

March 14, 2005

Program Executive Office
National Security Personnel System
ATTN: Bradley B. Bunn
1400 Key Boulevard, Suite B-200
Arlington, VA 22209-5144

Gentlemen:

Thank you for considering public views about the proposed National Security Personnel System (NSPS) in the Department of Defense (DoD).

The rationale for pay banding in the NSPS seems to be slightly flawed.

Some proponents of the NSPS support pay banding and argue that the General Schedule (GS) pay plan rewards people for longevity without regard to merit. A point was made to that effect on the NSPS web site. Yet, GS "step increases" can be withheld from an employee whose performance is not satisfactory.

Even so, why would longevity pay for military officers be good while longevity pay for their GS civilian counterparts would not be desirable?

It's true that our valiant military personnel deservedly receive combat pay, flight pay, sea pay, or other premium pay when they are in harm's way; but, military personnel in a given grade also receive their base pay commensurate with their cumulative years of service. Look at officer grade O-6 on a military pay chart. The pay jumps up every two years with the years of cumulative service. Many civilian office workers in DoD perform duties that are virtually identical to the work performed by military officers in the same offices.

Wouldn't the NSPS set a bad precedent that could lead to eliminating the military's longevity pay?

Does our great Department of Defense deeply discount the expertise of dedicated, long-serving civilians? What happened to the "people are our most important asset" philosophy?

I understand that, in some organizations, pay banded employees "negotiate" their salaries within a range and then are given performance rewards from a pool of withheld funds. If two people are doing the same amount and quality of work, but receive different sustaining salaries, then what's equitable about that?

Then there is the matter of the time value of money and pay. Making "merit" payments once a year to make up for what amounts to deliberate underpayments

throughout the year denies the good employees earned interest income and capital gains income from privately administered savings accounts, money markets, bonds, stocks, and other investments. Their justly earned pay can't work for them until they have it. Withholding the pay denies them its use to pay bills and for other purposes throughout the year.

Employees in the GS pay plan receive standard amounts of pay and may receive incentives when funds are available – e.g., cash awards – or, in some cases, quality step increases (QSI) for exceptional performance. After the tenth step in a given pay grade, a GS employee may work for many more years with no further step increase (unless they are promoted to a higher grade).

In the long run, the pay of employees in a given pay band will probably regress to a mean. The costs of administering pay-banding will probably outweigh any perceived or conjectured cost saving. So-called “demonstration projects” may show that pay banding can be done (e.g., administered), but they might not be capable of objectively showing that pay banding is really better than the General Schedule. The sample set is altered by the conditions of the experiment, as in the uncertainty principle, so success can be claimed but it cannot be absolutely verified.

If pay banding fails for some of the same reasons that the old GM “merit pay” pay plan was abandoned, then DoD can use the experience to justify outsourcing more Civil Service jobs to contractors.

Including “National Security” in the title of the proposed system has the appearance of a mere sleight-of-hand gimmick for pushing pay banding past its many critics.

Doesn't the Department already have beneficial and well-proven security methods to clear people? Aren't personnel security standards rigorously implemented? If so, then I can't imagine how the NSPS would really add an additional measure of security, but it certainly would involve administrative costs.

The stated rationale for pay banding in the NSPS is an insult in return for all of the hard work and dedication of Civil Service employees over the years.

Keep the General Schedule. It isn't really broken, so don't try to fix it.

Copy to be furnished to:
American Federation of Government Employees

PROPOSED BASIC PAY—EFFECTIVE JANUARY 1, 2005^{1/}

Cumulative Years of Service

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 26
O-10 ^{2/}	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,963.00	13,026.60	13,297.50	13,769.40
O-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,337.90	11,501.10	11,737.20	12,149.10
O-8	8,022.30	8,285.10	8,459.40	8,508.30	8,725.50	9,089.40	9,173.70	9,519.00	9,618.00	9,915.30	10,345.50	10,742.40	11,007.60	11,007.60	11,007.60
O-7	6,666.00	6,975.60	7,119.00	7,233.00	7,439.10	7,642.50	7,878.30	8,113.50	8,349.00	9,089.40	9,714.60	9,714.60	9,714.60	9,714.60	9,763.80
O-6	4,940.70	5,427.90	5,784.00	5,784.00	5,805.90	6,054.90	6,087.90	6,087.90	6,433.80	7,045.50	7,404.60	7,763.40	7,967.70	8,174.10	8,575.50
O-5	4,118.70	4,639.80	4,961.10	5,021.40	5,221.50	5,341.80	5,605.50	5,799.00	6,048.60	6,431.10	6,613.20	6,793.20	6,997.50	6,997.50	6,997.50
O-4	3,553.80	4,113.90	4,388.40	4,449.60	4,704.30	4,977.60	5,317.50	5,582.70	5,766.60	5,872.20	5,933.70	5,933.70	5,933.70	5,933.70	5,933.70
O-3	3,124.50	3,542.10	3,823.20	4,168.20	4,367.70	4,586.70	4,728.60	4,962.00	5,083.20	5,083.20	5,083.20	5,083.20	5,083.20	5,083.20	5,083.20
O-2	2,699.40	3,074.70	3,541.20	3,660.90	3,736.20	3,736.20	3,736.20	3,736.20	3,736.20	3,736.20	3,736.20	3,736.20	3,736.20	3,736.20	3,736.20
O-1	2,343.60	2,439.00	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10
O-3E ^{3/}	0.00	0.00	0.00	4,168.20	4,367.70	4,586.70	4,728.60	4,962.00	5,158.50	5,271.00	5,424.60	5,424.60	5,424.60	5,424.60	5,424.60
O-2E ^{3/}	0.00	0.00	0.00	3,660.90	3,736.20	3,855.30	4,055.70	4,211.10	4,326.60	4,326.60	4,326.60	4,326.60	4,326.60	4,326.60	4,326.60
O-1E ^{3/}	0.00	0.00	0.00	2,948.10	3,148.80	3,264.90	3,383.70	3,500.70	3,660.90	3,660.90	3,660.90	3,660.90	3,660.90	3,660.90	3,660.90
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,548.20	5,738.40	5,929.20	6,121.20
W-4	3,228.60	3,473.40	3,573.30	3,671.40	3,840.30	4,007.10	4,176.30	4,341.00	4,511.70	4,779.00	4,950.00	5,117.40	5,290.80	5,461.80	5,636.40
W-3	2,948.40	3,071.70	3,197.40	3,238.80	3,371.10	3,522.30	3,721.80	3,918.90	4,128.30	4,285.50	4,442.10	4,509.30	4,578.90	4,730.10	4,881.30
W-2	2,593.50	2,741.70	2,871.30	2,965.50	3,046.20	3,268.20	3,438.00	3,564.00	3,687.00	3,771.30	3,842.40	3,977.40	4,111.50	4,247.40	4,247.40
W-1	2,290.20	2,477.70	2,603.10	2,684.40	2,900.40	3,030.90	3,146.40	3,275.40	3,360.90	3,438.30	3,564.30	3,659.70	3,659.70	3,659.70	3,659.70
E-9 ^{4/}	0.00	0.00	0.00	0.00	0.00	0.00	3,901.20	3,989.70	4,101.00	4,232.40	4,364.10	4,575.90	4,755.00	4,943.70	5,231.70
E-8	0.00	0.00	0.00	0.00	0.00	3,193.50	3,334.80	3,422.10	3,527.10	3,640.50	3,845.40	3,949.20	4,125.90	4,224.00	4,465.20
E-7	2,220.00	2,423.10	2,515.80	2,638.80	2,734.50	2,899.50	2,992.20	3,084.60	3,249.60	3,332.40	3,410.70	3,458.70	3,620.40	3,725.10	3,990.00
E-6	1,920.30	2,112.60	2,205.90	2,296.50	2,391.00	2,604.30	2,687.10	2,779.20	2,859.90	2,888.70	2,908.20	2,908.20	2,908.20	2,908.20	2,908.20
E-5	1,759.50	1,877.10	1,967.70	2,060.70	2,205.30	2,329.80	2,421.60	2,450.70	2,450.70	2,450.70	2,450.70	2,450.70	2,450.70	2,450.70	2,450.70
E-4	1,612.80	1,695.60	1,787.10	1,877.70	1,957.80	NOTES: 1. While serving as JCS/Vice JCS, CNO, CMC, Army/Air Force CS, commander of a unified or specified combatant command, basic pay is \$15,146.40 (See note 2). 2. Basic pay for an O-7 to O-10 is limited by Level III of the Executive Schedule which is \$12,433.20. Basic pay for O-6 and below is limited by Level V of the Executive Schedule which is \$10,950.00. 3. Applicable to O-1 to O-3 with at least 4 years & 1 day of active duty or more than 1460 points as a warrant and/or enlisted member. See DoDFMR for more detailed explanation on who is eligible for this special basic pay rate. 4. For the MCPO of the Navy, CMSgt of the AF, Sergeant Major of the Army or Marine Corps, basic pay is \$6,304.20. Combat Zone Tax Exclusion for O-1 and above is based on this basic pay rate plus HFPADP which is \$225.00.									
E-3	1,456.20	1,547.70	1,641.00	1,641.00	1,641.00										
E-2	1,384.50	1,384.50	1,384.50	1,384.50	1,384.50										
E-1	1,235.10	1,235.10	1,235.10	1,235.10	1,235.10										
E-1 4 mos +	1,235.10	1,235.10	1,235.10	1,235.10	1,235.10										
E-1 4 mos	1,142.70														

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INCENTIVE AND SPECIAL PAYS

Aviation Career Incentive Pay

Years of Aviation Service

2 or less	Over 2	Over 3	Over 4	Over 6	Over 14	Over 22	Over 23	Over 24	Over 25
125.00	156.00	188.00	206.00	650.00	840.00	585.00	495.00	385.00	250.00

Hazardous Duty Incentive Pay (Crew Member- Non-AWAC)

Pay Grade	Amount	Pay Grade	Amount	Pay Grade	Amount	Pay Grade	Amount	Pay Grade	Amount
O-10	150.00	O-5	250.00	W-5	250.00	E-9	240.00	E-4	165.00
O-9	150.00	O-4	225.00	W-4	250.00	E-8	240.00	E-3	150.00
O-8	150.00	O-3	175.00	W-3	175.00	E-7	240.00	E-2	150.00
O-7	150.00	O-2	150.00	W-2	150.00	E-6	215.00	E-1	150.00
O-6	250.00	O-1	150.00	W-1	150.00	E-5	190.00		

Hazardous Duty Incentive Pay (Non-Crew Member)

ALL GRADES – 150.00

Imminent Danger Pay/Hostile Fire Pay

ALL GRADES – 225.00

Diving Pay

Officers – 240.00 (Max) Enlisted – 340.00 (Max)

HDIP (Parachute, Flight Deck, Demolition, & Others)

All Grades – 150.00 (Member qualified for HALO pay 225.00).

COMBAT ZONE TAX EXCLUSION

Basic pay for the MCPO of the Navy, CMSgt of the AF, Sergeant Major of the Army or Marine Corps, basic pay is \$6,304.20. Combat Zone Tax Exclusion for O-1 and above is based on this basic pay rate plus HFP/IDP (\$225).

*For other pays or specific requirements for the pays cited in this table, go to the web at:
<http://www.dtic.mil/comptroller/fmr/07a/index.html>*

Submarine Duty Incentive Pay (Effective October 1, 2004)

Cumulative Years of Service

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 14	Over 16	Over 18	Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8
O-6	595.00									835.00	E-9	425.00					
O-5	595.00							790.00	835.00		E-8	415.00					
O-4	365.00			525.00	595.00	705.00		790.00			E-7	405.00					
O-3	355.00			510.00	595.00	705.00					E-6	155.00	170.00	175.00	300.00	325.00	375.00
O-2	305.00						425.00				E-5	140.00	155.00		250.00	275.00	
O-1	230.00						425.00				E-4	80.00	95.00	100.00	245.00		
W-5	285.00	375.00	425.00								E-3	80.00	90.00	95.00		90.00	
W-4	285.00	375.00	425.00								E-2	75.00	90.00				
W-3	305.00							425.00			E-1	75.00					
W-2	230.00							425.00									
W-1	285.00	375.00	425.00														

Submarine Duty Incentive Pay for O-7 through O-10 is \$35

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MONTHLY CAREER SEA PAY—EFFECTIVE OCTOBER 1, 2002 (ALL OFFICERS)(note)

Cumulative Years of Sea Duty (note)

Pay Grade	1 or less	Over 1	Over 2	Over 3	Over 4	Over 5	Over 6	Over 7	Over 8	Over 9	Over 10	Over 11	Over 12	Over 13	Over 14	Over 16	Over 18	Over 20
O-6A				225.00	230.00		240.00	255.00	265.00	280.00	290.00	300.00	310.00		325.00	340.00	355.00	380.00
O-6N	100.00			315.00	320.00		335.00	360.00	370.00	395.00	405.00	420.00	435.00		455.00	475.00	500.00	535.00
O-6AF				225.00	230.00		240.00	255.00	265.00	280.00	290.00	300.00	310.00		325.00	340.00	355.00	380.00
O-5A				225.00				230.00	245.00	250.00	260.00	265.00			285.00	300.00	315.00	340.00
O-5N	100.00			315.00				320.00	345.00	350.00	365.00	370.00			400.00	420.00	440.00	475.00
O-5AF				225.00							260.00	265.00			285.00	300.00	315.00	340.00
O-4A				185.00	190.00	200.00	205.00	215.00	220.00		225.00		240.00		270.00	280.00	290.00	300.00
O-4N	100.00			260.00	265.00	280.00	285.00	300.00	310.00		315.00		335.00		380.00	395.00	405.00	420.00
O-4AF				185.00	190.00	200.00	205.00				225.00		240.00		270.00	280.00	290.00	300.00
O-3A				150.00	160.00	185.00	190.00	195.00	205.00	215.00	225.00		240.00		260.00	270.00	280.00	290.00
O-3N	100.00			210.00	225.00	260.00	265.00	275.00	285.00	300.00	315.00		335.00		365.00	380.00	395.00	405.00
O-3AF				150.00	160.00	185.00	190.00	195.00	205.00	215.00	225.00		240.00		260.00	270.00	280.00	290.00
O-2A				150.00	160.00	185.00	190.00	195.00	205.00	215.00	225.00		240.00		250.00	260.00	270.00	280.00
O-2N	100.00			210.00	225.00	260.00	265.00	275.00	285.00	300.00	315.00		335.00		350.00	365.00	380.00	395.00
O-2AF				150.00	160.00	185.00	190.00	195.00	205.00	215.00	225.00		240.00		250.00	260.00	270.00	280.00
O-1A				150.00	160.00	185.00	190.00	195.00	205.00	215.00	225.00		240.00		250.00	260.00	270.00	280.00
O-1N	100.00			210.00	225.00	260.00	265.00	275.00	285.00	300.00	315.00		335.00		350.00	365.00	380.00	395.00
O-1AF				150.00	160.00	185.00	190.00	195.00	205.00	215.00	225.00		240.00		250.00	260.00	270.00	280.00
W-5A	210.00			310.00	338.00	506.00	534.00				590.00	625.00	660.00		730.00			
W-5N	210.00				240.00	405.00	435.00				490.00	525.00	560.00		630.00		700.00	
W-4A	210.00			310.00	338.00	506.00	534.00				590.00	625.00	660.00		730.00			
W-4N	210.00				240.00	405.00	435.00				490.00	525.00	560.00		630.00		700.00	
W-3A	210.00			310.00	338.00	478.00	492.00	499.00	506.00	534.00	590.00	625.00	660.00		695.00			
W-3N	210.00				240.00	380.00	395.00	400.00	405.00	435.00	490.00	525.00	560.00		595.00		630.00	
W-2A	210.00			310.00	338.00	464.00	471.00		478.00	534.00	576.00		625.00					
W-2N	210.00				240.00	365.00	370.00		380.00	435.00	475.00		525.00		560.00			
W-1A	182.00	189.00	196.00	310.00	338.00	345.00	380.00	450.00	478.00	520.00	555.00							
W-1N	180.00	190.00	195.00	210.00	240.00	245.00	280.00	350.00	380.00	420.00	455.00		475.00		505.00	525.00		

NOTE: N after the pay grade denotes Navy and Marine Corps rates effective October 1, 2001.

A after the pay grade denotes Army rates effective October 1, 2002.

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PROPOSED DRILL PAY (Effective January 1, 2005)

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 26
O-7	6,666.00	6,975.60	7,119.00	7,233.00	7,439.10	7,642.50	7,878.30	8,113.50	8,349.00	9,089.40	9,714.60	9,714.60	9,714.60	9,714.60	9,763.80
1 Drill	222.20	232.52	237.30	241.10	247.97	254.75	262.61	270.45	278.30	302.98	323.82	323.82	323.82	323.82	325.46
4 Drills	888.80	930.08	949.20	964.40	991.88	1019.00	1050.44	1081.80	1113.20	1211.92	1295.28	1295.28	1295.28	1295.28	1301.84
O-6	4,940.70	5,427.90	5,784.00	5,784.00	5,805.90	6,054.90	6,087.90	6,087.90	6,433.80	7,045.50	7,404.60	7,763.40	7,967.70	8,174.10	8,575.50
1 Drill	164.69	180.93	192.80	192.80	193.53	201.83	202.93	202.93	214.46	234.85	246.82	258.78	265.59	272.47	285.85
4 Drills	658.76	723.72	771.20	771.20	774.12	807.32	811.72	811.72	857.84	939.40	987.28	1035.12	1062.36	1089.88	1143.40
O-5	4,118.70	4,639.80	4,961.10	5,021.40	5,221.50	5,341.80	5,605.50	5,799.00	6,048.60	6,431.10	6,613.20	6,793.20	6,997.50	6,997.50	6,997.50
1 Drill	137.29	154.66	165.37	167.38	174.05	178.06	186.85	193.30	201.62	214.37	220.44	226.44	233.25	233.25	233.25
4 Drills	549.16	618.64	661.48	669.52	696.20	712.24	747.40	773.20	806.48	857.48	881.76	905.76	933.00	933.00	933.00
O-4	3,553.80	4,113.90	4,388.40	4,449.60	4,704.30	4,977.60	5,317.50	5,582.70	5,766.60	5,872.20	5,933.70	5,933.70	5,933.70	5,933.70	5,933.70
1 Drill	118.46	137.13	146.28	148.32	156.81	165.92	177.25	186.09	192.22	195.74	197.79	197.79	197.79	197.79	197.79
4 Drills	473.84	548.52	585.12	593.28	627.24	663.68	709.00	744.36	768.88	782.96	791.16	791.16	791.16	791.16	791.16
O-3	3,124.50	3,542.10	3,823.20	4,168.20	4,367.70	4,586.70	4,728.60	4,962.00	5,083.20	5,083.20	5,083.20	5,083.20	5,083.20	5,083.20	5,083.20
1 Drill	104.15	118.07	127.44	138.94	145.59	152.89	157.62	165.40	169.44	169.44	169.44	169.44	169.44	169.44	169.44
4 Drills	416.60	472.28	509.76	555.76	582.36	611.56	630.48	661.60	677.76	677.76	677.76	677.76	677.76	677.76	677.76
O-2	2,699.40	3,074.70	3,541.20	3,660.90	3,736.20	3,736.20	3,736.20	3,736.20	3,736.20	3,736.20	3,736.20	3,736.20	3,736.20	3,736.20	3,736.20
1 Drill	89.98	102.49	118.04	122.03	124.54	124.54	124.54	124.54	124.54	124.54	124.54	124.54	124.54	124.54	124.54
4 Drills	359.92	409.96	472.16	488.12	498.16	498.16	498.16	498.16	498.16	498.16	498.16	498.16	498.16	498.16	498.16
O-1	2,343.60	2,439.00	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10	2,948.10
1 Drill	78.12	81.30	98.27	98.27	98.27	98.27	98.27	98.27	98.27	98.27	98.27	98.27	98.27	98.27	98.27
4 Drills	312.48	325.20	393.08	393.08	393.08	393.08	393.08	393.08	393.08	393.08	393.08	393.08	393.08	393.08	393.08
O-3E				4,168.20	4,367.70	4,586.70	4,728.60	4,962.00	5,158.50	5,271.00	5,424.60				
1 Drill				138.94	145.59	152.89	157.62	165.40	171.95	175.70	180.82				
4 Drills				555.76	582.36	611.56	630.48	661.60	687.80	702.80	723.28				
O-2E				3,660.90	3,736.20	3,855.30	4,055.70	4,211.10	4,326.60	4,326.60	4,326.60				
1 Drill				122.03	124.54	128.51	135.19	140.37	144.22	144.22	144.22				
4 Drills				488.12	498.16	514.04	540.76	561.48	576.88	576.88	576.88				
O-1E				2,948.10	3,148.80	3,264.90	3,383.70	3,500.70	3,660.90	3,660.90	3,660.90				
1 Drill				98.27	104.96	108.83	112.79	116.69	122.03	122.03	122.03				
4 Drills				393.08	419.84	435.32	451.16	466.76	488.12	488.12	488.12				

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