Slide 1

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Cyber Excepted Service (CES)
HR Elements Course
Lesson 5
Compensation Administration
DoD CIO
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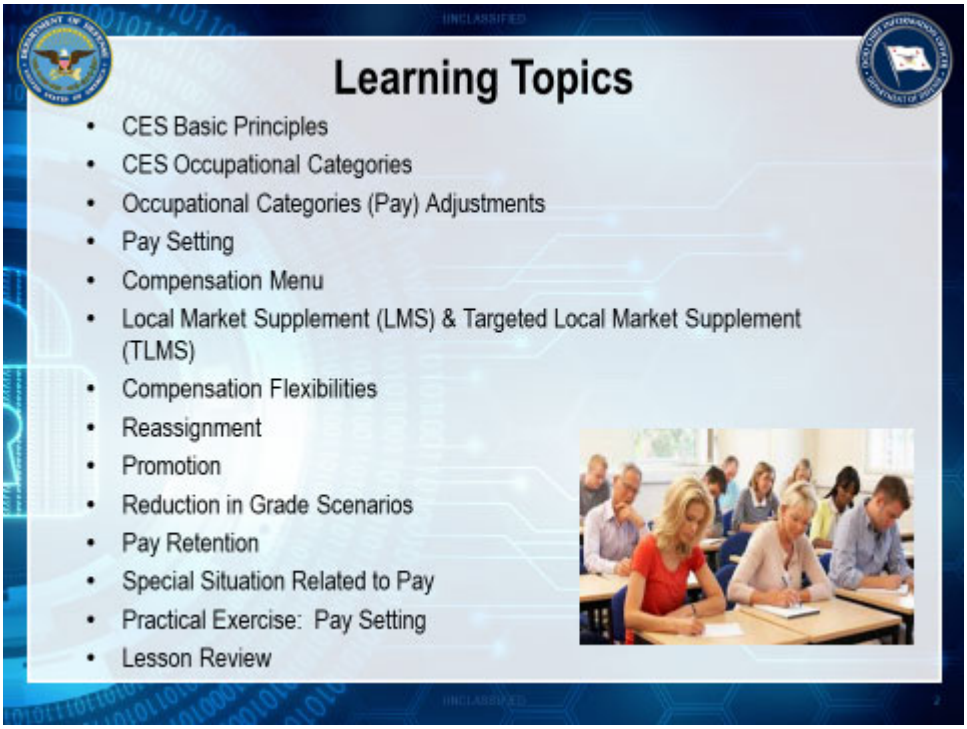
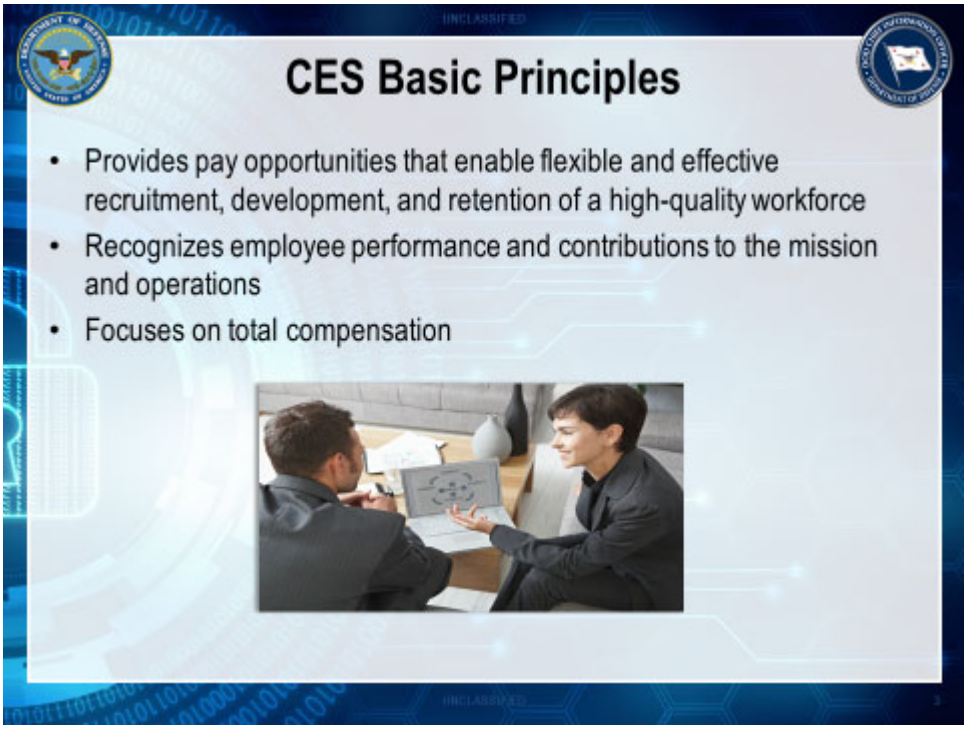
Slide 2


Learning Topics
CES Basic Principles
CES Occupational Categories
Occupational Categories (Pay) Adjustments
Pay Setting
Compensation Menu
Local Market Supplement (LMS) & Targeted Local Market Supplement (TLMS)
Compensation Flexibilities
Reassignment
Promotion
Reduction in Grade Scenarios
Pay Retention
Special Situation Related to Pay
Practical Exercise: Pay Setting
Lesson Review

Slide 3


CES Basic Principles
• Provides pay opportunities that enable flexible and effective recruitment, development, and retention of a high-quality workforce
• Recognizes employee performance and contributions to the mission and operations
• Focuses on total compensation

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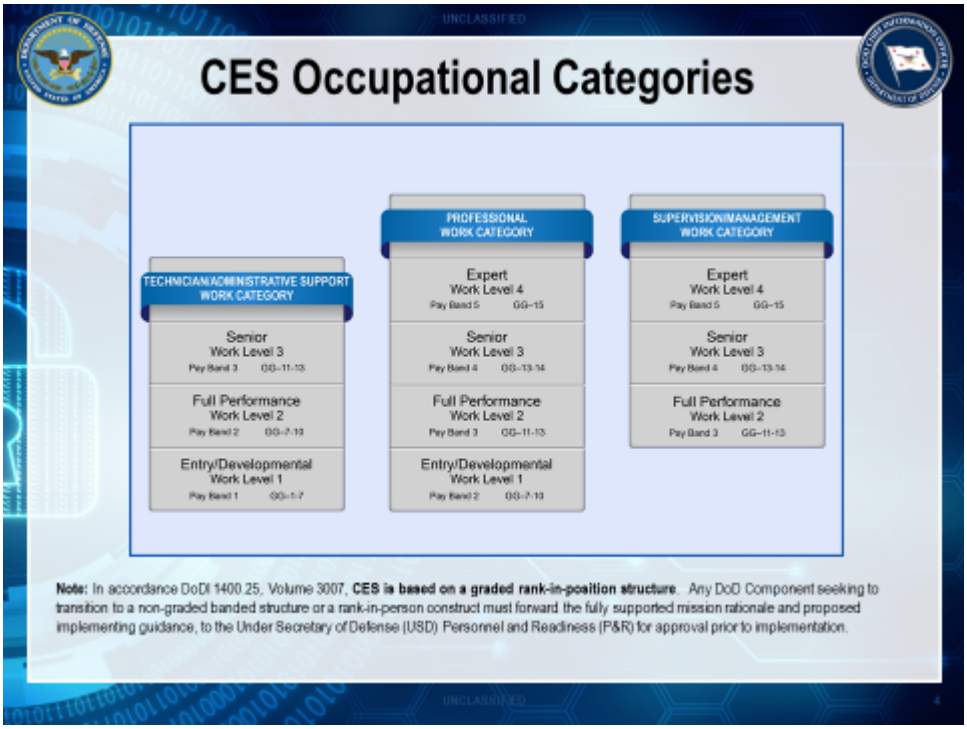
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CES Occupational Categories
TECHNICIAN/ADMINISTRATIVE SUPPORT WORK CATEGORY
Senior
Work Level 3
Full Performance
Work Level 2
Entry/Developmental
Work Level 1
PROFESSIONAL WORK CATEGORY
Expert
Work Level 4
Pay Band 5 GG-15
Senior
Work Level 3
Pay Band 4 GG-13-14
Full Performance
Work Level 2
Pay Band 3 GG-11-13
Entry/Developmental
Work Level 1
Pay Band 2 GG-7-10
SUPERVISION/MANAGEMENT WORK CATEGORY
Expert
Work Level 4
Pay Band 5 GG-15
Senior
Work Level 3
Pay Band 4 GG-13-14
Full Performance
Work Level 2
Pay Band 3 GG-11-13
Note: In accordance DoDI 1400.25, Volume 3007, CES is based on a graded rank-in-position structure. Any DoD Component seeking to transition to a non-graded banded structure or a rank-in-person construct must forward the fully supported mission rationale and proposed implementing guidance, to the Under Secretary of Defense (USD) Personnel and Readiness (P&R) for approval prior to implementation.
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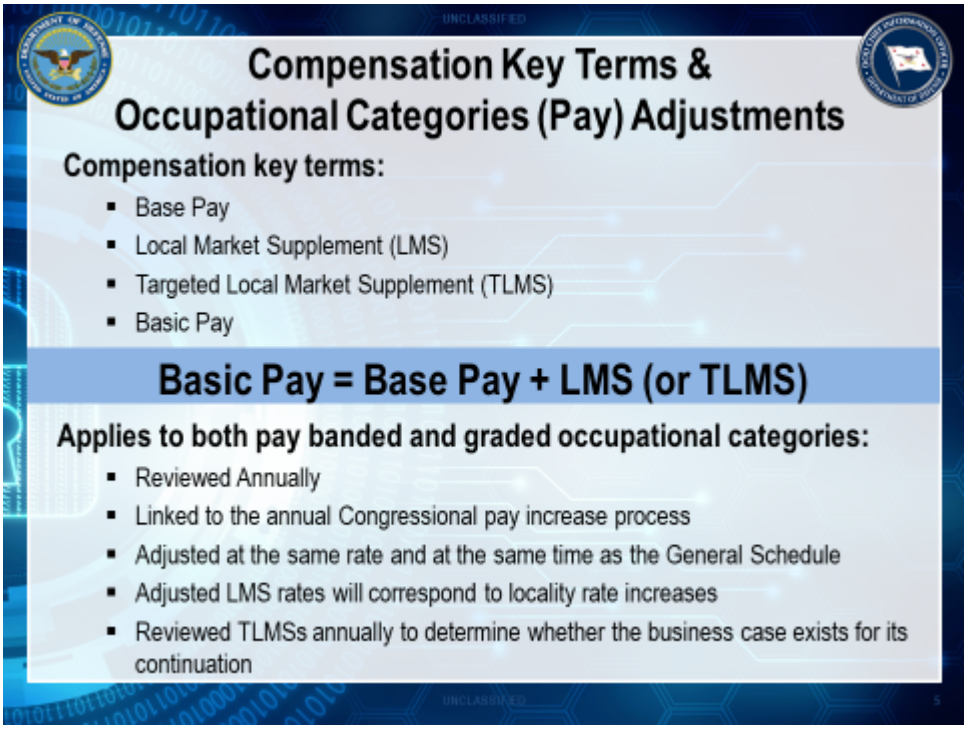
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Compensation Key Terms &
Occupational Categories (Pay) Adjustments
Compensation key terms:
Base Pay
Local Market Supplement (LMS)
Targeted Local Market Supplement (TLMS)
Basic Pay
Basic Pay = Base Pay + LMS (or TLMS)
Applies to both pay banded and graded occupational categories:
Reviewed Annually
Linked to the annual Congressional pay increase process
Adjusted at the same rate and at the same time as the General Schedule
Adjusted LMS rates will correspond to locality rate increases
Reviewed TLMSs annually to determine whether the business case exists for its continuation
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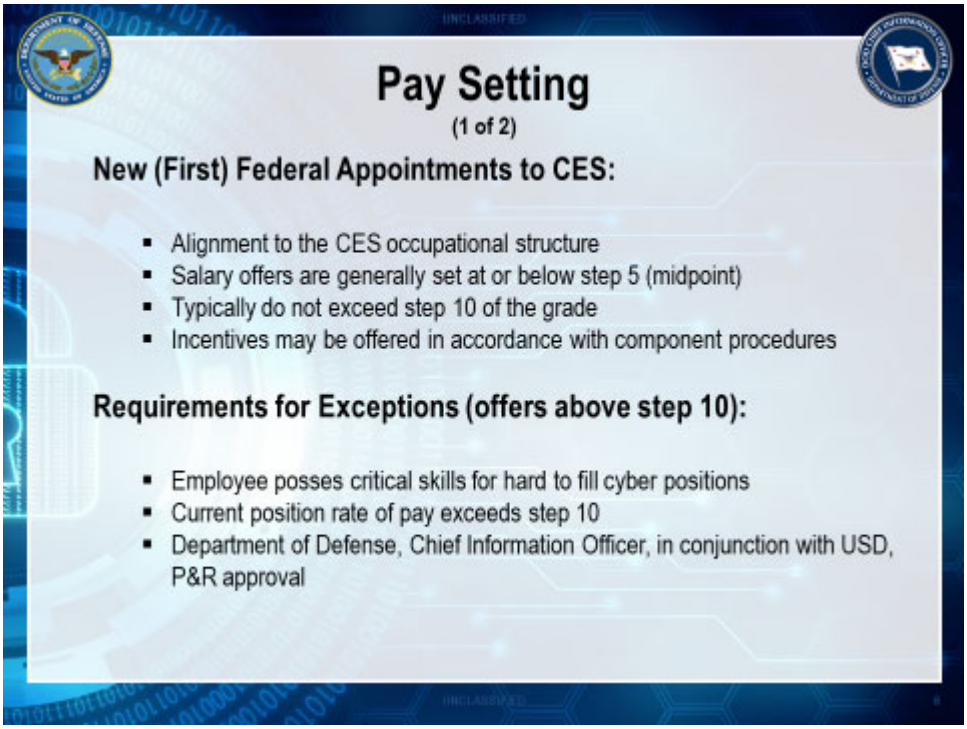
Pay Setting
(1 of 2)
New (First) Federal Appointments to CES:
Alignment to the CES occupational structure
Salary offers are generally set at or below step 5 (midpoint)
Typically do not exceed step 10 of the grade
Incentives may be offered in accordance with component procedures
Requirements for Exceptions (offers above step 10):
Employee posses critical skills for hard to fill cyber positions
Current position rate of pay exceeds step 10
Department of Defense, Chief Information Officer, in conjunction with USD, P&R approval

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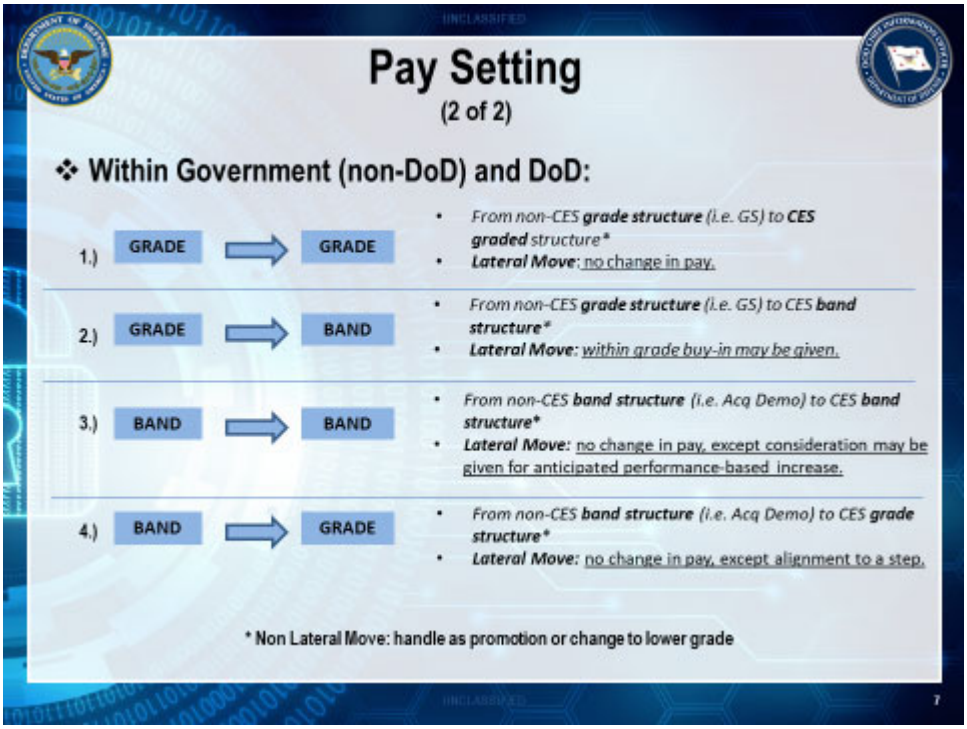
Pay Setting
(2 of 2)
Within Government (non-DoD) and DoD:
1.) GRADE GRADE
From non-CES grade structure (i.e. GS) to CES graded structure*
Lateral Move: no change in pay.
2.) GRADE BAND
From non-CES grade structure (i.e. GS) to CES band structure*
Lateral Move: within grade buy-in may be given.
3.) BAND BAND
From non-CES band structure (i.e. Acq Demo) to CES band structure*
Lateral Move: no change in pay, except consideration may be given for anticipated performance-based increase.
4.) BAND GRADE
From non-CES band structure (i.e. Acq Demo) to CES grade structure*
Lateral Move: no change in pay, except alignment to a step.
* Non Lateral Move: handle as promotion or change to lower grade

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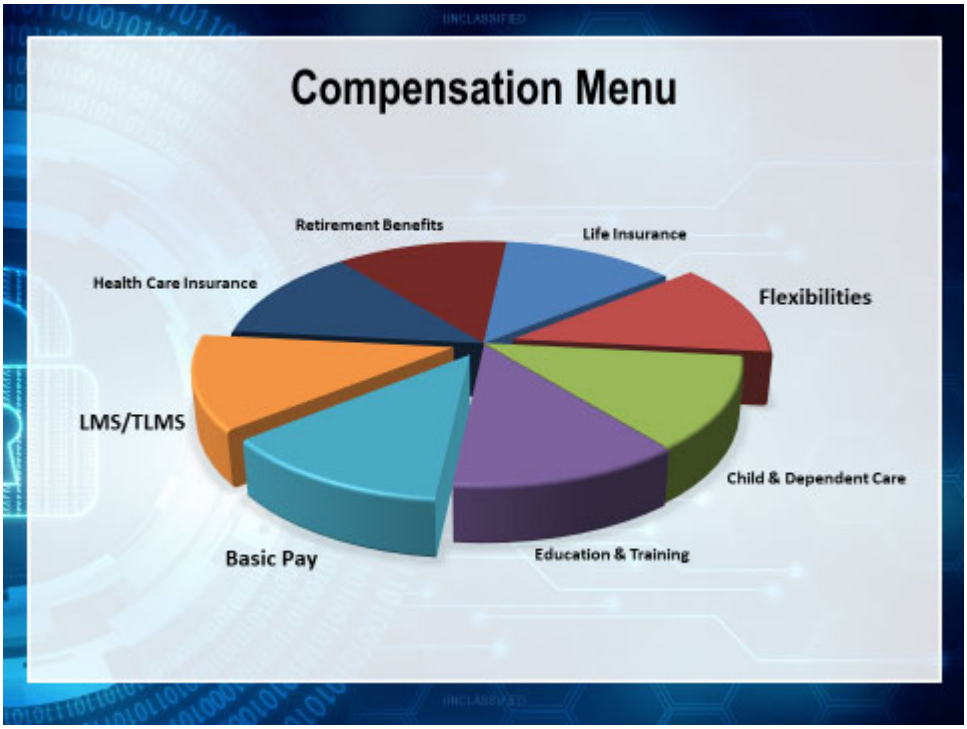
Compensation Menu
Retirement Benefits
Life Insurance
Health Care Insurance
Flexibilities
LMS/TLMS
Child & Dependent Care
Basic Pay
Education & Training

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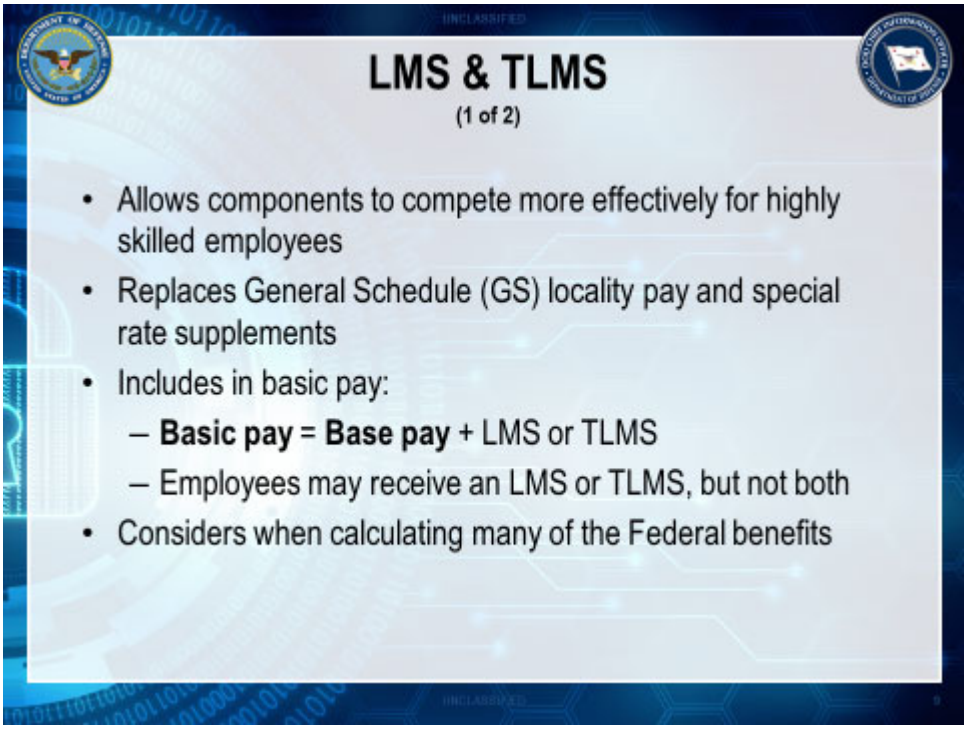
LMS & TLMS
(1 of 2)
• Allows components to compete more effectively for highly skilled employees
• Replaces General Schedule (GS) locality pay and special rate supplements
• Includes in basic pay:
– Basic pay = Base pay + LMS or TLMS
– Employees may receive an LMS or TLMS, but not both
• Considers when calculating many of the Federal benefits

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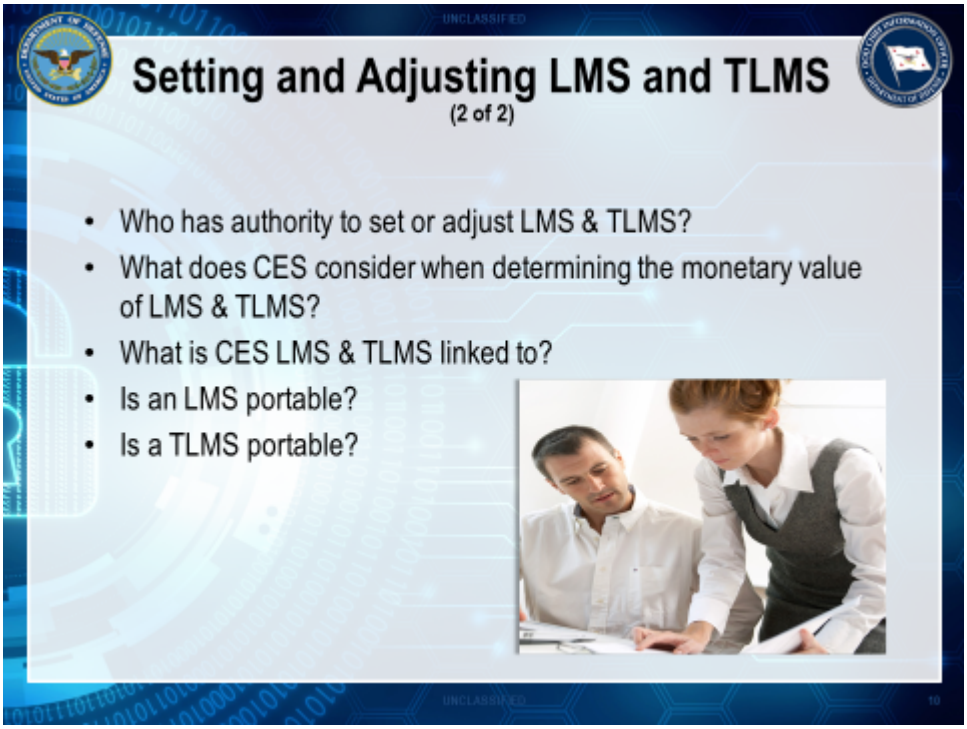
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Setting and Adjusting LMS and TLMS
(2 of 2)
• Who has authority to set or adjust LMS & TLMS?
• What does CES consider when determining the monetary value of LMS & TLMS?
• What is CES LMS & TLMS linked to?
• Is an LMS portable?
• Is a TLMS portable?
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Compensation Flexibilities
(1 of 4)
• Agency – based compensation authorities
• Compensation authorities available with OPM/OMB approval
• Premium pay and allowances

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Compensation Flexibilities
(2 of 4)
Agency – based compensation authorities:
Recruitment bonuses
Relocation bonuses
Retention bonuses
Federal student loan repayment program
Highest previous rate
Wavier of dual pay limitation
Compensatory time for travel
Travel and transportation expenses (interviews and appointments)
Advance payments for new appointees
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Compensation Flexibilities
(3 of 4)
Compensation available with Office of Personnel Management and/or DoD:
Special rates
Group retention allowances in excess of 10 percent
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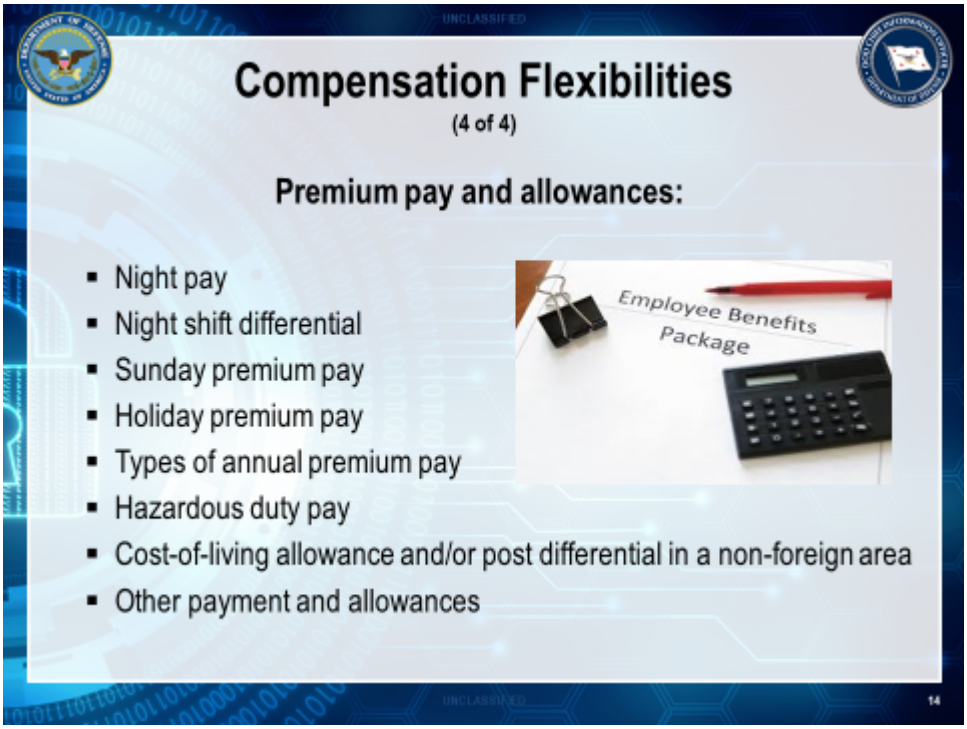
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Compensation Flexibilities
(4 of 4)
Premium pay and allowances:
Night pay
Night shift differential
Sunday premium pay
Holiday premium pay
Types of annual premium pay
Hazardous duty pay
Cost-of-living allowance and/or post differential in a non-foreign area
Other payment and allowances
Employee Benefits Package
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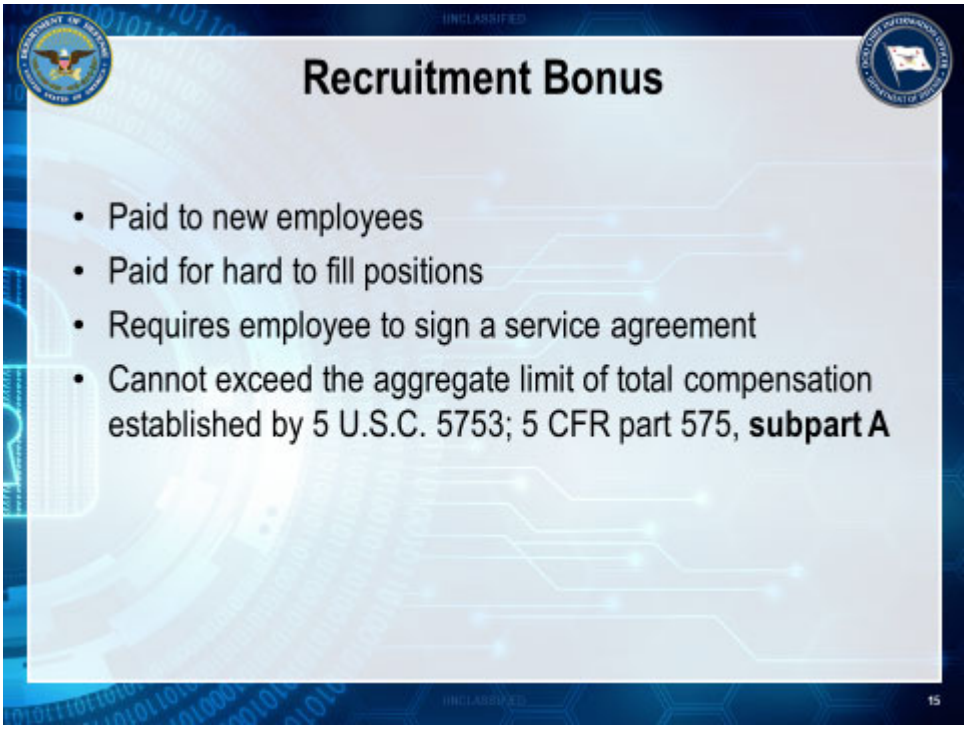
Recruitment Bonus
• Paid to new employees
• Paid for hard to fill positions
• Requires employee to sign a service agreement
• Cannot exceed the aggregate limit of total compensation established by 5 U.S.C. 5753; 5 CFR part 575, subpart A
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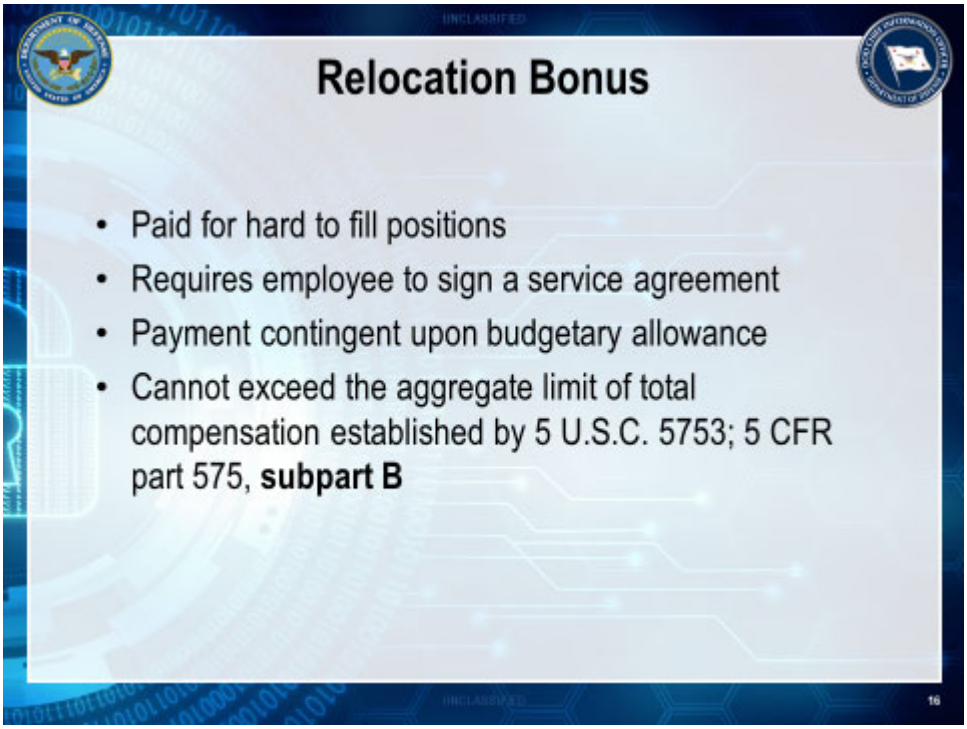
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Relocation Bonus
• Paid for hard to fill positions
• Requires employee to sign a service agreement
• Payment contingent upon budgetary allowance
• Cannot exceed the aggregate limit of total compensation established by 5 U.S.C. 5753; 5 CFR part 575, subpart B
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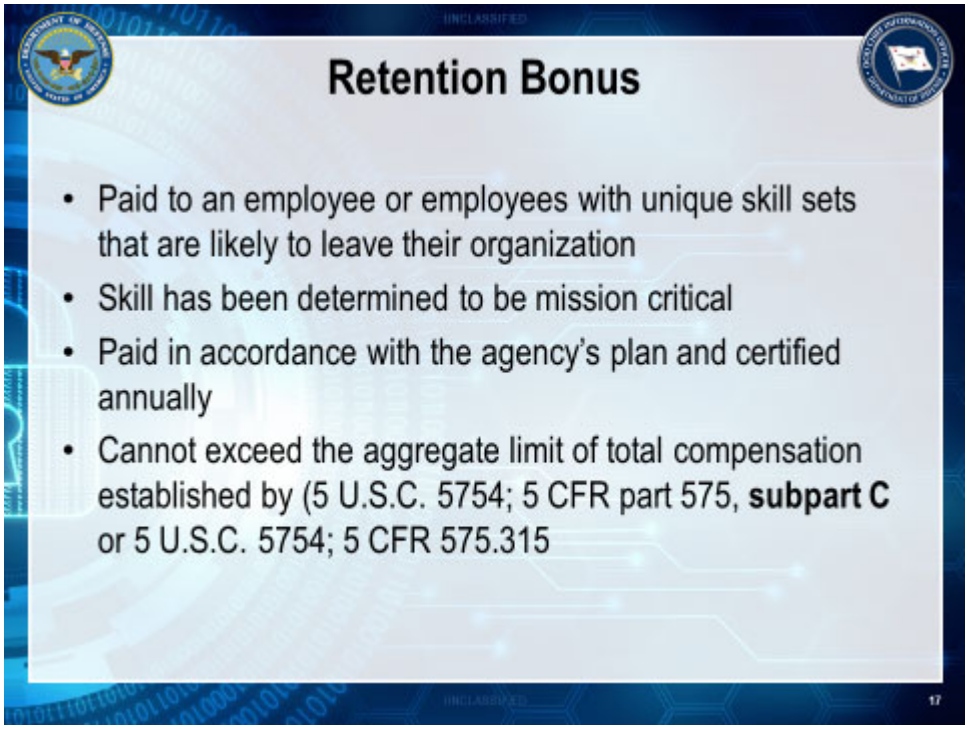
Retention Bonus
• Paid to an employee or employees with unique skill sets that are likely to leave their organization
• Skill has been determined to be mission critical
• Paid in accordance with the agency's plan and certified annually
• Cannot exceed the aggregate limit of total compensation established by (5 U.S.C. 5754; 5 CFR part 575, subpart C or 5 U.S.C. 5754; 5 CFR 575.315
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Federal Loan Repayment Program
• Agency sets the eligibility requirements
• Can be used as a recruitment or retention incentive
• Payments to an individual may not exceed $10,000 per year or $60,000 in total
• Requires employee to sign a service agreement
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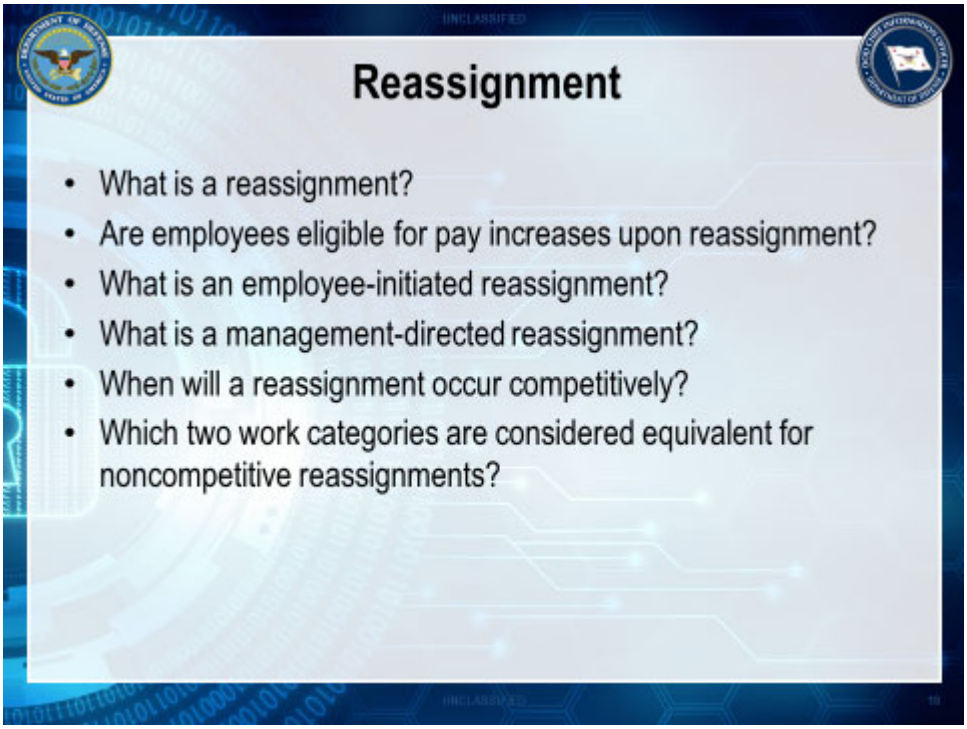
Reassignment
What is a reassignment?
Are employees eligible for pay increases upon reassignment?
What is an employee-initiated reassignment?
What is a management-directed reassignment?
When will a reassignment occur competitively?
Which two work categories are considered equivalent for noncompetitive reassignments?

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Promotion
Occurs when an employee is advanced to a higher pay band or grade.
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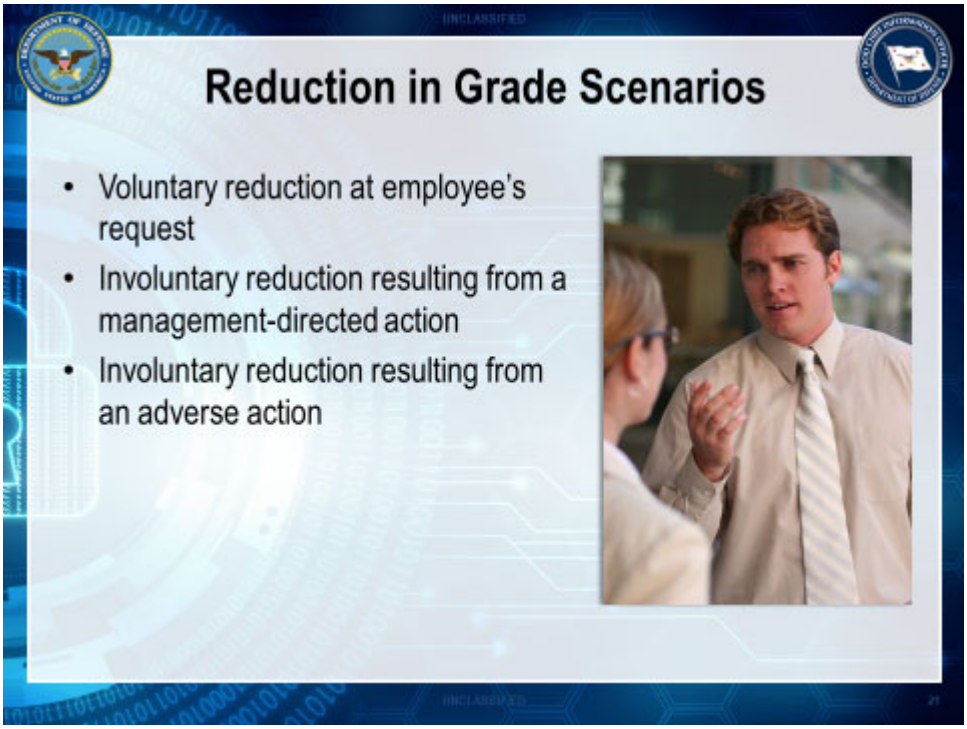
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Reduction in Grade Scenarios
• Voluntary reduction at employee's request
• Involuntary reduction resulting from a management-directed action
• Involuntary reduction resulting from an adverse action
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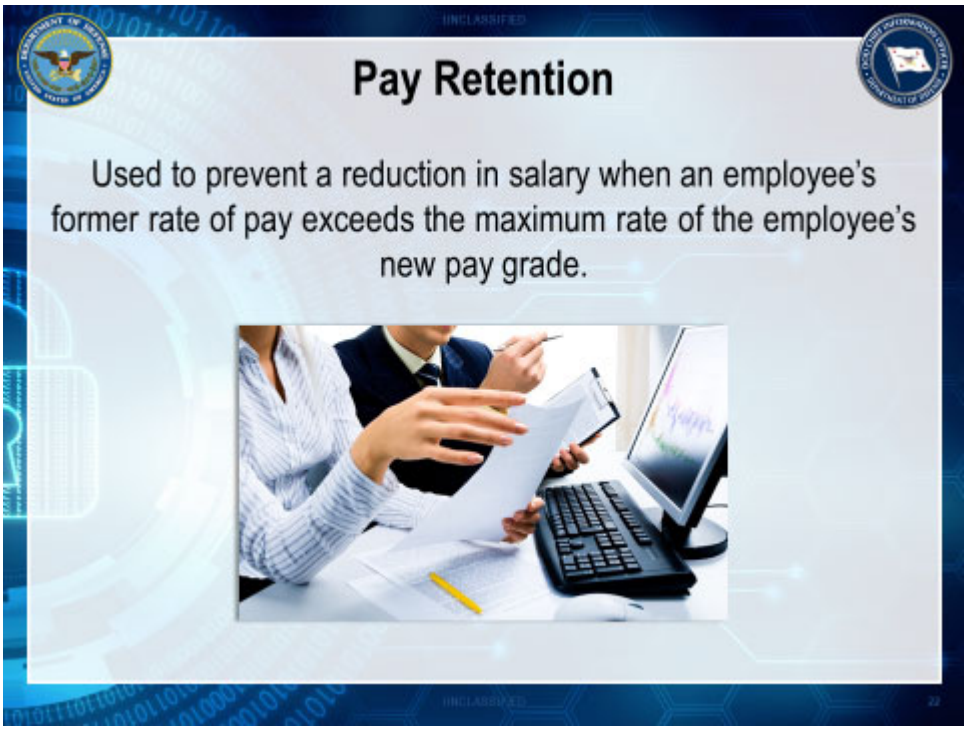
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Pay Retention
Used to prevent a reduction in salary when an employee's former rate of pay exceeds the maximum rate of the employee's new pay grade.
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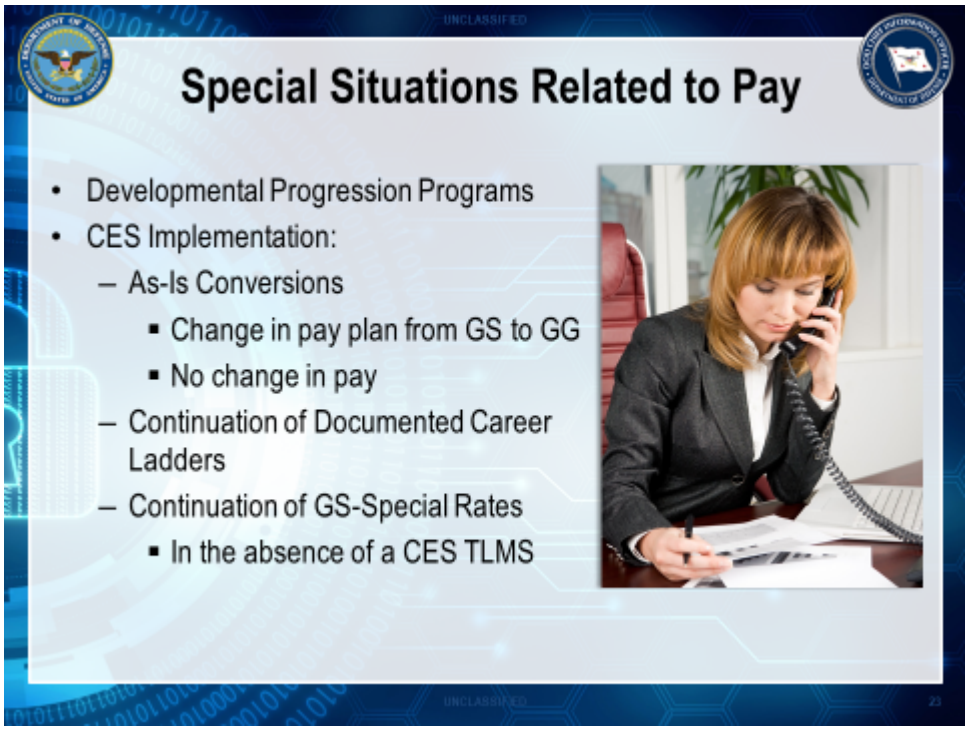
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Special Situations Related to Pay
• Developmental Progression Programs
• CES Implementation:
– As-Is Conversions
▪ Change in pay plan from GS to GG
▪ No change in pay
– Continuation of Documented Career Ladders
– Continuation of GS-Special Rates
▪ In the absence of a CES TLMS
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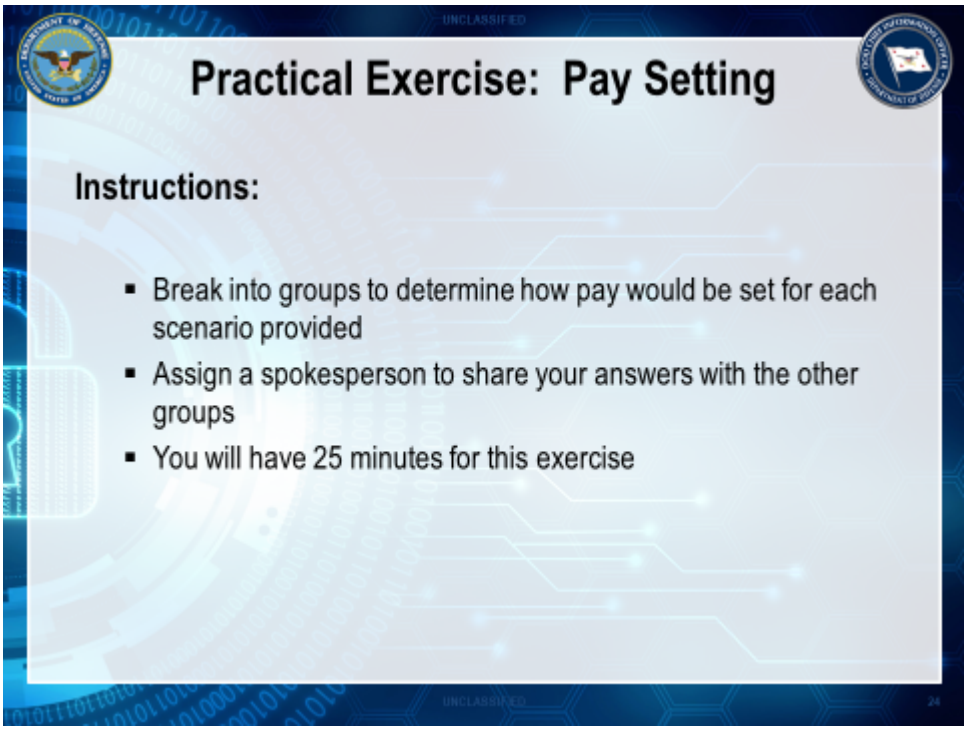
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Practical Exercise: Pay Setting
Instructions:
Break into groups to determine how pay would be set for each scenario provided
Assign a spokesperson to share your answers with the other groups
You will have 25 minutes for this exercise
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