



OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

ACQUISITION,
TECHNOLOGY
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AUG 04 2016

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Fiscal Year 2016 Rating Cycle Pay Pool Funding Guidance for the Department of Defense Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo)

- References:
- (a) Memorandum, Assistant Secretary of Defense (Readiness and Force Management), dated December 17, 2013, subject: Supplemental Guidance on Award Limitations for the Department of Defense Civilian Employees
 - (b) Memorandum, OSD AT&L/HCI-AcqDemo Program Office, dated August 8, 2015, subject: Fiscal Year 2015 Rating Cycle Pay Pool Funding for the DoD Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo)
 - (c) Federal Register Notice (FRN), 64 FR 1426, January 8, 1999, as amended, Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo); Department of Defense (DoD)

The purpose of this memorandum is to provide annual Department of Defense (DoD) Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) Pay Pool funding guidance for use during the pay pool reviews of the FY16 AcqDemo contribution period, with payout to occur in January 2017. This memorandum provides guidance within the following areas:

Contribution Rating Increase (CRI) Pay Pool Funding. As established in Reference (B), subject to any subsequent guidance issued by the Office of Personnel Management (OPM) and/or the DoD Assistant Secretary of Defense (Readiness and Force Management), minimum funding of the CRI portion of all pay pools will be set at no less than 2.0 percent, and maximum funding will be set at no more than 2.26 percent of the sum of the [base] salaries of all eligible employees in the pay pool. The range of 2.0-to-2.26 percent funding will be available in the Compensation Management Spreadsheet (CMS), for consideration and applicable Personnel Policy Board decision for those organizations undergoing their second or greater AcqDemo pay pool assessments. Organizations undergoing their first AcqDemo payout are to use a minimum of 2.4 percent of base salaries, as required in Reference (C), Section III D.5.

Contribution Award (CA) Pay Pool Funding. As provided in Reference (C, Section III D.5), the CA fund will be set at not less than 1.0 percent of the sum of the total [aggregate] salaries of all eligible employees in the pay pool. While a more restrictive funding limit may be used within non-AcqDemo organizations, Reference (A) instructs that funding limits identified in *Federal Register* notices such as Reference (C) are controlling. Therefore, in accordance with this guidance, calculation of CA funding in the CMS will be 1.0 percent for the FY16 Pay Pool Cycle, unless another limit has been identified through the collective bargaining process. Organizations undergoing their

first AcqDemo payout are to use 1.3 percent of aggregate salaries, as required in Reference (C), Section III D.5.

Contribution Carry Over Award Funding. Per Reference (A), “When a performance-based continuing pay increase cannot be fully applied due to pay band limitations, the excess amount is generally paid as a lump sum from the funding available for continuing pay increases. Payments of this nature are not considered performance awards under Chapter 45 of title 5 U.S.C., and are not counted against the Reference (A) budgetary limit imposed by the Office of Management and Budget (OMB)/OPM.” Therefore, the practice of rolling over individually-identified CRI, that cannot be paid as a salary increase, into a lump sum Carry Over Award (Nature of Action 885), may be followed in accordance with guidance provided in the organization’s Pay Pool Business Rules.

These spending levels remain in effect, pending additional OMB/OPM or DoD guidance, until rescinded or amended.

Compensating employees for their contribution to the organization’s mission is a fundamental principle of AcqDemo. Therefore, providing pay pools and managers with the ability to execute their programs in accordance with the provisions of AcqDemo is essential to conducting a thorough evaluation of the program’s impacts on the performance of the acquisition workforce. We appreciate your support in this endeavor.



Darryl R. Burgan, Sr.
Program Manager, AcqDemo
Human Capital Initiatives, USD(AT&L)

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