FAS Pay & Hours of Work Section
NSPS
Frequently Asked Questions

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For Additional Information: 703-696-6301, Team 2; Pay Team 2, DSN 426-6301

Q1. An employee was converted into NSPS and received a WGI buy-in, but has subsequently moved out of an NSPS-covered position and is back in a GS position at a new DoD activity and location. When this new activity converts to NSPS, will the employee be eligible for another Within Grade Increase (WGI) buy-in?

A1. No**.** An employee cannot receive more than one WGI buy-in. The WGI buy-in is a one-time event when an employee and his or her position are converted into NSPS. 5 CFR 9901.373(e) contains the following language: "The Secretary has discretion to make one-time pay adjustments for employees when they are converted to the NSPS pay system." (Emphasis added)

Q2. An employee previously converted to NSPS at step 10 or on pay retention, and did not receive a WGI buy-in. The employee then moved to a GS position that is later converted to NSPS. Is the employee now eligible for the WGI buy-in since he/she didn't get one during the first conversion due to being at step 10 or on pay retention?

A2. This employee would be eligible for a WGI buy-in. The WGI buy-in is a one-time increase as authorized under 5 CFR 9901.373(e); if the employee doesn't receive this adjustment during the first conversion into NSPS, then the ability to receive it would remain for a future conversion (if one should occur and the employee meets the eligibility requirements at that time). SC1911.4.5. does not limit the payment of this adjustment to "first time" conversions.

Q3. A GS-5, step 5, IT employee in the Rest of the United States (RUS) is being converted to NSPS. His position is covered by SSR Table 999B. His payable rate of basic pay is $39,406, which includes a special rate supplement of $10,851. At the time of conversion, the employee receives a WGI buy-in that raises his adjusted rate to $39,958. How are the NSPS base salary and local market supplement (LMS) figured when this special salary rate employee is converted into NSPS?

A3. During conversion, the adjusted rate ($39,958 in this case) is reallocated into an NSPS base salary and LMS. Since the employee is in RUS, the reallocation process would divide $39,958 by 1.1252 (1 plus the LMS value for the employee's pay band), resulting in $35,512 - which is the NSPS base salary. Then multiplying $35,512 by .1252 results in an LMS of $4,446. The $35,512 plus $4,446 equals the NSPS adjusted salary of $39,958.

Q4. An employee is currently on grade retention. How will his/her salary be affected when converted to NSPS?

A4. At the time of conversion, the employee will be converted to a career group, pay schedule, and pay band based on the assigned permanent position of record; pay will be reallocated to a base salary and local market supplement. After conversion, if the base salary exceeds the rate range for the assigned pay band, the employee will be granted pay retention for a period of two years from the date of conversion (SC1911.4.5.2.).

Q5. Will employees on retained grade receive a WGI buy-in upon conversion?

A5. Upon conversion, employees on grade retention with an acceptable level of performance will be entitled to the WGI buy-in, if appropriate (SC1911.4.5.2.).

Q6. If on grade retention at conversion, is the WGI buy-in paid out at the retained grade or the grade currently held? (For example: The employee is retaining a GS-14/2 while on a GS-13 position.)

A6. While the employee is converted to a pay band based on the position of record (*not* the retained grade), the WGI buy-in is based on the retained grade and step. In this example, the WGI buy-in would be based on the GS-14 step increment and the waiting period for step 3.

Q7. Upon initial conversion to NSPS, will all employees start out with a local market supplement (LMS), even those who do not receive GS locality pay or special rate supplements?

A7. Each employee converted into NSPS will have an adjusted salary--a base salary and a local market supplement; however, the percentage value for some local market supplements may be zero (e.g., for occupations and locations where locality payments or special rate supplements do not apply under the General Schedule).

Q8. What happens if a rate range adjustment that increases a pay band minimum would cause an employee's base salary to go above the pay band maximum?

A8. A rate range adjustment cannot cause an employee's base salary to exceed the maximum of the applicable pay band (SC1930.8.1.1.5.). In this scenario, the employee's base salary would be set at the pay band maximum.

Q9. How might an employee's pay be increased if the base salary is at the top of the pay band?

A9. An employee's base salary cannot be increased to a level that exceeds the maximum of the applicable pay band. Generally speaking, if an employee is at the top of the pay band and the maximum rate is not increased, the employee will only receive additional pay in the form of a performance bonus and/or as a result of a percentage increase in the LMS rate.

Q10. Is it possible that the LMS portion of an employee's pay could decrease based on future LMS decisions?

A10. At the time of an adjustment, a local market supplement can be increased, decreased, or remain the same. Past experience with GS locality pay indicates that a decrease is unlikely, but there is the possibility that the LMS could be decreased. If that occurs, the local market supplement portion of an employee's adjusted salary would decrease – however, the base salary might simultaneously increase as a result of a rate range adjustment.

Q11. What is a targeted local market supplement?

A11. A targeted local market supplement (TLMS) is similar to a special salary schedule under the GS pay system. TLMS are targeted at specific occupations, specialties, and/or locations. Occupying a covered position qualifies a person for the applicable TLMS. A TLMS is expressed as a percentage of the base salary, in the same manner as a standard local market supplement. A TLMS is not paid in addition to a standard local market supplement, but is paid instead of a standard local market supplement. There are also several TLMS that have been established for OCONUS locations where a standard local market supplement is not applicable.

Q12. What salary range should be on the vacancy announcement?

A12. Components have the discretion to advertise the full salary range of the pay band or a limited range within the pay band. Many current pay band systems advertise the full salary range of the pay band to allow maximum flexibility when setting pay based on the qualifications of the selectee. (When advertising the full salary range, activities may want to add a statement to the announcement that indicates the base salary of the selectee will be set based on his or her qualifications (e.g., education, experience, training), availability of funds, etc.) If a narrow salary range is used, the activity will be limited to this range when setting pay, regardless of the qualifications of the selectee.

Q13. Can an employee being converted from a temporary appointment to a permanent appointment have his/her pay set anywhere within the rate range?

A13. No, in this situation pay cannot be set anywhere in the rate range. This employee is a current Federal employee, therefore he/she is not being "newly appointed" or "reappointed" to the Federal Government. The term "newly appointed" refers to individuals who have not previously been employed in the Federal service, i.e., this is their first Federal appointment. The term “reappointed” applies to those individuals who are not currently employed in the Federal service, but have been previously. (SC1930.10.3.).

Q14. How would the pay be set for an employee in a situation like Q13?

A14. In this context, a current Federal employee who is converted to a new appointment is not a new hire - pay should be set using the NSPS paysetting rules at SC1930.10. that are applicable to any other Federal employee.

Q15. Can the base salary received while on a temporary reassignment, put into effect under SC1911.4.6 at the time of conversion to NSPS, be continued if the temporary reassignment is later made permanent?

A15. The base salary the employee is receiving under SC1911.4.6. can be continued if the temporary reassignment is converted to permanent. In this scenario, the temporary reassignment does not expire, so the requirement to reset the base salary upon expiration of a temporary reassignment (as required by SC1911.4.6.) is not invoked.

Q16. Will the “3-Rs” still be available for use under NSPS?

A16. Yes, retention incentives, relocation incentives and recruitment incentives may continue to be used as incentives under NSPS. Part 575 was not waivable under the NSPS authority, so it continues to apply.

Q17. Are employees under NSPS eligible to receive a supervisory differential?

A17. Yes, NSPS employees are eligible to receive a supervisory differential under Part 575. Part 575 was not waivable under the NSPS authority, so it continues to apply.

Q18. An employee occupying a GS-560-12 position has been selected for a position in YA-2. How is pay set?

A18. For this movement, SC1950.6.3.3.8.7. provides that comparable levels of work of employees from other pay systems, such as the General Schedule, may be determined using guidance found in SC1911 and SC1920, Appendix 5. Since the candidate in this situation occupies a GS-560-12, the movement into pay band YA-2 would be a reassignment (Table SC1911-1 reflects that YA-2 comprises a comparable level of work to grades GS-9 through 13). As an employee-initiated reassignment action, the pay setting provisions at SC1930.10.4.1. therefore apply. Those provisions permit an increase in pay of up to 5%, no change in pay, or a decrease in pay (in any amount agreed to by the employee).

Q19. Does accelerated compensation apply only to Pay Band 1 employees?

A19. Yes. Accelerated compensation for developmental positions (SC1930.9.10.) only applies to employees in pay band 1 of the professional and analytical pay schedules (pay bands YA-1, YD-1, YH-1, and YK-1).

Q20. Are there any other provisions that would allow for a similar type of accelerated compensation?

A20. Yes. SC1911.4.8. allows for a one-time, in-band pay adjustment. It states that during the first 12 months following conversion, employees who are not eligible for the Accelerated Compensation for Developmental Positions (ACDP) provision are eligible to receive pay increases for noncompetitive promotion equivalents when the grade level of the promotion is encompassed within the same pay band, the employee's performance warrants the pay increase, and the promotion would have otherwise occurred during that period.

Q21. How is pay set under SC1911.4.8. – which permits a pay increase within the first 12 months after conversion for noncompetitive promotion equivalents (when the grade level of the promotion is encompassed within the same pay band as the employee's, and the employee is not eligible for the Accelerated Compensation for Developmental Positions)? Can pay be set anywhere within the payband or is the increase equivalent to what the GS increase would have been? For example: employee is a GS-12/01 target GS-13 and is converted to NSPS YA-2 and receives a WGI buy-in.

A21. This provision offers an opportunity for these employees to receive an increase equivalent to the promotion increase they would have received under the previous (GS) pay system. Therefore, the appropriate amount of the in-band increase should be equivalent to what the promotion increase would have been if the employee was still under the GS system. To determine this amount, apply the two-step GS mandatory promotion rule and slot the promotion entitlement into the lowest step of the higher grade on the underlying GS pay table (do not use locality or special rate supplement to figure the promotion entitlement because under NSPS pay is set using base salary only). For example, to promote a GS-12, step 1, to a target GS-13, you would increase the rate for a GS-12, step 1, $56,301, by two steps on the underlying GS table, to $60,055. Because the promotion entitlement of $60,055 falls below GS-13, step 1, $66,951, the employee's pay would be set at GS-13, step 1, $66,951. Therefore, based on this method, the employee's equivalent in-band increase could be up to $10,650.

Q22. How do we set pay under SC1911.4.8. for an employee who is on a GS-7 target GS-10 (one-grade interval) technician position?

A22. GS employees who were serving in career-ladder positions prior to conversion into NSPS are eligible for a one-time band increase during the first 12 months following NSPS conversion. In accordance with SC1911.4.8., a GS-7 technician (target GS-10) who would have been promoted from GS-7 to GS-8 had he not been converted to Pay Band 2 may receive an increase equivalent to the promotion increase from GS-7 to GS-8. To determine this amount, apply the two-step GS mandatory promotion rule and slot the promotion entitlement into the lowest step of the higher grade on the underlying GS pay table (do not use locality or special rate supplement to figure the promotion entitlement because under NSPS pay is set using base salary only). For example, to promote them to a GS-8, you would increase the rate for a GS-7, step 1, ($31,740), by two steps on the underlying GS table, which is $33,856. Because the promotion entitlement of $33,856 falls below GS-8, step 1, ($35,151), the employee's pay would be set at GS-8, step 1 ($35,151). Therefore, based on this method, the employee's in-band increase could be up to $3,411. Because the employee is no longer covered under the GS pay system, the other career ladder promotions the employee was anticipating are no longer applicable. However, in NSPS, further increases in the employee's base salary (while he/she remains in YB-2) may be accomplished through performance payouts or through reassignment pay increases.

Q23. An employee with an official worksite in Hawaii and receiving a 25 percent nonforeign area cost of living allowance (COLA) is temporarily assigned (under either a temporary promotion or temporary reassignment) to a position in San Francisco, and is paid per diem allowances during the temporary assignment. What effect does this have on the COLA the employee is receiving, and does the employee receive the local market supplement (LMS) that applies in San Francisco to his position?

A23. For an employee who is temporarily assigned to a different local market area, and who receives per diem allowances, the official worksite remains unchanged (see SC1930.8.1.2.3.1. and the definition of "official worksite" at 5 CFR 591.201). As a result, the employee in this scenario continues to receive the 25 percent COLA that applies to his permanent duty station (official worksite) in Hawaii, and does not receive the LMS that applies to his temporary duty station in San Francisco. The 25 percent COLA is calculated using the base salary of the position to which temporarily assigned.

Q24. In this same scenario, what happens if the employee is authorized a temporary change of station and receives payment for relocation expenses in lieu of being paid per diem allowances?

A24. If an employee is authorized a temporary change of station and receives payment for relocation expenses in conjunction with a temporary assignment, the temporary duty station becomes the official worksite for the duration of the assignment (see SC1930.8.1.2.3.1. and the definition of "official worksite" at 5 CFR 591.201). With the change in official worksite, the employee is no longer eligible for the COLA that applies in Hawaii, but does receive the LMS that applies to his position in San Francisco. The LMS is calculated using the base salary of the position to which the employee is temporarily assigned.

Q25. An employee with an official worksite in San Diego is temporarily assigned (under either a temporary promotion or temporary reassignment) to a position in Hawaii, and is paid per diem allowances during the temporary assignment. What effect does this have on the LMS that the employee is receiving, and does the employee receive the 25 percent COLA that applies in Hawaii?

A25. The employee's official worksite remains unchanged, because he/she has not been authorized a temporary change of station and payment for relocation expenses in conjunction with the temporary assignment. As a result, the employee receives the LMS applicable in San Diego. The LMS is calculated using the base salary of the position to which the employee is temporarily assigned (even though the position is physically located in Hawaii). The employee is not eligible for the COLA that applies in Hawaii because the official worksite is San Diego.

Q26. What if the employee is authorized a temporary change of station in the previous scenario?

A26. If the employee is authorized a temporary change of station and receives payment for relocation expenses in conjunction with a temporary assignment, the temporary duty station becomes the official worksite for the duration of the assignment (see SC1930.8.1.2.3.1. and the definition of "official worksite" at 5 CFR 591.201). With the change in official worksite, the employee is no longer eligible for the LMS that applies in San Diego, but does receive the COLA that applies in Hawaii.

Q27. How do you set the pay for an overseas employee exercising mandatory return rights to a position converted to NSPS during his/her absence?

A27. It is DoD policy that the employee's pay will be set in accordance with either 10 U.S.C. 1586 and SC1930.10.8. of the NSPS implementing issuances, **or** the management-directed reassignment procedures at SC1930.10.4.2. of the NSPS implementing issuances – whichever provides the greater benefit to the employee. Under those procedures, the authorized management official shall set pay no less than the employee's current salary and may increase the employee's current base salary by up to 5% percent.

<u>**Example 1**</u>**:** Employee is a GS-12, step 4 overseas - basic pay is $60,895, but has mandatory return rights to a GS-11 position which has been converted to NSPS (YA-2). Calculations are as follows:

Option 1 - Title 10 entitlement (SC1930.10.8.):

Employee is returned to rate of GS-11, step 5 = $52,349 (step 5 includes GS-11 step increases earned while overseas)
WGI - buy-in is added = $1,452
Total = $53,801
Then add Local Market Supplement (LMS); **OR**

Option 2 - Reassignment under NSPS (SC1930.10.4.2.):
Employee's basic pay at GS-12, step 4 = $60,895
Management matches the current pay of $60,895 and may give an increase of up to 5% of the employee's current basic pay of GS-12, step 4 (a maximum increase of $3,045 in this case). Then add LMS

In this case, the employee's pay must be set using O**ption 2** in order to maintain the policy in SC1930.10.4.2. of setting pay no less than the employee's current salary. At the discretion of the gaining Component/activity, an increase of up to 5% could be granted.

<u>Example 2</u>: Employee is a GS-12, step 8 overseas – basic pay is $68,275, and has mandatory return rights to a GS-13 position which has been converted to NSPS (YA-2). Calculations are as follows:

Option 1 – Title 10 entitlement (SC1930.10.8.):
Employee is returned to a rate of GS-13, step 4 = $72,414 (step 4 includes GS-13 step increases earned while overseas)
WGI – buy-in is added = $587
Total = $73,001
Then add LMS; **OR**

Option 2 – Reassignment under NSPS (SC1930.10.4.2.):
Employee's basic pay at GS-12, step 8 = $68,275
Management matches the current pay of $68,275 and can give an increase of up to 5% of the employee's current basic pay of GS-12, step 8 (a maximum increase of $3,414 in this case).
Then add LMS

In this case, the employee's pay must be set using **Option 1** in order to maintain the maximum entitlement under title 10 as an overseas returnee.

Q28. What if an employee converts to NSPS while overseas, and the position to which he/she has return rights under 10 U.S.C. 1586 also converts to NSPS during the employee's absence. Is it necessary to reconstruct any within-grade increases that would have accrued in the (GS) stateside position, as well as all other actions that would have occurred including the NSPS conversion (including the WGI buy-in), as if the employee had been in that position at the time of conversion? And, if the reconstructed stateside salary is higher, would the employee be entitled to that higher rate upon return to that position?

A28. Employees who exercise return rights from an overseas position under 10 U.S.C. 1586, are entitled (upon return) to be paid at a rate of basic pay which is not less than the rate of basic pay to which they would have been entitled had they not been assigned to duty outside the United States (SC1930.10.8.). Therefore, a reconstruction of the employee's stateside position would be necessary to ensure that the employee receives the complete entitlement under 10 U.S.C. 1586, which would include, for a position that converts to NSPS while the employee is overseas, the WGI buy-in and the provisions of SC1940.AP1.5. When the employee is returned to the permanent position, the NSPS reassignment or promotion paysetting rules might provide more than any entitlement due under title 10; however, calculations would still need to be done to ensure that the employee is getting the complete entitlement under title 10.

Q29. Is there a minimum pay raise guaranteed when an employee is promoted?

A29. Yes, there is a minimum base salary increase of 6% for promotions. However, regardless of the minimum percentage, the salary resulting from the promotion cannot be lower than the minimum of the rate range for the applicable pay band and no higher than the maximum of the rate range for the applicable pay band (SC1930.10.5.).

Q30. How will pay be set on a promotion (movement to a higher pay band)? How is the 6% computed (round up, round down)?

A30. Upon promotion, pay must be increased by a minimum of 6%, but may not be lower than the minimum rate of the higher band. The employee's pay may be increased up to 20%, but may not exceed the maximum rate of the higher band. Typically, promotion increases should be in the 6 to 12 percent range. Higher-level management must approve an increase greater than 20%, unless the greater increase is needed to set the employee's pay at the minimum of the higher band (SC1930.10.5.).

Salaries should be rounded in a way that ensures that the minimum increase of 6% is provided. This means that fractional amounts must be rounded up in calculating a 6% promotion increase. For example, if the calculation of a 6 percent increase on a promotion results in $3278.34, the product must be rounded up to $3279.

Q31. If an employee voluntarily reassigns and gets a 3% pay increase, then 6 months later, the employee gets a management-directed reassignment, what is the maximum amount of pay increase allowable?

A31. The employee could be given up to a 5% increase in base salary on a management-directed reassignment (SC1930.10.4.2.). The increase received with the voluntary move does not affect the management authority to grant an increase of up to 5% in conjunction with a management-directed reassignment.

Q32. Is a lateral movement between components considered a reassignment, and therefore, subject to the 5% increase?

A32. Yes, when an employee transfers to a position in the same or a comparable pay band in another Component, the action is considered a reassignment, and the employee <u>may</u> receive up to a 5% increase (subject to the 12-month limitation on increases associated with employee-initiated movements)(SC1930.10.4.1.).

Q33. Is pay frozen regardless of performance during the 2-year pay retention entitlement?

A33. The employee's base salary is frozen. Any increase received as a result of the performance payout process must be received in the form of a bonus. However, the employee will receive any increase in the local market supplement, provided he or she is rated above unacceptable.

Q34. Can pay retention be used for developmental positions under a formal training plan?

A34. The implementing issuances do not specify this situation as one that leads to an entitlement to pay retention as a matter of DoD policy. However, Components have been delegated authority to extend pay retention in situations deemed appropriate, and could elect to grant pay retention in this situation. As is the case today, this authority applies to actions initiated by management and <u>may</u> <u>not</u> be granted in situations that include actions at the employee’s request.

Q35. How will pay be set if an employee leaves NSPS and later returns to another position covered by NSPS?

A35. Pay for employees leaving NSPS will be set using the rules of the gaining pay system (General Schedule, Federal Wage System, etc.). Employees who become covered by NSPS again will have their pay set in accordance with NSPS pay setting rules (SC1930.10.).

Q36. Are there any conversion out procedures when an employee leaves NSPS and goes to a GS position? How do you set pay for this kind of move?

A36. There are no procedures for the conversion of an individual employee out of NSPS (e.g., there is no “conversion-out” grade). Under 5 CFR 531.217, an employee moving to a GS position from a non-GS system under the authority in 5 U.S.C. chapters 47, 95, or similar provision of law is considered a GS employee in applying the provisions of Part 531, Subpart B-Determining Rate of Basic Pay, only if the non-GS system provides for an employee to be converted to GS-equivalent rates immediately before leaving the non-GS system. Since NSPS does not provide a conversion out grade, NSPS employees are not considered GS employees in applying Part 531, Subpart B. As a result, pay is set at step 1, or may be set using the maximum payable rate rule at 5 CFR 531.221(d), which governs pay setting when the highest previous rate is based on a rate under a non-GS pay system.

Q37. An employee assigned to pay band YA-2 has a base salary of $77,155 and an adjusted salary (including a local market supplement of $9,660) of $86,815. The employee is moving to a GS-13 position in the Rest of U.S. (RUS). How is pay set?

A37. Pay must be set in accordance with the rules of the gaining system; therefore, in this case, pay is set either at step 1 or by applying the maximum payable rate rule at 5 CFR 531.221(d). In this case, the employee's adjusted salary falls between steps 6 and 7 on the locality table for GS-13 in RUS, which means that pay may be set up to step 7.

If this movement also involves a geographic move to a different locality pay area, then the geographic conversion required by 5 CFR 531.221(d) must also be applied.

Q38. An employee is being promoted from a WG-5 position, with a rate of pay of $15.60 per hour, into a YA-1 position located in the Rest of the United States. How is the employee's pay set?

A38. The employee is entitled to a base salary that is at least 6 percent higher than the current rate of $15.60 per hour ($32,557 per annum). An increase of 6 percent would produce a base salary of $34,510. When the local market supplement (12.52 percent) is added, the adjusted salary becomes $38,831 (34,510 x 1.1252).

At the discretion of the authorized management official, the increase in the base salary could be greater than 6 percent (as provided by SC1930.10.5.) – but considering the additional increase that the local market supplement represents (which the employee does not receive under the Federal Wage System), setting the base salary more than 6 percent above the employee's current pay would be warranted only in exceptional circumstances (such as specific labor market conditions, as discussed in SC1930.10.5.2.2.).

Q39. An employee is being promoted from an NF-2 position, with a rate of pay of $11.64 per hour, into a YA-1 position located in the Rest of the United States. How is the employee's pay set?

A39. The employee is entitled to a base salary that is at least 6 percent higher than the current rate of $11.64 per hour ($24,293 per annum). An increase of 6 percent would produce a base salary of $25,751. When the local market supplement (12.52 percent) is added, the adjusted salary becomes $28,975 (25,751 x 1.1252).

At the discretion of the authorized management official, the increase in the base salary could be greater than 6 percent (as provided by SC1930.10.5.) – but considering the additional increase that the local market supplement represents (which the employee does not receive under the Nonappropriated Fund System), setting the base salary more than 6 percent above the employee's current pay would be warranted only in exceptional circumstances (such as specific labor market conditions, as discussed in SC1930.10.5.2.2.).

Q40. In Q39, there is a situation where movement from a nonappropriated fund (NAF) position to an NSPS position is treated as a promotion for pay-setting purposes. Why is this considered an internal movement (promotion – 6 percent

minimum increase in base salary), rather than a new hire (where pay may be set at any rate within the band)?

A40. NAF employees are Federal employees within the Department (reference title 5, United States Code, Section 2105(c), and the DoD Civilian Personnel Manual, Subchapter (SC) 1401.2). While NAF employees are not subject to many personnel laws that OPM administers for appropriated fund employees, NAF employees *are* Federal employees, nonetheless.

As such, for pay setting purposes, NAF employees are not newly appointed to the Federal Government when they move to an NSPS position. Thus, according to SC1930.10., pay would be set based on the nature of action, as determined by a level of work comparison. Comparable levels of work may be determined using guidance found in SC1950.6.3.3.8.7. Finally, for an explanation of the term, “newly appointed,” please see Q13.

Q41. Can a manager increase or decrease an employees’ pay for a voluntary reduction in band?

A41. Yes, subject to the 12-month limitation of 5% on increases associated with voluntary reassignments and reductions in band (SC1930.10.6.2.).

Q42. What NSPS pay increases would be considered equivalent increases in setting the last equivalent increase date under 5 CFR 531.407?

A42. The following NSPS pay events are considered to be an equivalent increase:

1. A promotion to a higher band (as defined by DoD), excluding a temporary or probationary promotion that is later cancelled;
2. Any within-band increase other than a rate range increase under 5 CFR 9901.323, which would include the following:
   - a performance pay increase under 5 CFR 9901.342 and SC1930.9.6.4.;
   - a special within-band increase under 5 CFR 9901.344 and SC1930.9.9.;
   - a developmental pay increase under 5 CFR 9901.345 and SC1930.9.10.;
   - a reassignment increase under 5 CFR 9901.352 and SC1930.10.4. upon reassignment to a position within the same band (i.e., excluding reassignment to a comparable band, since that band is in a different NSPS pay schedule with its own basic pay schedule);
   - an increase (if any) under 5 CFR 9901.354 and SC1930.10.6.1. provided after a reduction in band in the same pay schedule (i.e., excluding movement to a lower band in a different pay schedule); or
   - a one-time pay adjustment upon conversion to NSPS under 5 CFR 9901.373(e) and SC1911.4.5.1. (i.e., a WGI buyout).
3. A zero increase at the time of an opportunity for an increase, which would include the following:

- A zero performance pay increase under 5 CFR 9901.342 and SC1930.9.6.4., excluding employees who do not have an opportunity for an increase because their rate equals or exceeds a range maximum;
- A zero developmental pay increase under 5 CFR 9901.345 and SC1930.9.10., if there is a fixed schedule for receiving such an increase;
- A zero pay adjustment (WGI buy-in) upon conversion to NSPS under 9901.373(e) if the zero adjustment was based on the employee being rated below an acceptable level of competence (as defined in 5 CFR part 531, subpart D), as required by NSPS implementing issuances in SC1911.4.5.1.

Q43. If an employee leaves NSPS before there is a rating and performance payout, what is the employee's date of last equivalent increase? Is the WGI buy-in considered a last equivalent increase?

Consider the scenario of an employee moving back into the GS pay system after being covered under NSPS for 20 weeks. Assuming the maximum payable rate rules are used to set the employee's pay upon movement into the GS pay system, the employee will receive a benefit from the WGI buy-in: his highest previous rate based on the rate he earned in NSPS will result in his pay being set at a higher step in the grade than he would have attained had he remained in the GS pay system. Since the employee served under NSPS for only 20 weeks and did not receive a pay increase, how do you set the waiting period clock?

A43. The employee's date of last equivalent increase is the WGI buy-in date because the employee did not receive a promotion or within-band increase during the 20 weeks of service in NSPS. (See previous question and answer.) Under the GS pay administration rules, when an employee moves into the GS pay system from a non-GS pay system, an equivalent increase is considered to be forward movement in the rate range in the non-GS pay system. Therefore, the date of the WGI buy-in is the date of the last equivalent increase under the GS pay rules and the 20 weeks served under NSPS count towards completion of the next waiting period.

Q44. Do the biweekly and annual premium pay limitations change under NSPS?

A44. No. The biweekly limitation on premium pay works essentially the same in NSPS as it does in title 5 - employees are capped at the higher of Executive Level V or GS-15 step 10 (with locality pay included). The criteria under NSPS for waiving the biweekly limitation are the same as the criteria in 5 CFR 550.106 (but the annual limitation would still be in effect, the same as title 5.) (SC1930.12.).

Q45. Can there be exceptions to the annual limitation on premium pay?

A45. Yes. The Secretary or Deputy Secretary of Defense can waive the annual limitation for specified categories of employees and situations on a time-limited basis, and instead apply an annual limitation equal to the salary for the Vice President (SC1930.12.4.).