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NASA Procedural Requirements

COMPLIANCE IS MANDATORY**NPR 3530.1C**
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Subject: NASA Pay and Compensation Policy

Responsible Office: Office of Human Capital Management

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Chapter 6. Qualifications Pay

6.1 References

5 U.S.C. Part III, Subpart I, Chapter 98, National Aeronautics and Space Administration

NASA Desk Guide on The NASA Flexibility Act of 2004, NASA OHCM

6.2 Purpose

This implements the NASA Flexibility Act of 2004, as codified in 5 U.S.C. § 9814, Qualifications Pay, authorizing NASA to set the pay of employees under the GS at any step within the pay range for the grade of the position when the employee possesses unusually high or unique qualifications and is assigned new duties without a change of position, or is assigned to a new position.

6.3 Applicability

These requirements are applicable to NASA employees paid under GS.

6.4 Authority

5 U.S.C. Part III, Subpart I, Chapter 98, National Aeronautics and Space Administration.

6.5 Definitions

6.5.1 The phrase "new duties without a change in position" means new duties added to an employee's current position of record, whether or not it results in a promotion, that are directly related to the unusually high or unique qualifications on which a pay-setting decision, made under this section, is based and are sufficiently different from the other duties to require a redescription of the position and assignment of a new position description number.

6.5.2 For purposes of applying the qualifications pay authority, a successor position means a position in the same organization that continues to include duties of a position and responsibilities directly related to the unusually high or unique qualifications on which the original pay-setting decision, made under this section, was based.

6.5.3 Unusually high or unique qualifications means a skill-set, competencies, or "know how" needed to perform the new duties or the duties of a new position and exceed those of other candidates in terms of depth of expertise and/or breadth and depth of experience. Possession of such qualifications may be evidenced by demonstrated ability to apply the competencies at the required proficiency level for the duties of the position.

6.5.4 The approving official is the person to whom the Center Director or AA, OHCM has delegated authority under

NPD 3000.1, Management of Human Resources, to set pay under this section.

6.6 Responsibility

NASA Center Directors and the AA, OHCM are authorized to set pay under this provision. This authority may be delegated in accordance with NPD 3000.1, Management of Human Resources.

6.7 Criteria for Approval

6.7.1 Prior to setting pay under this section, approving officials must consider the following to determine whether an employee possesses unusually high or unique qualifications:

Considerations	Definition
Essential Skills	Importance of the required skills to accomplishing the organization's mission and goals
Unique or Difficult to Obtain Skills	Availability of quality candidates with the desired skills and experience is limited
Breadth and Depth of Skills Versus that of Other Employees or Candidates	The employee's skills compared to the skills of other employees or candidates who perform the same or similar work

6.7.2 Approval must be based on written documentation that demonstrates:

- a. The skills are essential.
- b. The skills are unique or difficult to obtain.
- c. The breadth and depth of the employee's or candidate's skills exceeds those of other employees or candidates. Evidence on which this is based will be included in the determination.

6.7.3 When a current NASA employee is selected for another position within NASA, and pay is set under this section, the approval must include documentation explaining how the employee's contributions in the new position will exceed those in the former position.

6.7.4 Approving officials must consider whether there are other appropriate pay incentives, such as relocation or redesignation bonuses, that could be used instead of or in conjunction with setting pay under this section (Note: A redesignation bonus can be considered only as an option for a Federal employee transferring to NASA from another agency within the same geographic area, not for current NASA employees.). The rationale for using or not using other incentives must be documented when pay is set under this section.

6.8 Pay Setting

6.8.1 Qualifications pay is an equivalent increase for the purpose of calculating waiting periods for within range increases.

6.8.2 When qualifications pay is approved, the impact on the aggregate pay limitation must be determined. See 5 CFR Part 530, Pay Rates and Systems (General), Subpart B, Aggregate Limitation on Pay, when an employee's pay exceeds the aggregate limitation on pay.

6.8.3 Qualifications pay ends when: (1) the employee moves to another position that is not a successor position; (2) the employee is no longer performing the duties that are directly related to the unusually high or unique qualifications on which the qualifications pay determination was made; and the employee has not completed the one-year service requirement.

6.9 Positions Covered

6.9.1 Positions classified under the GS requiring skills that are essential to an organization, a project, or NASA's mission and goals are covered by this section. This includes the following:

- a. Aerospace Technology (AST) positions.
- b. Professional positions.
- c. Administrative and Management positions.

6.9.2 One-grade interval administrative support and technician positions classified under the GS will be excluded from coverage under this section. However, an exception may be granted using the same criteria for approval depicted in paragraph 6.7 when the position is essential to the success of the organization, project, or NASA's mission and goals and using this pay setting authority is needed to fill the position.

6.10 Positions Excluded

6.10.1 This section does not cover positions for which pay is set outside of the GS (e.g., SES, Federal Wage System, and administratively-determined pay).

6.10.2 This authority may not be used to set the pay of a political appointee who holds: (1) a position which has been excepted from the competitive service by reason of its confidential, policy-determining, policy-making, or policy-advocating character ("Schedule C position"); or (2) a position in the SES as a noncareer appointee as such term is defined in 5 U.S.C. § 3132, Definitions and Exclusions, Subsection (a)(7).

6.11 Actions Covered

6.11.1 The qualifications pay provisions may be used in connection with the following categories of personnel actions: position redescrptions, promotions, transfers from other Federal agencies, reassignments when new duties are added, changes to lower grade, position changes, time-limited promotions, and conversions to new appointments.

6.11.2 This authority must not be used to set pay for newly hired employees. Newly hired employees for this purpose are those who at the time of appointment are not currently employed in a Federal position.

6.12 Prohibited Use

6.12.1 This authority will not be used to set pay as a result of an adverse action due to poor performance or misconduct or for actions initiated by the employee solely for his or her benefit, convenience, or personal advantage.

6.12.2 This authority will not be used to set pay at a rate lower than a rate an employee is otherwise entitled to by law or regulation.

6.13 Service Requirements

6.13.1 If an employee serves for at least one year in the position (or a successor position) for which pay was set under this section, the pay earned under such position may be used in succeeding actions to set pay.

6.13.2 In the event that an employee moves to another position (that is not a successor position) prior to serving one year in the qualifications pay position, before pay may be set in the new position NASA will determine the employee's rate of basic pay in the former position (as if qualifications pay had not been authorized). This includes constructively determining the employee's rate of basic pay with any statutory increases and within-range increase the employee would have received in the former position if qualifications pay had not been authorized. This constructively adjusted rate of basic pay will be used in applying any pay administration rules to set pay in the new position (e.g., maximum payable rate rule, two-step promotion rule), unless the employee is eligible for a higher rate of pay under other authority. The former qualifications pay rate may not be used to set pay in the new position.

6.13.3 Employees for whom pay is set under this section sign a memorandum stating they understand how their pay will be set if they move voluntarily or involuntarily, prior to completing the one year service requirement, to another position for which pay under this section is not authorized.

6.14 Action Processing

6.14.1 Processing guidance is located in the NASA Desk Guide on the NASA Flexibility Act of 2004

6.14.2 The **REMARKS** section of the personnel action must state the following:

The employee's pay for this position was set pursuant to P.L. 108-201, as codified in 5 U.S.C. § 9814, Qualifications Pay. If the employee remains in this position (or a successor position) for 1 year commencing with the date of this action, pay earned under this position may be used in succeeding actions to set pay under 5 U.S.C. Part III, Subpart D, Chapter 53, Pay Rates and Systems. If the employee leaves the position before completing one year in the position, pay will be set under NASA's (or the gaining Agency's) pay setting policy, but pay earned pursuant to 5

U.S.C. § 9814, Qualifications Pay, cannot be used to set pay in the new position.

6.15 Effectiveness Measures

6.15.1 Center HRDs will assess the effectiveness of the qualifications pay provision by tracking the positions filled under this section that closed a current or projected competency gap.

6.15.2 Use of this incentive will be measured by establishing a baseline in the first full fiscal year following the authorization to use it and then by comparatively measuring each later fiscal year's use against the baseline year.

6.16 Records and Reports

Center HRDs must maintain a records on the number of employees for whom pay was set under this section and report that number annually, by fiscal year, to OHCM for inclusion in a consolidated report to Congress.

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