



Department of Defense INSTRUCTION

NUMBER 1400.25, Volume 550
December 1996 through Change 10, February 1, 2001
Administratively reissued April 6, 2009

USD(P&R)

SUBJECT: DoD Civilian Personnel Management System: Pay Administration (General)

References: See Enclosure 1

1. PURPOSE

a. Instruction. This Instruction is composed of several volumes, each containing its own purpose. The purpose of the overall Instruction 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 DoD policy for pay administration pursuant to sections 5501-5597 of title 5, United States Code, and section 550 of title 5, Code of Federal Regulations (CFR), (References (a) and (b)) for each employee except those named in subparts 550.101(b) and 550.101 (c) of Reference (b).

(2) Cancels Deputy Assistant Secretary of Defense for Civilian Personnel Policy (DASD(CPP)) Memorandums (References (c) and (d)).

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 (IG DoD), the Defense Agencies, and the DoD Field Activities.

b. Does not apply to physicians, dentists, nurses, or any other DoD employee paid by authority delegated pursuant to Reference (b). These employees are covered by Volumes 540 through 543 of this Instruction.

3. POLICY

a. Premium Pay

(1) Maximum Earnings Limitation. The “Head of Agency” authority pursuant to section 550.106(a) of Reference (b) to determine the existence of an emergency, thus allowing employees to be paid pursuant to the annual versus biweekly maximum earnings limitation on premium pay, is delegated to officials who exercise personnel appointing authority (normally the head of an installation or activity). These authorities are delegated through and subject to the authority of the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the IG DoD, the Directors of the Defense Agencies, and the Director of Administration and Management (DA&M). A copy of each determination must be forwarded immediately to the servicing payroll office and the Office of the DASD(CPP).

(2) Time Spent in Pre-shift or Post-shift Activities. The “Head of Department” authority pursuant to section 550.112(b) of Reference (b) concerning pre-shift or post-shift activities is delegated to officials who exercise personnel appointing authority (normally the head of an installation or activity). These authorities are delegated through and subject to the authority of the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the IG DoD, the Directors of the Defense Agencies, and the DA&M. These officials may further delegate authority in writing to appropriate levels.

(3) Compensatory Time Off

(a) The “Head of Agency” authorities pursuant to sections 550.114(a) through 550.114(c) of Reference (b) concerning the granting of compensatory time off are delegated to officials who exercise personnel appointing authority (normally the head of an installation or activity). These authorities are delegated through and subject to the authority the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the IG DoD, the Directors of the Defense Agencies, and the DA&M. These officials may further delegate authority in writing to appropriate levels consistent with the existing pay administration policy.

(b) Compensatory time off earned must be used by the end of the 26th pay period after that in which it was earned. With the exception of National Guard Technicians who may not be paid overtime, compensatory time off not used during the established time period will be paid at the overtime rate at which it was earned, in accordance with Volume 8 of DoD 7000.14-R (Reference (e)). Employees with unused compensatory time earned before June 8, 1997, (January 5, 1997, for Defense Logistics Agency employees) have had a separate “old compensatory time” account established for their use. Old compensatory time will be charged only if the employee has insufficient current compensatory time (earned on or after June 8, 1997) to cover the compensatory time off requested in accordance with Reference (e). Within each category of compensatory time, the oldest will be charged first.

(c) When a DoD employee separates or transfers to another Department or Defense Agency (e.g., from Army to Navy, from Navy to Defense Logistics Agency, or from Air Force to Department of Treasury), any unused compensatory time off balance shall be paid at the

overtime rate at which it was earned in accordance with Reference (e). National Guard Technicians shall forfeit any unused compensatory time off when they separate or transfer to a different Department or Agency.

(4) Premium Pay for Civilian Air Traffic Controllers (Reserved)

b. Advances in Pay. Section 550.203 of Reference (b) permits the Head of an Agency to provide for the advance payment of basic pay to an employee who is newly appointed to a position in the Agency. The Department of Defense does not exercise this authority.

c. Allotments and Assignments from Federal Employees. Information concerning allotments and assignments from DoD civilian employees is contained in DoD financial management regulations such as Reference (e).

d. Pay for More Than One Position

(1) Delegation. The authority of section 550.504(a) of Reference (b) to make an exception to section 5533(a) of Reference (a) upon determining that required services cannot be readily obtained otherwise, is delegated to officials who exercise personnel appointing authority (normally the head of an installation or activity). This authority is delegated through, and subject to the authority of, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the IG DoD, the Directors of the Defense Agencies, and the DA&M. These officials may further delegate authority to appropriate levels.

(2) Record-Keeping. Activities shall maintain records of exceptions that specify the position(s) to which each applies.

4. PROCEDURES. Enclosure 2 provides procedures for pay administration (general).

5. 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>.

6. EFFECTIVE DATE. This Volume is effective immediately.

Enclosures

1. References
2. Procedures

TABLE OF CONTENTS

REFERENCES5

PROCEDURES.....6

 SEVERENCE PAY6

 BACK PAY (RESERVED)6

 PAY FOR DUTY INVOLVING PHYSICAL HARDSHIP OR HAZARD6

 ADJUSTMENT OF WORK SCHEDULES FOR RELIGIOUS OBSERVANCES6

 COLLECTION BY OFFSET FROM INDEBTED GOVERNMENT EMPLOYEES.....7

 LUMP-SUM PAYMENT FOR RESTORED ANNUAL LEAVE.....7

ENCLOSURE 1

REFERENCES

- (a) Chapters 55 and 63 of title 5, United States Code
- (b) Part 550 of title 5, Code of Federal Regulations
- (c) Deputy Assistant Secretary of Defense for Civilian Personnel Policy Memorandum, "Compensatory Time Off," June 3, 1997 (hereby canceled)
- (d) Deputy Assistant Secretary of Defense for Civilian Personnel Policy Memorandum, "Limitation on Payment of Appropriated Fund Severance Payments to Certain Nonappropriated Fund (NAF) Positions," January 31, 1995 (hereby canceled)
- (e) DoD 7000.14-R, "Department of Defense Financial Management Regulation," Volume 8, "Civilian Pay Policy and Procedures," January 1995
- (f) Part 1605 of title 29, Code of Federal Regulations

ENCLOSURE 2

PROCEDURES

1. SEVERANCE PAY

a. Limitation on Payment of Appropriated Fund Severance Payments to Certain Employees Moving to Nonappropriated Fund (NAF) Positions

(1) Section 5595 of Reference (a) prevents DoD appropriated fund employees from receiving severance pay upon movement, on or after January 1, 1987, to DoD nonappropriated fund (NAF) positions without a break in service of more than 3 days. If the employee is involuntarily separated from NAF employment, the original appropriated fund severance pay entitlement is reinstated. This is true unless the employee is entitled to immediate payment of retired or retainer pay as a member or former member of the Uniformed Services, or to an immediate annuity (including an annuity from a NAF instrumentality), or is being removed for cause on charges of misconduct, delinquency, or inefficiency.

(2) Civilian personnel offices and human resources offices (CPOs/HROs) responsible for the authorization of appropriated fund severance pay should not initiate payment of severance pay when it is known that the employee will accept NAF employment without a break in service of more than 3 days. Gaining CPOs and HROs should notify the employee's former servicing office immediately when the employee is appointed to a NAF position without a break in service.

b. Authority to Pay Severance Pay in a Lump Sum. Section 5595(i) of Reference (a) provides that the Secretary of Defense or the Secretary of the Military Department concerned may, upon application by an eligible employee, pay severance pay to the employee in a lump sum rather than on a biweekly basis. Subject authority is delegated to the DA&M and the Directors of Defense Agencies with independent appointing authority.

2. BACK PAY (RESERVED)

3. PAY FOR DUTY INVOLVING PHYSICAL HARDSHIP OR HAZARD. Requests to establish new rates or categories of hazard pay differential must comply with section 550.903(b) of Reference (b) and shall be submitted through Component Heads to the DASD(CPP).

4. ADJUSTMENT OF WORK SCHEDULES FOR RELIGIOUS OBSERVANCES

a. Entitlement. Within the Department of Defense, employee entitlement and responsibility with respect to religious compensatory time off shall be determined by application of section 550.1002 of Reference (b). The alternative methods of accommodating religious practices in part 1605 of title 29, CFR, (Reference (f)) also apply.

b. Supplementation. Any supplementation of this section must consider the obligation to balance religious accommodation with the agency's ability to accomplish its mission as set forth in References (b) and (f).

c. Payment. When a DoD employee separates or transfers to another DoD Component, any unused religious compensatory overtime shall be paid at the basic hourly rate in effect when the time was worked.

5. COLLECTION BY OFFSET FROM INDEBTED GOVERNMENT EMPLOYEES.

Information concerning the recovery of certain debts by offset from the current pay account of DoD civilian employees is contained in DoD financial management regulations such as Reference (e).

6. LUMP-SUM PAYMENT FOR RESTORED ANNUAL LEAVE. Section 5551(c)(1) of Reference (a) requires lump-sum payment for annual leave restored pursuant to section 6304(d)(3) of Reference (a) for a DoD employee moving to a position in any Federal agency or Department outside of the Department of Defense, or to any position within the Department of Defense not located at an installation being closed or realigned as described in section 6304(d)(3) of Reference (a).