

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DEPARTMENTAL PERSONNEL MANUAL SYSTEM

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SUBJECT: Senior Level Pay System

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The Office of Personnel Management (OPM) has issued final regulations (57 Fed. Reg. 10121, March 24, 1992, to be codified at 5 CFR 534) to implement provisions of the Federal Employees Pay Comparability Act of 1990, which established a pay system for Senior Level positions. Attached is a copy of the Department's final directive on its Senior Level pay system.

If you have questions concerning the policy please call Jan Karicher of my staff on 366-9450.



Director of Personnel

Attachment

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CHAPTER 1

INTRODUCTION

DEPARTMENTAL SENIOR LEVEL PAY SYSTEM

SECTION 1 - PURPOSE

This directive establishes the Department of Transportation (DOT) policy on compensating employees occupying Senior Level and Scientific and Professional positions. It implements provisions of the Federal Employees Pay Comparability Act of 1990 (FEPCA), and the governing regulations contained in Part 534 of Title 5, Code of Federal Regulations. These positions are primarily positions that do not meet the functional criteria for inclusion in the Senior Executive Service; e.g., managerial or supervisory responsibilities.

SECTION 2 - AUTHORITY TO SET PAY

The authority to set and adjust pay rates in accordance with the provisions of this directive is held by the Office of the Secretary of Transportation, unless delegated by this directive.

CHAPTER 2

PROCEDURES

SECTION 1 - COVERAGE

1. The provisions of this directive apply to:
 - a. Senior-level (SL) positions classified above GS-15, in accordance with 5 U.S.C. 5108; and
 - b. Scientific and professional (ST) positions established under 5 U.S.C. 3104.
2. The provisions of this directive do not apply to:
 - a. Senior Executive Service (SES) positions; and
 - b. Positions for which the pay is set administratively (AD).

SECTION 2 - PAY FOR SENIOR LEVEL POSITIONS

1. Pay Levels. There are ten pay levels within the Senior Level pay system, each using the designator SL or ST and numbered 1 through 10. The minimum rate of basic pay for an SL or ST position is equal to 120 percent of the GS-15 step 1 rate of basic pay, and the average increment between levels is approximately 4.0 percent.
2. Maximum Pay Level. Generally, the maximum pay for an employee covered by the Senior Level pay system is that of SL/ST-8, the rate payable for Level V of the Executive Schedule. However, pay may be set at the SL/ST-9 or 10 level with the approval of the Deputy Secretary. A recommendation to set pay above the SL/ST-8 level must be endorsed in writing by the Departmental Officer or Head of the Operating Administration and forwarded to the Office of the Secretary, Executive Resources Division (M-12). The recommendation must contain the following information:
 - a. The employee's name, position title, and current salary;
 - b. The proposed SL or ST level and pay rate;
 - c. Justification for setting pay above the SL/ST-8 level; and
 - d. The date of the employee's last pay adjustment.

3. Progression within the Senior Level System.

- a. Authority to adjust pay. Any adjustment in the rate of basic pay of an SL or ST employee is at the discretion of Department Officers and Heads of Operating Administrations.
- b. Advancement. An employee covered by the Senior Level pay system may be advanced (promoted) to a higher level within the system only one time during any continuous 12-month period. Beginning on the date of advancement, the employee will be required to complete a 12-month waiting period before further advancement may occur.
- c. Advancement Considerations. Advancement within the Senior Level pay system shall be based on factors such as:
 - (1) changes in position content;
 - (2) performance; and
 - (3) increased professional stature.

4. Effecting a Pay Advancement. Departmental Officers and Heads of Operating Administrations have the authority to advance an SL or ST employee's pay in one or two level increments through the SL/ST-8 level. An SL or ST employee's pay may be advanced more than two levels with the approval of the Deputy Secretary. A recommendation to advance an SL/ST employee more than two levels at one time must be endorsed in writing by the Departmental Officer or Head of the Operating Administration and forwarded to the Office of the Secretary, Executive Resources Division (M-12). The recommendation must contain the following information:

- a. The employee's name, position title, and current salary;
- b. The proposed SL or ST level and pay rate; and
- c. Justification for advancing the employee more than two pay levels.

5. Comparability adjustment. At the time of the annual General Schedule comparability adjustment, a decision will be made by the Office of the Secretary as to the amount of an annual comparability adjustment in the rates payable under the Senior Level pay system.

CHAPTER 3

PAY UNDER THE SENIOR LEVEL SYSTEM

SECTION 1 - BASIC PAY-SETTING PROCEDURES

1. New Appointment.

- a. General. As part of the normal approval process, pay rates for new appointees to the Senior Level system will be approved by the Deputy Secretary. Generally, when an individual is newly appointed to a position under the Senior Level pay system, his/her pay will be set at a rate no higher than that for SL/ST-3.
- b. Exception. In some instances it may be appropriate to appoint an individual at a rate above that of SL/ST-3. The following factors must be considered when determining whether to set pay above the SL/ST-3 level:
 - (1) The individual's salary immediately prior to appointment, and whether acceptance of the position will result in a reduction in pay;
 - (2) Whether the individual's qualifications are superior to those normally expected of a well qualified candidate;
 - (3) The importance of the position; and
 - (4) Alignment with other positions and incumbents with comparable responsibilities and qualifications.

In order to set pay above the SL/ST-3 level, a request providing the reasons for such action must be submitted to the Office of the Secretary, Executive Resources Division (M-12), and should accompany the request to appoint the applicant.

2. Transfer.

- a. General. When an employee transfers to a position under the DOT Senior Level pay system from a Senior Level pay system in another agency, his/her pay should be set at the nearest rate of the Senior Level system that equals or exceeds his/her rate of basic pay immediately before the transfer.

b. Exceptions. The following situations are exceptions to the pay setting provisions contained in paragraph 2a of this section:

- (1) When an employee has not received a pay increase other than the annual comparability increase during the preceding 12 months, pay may be set up to two levels above the nearest rate within the DOT Senior Level pay system that equals or exceeds his/her former rate of pay; or
- (2) When a determination is made that an employee coming from another Federal agency has received more than the annual comparability adjustment during the proceeding 12 months, possesses qualifications superior to those normally expected of a well qualified candidate, and that his/her qualifications are of significant importance to the position, pay may be set one level above the nearest level within the DOT Senior level pay system that equals or exceeds his/her former rate of pay.

3. Promotion.

- a. From a General Schedule or Performance Management and Recognition System position. When an employee is promoted into the Senior Level pay system from a GS or PMRS position, the employee's pay shall be set at the nearest SL or ST rate that equals or exceeds his/her former rate of basic pay by 6 percent. Such an increase is considered a Senior Level pay advancement, and a new waiting period must begin on the date of the promotion.
- b. Within the Senior Level pay system. Except as provided in Chapter 2, Section 2, paragraph 4 of this directive, when an employee is promoted (advanced) within the Senior Level pay system, his/her pay may be set no more than two levels above the level held immediately prior to the promotion.
- c. From other pay systems. When an employee is promoted into the Senior Level pay system from a pay system other than the GS or PMRS, pay will be set at the nearest SL or ST rate that equals or exceeds the employee's rate of basic pay immediately before the move by 4.0 percent.

SECTION 2 - PAY RATES UNDER THE SENIOR LEVEL PAY SYSTEM

Pay rates under the Senior Level system will be adjusted annually by the Office of the Secretary, and the new rates will be effective at the time of the annual General Schedule comparability increase.

APPENDIX A

DEFINITIONS

For purposes of this directive:

"Department" means the Department of Transportation or any of its administrations.

"Newly appointed" means appointed for the first time in the Federal Government regardless of tenure, or reinstatement to the Federal service after a break in service of at least one year.

"Pay advancement" is synonymous with "promotion" and means movement within the Senior Level pay system from one level within the system to a higher level within the system; movement into the Senior Level pay system from a General Schedule or Performance Management and Recognition System position that results in a minimum 6 percent increase in pay; or movement into the Senior Level pay system from a pay system other than a GS or PMRS position that results in a minimum pay increase of 4.0 percent.

"Senior Level position" means any senior level (designator SL) or scientific and professional (designator ST) position classified above the GS-15 level.

"SL/ST advancement" means movement from one level of the Senior Level pay system to a higher level of the system. An employee may receive only one SL/ST advancement during any continuous 12-month period.

"Waiting period" means the minimum time required (12 months) to become eligible for advancement within the Senior Level pay system. A new waiting period begins whenever an SL/ST employee receives an increase in pay in excess of the greater of the General Schedule or the Executive Schedule annual comparability increase.