



What, Why and How: Understanding the Core Compensation Plan

The FAA's compensation system is changing. Parts of the FAA work force

have already begun to see changes, including most Research and Acquisitions employees, senior executives, and members of some bargaining units.

The rest of the FAA's non-bargaining unit employees will be covered by the new Core Compensation Plan by April 2000. This information sheet is provided by the Corporate Core Compensation Implementation Team to inform those employees about the Core Compensation Plan.

WHY change?

- ◆ To help improve organizational performance.
- ◆ To help attract and retain people with critical skills.
- ◆ To make employees' pay opportunities more competitive with the external job market.
- ◆ To give FAA greater control over its own expenditures.

WHAT'S different about the Core Compensation Plan?

Competitive Base Pay. The current 15-grade pay schedule is being replaced with 12 broad pay bands. The bands offer substantially wider ranges of pay opportunities than the current grade levels, and the bands do not have steps. The bands are linked to pay trends in the external job market. Pay band minimums and maximums are reviewed annually, compared to the private sector, and adjusted if necessary. The bands do not include locality pay. Locality pay will be added to base pay at government-wide rates.

Performance-Based Pay Increases. Annual pay increases will be tied to organizational performance and individual contributions, instead of tenure or longevity. The current annual general increase, within grade increases, and quality step increases will be replaced by two new opportunities for pay increases that are linked to organizational success and individual employee performance.

HOW to learn more?

Details are now accessible on the FAA Intranet at <http://intranet.faa.gov/ahr/pilot/index.cfm>. Employees can direct their questions and feedback through their organizations, cc:Mail at (9-AWA-Compensation), or Internet e-mail at (9-AWA-Compensation@faa.gov).

Agency-sponsored briefings are taking place around the country. An updated brochure on the compensation plan will be distributed this September. All managers will receive extensive training on the compensation plan. Managers and human resource professionals will help provide more information.

HOW does the Core Compensation Plan work?

Conversion. Before converting to the pay plan, each employee will receive a conversion sheet through his or her manager. The conversion sheet will identify the employee's job category, pay band, within-grade buyout amount, any appropriate locality pay, and the total new annual salary. These factors are based on the employee's grade, series, step, and geographic location at the time of conversion.

Within-Grade Buyout. Upon conversion, employees move into the new pay plan at their current pay rate, plus a within-grade buyout for employees below a step 10. The within-grade buyout is a pro-rated amount of pay that recognizes time served towards an employee's next expected within-grade increase. The within-grade buyout amount is added to an employee's current pay rate, and it becomes part of the employee's new base pay.

Organizational Success Increase (OSI). Every December/January, most employees will receive an increase to base pay, provided the FAA meets its performance goals during the prior fiscal year. To be eligible for the OSI, employees must meet minimum performance and conduct requirements and must have 90 days of continuous service at FAA.

Superior Contribution Increase (SCI). Every December/January, some employees will receive an additional increase to base pay. This increase is based on superior contributions they provided in the prior fiscal year. Managers will be trained to use a very structured process to determine which employees should receive the SCI.

Mandatory Decision Tools. These tools will help managers make pay-setting decisions. The tools have been designed to help ensure managerial accountability and help managers exercise their new responsibilities fairly and equitably.

Save this Page for Reference