
Pay and Leave Administration Division

OFFICE OF COMPENSATION ADMINISTRATION

We are at the forefront of Government initiatives to develop and implement pay and leave policies in support of recruiting and retaining a diverse, high-quality, results-oriented workforce. We develop Governmentwide policy and provide guidance on issues such as pay and leave administration, work scheduling, overtime and other premium pay entitlements, special salary rates, recruitment and retention payments, student loan repayments, and much more.

Administering pay and leave policies

What's Available? Our Web page at www.opm.gov/oca includes numerous guides on Federal pay and leave policies and programs, including:

- The year 2002 pay tables for the General Schedule, the Senior Executive Service, the Executive Schedule, and more than 400 special rate authorizations
- Fact sheets on:
 - pay administration
 - annual pay adjustments
 - overtime and other premium pay entitlements
 - work scheduling
 - holidays
 - recruitment and relocation bonuses
 - retention allowances
 - student loan repayment program
 - annual and sick leave
 - family and medical leave
 - leave transfer and leave bank programs
 - military leave
 - special salary rates
- Frequently-asked questions and answers on pay and leave policies
- Guidance on scheduling work and granting time off to permit Federal employees to participate in volunteer activities
- Handbook on Alternative Work Schedules

Pay and Leave Administration Division

OFFICE OF COMPENSATION ADMINISTRATION

- Guidance on excused absence for employees affected by a major disaster or emergency
- Calculator to compute interest on back pay awards
- Guidance on student loan repayments

We present sessions on pay and leave administration at Governmentwide conferences, including the annual Symposium on Employee and Labor Relations, the Federal Dispute Resolution Conference, Public Administration Forum seminars and forums, and the Federal Benefits Conference.

What Have We Been Doing?

We issued new fact sheets and questions and answers on:

- promotions
- maximum payable rate rule
- within-grade increases
- special salary rates
- student loan repayments
- new biweekly and annual premium pay caps

We approved special salary rates for a number of positions, including air traffic controllers in the Department of Defense and patent professionals in the Patent and Trademark Office.

We issued a report to Congress in November 2001 on the recruitment and retention potential of paid parental leave in the Federal Government.

We developed regulations to administer various pay, leave, and premium pay policies, including:

- Regulations implementing the new premium pay limitations for Federal employees;
- Regulations permitting agencies to pay administratively uncontrollable overtime pay to an employee during a temporary assignment that is directly related to a national emergency;
- Regulations simplifying procedures for restoration of annual leave to employees deemed essential for the current national emergency;

Pay and Leave Administration Division

OFFICE OF COMPENSATION ADMINISTRATION

- Regulations on setting pay for employees of temporary organizations and the new pay system for administrative appeals judges; and
- Regulations on computing pay for firefighters.

We issued guidance on pay and leave issues related to the September 11 terrorist attacks, including information on the treatment of employees directly affected by the attacks, dealing with the anthrax threat, and the rights and entitlements of Federal employees who were called to active military duty.

We issued a memorandum on recent legislative actions that resulted in several changes in pay and leave policies.

In March 2002, we issued a report to Congress on agencies' participation in the student loan repayment program.

In June 2002, we issued a report to Congress on the physicians' comparability allowance program.

In June 2002, we renewed the title 38 delegation agreements to permit certain agencies to use title 38 human resources flexibilities to recruit and retain employees in health care positions.

What's Happening Now?

We are actively assisting in efforts to analyze and establish human resources policy requirements for the proposed Department of Homeland Security.

We are preparing a plain language rewrite of parts 530, 531, 537, 536, 537, 550, 551, 575, 591, 610, and 630 of title 5, Code of Federal Regulations, dealing with pay administration, premium pay, hours of work, and leave administration. The proposed regulations are being rewritten and, in some instances, reordered to enhance reader understanding. We are also clarifying and simplifying various regulatory provisions to assist agencies in administering Federal pay and leave programs and policies.

We are assisting the Office of Payroll Policies and Systems Integration in developing standardized, Governmentwide payroll policies and procedures.

We are reviewing the superior qualifications appointment authority to develop enhanced regulations and guidance.

Pay and Leave Administration Division
OFFICE OF COMPENSATION ADMINISTRATION

We are continuing work on reaching settlement of the special rates lawsuit that involves back pay for more than 100,000 Federal employees.

We are coordinating a Governmentwide study on the need to establish special rates to improve the recruitment and retention of Federal police officers.

Salary and Wage Systems Division

OFFICE OF COMPENSATION ADMINISTRATION

We maintain the pay-setting mechanisms for the General Schedule, provide timely information and staff support for the President's Pay Agent and the Federal Salary Council, and administer the Governmentwide systems for setting Federal pay. Working in cooperation with the Federal Prevailing Rate Advisory Committee, we develop and maintain pay-setting and pay administration policies for the Federal Wage System. We also administer the nonforeign area cost-of-living allowance program. We provide information and assistance to congressional staff, representatives of foreign governments, and the public on the Federal Government's compensation systems.

**Setting and
adjusting salary
schedules**

What's Available? Our Web page at www.opm.gov/oca includes the following:

- General Schedule pay tables
- General Schedule locality pay area definitions
- The Executive order authorizing pay adjustments for Federal employees
- The Federal Salary Council's recommendations for General Schedule locality pay for 2003
- The President's Pay Agent report to the President on General Schedule locality pay for 2003
- General facts about the Federal Wage System
- The OPM Operating Manual, Federal Wage System
- A link to the Department of Defense Web site where Federal Wage System wage schedules are maintained
- Frequently-asked questions and answers on Federal Wage System pay administration
- Information on cost-of-living allowance (COLA) rates and survey methodology

Salary and Wage Systems Division

OFFICE OF COMPENSATION ADMINISTRATION

What Have We Been Doing?

We issued the General Schedule pay tables for 2002.

We provided staff support to the Federal Salary Council to assist in administering locality pay for General Schedule employees.

We published new regulations to implement changes in the COLA program required by a court settlement and conducted the first surveys under these regulations in Puerto Rico and the Virgin Islands.

We worked with the Federal Prevailing Rate Advisory Committee to study and update the geographic boundaries of Federal Wage System wage areas and to make changes in environmental differential pay regulations.

We provided guidance to Federal agencies on implementing a statutory limitation on Federal Wage System pay adjustments for fiscal year 2002.

In February 2002, we issued a report to Congress on pay for Bureau of Prisons Federal Wage System employees.

In March 2002, we issued a report to Congress on the cost of administering the Federal Wage System.

What's Happening Now?

We are providing technical assistance to decisionmakers as they make recommendations to the President on annual pay adjustments for 2003 and 2004.

We are working with Office of Management and Budget and Bureau of Labor Statistics staff to implement improvements in the survey methodology for the General Schedule locality pay program.

We are preparing a plain language rewrite of part 532 of title 5, Code of Federal Regulations, dealing with wage survey methodology and pay administration for the Federal Wage System.

We will work with agency and employee representatives to conduct COLA surveys in Alaska in 2003.

Classification Programs Division

OFFICE OF PERFORMANCE AND COMPENSATION SYSTEMS DESIGN

We maintain and simplify the Federal Government's position classification system by reducing the number of job evaluation guides, developing job family standards, and providing electronic access to classification information through Internet and CD-ROM technology. We work with stakeholders to develop and maintain position classification and job grading standards that reflect current terminology and methods. We identify and meet emerging needs such as guidance for classifying particular kinds of work. We conduct workshops and focus groups, and participate in conferences and meetings with interest group representatives to better communicate with our customers and stakeholders.

**Establishing
the relative
worth of jobs**

What's Available? Our Web page at www.opm.gov/fedclass offers a variety of informative and useful publications and guidelines, including:

- All official position classification and job grading standards and guides
- New draft standards issued for comment
- Introduction to the Position Classification Standards
- Introduction to the Federal Wage System Job Grading System
- Handbook of Occupational Groups and Families
- Classifier's Handbook
- Digest of Significant Classification Decisions and Opinions
- Employee Fact Sheet on Position Classification Appeals

We present briefings on our plans, studies, and findings to Federal agencies, councils, taskforces, professional associations, and other stakeholders.

We issue updated classification documents on the CD-ROM called the Classification, Compensation, and Performance Reference Library (formerly known as HRCd, the Human Resources Compact Disk).

We provide classification advisories to agencies regarding the correct classification of positions and the proper interpretation of classification concepts or guides.

Classification Programs Division

OFFICE OF PERFORMANCE AND COMPENSATION SYSTEMS DESIGN

We periodically offer workshops and briefings on basic and advanced classification and position management issues.

What Have We Been Doing?

We developed and circulated four draft standards/guides for agency review and comment.

We issued two final job family position classification standards and two series flysheets for agency implementation. The new standards and flysheets cover:

- Assistance Work in the Legal and Kindred Group, GS-0900
- Technical Work in the Physical Sciences Group, GS-1300
- General Legal and Kindred Administration Series, GS-0901
- Clerk of Court Series, GS-0945

We responded to several agency classification advisory requests.

We arranged for and facilitated numerous focus groups in developing and validating draft job family standards.

We worked with two interagency work groups to:

- Develop a cross-walk between existing occupational series and the Standard Occupational Classification (SOC) framework. The cross-walk identifies full performance and supervisory SOC codes for all General Schedule and Federal Wage System series codes.
- Examine the hazardous material and emergency medical work in the GS-081 Fire Protection and Prevention Series.

We deleted 32 Federal Wage System occupational series and several General Schedule occupational series to simplify and modernize the Federal classification system.

Classification Programs Division

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We developed broad occupational grade-leveling guides that the Bureau of Labor Statistics will use in surveying non-Federal jobs for Federal pay setting purposes.

What's Happening Now?

We are conducting 15 position classification studies, including studies for 11 job family standards covering more than 140 occupational series, 3 Federal Wage System occupations, and 1 functional guide.

We are using focus groups, in addition to traditional interviews, to expedite occupational factfinding.

We are continuing our streamlined approach to testing draft classification standards and guides to make better use of limited agency resources.

We are continuing to coordinate our classification standards development studies with the work conducted by OPM's Employment Service to revise qualification standards.

We are planning to initiate several new classification studies, including:

- Professional and Administrative Work in the Business and Industry Group, GS-1100
- One-Grade Interval Work in the Information Technology Group, GS-2200

We are rewriting and consolidating the *Introduction to the Position Classification Standards* and the *Classifier's Handbook*.

Performance Management and Incentive Awards Division

OFFICE OF PERFORMANCE AND COMPENSATION SYSTEMS DESIGN

We promote the effective use of employee performance management to help agencies achieve organizational success. We develop policies and provide guidance on good human capital management practices using all the processes of performance management, i.e., planning, monitoring, developing, rating, and rewarding.

Providing leadership and guidance in employee performance management

What's Available? Our Web page, the Performance Management Technical Assistance Center, at www.opm.gov/perform, offers a variety of informative and useful publications and guidelines including:

- Articles from current and past issues of our *Workforce Performance* newsletter
- Publications from our Performance Management Practitioner Series:
 - A Handbook for Measuring Employee Performance: Aligning Employee Performance Plans with Organizational Goals
 - 360 Degree Assessment: An Overview
 - Evaluating Performance Appraisal Programs: An Overview
 - Performance Appraisal for Teams
 - Pass/Fail Assessment: An Overview
 - Improving Customer Service Through Effective Performance Management
- Policy guidance on appraisal and awards, including a comprehensive index to relevant regulations
- Memoranda containing announcements and instructions related to agency administration of performance management and awards programs
- Frequently-asked questions and answers on performance management, appraisal, and awards
- Information on how to order Retirement and Career Service Certificates or subscriptions to the *Workforce Performance* newsletter through the Government Printing Office Rider System.

Performance Management and Incentive Awards Division

OFFICE OF PERFORMANCE AND COMPENSATION SYSTEMS DESIGN

- An electronic awards calendar that lists information about different awards Federal employees might be eligible to receive that are outside normal internal agency awards programs.

We continue to publish *Workforce Performance*, our periodic newsletter. Articles cover a variety of topics related to employee performance management such as:

- valuing employee performance
- using performance management competencies
- performance-oriented pay
- keys to effective group incentive awards programs

We periodically offer interactive, 1-day workshops in Washington, DC, and around the country. We advertise them on our Web page and provide them on a reimbursable basis. We can also conduct the workshops for individual agencies. Currently, available workshops include:

- Basic Performance Management
- Measuring Employee Performance
- Understanding Awards
- Balanced Measures for Managers
- Developing a Performance Culture

We provide briefings for agencies, conferences, and stakeholder groups on a wide variety of topics related to performance management.

What Have We Been Doing?

The Performance Management Clearinghouse accepts submissions and includes information about performance management programs, processes, and practices that have worked well for a variety of Federal agencies. The Clearinghouse provides a wealth of performance management-related information. Go to our Web page at www.opm.gov/perform to access clearinghouse information and find out how you can contribute to and retrieve information from this automated information-sharing source.

We are developing guidance on how to write performance plans for managers using the balanced measures of organizational results, customer satisfaction, and employee perceptions of the workplace.

Performance Management and Incentive Awards Division
OFFICE OF PERFORMANCE AND COMPENSATION SYSTEMS DESIGN

**What's
Happening Now?**

We continually review and analyze feedback received from our Customer Satisfaction Survey in search of ways to enhance the usefulness of our Performance Management Technical Assistance Center.

We are developing a series of memoranda that will be assigned numbers and communicate official OPM performance management policy.

We are revising our performance management regulations to be more user-friendly.

We are actively assisting efforts to analyze and establish human resources policy requirements for the proposed Department of Homeland Security.

We support the President's Management Agenda initiatives by participating in briefings and workshops regarding OPM's Human Capital Scorecard.

We continue to showcase successes in employee performance management through the OPM Director's PILLAR Award. PILLAR stands for **P**erformance, **I**ncentives, and **L**eadership **L**inked to **A**chieve **R**esults.

Under the Strategic Compensation Initiative, our goal is to create a flexible, competitive, and performance-oriented compensation environment that supports a citizen-centered, results-oriented, and market-based Government and that uses strategic rewards effectively to recruit, manage, and retain the human capital Federal agencies require to meet current and future challenges. We are working to structure Federal compensation systems in ways that will help each agency meet its strategic goals.

**Envisioning
the future**

What's Available? OPM's White Paper, *A Fresh Start for Federal Pay: The Case for Modernization*, contains insights on the Federal Government's compensations system, its origins, how it upholds the merit system principles, and its operation in current labor markets and as an important component of the Government's performance culture. This paper is the result of extensive research and stakeholder discussions through OPM's Strategic Compensation Initiative. The paper is available through our Web page.

Our Web page at www.opm.gov/strategiccomp offers an overview of our Strategic Compensation Initiative and a timeline describing the evolution of Federal white-collar compensation systems.

We use our Web page to keep you informed about issues, our research, and the progress of the Strategic Compensation Initiative.

We are available to do briefings at agency conferences, staff meetings, and other venues where we can inform you about our current activities and about issues and challenges we see emerging on the compensation horizon.

We are available to conduct focus groups to explore your agency's views on compensation issues and to determine which elements of the current compensation structure are most useful or could be improved to help you recruit, manage, and retain a talented workforce.

What Have We Been Doing?

As a principal feature of the Strategic Compensation Initiative, we convened workgroups of stakeholder representatives and OPM staff to assess possible improvements in Federal compensation practices. Each workgroup focuses on one of seven compensation components:

- Pay structure-setting and adjustment
- Job/work evaluation
- Variable pay

- Performance management
- Pay progression strategies
- Premium/special pay
- Paid time off (leave)

OPM staff provided history, background, and research information to the workgroups. Each workgroup shared observations about new compensation practices that might fit with principles of Federal employment and be useful within the Federal compensation environment.

Stakeholders contributed to a set of draft goals and principles for compensation system design.

To help stakeholders examine and gauge the usefulness of new compensation tools, we researched and built an extensive database of compensation practices outside of the title 5 system. We have looked at practices in non-title 5 Federal agencies, in the private sector, in State and local governments, and in foreign governments.

What's Happening Now?

In support of the President's Management Agenda, we are working closely with OPM leadership to provide the Federal Government with a modern compensation system that is performance-oriented, market-sensitive, and used to assist Federal agencies to meet their strategic HR goals.

Our strategies include:

- Developing options and recommendations for compensation reform based on feedback from OPM's White Paper on modernizing pay systems
- Focusing reform efforts on performance-oriented pay and results-driven performance systems
- Monitoring and providing support for the development of reform proposals forwarded to the President and Congress
- Developing and testing compensation solutions to address unique situations and needs such as the creation of the Department of Homeland Security
- Monitoring current and emerging compensation issues, trends, and stakeholder interests

Office of Payroll Policy and Systems Integration

The Office of Personnel Management (OPM) is leading President Bush's efforts to achieve Governmentwide HR/Payroll standardization, consolidation, and integration. Our goal is to create simple, easy to use, cost effective, standardized, integrated HR/Payroll services to support the mission and employees of the Federal Government. This will create an environment more conducive to competitive sourcing, thus driving future improvements and cost effectiveness. When fully developed and operational, the HR/Payroll solution will:

Consolidating and integrating HR and payroll systems

- Modernize and reduce the cost of paying Federal employees Governmentwide;
- Simplify and unify various elements of the HR/Payroll function;
- Consolidate and integrate HR and payroll systems across Government;
- Standardize policies and processes affecting payroll;
- Use integrated Governmentwide enterprise architecture for HR/Payroll systems; and
- Consolidate payroll service delivery.

What Have We Been Doing?

We developed our business case for payroll service delivery consolidation:

- Consolidation Plan
- Plan for Standardization of Federal Payroll Policy
- Migration Strategy for Consolidation

We conducted an evaluation of payroll providers and made a recommendation to the Director of OPM for consolidation of providers.

We developed a comprehensive list of current payroll policies.

We are preparing recommendations for standardizing payroll policies and procedures.

We are working with stakeholders to consolidate payroll providers and standardize payroll policies and procedures.

What's Happening Now?

We are preparing to assist in efforts to establish and administer human resources policy requirements for the proposed Department of Homeland Security and in the selection of a payroll provider.

Office of Payroll Policy and Systems Integration

We are working with OPM program offices in developing standardized, Governmentwide payroll policies and procedures.

We are preparing to assist agencies with efforts to convert payroll data and migrate to new payroll providers.

We are developing plans for a vendor fair to allow agencies to meet with consolidated payroll providers.