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NSPS 2008 Payouts: Pay Increases Are Effective as of January 6th

NSPS continues to move forward in 2008. Spiral 1 organizations have recently implemented the end-of-year payouts, and this spring, some 57,000 employees are slated to enter the system.

For 2008, the President granted Federal employees a 3.5 percent Government-wide pay raise. Of this amount, 2.5 percent is an increase to base salary, and 1.0 percent is for locality pay/local market supplement adjustments.

On December 31, 2007, the Deputy Secretary of Defense announced that the 2008 pay raise will be allocated to NSPS employees by applying 60 percent of the base salary increase (or 1.5 percent) to pay band adjustments for employees who received a final rating of record of 2 or higher. The remaining 40 percent of the base salary increase (or 1.0 percent) will go to Element 2 of pay pools and be paid out as performance-based, base salary increases to employees who received a final rating of record of 3 or higher.

Local market supplement adjustments will be granted in the same manner and extent as General Schedule (GS) locality pay for employees who received a final rating of record of 2 or higher. Employees who did not receive a 2007 rating of record and who are ineligible for a performance payout, including those who may have entered NSPS in the fall of 2007, will receive the equivalent of the full January 2008 GS general pay increase.

The new 2008 NSPS pay schedules, effective January 6th, may be found on the NSPS Web site, <http://www.cpms.osd.mil/nsps/paytables.html>. These schedules

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FAS Has Been Asked

Q. An employee retired in October 2007. She had 16 years of maximum Social Security contributions for the time she spent in the private sector. Additionally, she had 21 years of maximum Social Security contributions under the Federal Employees Retirement System (FERS) when she moved to a Federal job.

In August the Social Security Administration (SSA) sent her a statement that she would receive a monthly Social Security Supplement of \$1,258 if she elected to start benefits at age 62.

However, in September the Office of Personnel Management (OPM) sent her a statement that showed her FERS So-

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Pay Pool Funding Consists of Three Elements

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reflect the following:

- A 1.5 percent increase to the pay band minimums;
- Except for pay bands applicable to physicians and dentists, a 2.5 percent increase to pay band maximums; and
- Updated standard local market supplement percentages that are based on the 2008 GS locality pay percentages.

(The maximum rate of physician and dentist pay bands will be adjusted only if the Department of Veterans Affairs adjusts its rates.)

In addition to the Government-wide pay increase, organizations set aside funding every year for performance payouts. Performance payouts are based on final ratings of record and may be paid out in the form of a base salary increase, bonus, or a combination of the two.

Under NSPS, employees receive pay increases from pay band adjustments, local market supplements, and performance payouts.

“Employees need to keep in mind that the yearly Government-wide pay increase is not the only means of achieving a salary increase,” said Mary Lacey, Program Executive Officer, NSPS.

“Element 1 and Element 3 of pay pool funding have money that is to be spent toward salaries and bonuses,” she noted. Mrs. Lacey was referring to the base salary funds historically spent on

within-grade increases, quality step increases, and promotions under GS (which no longer exist in NSPS) that make up Element 1 and performance-based bonus funds that are included in Element 3.

Although the 2008 pay pool results are still coming in, early analysis shows that performance ratings are right in line with what was anticipated:

- Approximately 60 percent of the workforce was rated as valued performers (level 3);
- Approximately 35 percent was rated as exceeding expectations (level 4); and
- Approximately five percent was rated as role models (level 5).

Mrs. Lacey commented that, “Very few employees are rated at the unacceptable (level 1) or fair (level 2), which is what we expect with our high performing workforce found at the Department.”

The 130,000 employees operating under NSPS will soon grow to over 185,000 as more organizations join during the next several months.

“We will see the greatest influx from the Navy (22,300-plus), Army (18,600-plus) and the Fourth Estate (15,800-plus),” Mrs. Lacey said. “The Air Force, which brought in a large group in Spiral 1.2, will see the smallest increase with just over 300 employees.”

More information and training can be found on the NSPS Web site, <http://www.cpms.osd.mil/nsps>.

-NSPS Program Executive Office

Constitution Day 2007

The Department of Defense (DoD) Component after-action reports are in! They indicate that the Department’s 2007 commemoration of Constitution Day and Citizenship Day was successful, educational, and creative.

This observance is mandated by a statute enacted in 2004. The law requires Federal agencies to educate and train employees about the Constitution annually on September 17th.

The highlight of the Department’s 2007 commemoration was a presentation at the Pentagon by the Archi-

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FAS Has Been Asked

(Continued from page 1)

cial Security Supplement (based on her taking the benefit at age 62) as \$828 per month, rather than the SSA amount of \$1,258. What caused the OPM and SSA amounts to differ?

A. The FERS Social Security Supplement is based on the Social Security years and contributions that the employee made as a FERS employee. In this case, the supplement is based on the 21 years she was a FERS employee.

It does not include her 16 years of private-sector contributions. Thus, when she turns 62, her FERS supplement will end, but her Social Security payment will be \$1,258 per month, instead of the FERS \$828 supplement.

-Benefits and Entitlements





Constitution Day 2007

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 vist of the United States (U.S.), Dr. Allen Weinstein. At the conclusion of his presentation, Dr. Weinstein answered questions and engaged in stimulating discussion about the Constitution with Dr. Diane Putney of the DoD Historian's Office.

Video and text of Dr. Weinstein's presentation are available, along with a wealth of other information, on the DoD Constitution Day and Citizenship Day Web site, <http://constitutionday.cpms.osd.mil/>.

Additionally, many Components created and implemented their own enriching commemorative activities. For example, one Defense agency held what they called an Inaugural Celebration, with a full program including a keynote speaker.

A Navy unit conducted its observance in front of the statue of a signer of the Declaration of Independence. The Air Force held two observances in mid-September — Constitution Day on September 17th, followed the next day by the 60th anniversary of the U.S. Air Force.

The Army used its extensive communications networks, purchased Constitution-related publications, and hosted luncheons with guest speakers to observe this historic day.

We anticipate that these special Component-based commemorations will expand in the coming years. It's not too early to start planning now for September 2008!

-Joint Leader Development



CPMS Family Member Gains Very Special Honor

Each year, the National Collegiate Athletic Association (NCAA) Honors Committee may present an Award of Valor. Because of the strict guidelines, they have done so only 11 times in the past 35 years.

This award is presented to a coach, administrator, or varsity letter-winner who, when confronted with a situation involving personal danger, averted or minimized potential disaster by courageous action or noteworthy bravery. For armed forces members, military authorities must recognize the action as above and beyond the call of duty.

After reading about Second Lieutenant (2LT) Emily Perez' selfless actions, the Committee presented this award to her posthumously at the 102nd NCAA Convention Honors Celebration.

On Sunday, January 13th, in Nashville, TN, parents Daniel and Vicki Perez accepted the award for their daughter. Daniel is Systems Operations Chief, CPMS Information Systems Division.

A gifted track and field student-athlete at West Point, Emily was an equally gifted leader. She was the first minority woman to be named Command Sergeant Major of the Corps of Cadets at West Point, in charge of enforcing discipline for more than 4,000 cadets.

Graduating in the top five percent of her class, in 2005 Emily was commissioned a 2LT in the Medical Services Corps and deployed to Iraq. She served as treatment platoon leader, battalion



The late Emily Perez, daughter of a CPMS employee, was honored for her valor.

public affairs officer, officer in charge of reconnaissance for her forward operating base, and convoy commander. As part of her duties, she visited the camps with which her unit was involved, a total of 10 locations throughout Iraq.

Universally beloved by fellow soldiers under her command, Emily was on a mission when an improvised explosive device detonated near her vehicle. She died on September 12, 2006, in Al Kifi.

Devastated, her unit recognized her in multiple ways. A street at Forward Operating Base Duke was named "Emily's Way," and the treatment facility at the base also has been named in her honor.

In 2006 her parents established the nonprofit Emily J. T. Perez Foundation to honor her life and legacy through mentoring and annual scholarship awards for girls and young women.

Thrift Investment Board Seeks to Limit TSP Interfund Transfers

The Federal Retirement Thrift Investment Board administers the Thrift Savings Plan (TSP). Recently, the Board published in the Federal Register an interim rule, effective January 7th, to prevent excessive interfund trading.

In a nutshell, here is what prompted the Board's action. Over time, it gradually became clear that a small number of TSP investors were engaging in excessively frequent trading.

This activity has led to substantially increased transaction costs. It also involves a greater risk of performance deviations from the TSP funds' benchmarks.

Frequent traders are estimated at about one percent of TSP participants. Unfortunately, however, that was enough to ratchet up costs for everyone invested in the I fund. The Board seeks to stop this excessive trading immediately.

To that end, it recently published an interim rule granting the TSP Executive Director authority to notify this small group of participants that they are driving up costs through their excessive trading, and to request that they cease their practices.

Otherwise, these participants will be required to request interfund transfers by postal mail only.

The changes are designed to protect the interests of all participants in response to the frequent interfund transfers in the F, C, S, I, and L funds made by a small number of TSP participants.

(The F fund is a fixed-income index; C, common stock index; S, small cap stock

index; I, international stock index; and L, lifecycle funds.)

Further, upon continued review and discussion with organizations representing Federal and Postal employees, as well as the Uniformed Services, the Board will



The Board seeks to dial back rising costs.

probably amend its regulations to permit two interfund transfers (account rebalancings) per month, with subsequent, unlimited interfund transfers into the G fund. This matter will be addressed in a separate Federal Register notice.

Restricting the number of interfund transfers a participant may make each month is consistent with nature of TSP. Fundamentally, TSP is a retirement savings and investment plan.

As such, participants need to make TSP investment choices with a long-term objective based on their individual time horizons.

According to information on the TSP Web site, these restrictions would have no impact on the investment activity of 99 percent of TSP participants. (This projection was made in light of their current behavior.) The restrictions will be announced in the annual TSP partici-

pant statement mailing, which is scheduled for February. They are anticipated to take effect during April.

Before the TSP moved to the daily valued record-keeping system, participants were limited to 12 interfund transfers a year, one per month.

When daily valuation was introduced, it was acknowledged that some participants might trade more frequently. At that point, however, a decision was made not to limit the interfund transfers unless problems developed.

In the past two years – particularly in the past six months – the adverse effects of frequent trading became more pronounced. Because the Federal Retirement Thrift Investment Board has a fiduciary responsibility to all of its participants to keep costs low, the decision was made to put restrictions in place.

The Board believes this policy, when compared to others adopted in the private sector, provides the desired level of investment flexibility, administrative simplicity, and control.

The financial industry has responded in various ways to the challenge of frequent trading. Most large mutual fund families have adopted trading restrictions or implemented a fee structure.

Restrictions in place for many mutual funds were reviewed. On that basis, the Board determined that allowing two TSP interfund transfers per month, with subsequent interfund transfers only to the G fund, was reasonable and prudent.

-Benefits and Entitlements





CPMS Welcomes Two New STAR Program Participants

A one-week orientation began on January 7th in the Washington, DC, area for two new Student Training and Academic Recruitment (STAR) program students.

Miguel Aviles comes to CPMS from the University of Puerto Rico (UPR), Mayaguez; and Jenna Hase, from Michigan Technological University (MTU.)

Miguel and Jenna were recruited to replace Nydia Roman-Albertorio (UPR, Mayaguez) and Robert Frankovich (MTU), who recently completed the first session of the program. After graduation, they accepted permanent positions within the Department.

CPMS launched the STAR program in October 2006 to market and promote the Department as an “employer of choice” on college campuses. Students are hired under the Student Educational Employment Program authorities to serve as DoD on-campus “ambassadors.”

STAR students work part-time for the Department and develop a customized marketing and recruiting plan for their respective college or university. They also coordinate and conduct group presentations and on-campus visits by DoD recruiters and Senior Executives.

Miguel studies business administration (Human Resources (HR) major, marketing minor). An honor student, he is UPR Vice President of the Society for HR



(Center) CPMS Deputy Director Sharon Stewart and Director Brad Bunn welcome Miguel Aviles and Jenna Hase to the STAR program.

Management, Puerto Rico Chapter for Students. Additionally, he co-founded a nonprofit organization focused on building the self-esteem of persons with depression.

Jenna also studies business administration and intends to obtain a degree in HR management. She is an honor student and is active on campus as a business statistics tutor, captain of the MTU girls’ snowboard team, and member of the MTU Ski/Snowboard Club.

During orientation week, the students met with several senior leaders and received a DoD overview. They attended the January meeting of the DoD Recruitment Consortium, where members gave briefings on organizations’ mission and types of vacancies.

This helped Miguel and Jenna understand the variety of DoD mission-critical occupations for which they will be marketing and recruiting. They also partici-

pated in DoD tours and briefings at the Pentagon, the Navy Yard, and several military installations in Virginia.

Miguel and Jenna are excited about the STAR program. They are highly motivated to share information about DoD career and other opportunities at their respective campuses.

The 2008 STAR students graduate in May 2009. Both are interested in pursuing a DoD career.

-Recruitment Assistance



Soon: DMDC Surveys

The Defense Manpower Data Center (DMDC) will soon begin data collection on three surveys of DoD civilian employees. In February, DMDC will begin administering the *2008 Status of Forces Survey of DoD Civilian Employees*.

This survey provides policy makers with in-depth information to create better policies and programs for DoD civilian employees.

This year, the survey will include topics such as overall satisfaction, quality of work life, workplace conditions, performance management, personnel services, compensation, and NSPS.

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 <p>CPMS Personnel-ity Profile</p> <p>RESULTS DRIVEN</p>	<p>EXECUTIVE SUMMARY</p>
<p>BUSINESS ACUMEN</p>	

Name and Position: Rhonda Diaz; Executive, HR-BITS

Quote: “As co-inventor of COBOL, a programming language that enables computers to respond to words rather than numbers, IT pioneer Rear Admiral (RADM) Grace Murray Hopper revolutionized the industry. She is said to have coined the term ‘bug’ in 1945 when she traced an error to a moth stuck in a relay. We still refer to ‘debugging’ a program.

“One of the first women admirals, RADM Hopper is also remembered for her saying, ‘It’s easier to ask forgiveness than it is to get permission.’ She meant this as encouraging others to take the initiative ‘for the good of the ships at sea,’ and she told this anecdote to make her point.

“Some years ago, when a junior officer was assigned to a ship that the Navy thought was too small to have a computer, he brought his own aboard to do the record-keeping. This proved to be a vast improvement over the old, manual process. When the young officer was transferred, the captain had to buy his subordinate’s computer, as the ship could not run without it anymore. That young man showed initiative!”

DMDC Will Administer Surveys During February

Survey Methods Protect Privacy and Security

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Employees selected for the survey will be contacted through either postal mail or e-mail.

DMDC will also administer two *QuickCompass* polls in February. *QuickCompass* polls provide fast answers to a small number of questions. Employees selected for the *QuickCompass* polls will be contacted through e-mail only.

In early February, the *QuickCompass of the Military Health System* will be administered to both prescribing and non-prescribing staff to assess provision of care to beneficiaries and aspects of the staff’s working environment.

In late February, the *QuickCompass of DoD Civilian Employees* will be administered to a wider sample of Federal employees to assess general quality-of-work-life issues.

DMDC provides a way for selected participants to determine the authenticity of the survey and to hear a list of all other surveys currently being conducted by calling an official telephone line, which is available 24 hours a day, seven days a week.

If you have Defense switched network (DSN) access, call DSN 426-7427 for a current list of all officially licensed DMDC surveys. If you do not have DSN access, call 1-703-696-7427 for the same list of DMDC surveys.

If you need any help with your survey, you can contact the Survey Processing Center, toll-free, at 1-

800-881-5307. The Center’s staff will be happy to assist you.

DMDC uses state-of-the-art methods to protect confidentiality, privacy, and security. DMDC surveys comply with all DoD regulations, including those on the protection of human subjects and adherence to ethical standards in DoD-supported research.

Any DoD civilian employee who participates in DMDC surveys will have their privacy safeguarded in accordance with the Privacy Act of 1974.

Only group statistics are reported. No individual data about you or any other specific people will be reported.

After DMDC surveys have been reviewed by the Under Secretary of Defense for Personnel and Readiness, briefings and reports based on the survey findings will be posted for use within the Department on the DMDC Web site at <http://www.dmdc.osd.mil/surveys/>.

-HR Business, Information, and Technology Solutions (HR-BITS)



CPMS Employment

CPMS vacancies are posted on USAJOBS. To access CPMS employment opportunities for status and non-status applicants, go to the CPMS Web site, www.cpms.osd.mil, and scroll down to the vacancy list on the right-hand side.