



The Director

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

June 12, 2007

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: LINDA M. SPRINGER  
DIRECTOR

A handwritten signature in blue ink, appearing to read "LMS", positioned to the right of the printed name and title.

Subject: Report on Senior Executive Service Pay for Performance for  
Fiscal Year 2006

This report includes the rating, pay, and awards data for the third year of pay for performance for Federal executives in the Senior Executive Service. Agencies continue to effectively use their appraisal systems to make distinctions in performance and to make appropriate pay and awards determinations based on individual and organizational performance. Agencies also continue to improve their pay-for-performance systems, using their systems to link executive performance with organizational goals and focus on achieving organizational results. Training has also become a primary component of agency systems, ensuring that executives understand how their pay-for-performance systems operate and reporting to executives the results of rating, pay, and awards determinations.

We expect agencies to continue to improve and refine their pay-for-performance systems. If you should have questions regarding this report, please contact the Excellence in Performance Management Implementation Group at 202-606-1633.

Attachments

cc: President's Management Council  
Chief Human Capital Officers  
Human Resources Directors

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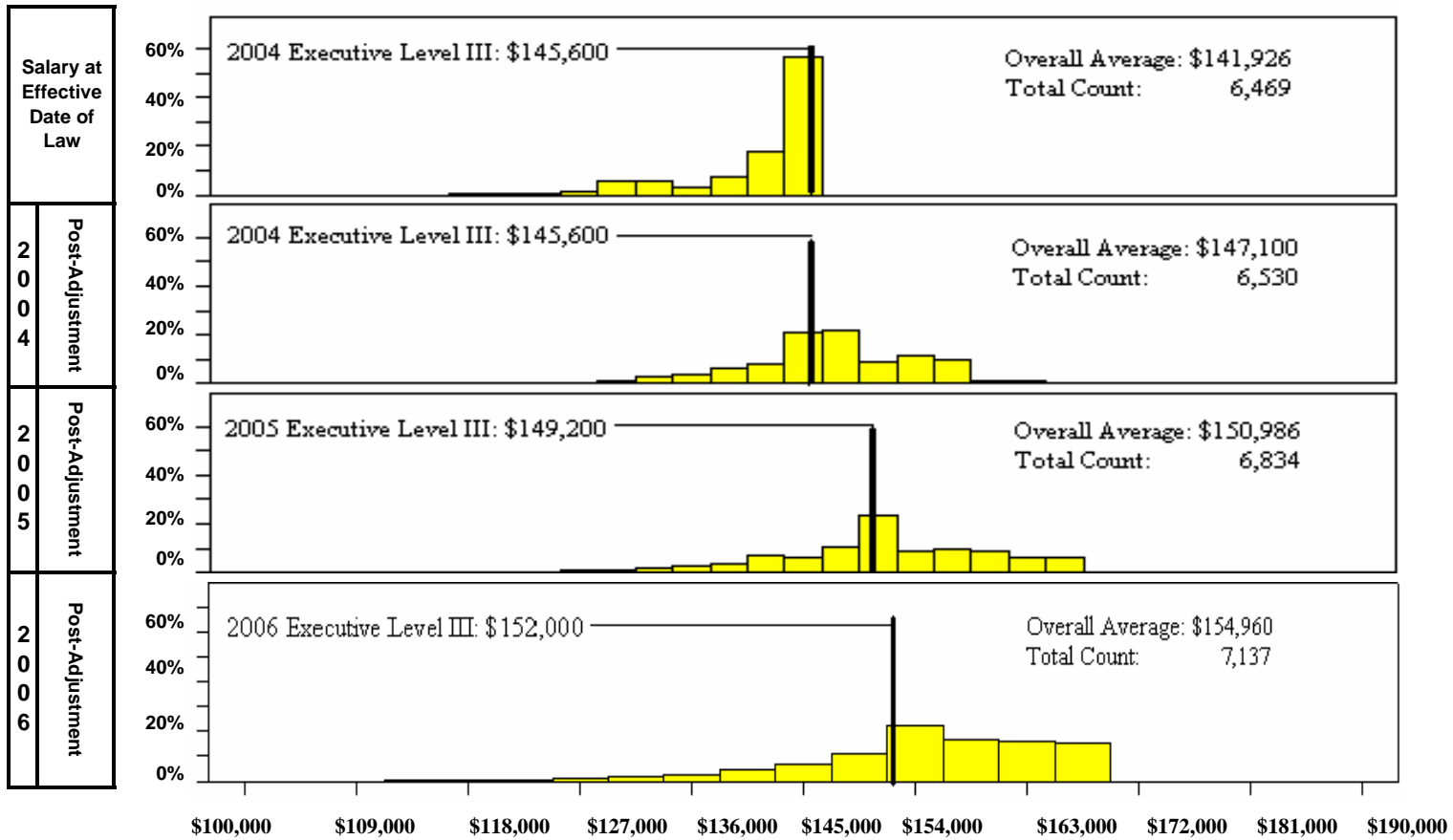
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## **SUMMARY SES PERFORMANCE STATISTICS**

### **Fiscal Year 2006**

- The FY 2006 Report on Senior Executive Pay for Performance shows that agencies' progress since 2004 in implementing performance management systems that differentiate between levels of performance and further, that they are paying and awarding executives commensurate with performance.
- Agencies reported data on 7,137 Senior Executive Service (SES) members for FY 2006, an increase of 4.4 percent over FY 2005, shown in Chart 1.
- The percentage of career SES members rated at the highest level remained at 43.4 percent, as displayed by Table 1.
- Table 2 shows the total population of SES, regardless of appointment type, and an increase of three tenths of one percent rated at the highest level as compared to FY 2005.
- Table 3 shows the rating distribution for all career executives under a five level system and those under a four level system. The average salary adjustments and average performance award amounts for career executives in FY 2006 is evidence that agencies are making pay and award decisions that differentiate between rating levels.
- Table 4 compares average salary adjustments for the total SES population in FY 2005 and FY 2006. The average salary adjustment dropped by seven tenths of one percent in FY 2006.
- Over all, the percentage of career SES receiving awards in FY 2006 increased by seven tenths of one percent as shown in table 5.

**Chart 1**  
**SES Pay Differentiation for Career, Non-Career and Limited Term SES Employees<sup>1</sup>**  
**FY 2004 - FY 2006**



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1. All salaries above Executive Level III are made possible by certification.

**TABLE 1**  
**Career SES Performance**  
**FY 2003 - FY 2006**

AGENCY	FY 2003		FY 2004		FY 2005		FY 2006		Percent Change FY 2005-FY 2006
	Career SES Rated	Percent at Highest Level	Career SES Rated	Percent at Highest Level	Career SES Rated	Percent at Highest Level	Career SES Rated	Percent at Highest Level	
AGRICULTURE	295	37.9%	280	39.6%	283	39.9%	307	39.4%	-0.5%
AID	21	38.1%	17	52.9%	19	52.6%	19	52.6%	0.0%
COMMERCE	250	80.4%	263	49.0%	247	44.9%	247	42.9%	-2.0%
DEFENSE	1,038	96.0%	1,049	99.5%	1,066	32.3%	1068	31.4%	-0.9%
EDUCATION	54	98.1%	60	98.3%	66	53.0%	66	40.9%	-12.1%
ENERGY	336	38.3%	347	41.8%	356	39.6%	360	34.2%	-5.4%
EPA	255	64.3%	264	59.8%	265	30.6%	266	34.2%	3.6%
GSA	75	54.6%	75	25.3%	78	33.3%	69	23.2%	-10.1%
HHS	331	99.7%	307	51.8%	320	55.6%	340	59.1%	3.5%
HOMELAND SECURITY	--	--	204	83.3%	218	54.1%	239	53.6%	-0.5%
HUD	69	100.0%	69	40.6%	67	55.2%	72	43.1%	-12.1%
INTERIOR	190	100.0%	219	21.5%	220	18.2%	211	22.3%	4.1%
JUSTICE	263	84.7%	523	60.4%	540	62.0%	563	62.9%	0.9%
LABOR	129	32.5%	141	34.8%	145	38.6%	144	38.2%	-0.4%
NASA	384	75.5%	401	76.1%	399	52.6%	382	55.5%	2.9%
NRC	137	100.0%	150	9.3%	144	9.0%	149	9.4%	0.4%
OMB	57	31.5%	55	34.5%	53	22.6%	53	7.5%	-15.1%
OPM	29	31.0%	42	50.0%	43	41.9%	36	27.8%	-14.1%
SBA	31	45.1%	30	70.0%	31	51.6%	28	28.6%	-23.0%
SSA	112	41.0%	133	54.9%	127	58.3%	141	64.5%	6.2%
STATE	109	98.1%	125	93.6%	126	59.5%	111	69.4%	9.9%
TRANSPORTATION	161	100.0%	180	31.7%	162	22.8%	175	30.3%	7.5%
TREASURY	369	52.0%	386	40.9%	385	43.6%	371	44.7%	1.1%
VA	261	67.4%	262	64.5%	261	61.7%	270	57.0%	-4.7%
ALL OTHERS	503	86.4%	266	55.6%	283	53.7%	443	51.4%	-2.3%
<b>GOVERNMENTWIDE</b>	<b>5,483</b>	<b>74.5%</b>	<b>5,848</b>	<b>59.4%</b>	<b>5,906</b>	<b>43.4%</b>	<b>6130</b>	<b>43.4%</b>	<b>0.0%</b>

**TABLE 2**

**FY 2005 and FY 2006 Ratings for Career, Non-Career and Limited Term SES Employees**

AGENCY	FY 2004			FY 2005			FY 2006			
	SES Rated	Rated at Highest Level	Percent at Highest Level	SES Rated	Rated at Highest Level	Percent at Highest Level	SES Rated	Rated at Highest Level	Percent at Highest Level	Percent Change FY 2005-FY 2006
AGRICULTURE	316	138	43.6%	321	141	43.9%	350	157	44.9%	1.0%
AID	17	9	52.9%	19	10	52.6%	19	10	52.6%	0.0%
COMMERCE	302	147	48.6%	283	127	44.9%	282	122	43.3%	-1.6%
DEFENSE	1,120	1,110	99.1%	1,113	351	31.5%	1,173	369	31.5%	-0.1%
EDUCATION	75	74	98.6%	76	37	48.7%	79	30	38.0%	-10.7%
ENERGY	390	173	44.4%	367	142	38.7%	398	138	34.7%	-4.0%
EPA	281	172	61.2%	287	98	34.1%	289	109	37.7%	3.6%
GSA	96	27	28.1%	98	32	32.7%	86	19	22.1%	-10.6%
HHS	357	184	51.5%	365	211	57.8%	392	240	61.2%	3.4%
HOMELAND SECURITY	263	224	85.2%	267	155	58.1%	294	163	55.4%	-2.6%
HUD	85	38	44.7%	81	50	61.7%	90	48	53.3%	-8.4%
INTERIOR	249	54	21.7%	248	45	18.1%	239	52	21.8%	3.6%
JUSTICE	570	355	62.3%	582	375	64.4%	612	399	65.2%	0.8%
LABOR	173	77	44.5%	168	72	42.9%	170	78	45.9%	3.0%
NASA	410	312	76.1%	406	216	53.2%	397	222	55.9%	2.7%
NRC	150	14	9.3%	145	13	9.0%	149	14	9.4%	0.4%
OMB	66	22	33.3%	53	12	22.6%	66	5	7.6%	-15.1%
OPM	55	26	47.3%	52	19	36.5%	42	13	31.0%	-5.6%
SBA	44	31	70.4%	42	22	52.4%	38	11	28.9%	-23.4%
SSA	142	80	56.4%	137	83	60.6%	149	96	64.4%	3.8%
STATE	156	134	85.9%	130	75	57.7%	147	104	70.7%	13.1%
TRANS	201	67	33.4%	185	45	24.3%	196	60	30.6%	6.3%
TREASURY	413	182	44.0%	408	189	46.3%	394	182	46.2%	-0.1%
VA	272	175	64.3%	271	169	62.4%	278	161	57.9%	-4.4%
ALL OTHERS	287	176	61.2%	306	161	52.6%	477	242	50.7%	-1.9%
<b>GOVERNMENTWIDE</b>	<b>6,490</b>	<b>4,000</b>	<b>61.6%</b>	<b>6,410</b>	<b>2,850</b>	<b>44.5%</b>	<b>6,806</b>	<b>3,044</b>	<b>44.7%</b>	<b>0.3%</b>

**TABLE 3**

**Aggregate Career SES Pay Distribution**

**FY 2006**

*(Rating Patterns Pursuant to 5 CFR 430.208(d) )*

AGENCY	SES Rated	Percent Rated at Level	Average Salary Before Adjustment	Average Performance Award	Salary Average Adjustment	Average Performance Award as a Percent of Salary Before Adjustment	Average Salary Adjustment as a Percent of Salary Before Adjustment	Average Salary Adjustment + Average Performance Award as a Percent of Salary Before Adjustment	Average Performance Award as a Percent of Average Salary + Average Salary Adjustment + Average Performance Award
<b>H Pattern</b>									
<b>Rating Levels</b>	<b>5,429</b>								
<b>Outstanding or Equivalent (5)</b>	2,338	42.9%	\$153,429	\$14,290	\$5,644	9.3%	3.7%	13.0%	8.2%
<b>Exceeds Expectations (4)</b>	2,435	45.0%	\$149,509	\$8,080	\$4,431	5.4%	3.0%	8.4%	5.0%
<b>Fully Successful (3)</b>	636	11.8%	\$146,311	\$2,379	\$2,975	1.6%	2.0%	3.7%	1.6%
<b>Minimally Successful (2)</b>	18	0.3%	\$149,768	\$0	\$0	0.0%	0.0%	0.0%	0.0%
<b>Unacceptable (1)</b>	2	0.0%	\$145,381	\$0	\$0	0.0%	0.0%	0.0%	0.0%
<b>F Pattern</b>									
<b>Rating Levels</b>	<b>701</b>								
<b>Outstanding or Equivalent (5)</b>	325	46.4%	\$155,457	\$13,113	\$6,059	8.4%	3.9%	12.3%	7.5%
<b>Fully Successful (3)</b>	372	53.1%	\$151,318	\$5,044	\$4,396	3.3%	2.9%	6.2%	3.1%
<b>Minimally Successful (2)</b>	3	0.4%	\$149,565	\$0	\$0	0.0%	0.0%	0.0%	0.0%
<b>Unacceptable (1)</b>	1	0.1%	\$148,556	\$0	\$0	0.0%	0.0%	0.0%	0.0%

**TABLE 4****Salaries for Career, Non-Career and Limited Term SES Employees  
FY 2005 - FY 2006**

AGENCY	FY 2005				FY 2006			
	Average Rate of Basic Pay Before Salary Adjustment	Average Rate of Basic Pay After Salary Adjustment	Average Salary Adjustment	Average Salary Adjustment as Percent of Basic Pay Before Adjustment	Average Rate of Basic Pay Before Salary Adjustment	Average Rate of Basic Pay After Salary Adjustment	Average Salary Adjustment	Average Salary Adjustment as Percent of Basic Pay Before Adjustment
AGRICULTURE	\$149,178	\$157,060	\$7,926	5.3%	\$153,717	\$160,384	\$6,673	4.3%
AID	\$149,096	\$151,825	\$2,826	1.9%	\$152,332	\$153,855	\$1,523	1.0%
COMMERCE	\$144,926	\$149,141	\$5,561	3.8%	\$148,447	\$152,418	\$3,971	2.7%
DEFENSE	\$144,047	\$147,751	\$4,086	2.8%	\$147,974	\$152,001	\$4,029	2.7%
EDUCATION	\$143,772	\$148,863	\$6,367	4.4%	\$148,077	\$153,648	\$5,547	3.7%
ENERGY	\$147,659	\$153,113	\$6,322	4.3%	\$151,681	\$156,397	\$4,716	3.1%
EPA	\$149,455	\$153,874	\$5,222	3.5%	\$153,233	\$157,864	\$4,640	3.0%
GSA	\$146,896	\$150,897	\$4,952	3.4%	\$151,746	\$155,455	\$3,709	2.4%
HHS	\$147,455	\$153,619	\$6,640	4.5%	\$151,430	\$156,743	\$5,313	3.5%
HOMELAND SECURITY	\$143,680	\$149,667	\$7,108	4.9%	\$149,018	\$152,653	\$3,638	2.4%
HUD	\$143,490	\$147,506	\$7,624	5.3%	\$148,929	\$154,669	\$5,740	3.9%
INTERIOR	\$145,956	\$151,654	\$6,233	4.3%	\$150,157	\$156,077	\$5,920	3.9%
JUSTICE	\$146,777	\$152,684	\$6,148	4.2%	\$150,755	\$156,878	\$6,123	4.1%
LABOR	\$146,132	\$153,339	\$7,253	5.0%	\$152,201	\$157,887	\$5,651	3.7%
NASA	\$145,760	\$148,895	\$4,839	3.3%	\$147,738	\$151,615	\$3,874	2.6%
NRC	\$149,330	\$153,161	\$4,055	2.7%	\$151,386	\$153,605	\$2,219	1.5%
OMB	\$144,598	\$149,402	\$4,804	3.3%	\$145,450	\$151,618	\$6,168	4.2%
OPM	\$145,566	\$150,069	\$5,224	3.6%	\$150,286	\$155,742	\$5,456	3.6%
SBA	\$151,236	\$156,863	\$7,100	4.7%	\$155,701	\$160,619	\$4,918	3.2%
SSA	\$147,532	\$152,176	\$4,846	3.3%	\$151,046	\$155,435	\$4,389	2.9%
STATE	\$146,458	\$152,290	\$5,742	3.9%	\$150,403	\$155,862	\$5,465	3.6%
TRANSPORTATION	\$147,078	\$149,946	\$4,675	3.2%	\$150,222	\$153,348	\$3,128	2.1%
TREASURY	\$144,888	\$150,308	\$6,129	4.2%	\$149,024	\$154,504	\$5,479	3.7%
VA	\$149,297	\$154,436	\$6,120	4.1%	\$152,727	\$157,099	\$4,372	2.9%
ALL OTHERS	\$150,721	\$155,045	\$4,324	2.9%	\$151,964	\$155,810	\$3,840	2.5%
<b>GOVERNMENTWIDE</b>	<b>\$146,383</b>	<b>\$151,266</b>	<b>\$5,628</b>	<b>3.8%</b>	<b>\$150,274</b>	<b>\$154,960</b>	<b>\$4,687</b>	<b>3.1%</b>

Source: Agency electronic data submission forms



**TABLE 5**  
**Career SES Awards**  
**FY 2003 - FY 2006**

AGENCY	FY 2003		FY 2004		FY 2005		FY 2006		
	Average Award	Percent of SES Receiving Awards	Average Award	Percent of SES Receiving Awards	Average Award	Percent of SES Receiving Awards	Average Award	Percent of SES Receiving Awards	Change in Percent Receiving Awards FY 2005-FY 2006
AGRICULTURE	\$12,491	80.6%	\$15,861	81.4%	\$15,945	83.7%	\$13,905	88.9%	5.2%
AID	\$7,257	33.3%	\$8,889	52.9%	\$12,444	10.5%	\$10,859	52.6%	42.1%
COMMERCE	\$10,570	71.5%	\$12,299	77.9%	\$11,749	81.2%	\$12,588	82.6%	1.4%
DEFENSE	\$16,418	56.1%	\$16,958	43.4%	\$14,788	85.3%	\$11,988	91.0%	5.7%
EDUCATION	\$9,658	64.1%	\$10,325	67.8%	\$10,652	76.4%	\$12,701	74.2%	-2.2%
ENERGY	\$10,004	54.9%	\$8,863	64.0%	\$9,064	51.9%	\$9,417	64.7%	12.9%
EPA	\$10,889	65.9%	\$11,797	50.4%	\$10,509	62.2%	\$10,795	67.7%	5.5%
GSA	\$12,003	93.2%	\$12,705	97.3%	\$12,269	97.5%	\$12,806	97.1%	-0.4%
HHS	\$12,059	25.8%	\$12,536	70.2%	\$12,852	82.2%	\$13,436	86.2%	4.0%
HOMELAND SECURITY	--	--	\$16,424	46.6%	\$14,935	49.4%	\$14,937	70.3%	20.9%
HUD	\$8,947	68.1%	\$8,092	60.9%	\$9,761	56.8%	\$11,008	93.1%	36.3%
INTERIOR	\$9,811	31.6%	\$13,017	30.1%	\$11,658	39.8%	\$12,628	55.9%	16.1%
JUSTICE	\$11,892	45.6%	\$11,858	56.5%	\$14,749	53.6%	\$15,172	56.1%	2.5%
LABOR	\$11,594	90.6%	\$11,999	89.4%	\$12,498	95.9%	\$13,959	91.7%	-4.2%
NASA	\$13,259	51.9%	\$17,483	42.6%	\$15,857	48.4%	\$17,139	56.5%	8.1%
NRC	\$14,288	75.9%	\$16,946	62.0%	\$16,261	88.2%	\$16,716	83.9%	-4.3%
OMB	\$11,957	40.3%	\$10,100	48.3%	\$11,579	35.8%	\$11,909	41.5%	5.7%
OPM	\$14,288	58.6%	\$15,044	69.0%	\$14,100	80.0%	\$15,442	97.2%	17.2%
SBA	\$15,228	83.9%	\$9,518	100.0%	\$9,721	69.4%	\$9,236	89.3%	19.8%
SSA	\$13,400	48.2%	\$14,419	63.2%	\$14,572	72.4%	\$14,487	75.2%	2.8%
STATE	\$12,668	38.5%	\$11,037	32.8%	\$10,976	32.3%	\$11,025	53.2%	20.9%
TRANSPORTATION	\$13,381	56.9%	\$10,790	51.4%	\$11,189	52.0%	\$8,749	78.0%	26.0%
TREASURY	\$14,813	50.1%	\$15,607	64.4%	\$15,173	65.0%	\$15,724	70.4%	5.4%
VA	\$14,152	75.9%	\$16,287	89.3%	\$16,713	75.4%	\$16,626	82.2%	6.8%
ALL OTHERS	\$12,800	60.9%	\$12,360	56.4%	\$13,146	37.6%	\$13,099	59.3%	21.7%
<b>GOVERNMENTWIDE</b>	<b>\$12,883</b>	<b>57.4%</b>	<b>\$13,734</b>	<b>58.2%</b>	<b>\$13,814</b>	<b>66.5%</b>	<b>\$13,292</b>	<b>67.2%</b>	<b>0.7%</b>

Source: Agency electronic data submission forms