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INTELLIGENCE

MEMORANDUM FOR ASSISTANT DEPUTY OF CHIEF OF STAFF, G-2, DEPARTMENT OF THE ARMY
CHIEF OF NAVAL OPERATIONS N2/N6
DIRECTOR OF INTELLIGENCE, SURVEILLANCE AND RECONNAISSANCE PLANS AND RESOURCES, HEADQUARTERS, U.S. AIR FORCE
ASSISTANT DIRECTOR OF INTELLIGENCE FOR SUPPORT, U.S. MARINE CORPS
DEPUTY DIRECTOR FOR HUMAN CAPITAL, DEFENSE INTELLIGENCE AGENCY
DIRECTOR, OFFICE OF STRATEGIC HUMAN CAPITAL, NATIONAL RECONNAISSANCE OFFICE
DIRECTOR, HUMAN CAPITAL MANAGEMENT OFFICE DEFENSE SECURITY SERVICE
CHIEF OF STAFF, OFFICE OF THE UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE

SUBJECT: Setting Pay for Defense Intelligence Employees in Occupations Covered by Federal Special Salary Rates or Other Pay Authorities

References: (a) DCIPS Transition Guidance: Transition to DCIPS Grades, March 2011
(b) DoDI 1400.25-V2006, March 03, 2012, DoD Civilian Personnel Management System: Defense Civilian Intelligence Personnel System (DCIPS) Compensation Administration

On August 25, 2011, the Defense Intelligence Human Resources Board (DIHRB) decided that Components of the Defense Intelligence Enterprise transitioning to the DCIPS graded pay structure would do so without utilizing the Office of Personnel Management's (OPM) special salary rates. The intent was not to render those Components unable to offer salaries that are competitive with OPM rates, but rather was to encourage the use of title 10 flexibilities to offer salaries that are competitive. These flexibilities permit the use of the entire pay range both within the grade and within the work level.

During the course of transition preparation, some components have discovered that local servicing personnel offices have been offering, and in some cases hiring, scarce-skill employees at rates below those offered under title 5 special rate schedules available to covered agencies and components. DCIPS guidance, both under the original banded structure and the INTERIM graded structure, intended that Defense Intelligence components use their pay-setting flexibility to offer salaries at least equivalent to those being offered by other federal organizations hiring similarly qualified employees. Therefore, components transitioning to grades have an exception

to reference (a) to adjust employee pay upon transition to a salary that is equivalent to that provided by OPM special rates applicable to the employee's position on the date of transition. In certain cases, this may result in setting pay above the step 10 rate of the applicable grade.

Components also are granted an exception from reference (b) to offer competitive salaries when hiring candidates from other federal organizations into DCIPS positions for occupations covered under an OPM special salary schedule or when hiring candidates from organizations that have the authority to pay higher than the DCIPS step 10 rate, and the candidate's salary is already over the DCIPS step 10 rate. This may also result in setting pay above the step 10 rate of the applicable grade.

Furthermore, components are granted an exception from pay-setting rules contained in reference (b) to provide salary increases upon promotion to approximate the minimum OPM special salary rate applicable to the employee's position on the date of the promotion. This may result in a salary increase greater than two steps in cases where the standard "2-step" promotion rule is insufficient to achieve the minimum special rate. In no case may any of these flexibilities be used to set pay higher than the statutory limit on basic pay which is the level IV rate of the Executive Schedule.

Components also should incorporate into their future hiring guidelines procedures for offering competitive salaries when hiring into positions for which special rates are authorized by OPM. Guidance should, in general, specify that Defense Intelligence component hiring offers be at least comparable to those available to agencies hiring under the OPM special schedules. As required by reference (b), all hiring guidelines require coordination of the Under Secretary of Defense for Intelligence for equity and oversight purposes. My point of contact for this matter is Mr. Gary Cunningham at (703) 602-8602 or gary.cunningham@osd.mil.

Timothy J. Clayton
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