

Dated: August 5, 2003

PERSONNEL BULLETIN NO. 03-13 (920)

Subject: Pay Rate Determinations and Adjustments for Members of the Senior Executive Service

1. Purpose. This bulletin revises the policy contained in 370 DM 920, 6.3 regarding the pay rate determinations and adjustments for members of the Senior Executive Service (SES). The provisions of this Bulletin are effective immediately, and will be incorporated into 370 DM 920.

2. Authority. The Department's Executive Resources Board (ERB) approves the initial establishment of, and any subsequent adjustments to, the pay rates for members of the SES.

3. Policy. It is the policy of the Department to compensate senior executives in accordance with organizational responsibility and demonstrated performance as documented by the Senior Executive Performance Management System (see 370 DM 430, Subpart C). The compensation and awards systems of the Department will be used to provide recognition and reward for senior executives who demonstrate high levels of achievement. Compensation, awards, and other benefits will be accorded to senior executives in a fair, objective, and impartial manner on the basis of individual and organizational effectiveness as determined by an annual assessment of performance elements and measures.

4. Coverage. The provisions of this bulletin apply to all members of the SES, whether they serve under Career, Noncareer, Limited Emergency, or Limited Term appointments.

5. Establishing the Initial ES Pay Rate.

a. The pay rate for an employee entering the SES for the first time shall be set at the lowest scheduled ES rate that, with locality adjustment, represents an increase above the individual's previous level of compensation. For initial appointment of a current Federal employee to the SES, the ES rate will be established to reflect, as a maximum, the two-step promotion rule, with the stipulation that no pay rate above ES-4 should be recommended for initial appointment to the SES.

b. On re-entry into the SES, an employee may receive the equivalent of his or her highest previous ES rate, provided that the rate does not exceed ES-4.

6. Adjustments to ES Pay Rates. Adjustments to an SES member's pay rate may be made only once in any 12-month period.

7. Pay Rate Increases.

a. Recommendations for ES pay rate increases are processed in conjunction with the annual SES performance appraisal program. ES pay rate increases may be approved annually for executives with a performance appraisal rating of Fully Successful. Recommendations for an ES pay rate increase must be made by the appropriate Assistant Secretary or equivalent official, and must be accompanied by a completed performance appraisal and justification for the increase.

b. An SES member may not be recommended for a pay rate increase in conjunction with the annual SES performance appraisal program unless he or she is eligible for a pay increase within three (3) months of the close of the annual performance appraisal period.

c. Requests for ERB approval of ES pay rate increases outside of the annual SES performance appraisal cycle may be submitted only for meritorious reasons, such as reassignment to a new SES position with greater scope or responsibilities, extraordinary accomplishments related to mission and strategic goals, or other exceptional reasons that warrant out of cycle consideration.

d. ES pay rate increases usually are limited to no more than one rate increase at a time. Pay rate increases of two or more rates may be made to recognize exceptional, extraordinary accomplishments or unique circumstances.

e. Pay rates above ES-4 are usually limited to executives with significantly broader responsibilities (e.g., Bureau or Equivalent Office Director, Bureau Deputy Director, Deputy Assistant Secretary, Assistant to the Secretary), or to executives demonstrating exceptional performance and extraordinary accomplishments. The ES-6 pay rate is usually reserved for Bureau Directors, Principal Deputy Assistant Secretaries, and equivalent assignments.

8. Pay Rate Decreases.

a. Pay rate decreases, not to exceed one rate, may be made annually for executives who receive a performance appraisal rating of Minimally Satisfactory or Unsatisfactory. Recommendations for an ES pay rate decrease must be made by the appropriate Assistant Secretary or equivalent official, and must be accompanied by a completed performance appraisal and justification for the decrease.

b. The pay rate of an executive shall not be decreased because of reassignment to another SES position if the executive has a current performance appraisal rating of Fully Successful.

-Signed By-

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