

PERFORMANCE AWARDS FOR MEMBERS OF THE SBRS

SBRS members are eligible for several base pay increases each year:

- (1) A comparability increase;
- (2) An automatic 3% base pay increase (unless withheld by the IC Director); and,
- (3) An increase of up to 7% approved at the discretion of the IC Director.

They are also eligible for PMAP performance awards (2.5 to 5% for Exceptional, 2% or less for Fully Successful) and one-time special act or service awards. For scientists at or near the SBRS statutory compensation cap of EX-I (currently \$191,300), ICs should be aware that receipt of a monetary award(s) may preclude subsequent receipt (**both in the current and in future years**) of some or all of the base pay increases to which SBRS members are otherwise eligible and which ICs may otherwise wish to grant.

ICs should weigh the advantages and disadvantages of performance bonuses/cash awards versus base pay increases and the appropriateness of each type of monetary recognition for each SBRS scientist before making final compensation decisions. To preserve maximum flexibility and the ability to appropriately recognize each scientist's performance and contributions, ICs are strongly urged to make these decisions in unison. In some circumstances, an IC may wish to consider granting a time-off award rather than a performance bonus, if receipt of the performance bonus will limit the amount of base pay increase(s) that might otherwise be granted. It is always more advantageous for an employee to receive a base pay increase rather than receive a monetary award that will cause their total compensation to reach EX-I. Alternatively, if compensation above EX-I is justified, then conversion to Title 42(f) may be an appropriate option.

Below are some examples to help illustrate:

Example 1

Dr. Smith's salary in 2007 under the SBRS was \$186,600 (2007 EX-I rate). He is eligible for the comparability increase and could potentially receive an automatic 3% increase in 2008 as well as an additional increase of up to 7%. His IC is also considering giving him a performance award for 2007 to be paid in 2008. What, if any base pay increases can he receive?

\$186,600	2007 Base Pay
<u>\$ 4,665</u>	2008 Comparability Increase (2.5%)
\$191,265	

Because of the statutory cap of EX-I (currently \$191,300), Dr. Smith would only be able to receive the Comparability Increase and a very small portion of the automatic 3% increase (\$35). Dr. Smith would be unable to receive any additional increases or monetary awards in 2008. If he is rated as Exceptional on his performance plan for his 2007 performance, under HHS's PMAP rules, the IC must grant a performance award based on the Exceptional rating. While the payment of the award would be deferred since Dr. Smith is already at the total compensation cap

of \$191,300 for 2008, at least part of the deferred award would be paid out in 2009. This deferred payment would count against Dr. Smith's total compensation for 2009 and would either hinder or prevent his ability to receive base pay increases to the new total compensation cap of EX-I for 2009. In this case, it may be more beneficial for the employee to receive a time-off award in lieu of a cash award for the Exceptional rating based on his 2007 performance.

Example 2

Dr. Brown's salary in 2007 was \$170,000. She is eligible for the comparability increase and could potentially receive an automatic 3% increase in 2008 as well as an additional increase of up to 7%. Her IC is also considering giving her a performance award for 2007 to be paid in 2008. What, if any base pay increases can she receive?

\$170,000	2007 Base Pay
\$ 4,250	2008 Comparability Increase (2.5%)
\$ 5,227	Automatic 3% Increase
<u>\$ 12,198</u>	IC's Discretionary NTE 7% Increase
\$191,675	EXCEEDS STATUTORY CAP

Dr. Brown could receive the Comparability Increase, the automatic 3% increase, and a discretionary increase. However, due to the statutory cap, total compensation must remain under \$191,300 which would require that any discretionary increase be below 7%. A combination of a monetary award and a discretionary increase is possible as long as the total compensation remains under \$191,300.

Example 3

Dr. Jackson's salary in 2007 was \$145,000. He is eligible for the comparability increase and could potentially receive an automatic 3% increase in 2008 as well as an additional increase of up to 7%. His IC is also considering giving him a performance award for 2007 to be paid in 2008. What, if any increases can he receive?

\$145,000	2007 Base Pay
\$ 3,625	2008 Comparability Increase (2.5%)
\$ 4,459	Automatic 3% Increase
<u>\$ 10,404</u>	IC's Discretionary NTE 7% Increase
\$163,488	

He may also receive a monetary award as long as his total compensation remains under \$191,300 and PMAP awards guidance is followed.