

SC550. SUBCHAPTER 550
PAY ADMINISTRATION (GENERAL)
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SC550. SUBCHAPTER 550

PAY ADMINISTRATION (GENERAL)

- References:
- (a) Chapter 55 and 63 of title 5, United States Code
 - (b) Title 5, Code of Federal Regulations, Part 550, "Pay Administration (General)"
 - (c) Deputy Assistant Secretary of Defense (Civilian Personnel Policy) memorandum, "Compensatory Time Off," June 3, 1997 (hereby canceled)
 - (d) Deputy Assistant Secretary of Defense (Civilian Personnel Policy) memorandum, "Limitation on Payment of Appropriated Fund Severance Payments to Certain Nonappropriated Fund (NAF) Positions," January 31, 1995 (hereby canceled)
 - (e) [DoD Directive 1400.25](#), "DoD Civilian Personnel Management System," November 25, 1996
 - (f) DoD 7000.14-R, "Department of Defense Financial Management Regulation," Volume 8, "Civilian Pay Policy and Procedures," January 1995
 - (g) Office of Personnel Management Operating Manual, "The Guide to Processing Personnel Actions," June 1994
 - (h) Title 29, Code of Federal Regulations, Part 1605, "Guidelines on Discrimination Because of Religion"

SC550.1. PURPOSE

SC550.1.1. Implements Department of Defense (DoD) policy for pay administration under 5 U.S.C. 5501-5597 and 5 CFR 550 (references (a) and (b)) for each employee, except those named in 5 CFR 550.101(b) and (c) (reference (b)). A physician, dentist, nurse, or any other DoD employee paid under delegated 38 U.S.C. authority is not covered by this Subchapter, but is covered by [Subchapters 540](#) through [543](#) of this Manual.

SC550.1.2. Cancels Deputy Assistant Secretary of Defense (Civilian Personnel Policy) (DASD(CPP)) memoranda of June 3, 1997 and January 31, 1995 (references (c) and (d)).

SC550.2. COVERAGE

This Subchapter applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Inspector General of the Department of Defense (IG, DoD), the Defense Agencies, and the DoD Field Activities.

SC550.3. POLICY

SC550.3.1. Premium Pay

SC550.3.1.1. Maximum Earnings Limitation. The "Head of Agency" authority under 5 CFR 550.106(a) (reference (b)) to determine the existence of an emergency, thus allowing employees to be paid under the annual versus biweekly maximum earnings limitation on premium pay, is delegated to officials who exercise personnel appointing authority (normally the Head of an installation or activity). These authorities are delegated through, and subject to the authority of, the Military Departments; the Chairman of the Joint Chiefs of Staff; the Combatant Commands; the IG, DoD; the Defense Agencies; and the Director, Administration and Management (DA&M). A copy of each determination must be forwarded immediately to the servicing payroll office and the Office of the Deputy Assistant Secretary of Defense (Civilian Personnel Policy).

SC550.3.1.2. Time Spent in Pre-shift or Post-shift Activities. The "Head of Department" authority under 5 CFR 550.112(b) (reference (b)) concerning pre-shift or post-shift activities is delegated to officials who exercise personnel appointing authority (normally the Head of an installation or activity). These authorities are delegated through, and subject to the authority of, the Military Departments; the Chairman of the Joint Chiefs of Staff; the Combatant Commands; the IG, DoD; the Defense Agencies; and the DA&M. These officials may further delegate authority in writing to appropriate levels.

SC550.3.1.3. Compensatory Time Off

SC550.3.1.3.1. The "Head of Agency" authorities under 5 CFR 550.114 (a) through (c) (reference (b)) concerning the granting of compensatory time off are delegated to officials who exercise personnel appointing authority (normally the Head of an installation or activity). These authorities are delegated through, and subject to the authority of, the Military Departments; the Chairman of the Joint Chiefs of Staff; the Combatant Commands; the IG, DoD; the Defense Agencies; and the DA&M. These

officials may further delegate authority in writing to appropriate levels consistent with the existing pay administration policy.

SC550.3.1.3.2. Compensatory time off earned must be used by the end of the 26th pay period after that in which it was earned. With the exception of National Guard Technicians who may not be paid overtime, compensatory time off not used during the established time period will be paid at the overtime rate at which it was earned, in accordance with reference (f). Employees with unused compensatory time earned before June 8, 1997, (January 5, 1997, for Defense Logistics Agency employees) have had a separate "old compensatory time" account established for their use. Old compensatory time will be charged only if the employee has insufficient current compensatory time (earned on or after June 8, 1997) to cover the compensatory time off requested, in accordance with reference (f). Within each category of compensatory time, the oldest will be charged first.

SC550.3.1.3.3. When a DoD employee separates or transfers to another Department or Defense Agency (e.g., from Army to Navy, from Navy to Defense Logistics Agency, or from Air Force to Department of Treasury), any unused compensatory time off balance shall be paid at the overtime rate at which it was earned, in accordance with reference (f). National Guard Technicians shall forfeit any unused compensatory time off when they separate or transfer to a different Department or Agency.

SC550.3.1.4. Premium Pay for Civilian Air Traffic Controllers (Reserved)

SC550.3.2. Advances in Pay. Section 550.203 of reference (b) permits the Head of an Agency to provide for the advance payment of basic pay to an employee who is newly appointed to a position in the Agency. The Department of Defense does not exercise this authority.

SC550.3.3. Allotments and Assignments from Federal Employees. Information concerning allotments and assignments from DoD civilian employees is contained in DoD financial management regulations, such as Volume 8, "Civilian Pay Policy and Procedures," DoD 7000.14-R (reference (f)).

SC550.3.4. Pay for More than One Position

SC550.3.4.1. Delegation. The authority under 5 CFR 550.504(a) (reference (b)), to make an exception to 5 U.S.C. 5533(a) (reference (a)) upon determining that required services cannot be readily obtained otherwise, is delegated to officials who

exercise personnel appointing authority (normally the Head of an installation or activity). This authority is delegated through, and subject to the authority of, the Military Departments; the Chairman of the Joint Chiefs of Staff; the Combatant Commands; the IG, DoD; the Defense Agencies; and the DA&M. These officials may further delegate authority to appropriate levels.

SC550.3.4.2. Record Keeping. Activities shall maintain records of exceptions that specify the position(s) to which each applies.

SC550.3.5. Severance Pay

SC550.3.5.1. Limitation on Payment of Appropriated Fund Severance Payments to Certain Employees Moving to Nonappropriated Fund (NAF) Positions.

SC550.3.5.1.1. 5 U.S.C. 5595 (reference (a)) prevents DoD appropriated fund employees from receiving severance pay upon movement, on or after January 1, 1987, to DoD nonappropriated fund (NAF) positions without a break in service of more than 3 days. If the employee is involuntarily separated from NAF employment, the original appropriated fund severance pay entitlement is reinstated. This is true unless the employee is entitled to immediate payment of retired or retainer pay as a member or former member of the Uniformed Services, or to an immediate annuity (including an annuity from a NAF instrumentality), or is being removed for cause on charges of misconduct, delinquency, or inefficiency.

SC550.3.5.1.2. Civilian personnel offices/human resources offices (CPOs/HROs) responsible for the authorization of appropriated fund severance pay should not initiate payment of severance pay when it is known that the employee will accept NAF employment without a break in service of more than 3 days. Gaining CPOs/HROs should notify the employee's former servicing office immediately when the employee is appointed to a NAF position without a break in service.

SC550.3.5.2. Authority to Pay Severance Pay in a Lump Sum. 5 U.S.C. 5595(i) (reference (a)) provides that the Secretary of Defense or the Secretary of the Military Department concerned may, upon application by an eligible employee, pay severance pay to the employee in a lump sum rather than on a biweekly basis. Subject authority is delegated to the DA&M and Directors of Defense Agencies with independent appointing authority.

SC550.3.6. Back Pay (Reserved)

SC550.3.7. Pay for Duty Involving Physical Hardship or Hazard. Requests to establish new rates or categories of hazard pay differential must comply with 5 CFR 550.903(b) and shall be submitted through Component Heads to the DASD(CPP).

SC550.3.8. Adjustment of Work Schedules for Religious Observances

SC550.3.8.1. Entitlement. Within the Department of Defense, employee entitlement and responsibility with respect to religious compensatory time off shall be determined by application of 5 CFR 550.1002 (reference (b)). The alternative methods of accommodating religious practices in 29 CFR, Part 1605 (reference (h)) also apply.

SC550.3.8.2. Supplementation. Any supplementation of this section must consider the obligation to balance religious accommodation with the Agency's ability to accomplish its mission, as set forth in references (b) and (h).

SC550.3.8.3. Payment. When a DoD employee separates or transfers to another DoD Component, any unused religious compensatory overtime shall be paid at the basic hourly rate in effect when the time was worked.

SC550.3.9. Collection by Offset from Indebted Government Employees. Information concerning the recovery of certain debts by offset from the current pay account of DoD civilian employees is contained in DoD financial management regulations, such as Volume 8, "Civilian Pay Policy and Procedures," DoD 7000.14-R (reference (f)).

SC550.3.10. Lump-Sum Payment for Restored Annual Leave. 5 U.S.C. 5551(c)(1) (reference (a)) requires lump-sum payment for annual leave restored under 5 U.S.C. 6304(d)(3) (reference (a)) for a DoD employee moving to a position in any Federal Agency or Department outside of the Department of Defense, or to any position within the Department of Defense not located at an installation being closed or realigned as described in 5 U.S.C. 6304(d)(3) (reference (a)).