



**NSPS**

*National Security Personnel System*



# *National Security Personnel System*

*Opening Doors for Defense  
Transformation*

November 2003



## **NSPS Overview**

- Provides flexibility to manage DoD civilians according to DoD mission
- Preserves civil service principles and veterans' preference – in law
- Respects collective bargaining – in law
- Implements several DoD flexibilities captured in DoD Best Practices Initiative



## Need for Change

- ❖ Demands an agile system for an agile adversary
- ❖ Provides a key pillar in the Secretary's transformation initiative
- ❖ Allows civilians to contribute as a more integrated part of the total force
- ❖ Addresses high projected losses and keen competition
- ❖ Overcomes inflexible title 5 system
- ❖ Implements tested DoD best practices
- ❖ Streamlines competing pay plans and personnel systems in the Department



## **NSPS and DoD Best Practices Initiative**

- ⊗ NSPS is the broad legislative vehicle
- ⊗ Best Practices are the specific policies and procedures for staffing, pay, and performance management
  - ⊞ Chartered by USD(P&R) in 2002
  - ⊞ Includes OSD/Components, executives/staff, HR/functional in development
  - ⊞ Identifies civilian best practices from HR demos and alternative HR systems inside and outside of DoD



## **How NSPS Will Be Built**

- ❖ Coordination with the Office of Personnel Management
- ❖ Collaboration with employee representatives
- ❖ Minimum 90-day period of discussion, mediation, and notification to Congress of differences



## When NSPS Will Be Implemented

- ⊕ Beginning this fiscal year, over at least two years
- ⊕ Within sixty days of enactment (expected in early December), discussions with employee representatives begin on new labor relations system
- ⊕ Phased implementation
  - ⊕ Initial NSPS implementation may include up to 300K employees in any organizational or functional unit
  - ⊕ Full implementation authorized once performance management system and training in place
  - ⊕ Ten defense laboratories (specified in law) excluded from NSPS until October 1, 2008



## Things NSPS Can Change

- Staffing (hiring, assignment, advancement, removal reduction in force)
- Job classification, pay (including certain premium pay), and performance management (includes General Accounting Office recommended criteria)
- Labor management relations
- Discipline, adverse actions, and appeals



## Things NSPS Cannot Change

- ⊕ Merit system principles (including veterans' preference provisions)
- ⊕ Rules against prohibited personnel practices (political favoritism, nepotism)
- ⊕ Anti-discrimination laws
- ⊕ Leave and attendance; travel and subsistence
- ⊕ Pay for political executives, firefighters
- ⊕ Training
- ⊕ Health insurance and retirement benefits
- ⊕ Safety and drug abuse programs





## **New Labor Relations System**

- ⊕ Developed in collaboration with employee representatives
- ⊕ Based on collaborative, issue-based approach to labor relations
- ⊕ Provides for third party review of disputes
- ⊕ Sunsets in six years (unless extended in law)



## **New Employee Appeals Process**

- Based on:
  - Due process for all employees
  - Standards and procedures consistent with merit system principles
  - Consultation with Merit System Protection Board (MSPB) in system development
- Right to appeal to full MSPB for employees removed, suspended for more than 14 days, furloughed for more than 30 days, reduced in pay (and not in probationary period)
- Provisional for seven years; becomes permanent unless Congress acts otherwise



## Other DoD Flexibilities

- ❖ Permanent authority for voluntary separation incentive pay and voluntary early retirement
- ❖ Elimination of pay offset for reemployed annuitants
- ❖ Special pay for up to 2,500 highly qualified experts hired for five year appointments (can be extended an additional year)
- ❖ Alignment of DoD and other agency overseas pay and benefits for employees engaged in hazardous activities or specialized functions



## Status And Next Steps

- ⊕ Bill signed by President November 24, 2003
- ⊕ OSD to begin coordination with stakeholders
- ⊕ Implementation planned over two-year period