



Department of Defense INSTRUCTION

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USD(P&R)

SUBJECT: DoD Civilian Personnel Management System: Compensation of Foreign Nationals

- References:
- (a) DoD Directive 1400.25, "DoD Civilian Personnel Management System," November 25, 1996
 - (b) DoD 1416.8-M, "Manual for Foreign National Compensation," January 12, 1990
 - (c) DoD Instruction 1416.8, "Compensation Programs for Foreign Nationals," December 5, 1980 (hereby canceled)
 - (d) Department of State and Department of Defense Agreement, "Agreement Concerning Joint Compensation Plans for Local Employees of the Department of State—United States Information Agency—Agency for International Development—Certain Designated Units of the Department of Defense—and the Foreign Agriculture Service and Other Designated Units of the Department of Agriculture," July 9, 1977¹
 - (e) DoD 8910.1-M, "Department of Defense Procedures for Management of Information Requirements," June 30, 1998

1. PURPOSE

a. Instruction. This Instruction is composed of several volumes, each containing its own purpose. The purpose of the overall Instruction, in accordance with the policy in Reference (a), is to establish and implement policy, establish procedures, provide guidelines and model programs, delegate authority, and assign responsibilities regarding civilian personnel management within the Department of Defense.

b. Volume. This Volume of this Instruction:

(1) Implements the policy in Reference (a), delegates authorities, and establishes basic principles for compensating foreign national employees.

¹ See DoD 1416.8-M, "DoD Manual for Foreign National Compensation", Appendix 1

(2) Authorizes DoD 1416.8-M (Reference (b)), which prescribes procedures and instructions for the administration of a foreign national compensation program.

(3) Cancels DoD Instruction 1416.8 (Reference (c)).

2. APPLICABILITY. This Volume:

a. Applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense (hereafter referred to collectively as the “DoD Components”). Its provisions shall be used by those DoD Components who have responsibility for fixing compensation and conditions of employment for foreign national employees outside the United States, its territories, and possessions.

b. Does not apply to the civilian Marine personnel of the Military Sealift Command, to foreign national employees serviced by U.S. Embassies in accordance with Department of State and DoD Agreement (Reference (d)), or to foreign national employees in Panama.

3. POLICY. It is DoD policy according to Reference (a) that these requirements are established for determining compensation and conditions of employment for foreign national employees:

a. The average pay of foreign national employees of the U.S. Forces shall equal the average pay of the non-U.S. Forces sector in the country concerned.

b. The total compensation of foreign national employees of the U.S. Forces shall equal the total compensation of the non-U.S. Forces in the country concerned.

4. RESPONSIBILITIES

a. Deputy Under Secretary of Defense for Civilian Personnel Policy (DUSD(CPP)). The DUSD(CPP), under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness, shall:

(1) Maintain surveillance over the foreign national compensation program.

(2) Develop, approve, and revise Reference (b).

(3) Approve any valid exceptions to the provisions of Reference (b).

b. Director, Civilian Personnel Management Service (CPMS). The Director, CPMS, shall ensure that CPMS:

(1) Reviews survey reports and conducts evaluations of country compensation plans.

(2) Serves as the point of contact for technical advice and reference on requests for exception or alternate wage determination methodology for foreign national employee compensation.

c. Heads of the DoD Components. The Heads of the DoD Components shall follow the procedures in Reference (b) or an alternate wage determination methodology approved by the Principal Deputy Under Secretary of Defense for Personnel and Readiness (PDUSD(P&R)) for foreign national employee compensation.

5. PROCEDURES. See Enclosure.

6. INFORMATION REQUIREMENTS. Reference (b) requires an annual report be forwarded to the PDUSD(P&R) to document the survey process and results. An information copy shall also be submitted to the Director, CPMS, at 1400 Key Boulevard, Arlington, VA 22209. The Report Control Symbol is DD-FM&P(A)1571 in accordance with DoD 8910.1-M (Reference (e)).

7. RELEASABILITY. UNLIMITED. This Volume is approved for public release and is available on the Internet from the DoD Issuances Web Site at <http://www.dtic.mil/whs/directives>.

8. EFFECTIVE DATE. This Instruction is effective immediately.

Enclosure
Procedures

ENCLOSURE

PROCEDURES

1. BASIC PRINCIPLES

a. Procedures for conducting a wage survey and administering a foreign national compensation program are in Reference (b). The procedures are intended to satisfy overall DoD policy objectives. When, because of individual circumstances, these procedures do not reflect the best approach, the DoD Components may develop alternative procedures provided they satisfy DoD policy requirements.

b. Alternative procedures must be approved by the PDUSD(P&R) before they may be implemented. Requests for approval to use alternative procedures must demonstrate that they achieve policy objectives and comply with sound pay-setting practices. CPMS is available to provide preliminary technical advice on alternative methodology.

c. Once approval is granted to make wage determinations using provisions other than those in Reference (b), any deviations from the approved procedures must be approved by the PDUSD(P&R). These requests shall be processed through channels and include an analysis of all factors bearing on the request.

2. JOINT COMMITTEES. Paragraph SC1231.4.5. of Volume 1231 of this Instruction contains procedures for establishing and operating joint committees or subcommittees necessary for the conduct of orderly business.

3. DELEGATIONS. Section SC1231.5. of Volume 1231 of this Instruction contains the delegations to be followed pursuant to this Volume.