



## National Security Personnel System January 2009 NSPS Payout Fact Sheet January 2009

*This Fact Sheet provides information on pay changes for NSPS employees that will occur in January 2009. For more information on compensation, performance management and other NSPS subjects, please visit the NSPS web page at <http://www.cpms.osd.mil/nsps>.*

*You are encouraged to consult with your servicing Human Resources office for supplemental local or Component guidance.*

### January 2009 NSPS Pay Adjustments

The NSPS January pay changes consist of:

- Performance-based payouts in the form of base salary increases, bonuses, or a combination of both
- An NSPS general salary increase of 1.74%, which is equal to 60% of the General Schedule increase
- An increase to local market supplements (LMS) equal to the increases to General Schedule locality pay rates.

Payouts are effective the first pay period in January. Employees who receive a final rating of record of "3" or higher are eligible for performance-based payouts.

### General Salary Increase

The NSPS general salary increase is an across-the-board salary adjustment for NSPS employees who are rated "2" or higher under the NSPS performance management system. The amount of this increase is 60% of the government-wide General Schedule pay increase for Federal employees. For 2009, the General Schedule increase is set at 2.9 percent (not including increases to locality rates). Of this percentage:

- 60 percent—or 1.74 percent—is designated for increases to base salaries and paid to NSPS employees who receive a rating of record of 2 or higher.
- 40 percent—or 1.16 percent—is allocated to performance pay pool funds and distributed through the pay pool panel process as performance-based salary increases.

## Local Market Supplements

NSPS employees receive local market supplements based on the General Schedule locality pay rates. The increases to these local market supplements will mirror the General Schedule locality increases and be paid to employees with a performance rating of 2 or higher. For 2009, the overall average increase to General Schedule locality rates is 1 percent, but an employee's actual increase depends on his/her duty location.

## 2009 Payout – Putting It All Together

The table below summarizes what employees under NSPS are eligible to receive:

Final Rating of Record	In 2009, employees are eligible to receive...
5 – Role Model	<ul style="list-style-type: none"><li>▪ General Salary Increase of 1.74%</li><li>▪ Performance-based payout</li><li>▪ Local market supplement increase</li></ul>
4 – Exceeds Expectations	
3 – Valued Performer	
2 – Fair	<ul style="list-style-type: none"><li>▪ General Salary Increase of 1.74%</li><li>▪ Local market supplement increase</li></ul>
1 – Unacceptable	<ul style="list-style-type: none"><li>▪ No increase</li></ul>

## Frequently Asked Questions

**Question:** In January 2009, do NSPS employees performing at an acceptable level receive a general increase in base salary?

**Answer:** Yes. Employees with a final rating of record of 2 or higher receive an increase of 1.74 percent in base salary. Employees with a final rating of record of 1 do not receive a base salary increase.

**Question:** Do NSPS employees receive local market supplement adjustments?

**Answer:** Yes. Employees with a final rating of record of 2 or higher receive a local market supplement adjustment equivalent to the locality pay amount specified for their work location.

**Question:** What happens to NSPS employees who do not have an NSPS rating of record and are not eligible for a performance payout?

**Answer:** These employees receive an NSPS general salary increase equivalent to the 2009 General Schedule increase (2.9 percent), as well as the local market supplement adjustment.

## 2009 NSPS Performance Payout Example

The following example illustrates how an employee may be compensated under NSPS in 2009:

### NSPS Employee Located in Washington, DC

**Final rating of record: 3 – Valued Performer**  
**Performance Shares Earned: 2**

<b>Current Salary</b>	
The employee's base salary is:	\$60,000
Current (2008) Washington, DC Local Market Salary of 20.89%:	\$12,534
<b>Employees current adjusted salary:</b>	<b>\$72,534</b>
<b>January 2009 Pay Changes</b>	
The employee receives the NSPS General Salary Increase of 1.74%: (\$60,000 x 1.74% = \$1,044)	\$1,044
<b>The new BASE salary after adding the NSPS General Salary Increase:</b>	<b>\$61,044</b>
The employee earns a \$1,620 performance salary increase:  <i>The employee receives a rating of "3" and receives 2 shares. The total value of the performance payout is \$2,700, of which \$1,620 is given in base salary increase. The share value in this pay pool was 2.25%.</i>	\$1,620
<b>The new base salary after adding the performance-based salary increase is:</b>	<b>\$62,664</b>
The new 2009 LMS for Washington DC area is 23.10%: (\$62,664 x 23.10% = \$14,475)	\$14,475
<b>Employee's new adjusted salary:</b>	<b>\$77,139</b>
<b>The employee also received a one-time performance-based bonus. The amount of the bonus is:</b>	<b>\$1,080</b>

Salary  
Change:  
\$4,605

In this example, the employee receives a total adjusted salary increase of **6.3%**, in addition to the cash bonus of \$1,080. The employee's salary increase includes the NSPS General Salary Increase, a performance-based salary increase, and the increase in the Washington DC Local Market Supplement.