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 Within-Grade Increase (WGI) adjustment, 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 WGI adjustment?

A1. Yes. In accordance with 5 CFR 9901.371(j)(7), an employee is entitled to a WGI adjustment each time he or she occupies a position that is converted into NSPS.

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

A2. Yes. Providing the employee meets the eligibility requirements for earning within-grade increases, this employee would receive a WGI adjustment. Should the employee subsequently leave NSPS and return to a GS position that is later converted to NSPS, the employee would be eligible for another WGI adjustment.

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 $41,074, which includes a special rate supplement of $11,310. At the time of conversion, the employee receives a WGI adjustment that raises his adjusted salary rate to $41,626. 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 salary rate ($41,626 in this case) is reallocated into an NSPS base salary and LMS. Since the employee is in RUS, the reallocation process would divide $41,626 by 1.1318 (1 plus the LMS value for the employee's pay band), resulting in $36,779 - which is the NSPS base salary. Then, multiplying $36,779 by .1318 results in an LMS of $4,847. The $36,779 plus $4,847 equals the NSPS adjusted salary of $41,626. (5 CFR 9901.371(c) and SC1911.5.1.)

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 (not the retained grade), as provided in 5 CFR 9901.231(d), but the employees base and adjusted salary while in grade retention status will be used in setting the initial NSPS base and adjusted salary and in determining the amount of any WGI adjustment. After conversion and any WGI adjustment, if the employee's base salary exceeds the rate range for the assigned pay band, the employee will be granted pay retention, subject to the conditions described in 5 CFR 9901.356. (5 CFR 9901.371(g))

Q5. Will employees on retained grade receive a WGI adjustment upon conversion?

A5. Upon conversion, employees on grade retention with an acceptable level of performance will be entitled to the WGI adjustment, if appropriate. (5 CFR 9901.371(g) and 5 CFR 9901.371(j)(4))

Q6. If on grade retention at conversion, is the WGI adjustment 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 adjustment is based on the retained grade and step. In this example, the WGI adjustment would be based on the GS-14 step increment and the waiting period for step 3. (5 CFR 9901.371(j)(4))

Q7. Under what circumstances must a Within-Grade Increase (WGI) adjustment equivalent be paid?

A7. It MUST be paid to an employee who is permanently reassigned to an NSPS position from a GS or FWS position through a management-directed action (except for actions taken for misconduct or unacceptable performance), including a management-directed reassignment or realignment, or any placement as the result of a reduction-in-force, or placement via the Priority Placement Program, Reemployment Priority List, or Interagency Career Transition Assistance Plan. It MAY be paid to an employee who is placed in an NSPS position from a GS or FWS position through an employee-initiated reassignment, at the discretion of an authorized management official. It may not be paid to an employee who is promoted or converted. (5 CFR 9901.351(c))

Q8. Is the WGI adjustment equivalent for permanent placements only or are they for temporary placements as well?

A8. The WGI adjustment equivalent is for permanent placements only. However, if the employee's temporary assignment is later made permanent, the WGI adjustment

equivalent could be provided on the effective date of the permanent assignment (but calculated as of the date the employee was initially placed in the temporary position).

Q9. 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?

A9. Each employee converted into NSPS will have an adjusted salary, comprised of a base salary and a LMS. The percentage value of some LMS may be zero, due to the fact that there are occupations and locations where locality payments or special rate supplements do not apply under the General Schedule. (5 CFR 9901.371(c) and SC1911.5.1.)

Q10. 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?

A10. A rate range adjustment cannot cause an employee's base salary to exceed the maximum of the applicable pay band (5 CFR 9901.351(e)). In this scenario, the employee's base salary would be set at the pay band maximum.

Q11. How might an employee's pay be increased if the base salary is at the top of the pay band?

A11. If the maximum rate of each band (except for physicians and dentists) must be adjusted at the time of a general salary increase (5 CFR 9901.322(e)), an employee whose pay is at the top of the pay band would be eligible for that general salary increase. Eligible employees will receive an increase in their base salary rate by an approved general salary increase (5 CFR 9901.323(a)(1)). However, the employee's performance based payout will be limited to a cash bonus, rather than a base salary increase because the employee is already at the top of the pay band. The employee would also receive the percentage increase for their applicable standard LMS rate. (5 CFR 9901.334(a))

Q12. Is it possible that the standard LMS portion of an employee's pay could decrease based on future standard LMS decisions?

A12. Yes, the standard LMS is to be administered in the same manner and percentage as the GS locality pay. (5 CFR 9901.333(a)) Past experience with GS locality pay indicate that a decrease is unlikely, but if it were to happen then the standard LMS under NSPS would also have to decrease. If that occurs, the LMS portion of an employee's adjusted salary would decrease; however, the base salary could simultaneously increase as a result of a rate range adjustment. (5 CFR 9901.322)

Q13. What is a targeted local market supplement?

A13. A targeted local market supplement (TLMS) means a local market supplement established to address recruitment or retention difficulties for specifically defined categories of employees. Conditions of coverage under a TLMS may be based on occupation, band, organizational unit, geographic location of official worksite, specializations, special skills or qualifications or other appropriate factors. Targeted local market supplements are meant to be similar to the special pay rate flexibility available for GS employees and are in lieu of any lower standard local market supplement that would otherwise apply. (5 CFR 9901.304)

Q14. What is a geographic recalculation and when is it used?

A14. When an employee covered by a targeted local market supplement moves to a position in a new location where a different local market supplement and/or pay schedule applies, the employee's adjusted salary before the move will be recalculated to reflect a local market supplement for the employee's existing position, as if the position were at the same location as the position to which the employee is moving, consistent with the geographic conversion principle described at 5 CFR 531.205. For employees moving from a non-NSPS position to an NSPS position in a different location covered by a different salary supplement, the employee's adjusted salary under the former system will be recalculated as if the former position were located in the new location, consistent with the geographic conversion principle described at 5 CFR 531.205 or 5 CFR 536.303(b), as applicable. (5 CFR 9901.351(b))

Q15. What salary range should be on the vacancy announcement?

A15. 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.

Q16. Can an employee being converted from a temporary appointment to a permanent appointment have his/her pay set anywhere within the rate range?

A16. No, in this situation pay cannot be set anywhere in the rate range. The 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 have been previously employed in the Federal service and have been separated from the Federal service for a least 1 full workday immediately before employment in an NSPS position. (5 CFR 9901.352(b))

Q17. How would the pay be set for an employee in a situation like Q16?

A17. 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 pay setting rules at 5 CFR 9901.353 through 355 that are applicable to any other Federal employee.

Q18. Can the base salary increase received while on a temporary reassignment be continued if the temporary reassignment is later made permanent?

A18. Previously, if a temporary reassignment was later made permanent, no additional reassignment increase could be provided. Under the final regulation, in accordance with 5 CFR 9901.353(h), this restriction has been lifted. Therefore, if an employee received a 3% reassignment increase on an employee initiated reassignment, they could later receive an additional 2% reassignment increase when the temporary reassignment is made permanent and is considered another employee initiated reassignment.

Q19. Will the "3-Rs" still be available for use under NSPS?

A19. 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. (5 CFR 9901.106(b)(2)(iii))

Q20. Are employees under NSPS eligible to receive a supervisory differential?

A20. Yes, NSPS employees are eligible to receive a supervisory differential under 5 CFR Part 575. This section was not waivable under the NSPS authority, so it continues to apply.

Q21. An employee occupying a GS-560-12 position has been selected for a position in YA-2. How is pay set?

A21. For this movement, SC1920.14.3.1. provides that comparable levels of work of employees moving from the General Schedule may be determined using guidance found in Table SC1911-1. Once the equivalent NSPS pay schedule and pay band have been determined, the comparability rules at SC1920.14.3. are applicable. 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 though 13). As an employee-initiated reassignment action, the pay setting provisions at SC1930.10.3.1. 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). (5 CFR 9901.353(b)(1))

Q22. Does accelerated compensation apply only to Pay Band 1 employees?

A22. In accordance with 5 CFR 9901.345(b) and SC1930.9.9., Accelerated Compensation for Developmental Positions (ACDP) only applies to employees in the lowest pay band of a nonsupervisory pay schedule who are in developmental or trainee level positions and employees in positions that are assigned to a Student Career Experience Program and in a pay schedule established exclusively for students.

Q23. Are there any other provisions that would allow for a similar type of accelerated compensation?

A23. Yes. 5 CFR 9901.371(l) allows for a one-time, in-band pay adjustment. The regulation states that during the first 12 months following conversion, employees who are not eligible for ACDP under 5 CFR 9901.345 are eligible to receive (at the discretion of an authorized management official) a one-time base salary increase equivalent to a noncompetitive promotion increase the employee would have received before conversion to NSPS.

Q24. How is pay set under 5 CFR 9901.371(l) 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 ACDP)? Can pay be set anywhere within the pay band or is the increase equivalent to what the GS increase would have been? For example: employee is a GS-12/1 target GS-13 and is converted to NSPS YA-2 and receives a WGI adjustment.

A24. 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. 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, $57,709, by two steps on the underlying GS table, to $61,557. Because the promotion entitlement of $61,557 falls below GS-13, step 1, $68,625, the employee's pay would be set at GS-13, step 1, $68,625. Based on this method, the employee's equivalent in-band increase could be up to $10,916.

Q25. How do we set pay under 5 CFR 9901.371(1) for an employee who is on a GS-7 target GS-10 (one-grade interval) technician position?

A25. GS employees who were serving in career-ladder positions prior to conversion into NSPS are eligible for a one-time increase during the first 12 months following NSPS conversion. In accordance with 5 CFR 9901.371(l), a GS-7 technician (target GS-10) who would have been promoted from GS-7 to GS-8 had he/she 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. For example, to promote them to a GS-8, you would increase the rate for a GS-7, step 1, ($32,534), by two steps on the underlying GS table, which is $34,702. Because the promotion entitlement of $34,702 falls below GS-8, step 1, ($36,030), the employee's pay would be set at GS-8, step 1 ($36,030). Based on this method, the employee's in-band increase could be up to $3,496. Because the employee is no longer covered under the GS pay system, the remaining 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.

Q26. 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?

A26. For an employee who is temporarily assigned to a different local market area, and who receives per diem allowances, the official worksite remains unchanged (5 CFR 9901.331(c) 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.

Q27. 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?

A27. 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 (5 CFR 9901.331(c) 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.

Q28. 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?

A28. 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.

Q29. What if the employee is authorized a temporary change of station in the previous scenario?

A29. 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 the definition of "official worksite" at 5 CFR 9901.331(c)). 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. (5 CFR 591.201)

Q30. 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 adjustment), 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?

A30. 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 (SC1930.10.6.). 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 adjustment. When the employee is returned to the permanent position, the NSPS reassignment or promotion pay setting 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.

Q31. How do you set the pay for an overseas employee exercising mandatory return rights to a position converted to NSPS during his/her absence?

A31. It is DoD policy that the employee's pay will be set in accordance with either 10 U.S.C. 1586 **or** the management-directed reassignment procedures at SC1930.10.3.2.1. and 5 CFR 9901.353(d)(1) – whichever provides the greater benefit to the employee. Under those procedures, the authorized management official shall set pay at no less than the employee's adjusted salary for the position held prior to the reassignment, provided that resulting base salary does not exceed the maximum rate of the new pay band. Management also may increase the employee's current base salary by up to 5% percent.

Example 1: Employee is a GS-12, step 4 overseas - basic pay is $63,481 but has mandatory return rights to a GS-11 position in RUS which has been converted to NSPS (YA-2). Calculations are as follows:

Option 1 - Title 10 entitlement (SC1930.10.6.):

Employee is returned to rate of GS-11, step 5 = $54,568 (step 5 includes GS-11 step increases earned while overseas)
WGI adjustment of $1,452 is added to GS rate ($54,568 + $1,452)
Total = $56,020
Then add Local Market Supplement (LMS); **OR**

Option 2 - Reassignment under NSPS (SC1930.10.3.2.1.):

Employee's basic pay at GS-12, step 4 = $63,481
Apply the geographic conversion to GS-12, step 4 RUS = $71,848
Per 5 CFR 9901.351(c) apply the prorated WGI adjustment equivalent of $800 to the GS rate ($63,481 + $800)
Total = $64,281

In this case, the employee's pay must be set using **Option 2** because it provides the employee the greater benefit. In addition, the employee's rate is no less than the rate the employee held prior to the reassignment thus meeting the requirement in SC1930.10.3.2.1. At the discretion of the gaining Component/activity, the employee's adjusted salary could be increased by up to 5%. To process the payment, multiply the base salary by the appropriate LMS and apply the 5% increase to the total adjusted salary. Then, apportion the employee's new adjusted salary to reflect the resulting base salary and the appropriate LMS.

Example 2: Employee is a GS-12, step 8 overseas – basic pay is $71,177 and has mandatory return rights to a GS-13 position in RUS which has been converted to NSPS (YA-2). Calculations are as follows:

Option 1 – Title 10 entitlement (SC1930.10.6.):

Employee is returned to a rate of GS-13, step 4 = $75,489 (step 4 includes GS-13 step increases earned while overseas)
WGI adjustment of $587 is added to GS rate ($75,489 + $587)
Total = $76,076
Then add LMS; **OR**

Option 2 – Reassignment under NSPS (SC1930.10.3.2.1.):
Employee is returned to a basic pay at GS-12, step 8 = $71,177
Apply the geographic conversion to GS-12, step 8 RUS = $80,558
Per 5 CFR 9901.351(c) apply the prorated WGI adjustment equivalent of $587 to the GS rate ($71,177 + $587)
Total = $71,764

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. At the discretion of the gaining Component/activity, the employee's adjusted salary could be increased by up to 5%. To process the payment, multiply the base salary by the appropriate LMS and apply the 5% increase to the total adjusted salary. Then, apportion the employee's new adjusted salary to reflect the resulting base salary and the appropriate LMS.

Q32. Is there a minimum pay raise guaranteed when an employee is promoted?

A32. 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. (5 CFR 9901.354(a)(1) and SC1930.10.4.1.)

Q33. How will pay be set on a promotion (movement to a higher pay band)? How is the 6% computed (round up, round down)?

A33. Upon promotion, pay must be increased by a minimum of 6%, but may not be lower than the minimum rate of the higher band. Typically, promotion increases should be in the 6 to 12 percent range. The decision to grant a promotion increase exceeding 12% must be reviewed and approved by an official who is at a higher level than the official who made the initial decision, unless the increase is necessary to reach the minimum rate of the new pay band. (SC1930.10.4.1. and SC1930.10.4.2.)

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.

Q34. 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?

A34. The employee could be given up to a 5% increase in base salary on a management-directed reassignment. 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. (5 CFR 9901.353 (d))

Q35. Is a lateral movement between Components considered a reassignment, and therefore, subject to the 5% increase?

A35. 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 may receive up to a 5% increase (subject to the 12-month limitation on increases associated with employee-initiated movements). (5 CFR 9901.353(b) and SC1930.10.3.1.)

Q36. Is pay frozen regardless of performance during the 2-year pay retention entitlement?

A36. No. Provided an employee is rated above unacceptable, the employee is eligible to receive a general salary increase in accordance with 5 CFR 9901.323(a)(1) and any increase in the local market supplement. However, any increase received as a result of the performance payout process must be received in the form of a bonus. (5 CFR 9901.342(g)(8), 5 CFR 9901.356(j), and 5 CFR 9901.356(k))

Q37. Can pay retention be used for developmental positions under a formal training plan?

A37. 5 CFR 9901.356(a) does 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. IAW 5 CFR 9901.356(e), this authority applies to actions initiated by management and may not be granted in situations that include actions at the employee's request.

Q38. When you set pay on a reassignment from GS or WG to NSPS, do you add the local market supplement on top of the adjusted salary?

A38. No, 5 CFR 9901.353(c)(1) requires pay to be set considering an employee's adjusted salary (including any locality pay or special rate supplement) rather than the employee's base salary when an employee reassigns from a position with a targeted local market supplement or from a non-NSPS position (e.g., GS, FWS, NAF). After setting the employee's new adjusted salary, the adjusted salary will be apportioned between the employee's base salary and the appropriate LMS or targeted LMS. For example, if an employee's current adjusted salary is $64,113 and receives a 5% reassignment increase, his/her total adjusted salary would be $67,319. Assuming a local market supplement is 13.18%, divide $67,319 by 1.1318 (1 plus the LMS value) which equals a base salary of $59,480.

Q39. How will pay be set if an employee leaves NSPS and later returns to another NSPS position?

A39. Pay will be set in accordance with 5 CFR 9901.372. In cases of a movement into the GS, a virtual GS grade and rate must be established in accordance with the procedures described in 5 CFR 9901.372(d). (See Question #39 & #40) Employees who become covered by NSPS again will have their pay set in accordance with NSPS pay setting rules (SC1930.10.). If a GS employee converts into NSPS, he would be eligible to receive a prorated WGI adjustment to his or her base salary from his date of last equivalent increase. On an employee-initiated reassignment, the employee may be authorized a WGI adjustment equivalent at the discretion of management. (5 CFR 9901.372(e) and 5 CFR 9901.351(c)(2))

Q40. Are there any conversion out procedures when an employee leaves NSPS and goes to a GS position?

A40. Yes, there are procedures for the conversion and movement out of employees to a different pay system. Per 5 CFR 9901.372(a), when an NSPS employee is converted or moved to a GS position, a GS virtual grade and rate is established so that the employee is treated as a GS employee in applying the GS pay-setting rules. 5 CFR 9901.372(a)(2) clarifies the meaning of "conversion out" and "movement out". The term "conversion out" refers to NSPS employees who become covered by a different pay system without a change in position; the term "movement out" refers to NSPS employees who become covered by a different pay system through a change in position, rather than by conversion.

Q41. How is a GS virtual grade established for an employee converting or moving from NSPS to GS?

A41. When converting or moving an employee out of NSPS, the pay-setting rules of the gaining system apply. Therefore, it is necessary to establish a virtual GS grade and rate for the purpose of applying the GS pay-setting rules. The virtual GS grade will be based on a comparison of the NSPS employee's current adjusted salary to the highest applicable GS rate range that would apply to the employee's NSPS permanent position of record considering only those GS grade levels and associated rate ranges that are included in the employee's assigned NSPS pay band. The grade-band conversion tables established in SC1911 must be used in determining which GS grades are covered by the employee's assigned NSPS pay band.

If the…	And the…	Then the…	Citation
1)Employee's pay band covers one GS grade	n/a	Employee's virtual grade will be that grade	5 CFR 9901.372 (d)(1)(ii)
2)Employee's pay	Employee's NSPS	Employee's virtual	5 CFR

band encompasses more than one GS grade	adjusted salary equals or exceeds the step 4 rate of the highest applicable GS rate range for the highest GS grade encompassed within the assigned NSPS pay band	grade will be that grade	9901.372 (d)(1)(iii)
3)Employee's pay band encompasses more than one GS grade	Employee's adjusted salary is lower than the step 4 rate of the highest applicable GS rate range for the highest GS grade encompassed within the assigned NSPS pay band	Employee's adjusted NSPS salary is compared with the step 4 rate of the highest applicable GS rate range for the second highest GS grade encompassed within the employee's pay band. If the employee's adjusted salary equals or exceeds this rate, the employee's virtual grade will be that grade. *This process is repeated for each successively lower grade encompassed within the assigned band until a grade is found at which the employee's adjusted salary equals or exceeds the step 4 rate of the highest applicable rate range for that grade.	5 CFR 9901.372 (d)(1)(iii)
*Employee's adjusted salary exceeds the **maximum rate of**	Employee's adjusted salary fits in the highest applicable GS rate	Employee's final virtual GS grade will be that higher grade	5 CFR 9901.372 (d)(1)(iv)

the highest applicable GS rate range for the initial virtual GS grade determined in #2 (greater than step 4 and greater than step 10)	range for the next higher grade encompassed by the pay band (i.e., is greater than step 1 but less than or equal to step 4)		
*Employee's adjusted salary exceeds the **maximum rate of the highest applicable GS rate range for the highest grade encompassed by his or her assigned pay band** (greater than step 4 and greater than step 10 determined in conjunction with #2 above)	n/a	Employee's virtual grade will be that highest GS grade	5 CFR 9901.372 (d)(1)(vi)
*Employee's adjusted salary is less than step 4 of the highest applicable rate range for the lowest GS grade encompassed within the assigned NSPS pay band	n/a	Employee's virtual grade will be the lowest GS grade encompassed in the band.	5 CFR 9901.372 (d)(1)(vii)

*An employee's virtual GS grade may not be less than the permanently assigned GS grade the employee held upon conversion into NSPS unless the employee has undergone a voluntary reduction in band or reduction in base salary, an involuntary reduction in band or reduction in base salary based on unacceptable performance and/or conduct, or a reduction in band based on a reduction in force (RIF) or classification. (5 CFR 9901.372(v))

Q42. How is a virtual rate established for an employee converting or moving from NSPS to GS?

A42. Once a virtual GS grade has been established, a virtual GS rate will be set (before any pay related action that would take effect on the date of the employee's conversion or movement out of NSPS). As of the day before the date of conversion or movement out of NSPS, the employee's NSPS adjusted salary will be compared to the highest applicable GS rate range for the established virtual grade.

If the…	Then the…	Citation
1)Employee's adjusted salary falls within the highest applicable GS rate range for the established virtual grade	Employee's virtual rate will be set equal to that adjusted salary. *Since this virtual GS rate is used only as a basis for setting the employee's rate is a new non-NSPS position, it is not necessary to set it a GS step rate.	5 CFR 9901.372(d)(2)(i)
2)Employee's adjusted salary is less than the minimum rate of the highest applicable GS rate range for the virtual GS grade	Employee's virtual rate will be set at the minimum step rate.	5 CFR 9901.372(d)(2)(i)
3)Employee's adjusted salary is greater than the maximum rate of the highest applicable GS rate range for the virtual GS grade	Employee's virtual rate will be set at the maximum step rate or at a retained rate set using GS pay retention rules in 5 CFR 536 if eligible.	5 CFR 9901.372(d)(2)(i)

If the virtual rate derived above is an adjusted salary rate that includes a locality payment or special rate supplement then the employee's virtual GS base salary rate will be derived based on that adjusted salary. (5 CFR 9901.372(d)(2)(ii))

The virtual GS grade and rates will be used in applying the GS pay administration rules in setting pay in the new GS position (promotion rules, pay retention rules, and the maximum payable rate rules).

Q43. An employee is a YA-0201-2 in the Rest of U.S. (RUS) and has a base salary of $77,155 and an adjusted salary (including a local market supplement of $10,169) of $87,324. The employee is moving to a GS-13 position in the RUS. How is pay set?

A43. When an employee moves out of NSPS, the pay-setting rules of the gaining system apply, therefore it is necessary to establish a virtual GS grade and rate for the purpose of applying the GS pay-setting rules.

Current Position: YA-0201-2, RUS
Adjusted Salary: $87,324
New Position: GS-0201-13, RUS
Grades encompassed by pay band: GS-9 through GS-13 and includes only those grades that apply to the employee's NSPS permanent position of record.

Table	Grade	Step 4	Step 10
RUS	9	$49,546	$58,557
RUS	11	$59,944	$70,843
RUS	12	$71,848	$84,913
RUS	13	$85,438	$100,976

1) Compare the employee's NSPS adjusted salary to the highest applicable GS rate range to determine if the adjusted salary equals or exceeds step 4 of that rate range.
   - $87, 324 exceeds GS-13 step 4.
2) GS virtual grade is set at GS-13.
3) Once the virtual GS grade has been established, a virtual GS rate will be set (before any pay related action that would take effect on the date of the employee's conversion or movement out of NSPS).
4) The employee's adjusted rate falls within the highest applicable GS rate range for the established virtual grade therefore $87,324 becomes the virtual rate.
5) If the virtual rate is an adjusted salary rate that includes a locality payment or special rate supplement, then the employee's virtual GS base salary rate will be derived based on that adjusted salary rate. Because the locality payment is 13.18%, the employee's virtual GS base salary rate is $77,155 ($87,324/1.1318).
6) The established virtual grade and rate will be used in applying the GS pay administration rules in setting pay in the new GS position.

2008 General Schedule GS-13

1	2	3	4	5	6	7	8	9	10
68,625	70,913	73,201	75,489	77,777	80,065	82,353	84,641	86,929	89,217

2008 Locality RUS GS-13

1	2	3	4	5	6	7	8	9	10
77,670	80,259	82,849	85,438	88,028	90,618	93,207	95,797	98,386	100,976

The employee's new agency allows for the use of the maximum payable rate rule at 5 CFR 531.221. The employee's highest previous rate was earned in the YA-0201-2 position described above. To determine the employee's maximum payable rate, his virtual GS base salary rate ($77,155) is compared to the GS-13 base rate range (2008 General Schedule). His HPR slots into GS-13 step 5 on the 2008 General Schedule table. This is his maximum payable rate. Because his position is covered by the RUS table,

crosswalk the GS-13 step 5 on the General Schedule table to the GS-13 step 5 on the RUS table. His rate of basic pay for his new position will be $88,028.

Q44. A YA-2210-2 in the DCB local market area has a base salary of $62,454 and an adjusted salary (including a local market supplement of $13,047) of $75,500. The employee is moving to a GS-2210-12 position also in the DCB area. How is pay set?

A44. When an employee moves out of NSPS, the pay-setting rules of the gaining system apply, therefore it is necessary to establish a virtual GS grade and rate for the purpose of applying the GS pay-setting rules.

Current Position: YA-2210-2, DCB
Adjusted Salary: $75,500
New Position: GS-2210-12, DCB
Grades encompassed by pay band: GS-9 through GS-13 and includes only those grades that apply to the employee's NSPS permanent position of record.

Table	Grade	Step 4	Step 10
999-C	9	$56,909	$67,259
DCB	11	$64,027	$75,669
DCB	12	$76,742	$90,698
DCB	13	$91,259	$107,854

1) Compare the employee's NSPS adjusted salary to the highest applicable GS rate range to determine if the adjusted salary equals or exceeds step 4 of that rate range.
   - $75,500 does not exceed GS-13 step 4, nor does it meet or exceed GS-12 step 4, however it does meet or exceed GS-11 step 4.
2) GS virtual grade is set at GS-11.
3) Once the virtual GS grade has been established, a virtual GS rate will be set (before any pay related action that would take effect on the date of the employee's conversion or movement out of NSPS).
4) The employee's adjusted rate falls within the highest applicable GS rate range for the established virtual grade therefore $75,500 becomes the virtual rate.
5) If the virtual rate is an adjusted salary rate that includes a locality rate or special rate supplement, then the employee's virtual GS base salary rate will be derived based on that adjusted salary rate. Because the local market supplement is 20.89%, the employee's virtual GS base salary rate is $62,454 ($75,500/1.2089).
6) The established virtual grade and rate will be used in applying the GS pay administration rules in setting pay in the new GS position.

Because the employee's virtual grade is set at GS-11 and the new position is a GS-12, this move results in a promotion for pay setting purposes. When an employee moves from a lower GS grade to a higher GS grade, pay is set using the GS mandatory promotion rule, which is the two-step rule. The employee is entitled to the lowest rate of

the higher grade, which exceeds the existing rate of basic pay by not less than two step increases of the grade from which promoted. (5 U.S.C. 5334(b))

2008 General Schedule GS-11

1	2	3	4	5	6	7	8	9	10
48,148	**49,753**	**51,358**	**52,963**	**54,568**	**56,173**	**57,778**	**59,383**	**60,988**	**62,593**

2008 Locality DCB GS-11

1	2	3	4	5	6	7	8	9	10
58,206	**60,146**	**62,087**	**64,027**	**65,967**	**67,908**	**69,848**	**71,788**	**73,728**	**75,669**

2008 Locality DCB GS-12

1	2	3	4	5	6	7	8	9	10
69,764	**72,090**	**74,416**	**76,742**	**79,068**	**81,394**	**83,720**	**86,046**	**88,372**	**90,698**

Because the employee's virtual grade is GS-11 and the virtual GS base rate is $62,454, you will add the value of two steps (using the GS-11 within grade amount) to the virtual rate ($62,454 + (2 x $1605) = 65,664). Multiply the new underlying rate by the DCB locality percentage ($65,664 x 1.2089 = $79,381). The employee's promotion entitlement is $79,381. Slot this rate into the highest applicable rate range for the new position which is the GS-12 range on the DCB locality schedule. $79,381 falls between step 5 and step 6, therefore the employee's new rate of basic pay will be GS-12 step 6, $81,394.

Remember, if the virtual rate **does not** fall on step (as in the example above), you will add the value of two steps using the within grade amount on the General Schedule to the virtual rate without regard to step.

Q45. A YA-2210-2 in Dayton, OH with an adjusted salary of $61,692 has been selected for a GS-2210-9 position in Dayton. The GS-2210-9 position is covered by SSR schedule 999-B. How is pay set?

A45. When an employee moves out of NSPS, the pay-setting rules of the gaining system apply, therefore it is necessary to establish a virtual GS grade and rate for the purpose of applying the GS pay-setting rules.

Current Position: YA-2210-2
Adjusted Salary: $61,692
New Position: GS-2210-9
Grades encompassed by pay band: GS-9 through 13 and includes only those grades that apply to the employee's NSPS permanent position of record

1) Compare the employee's NSPS adjusted salary to the highest applicable GS rate range to determine if the adjusted salary equals or exceeds step 4 of that rate range.

To determine the highest applicable rate range for each grade, compare the step 10 rates on 2008 SSR Table 999-B and the 2008-Dayton locality pay table.

Grade	Table	Step 10	Table	Step 10
9	999-B	$67,259	DAY	$59,663
11	999-B	$73,860	DAY	$72,145
12	n/a	n/a	DAY	$86,474
13	n/a	n/a	DAY	$102,832

Based on the comparison of the step 10 rates for both schedules from the above table, the highest applicable rate ranges as determined are illustrated in the table below.

Table	Grade	Step 4	Step 10
999-B	GS-9	$56,909	$67,259
999-B	GS-11	$62,496	$73,860
DAY	GS-12	$73,168	$86,474
DAY	GS-13	$87,009	$102,832

The employee's adjusted salary $61,692 does not exceed GS-13 step 4, nor does it meet or exceed GS-12 step 4 or GS-11 step 4, however it does meet or exceed GS-9 step 4.

2) GS virtual grade is set at GS-9.
3) Once the virtual GS grade has been established, a virtual GS rate will be set (before any pay related action that would take effect on the date of the employee's conversion or movement out of NSPS).
4) The employee's adjusted rate falls within the highest applicable GS rate range for the established virtual grade therefore $61,692 becomes the virtual rate.
5) If the virtual rate is an adjusted salary rate that includes a locality payment or special rate supplement, then the employee's virtual GS base salary rate will be derived based on that adjusted salary rate. Because the special rate supplement for GS-9 on table 999-B is 30%, the employee's virtual GS base salary rate is $47,455 ($61,692/1.30 = $47,455).
6) The established virtual grade and rate will be used in applying the GS pay administration rules in setting pay in the new GS position.

2008 General Schedule GS-9

1	2	3	4	5	6	7	8	9	10
39,795	**41,122**	**42,449**	**43,776**	**45,103**	**46,430**	**47,757**	**49,084**	**50,411**	**51,738**

2008 999-B – GS-9

1	2	3	4	5	6	7	8	9	10
51,734	**53,459**	**55,184**	**56,909**	**58,634**	**60,359**	**62,084**	**63,809**	**65,534**	**67,259**

The employee's new agency allows for the use of the maximum payable rate rule at 5 CFR 531.221. The employee's highest previous rate was earned in the YA-2210-2 position described above. To determine the employee's maximum payable rate, the virtual GS base rate of $47,455 is compared to the GS-9 base rate range. The HPR slots into GS-9 step 7 on the 2008 General Schedule. This becomes the maximum payable rate. Because the position is covered by table 999-B, we cross that step to GS-9 step 7, $62,084. The rate of basic pay for the new position is GS-9 step 7, $47,757.

Q46. A YC-2150-02 in Japan with an adjusted salary of $61,928 has been placed in a GS-1910-11 in RUS through the Priority Placement Program. How is pay set?

A46. When an employee moves out of NSPS, the pay-setting rules of the gaining system apply, therefore it is necessary to establish a virtual GS grade and rate for the purpose of applying the GS pay-setting rules

Current position: YC-2150-02, Japan
Adjusted salary: $61,928
New position: GS-1910-11, RUS
Grades encompassed by pay band YC-02: GS-12 through 14 and includes only those grades that apply to the employee's NSPS permanent position of record. Because the employee is overseas, the highest applicable GS rate range for the employee's NSPS official worksite is the General Schedule.

Table	Grade	Step 4	Step 10
GS	12	$63,481	$75,025
GS	13	$75,489	$89,217
GS	14	$89,202	$105,420

1) Compare the employee's NSPS adjusted salary to the highest applicable GS rate range to determine if the adjusted salary equals or exceeds step 4 of that rate range. The employee's adjusted salary of $61,928 does not exceed GS-14 step 4; nor does it meet or exceed GS-13 step 4 or GS-12 step 4.
2) Since the employee's salary of $61,928 is less than step 4 of the highest applicable rate range for the lowest GS grade encompassed in the assigned NSPS pay band, the employee's virtual grade is the lowest GS grade encompassed in the band.
3) GS virtual grade is GS-12.
4) Once the virtual GS grade has been established, a virtual GS rate will be set (before any pay related action that would take effect on the date of the employee's conversion or movement out of NSPS).
5) The employee's adjusted rate falls within the highest applicable GS rate for the established virtual grade. Therefore, $61,928 becomes the employee's virtual GS base salary rate.
6) The established virtual grade and rate will be used in applying the GS pay administration rules in setting pay for the new GS position.

Because the employee's virtual grade is GS-12 and the employee is being placed in the GS-11 position in RUS through the PPP, the pay retention rules will be used to set pay.

2008 Locality RUS GS-12

1	2	3	4	5	6	7	8	9	10
65,315	**67,493**	**69,670**	**71,848**	**74,025**	**76,203**	**78,381**	**80,558**	**82,736**	**84,913**

2008 Locality RUS GS-11

1	2	3	4	5	6	7	8	9	10
54,494	**56,310**	**58,127**	**59,944**	**61,760**	**63,577**	**65,393**	**67,210**	**69,026**	**70,843**

2008 General Schedule GS-11

1	2	3	4	5	6	7	8	9	10
48,148	**49,753**	**51,358**	**52,963**	**54,568**	**56,173**	**57,778**	**59,383**	**60,988**	**62,593**

Since the employee is moving to a new official worksite where different pay schedules apply, convert the employee's virtual GS rate to the new pay schedule by applying the geographic conversion rule. The RUS locality rate range is the highest applicable rate range for the virtual GS-12 position held before placement in the GS-11 position. To determine the converted payable rate of basic pay, multiply the GS virtual rate by the RUS locality percentage ($61,928 x 1.1318 = $70,090). This converted rate of $70,090 will be treated as the employee's existing payable rate of basic pay in applying the pay retention rules. (5 CFR 536.303(a))

If the employee's existing payable rate fits within the GS-11 RUS rate range, pay retention will end. (5 CFR 536.304(b)(1)) If the employee's rate exceeds the GS-11 RUS rate range, the employee is entitled to a retained rate equal to the employee's existing payable rate of basic pay. (5 CFR 536.304(b)(2))

The employee's existing payable rate of basic pay, $70,090, slots in at GS-11 step 10, $70,843. The employee's pay retention entitlement ends. His underlying GS rate is GS-11 step 10, $62,593.

Q47. An employee is being promoted from a WG-5 position located in Rest of the United States (RUS), with a rate of pay of $15.60 per hour, into a YA-1 position located in the (RUS). How is the employee's pay set?

A47. When an employee from a non-NSPS position is promoted to an NSPS position, the authorized management official must first apportion the employee's current salary to reflect a base salary and local market supplement or targeted local market supplement. After the apportionment of the employee's current salary, the authorized management official will then increase the employee's base salary rate by no less than 6% and no greater than 12% unless approved by an a higher level official. (5 CFR 9901.354)

The employee's current pay must first be annualized ($15.60 x 2087 = $32,557). Once the salary has been annualized, you must then break the salary into a base salary and RUS local market supplement ($32,557/1.1318 = $28,766). The employee's base salary

becomes $28,766 with a local market supplement of $3,791. An increase of 6% would produce a new base salary of $30,492 ($28,766 x 1.06) and a new local market supplement of $4,019 ($30,492 x 0.1318) for a new NSPS total adjusted salary of $34,511.

Q48. An employee is being promoted from an NF-2 located in RUS position with a rate of pay of $11.64 per hour, into a YA-1 position located in RUS. How is the employee's pay set?

A48. When an employee from a non-NSPS position is promoted to an NSPS position, the authorized management official must first apportion the employee's current salary to reflect a base salary and local market supplement or targeted local market supplement. After the apportionment of the employee's current salary, the authorized management official will then increase the employee's base salary rate by no less than 6% and no greater than 12% unless approved by an a higher level official. (5 CFR 9901.354)

The employee's current pay must first be annualized ($11.64 x 2087 = $24,293). Once the salary has been annualized, you must then break the salary into a base salary and RUS local market supplement ($24,293/1.1318 = $21,464). The employee's base salary becomes $21,464 with a local market supplement of $2,829. An increase of 6% would produce a new base salary of $22,752 ($21,464 x 1.06) which is below the minimum of the YA-1 pay band, therefore the employee's new base salary becomes the minimum rate $26,008 with a new local market supplement of $3,428 ($26,008 x 0.1318) for a new total adjusted salary of $29,436.

Q49. In Q48, 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)?

A49. NAF employees are Federal employees within the Department (reference title 5, U.S.C., Section 2105(c), and the DoD Civilian Personnel Manual, SC1401.2). 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.

Q50. Can a manager increase or decrease an employee's pay for a voluntary reduction in band?

A50. Yes, a manager may decrease an employee's pay or increase base salary up to 5 percent as the result of a voluntary reduction in band, subject to the 12-month limitation

of 5% on increases associated with voluntary reassignments and reductions in band. (5 CFR 9901.355(c)(2))

Q51. What NSPS pay increases would be considered equivalent increases in setting the last equivalent increase date under the provisions of 5 CFR 531.407?

A51. The following personnel actions that occur within NSPS are considered equivalent increases for the purpose of determining when an employee is eligible to receive a within-grade increase after movement from NSPS to a GS position:

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;
   - a special within-band increase under 5 CFR 9901.344;
   - a developmental pay increase under 5 CFR 9901.345;
   - a within-grade increase adjustment equivalent under 5 CFR 9901.351(c);
   - a reassignment increase under 5 CFR 9901.353(a), 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 9901.355(b) 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 9901.371(j) and SC1911.5.2. (i.e., a WGI adjustment).
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(g)(5) and SC1930.9.6., 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 SC1930.9.9.1., if there is a fixed schedule for receiving such an increase;
   - A zero pay adjustment (WGI adjustment) upon conversion to NSPS under 9901.371(d) 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 SC1911.5.3.

Q52. 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 adjustment 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 adjustment: 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?

A52. The employee's date of last equivalent increase is the WGI adjustment 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 adjustment 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. (5 CFR 9901.372(e) and 5 CFR Part 531, subpart D)

Q53. Do the biweekly and annual premium pay limitations change under NSPS?

A53. 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). (5 CFR 9901.362(a) and SC1930.12.)

Q54. Can there be exceptions to the annual limitation on premium pay?

A54. Yes. The Under Secretary of Defense for Personnel and Readiness or the Principal Deputy Under Secretary of Defense for Personnel and Readiness 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. (5 CFR 9901.362(a)(2) and SC1930.12.2.)