Priority Placement Program (PPP).

4.3.3. Ensure that employees affected by a RIF have ample opportunity to review and update all their personnel records. To ensure this, the AD(PS) will provide employees in the competitive area identified for RIF a printout from the Defense Central Personnel Data System that includes each employee's current position's classification, position description number, tenure, veterans preference for RIF, performance ratings for the preceding four years if available, and service computation date. Employees will be given a deadline by which to review their records and provide any documentation to substantiate changes required. No action to effect the RIF may occur until this deadline has passed and employees' personnel records are updated.

4.3.4. Implement the required RIF procedures, including preparing retention registers; conducting mock RIFs, if requested; and advising the management officials of options and decision points that arise during the conduct of the RIF.

4.3.5. Ensure all legal and regulatory requirements are met before any separations, reductions in band, or furloughs are initiated and ensure RIF notices are prepared and issued within required timeframes with all required information, and fully advise employees of the RIF's affect on them and their entitlements. RIF notices shall contain as a minimum the information in SC1960.6.4.5.5.3. of Reference (c).

4.3.6. Ensure proper record keeping.

4.3.7. Develop and provide training on the new workforce shaping processes under NSPS.

4.4. The WHS-serviced Organization Head and the management official(s) shall follow the provisions of this guidance and:

4.4.1 Identify the position(s) for abolishment, reduction in band, or furlough of more than 30 calendar days or 22 nonconsecutive work days.

4.4.2. Document and provide the basis for the decision(s) to conduct a RIF or ToF (e.g., insufficient workload, budget shortfalls, reorganization, etc.).

4.4.3. Ensure all decisions made are based on business-related and merit factors.

4.4.4. Establish a plan in consultation with the AD(PS) using all available options and taking all steps necessary to minimize disruption to the workforce and avoid adverse impact on employees prior to implementing a RIF (i.e., using the VERA and VSIP Programs), Early Department Of Defense Priority Placement Program (PPP) registration (see Reference (f)), hiring freezes, voluntary placement options, etc).

4.4.5. Identify and document the competitive area and competitive group for the RIF 90 calendar days or more before the effective date of the RIF. This document should also contain a description of all voluntary practices that will be followed throughout the RIF, including whether and how vacancies will be used for placement opportunities, what will be used as tie breakers, and the order of releasing employees on temporary appointments when a temporary position is needed to avoid separating a competing employee. (SC1960.6.3.)

4.4.6. Obtain the approval of the Director, WHS, of the actions in paragraph 4.4.5. when not delegated the authority to make these final determinations.

4.4.6. Ensure the AD(PS) or a designee is engaged in all facets of conducting the RIF or ToF.

4.4.7. Separate employees who decline a ToF using adverse action procedures. (SC1960.6.5.4.6. of Reference (c))

4.4.8. Be responsible for accomplishing the actions in paragraphs 4.1.5.1. through 4.1.5.4. when these authorities have been delegated.

5. <u>RIF Policies</u>

5.1 Competitive areas and groups may be established based on the guidance in section SC1960.6.3. of Reference (c) .

5.1.1. Be established based on considerations such as minimizing disruption and impact (e.g., by establishing a smaller competitive group) or retaining skills (e.g., by establishing a larger competitive group).

5.1.2. Not be established with a focus on individuals or removing a particular employee from Federal employment in lieu of a performance-based or adverse action.

5.2. Positions that are abolished shall not be established for a period of 6 months from the effective date of the RIF.

5.3. Surplus employees in a competitive group in which a vacancy(s) exists (SC1960.6.4.5.3.1. of Reference (c)):

5.3.1. Shall be assigned administratively to that vacancy(s) if the employee(s) is determined to be fully qualified for that position.

5.3.2. May be assigned administratively to that vacancy(s) if the employee(s) is determined to be less than fully qualified for that position.

6. ToF Policies (SC1960.6.5. of Reference (c)):

6.1. A canvas letter may be issued to affected employees to ascertain which employees plan to accompany the ToF. (SC1960.6.5.4.4. of Reference (c))

6.2. The activity in the losing competitive area in a ToF may permit other employees (including time-limited employees) to volunteer for transfer in place of an employee identified for transfer, as long as no other employee is separated or reduced in band because the volunteer transferred in the employee's place. When the number of volunteers exceeds the number of employees required to perform the function in the gaining competitive area, volunteers will be selected for transfer in retention standing order. (SC1960.6.5.4.5. of Reference (c))

6.3. Employees who decline a ToF must be separated using adverse action procedures unless the employees accept vacant positions or are included in a concurrent RIF in the losing competitive area (e.g., if there are more employees than vacancies to be offered). Employees who are separated based on inclusion in a concurrent RIF conducted by the losing competitive area are not separated by adverse action procedures. In either case, the separation date may not be sooner than the effective date of the actual transfer of function. (SC1960.6.5.4.6. of Reference (c))

7. Appeals

An employee who believes that RIF procedures have not been applied properly may appeal the action to the MSPB. Such an appeal must be in writing and must be submitted to the appropriate office of the MSPB within 20 calendar days after the effective date of the action. (SC1960.6.7. of Reference (c))

8. EFFECTIVE DATE

This Operating Guidance is effective immediately.

Ralph E Newton

Mr. Ralph E. Newton
Acting Director, OCT 18 2006
Washington Headquarters Services

Enclosure - 1
E1. References, continued

REFERENCES, continued

(e) Administrative Instruction number 71, "Reduction in Force," dated July 20, 1984, with Change dated December 4, 1984, superseded by this Interim Operating Guidance for employees covered by NSPS
(f) Department Of Defense Priority Placement Program Operations Manual with revisions, dated July 1998