



NASA DESK GUIDE

on

The NASA Flexibility Act of 2004

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General Information

The NASA Flexibility Act of 2004

On February 24, 2004, President George W. Bush signed the NASA Flexibility Act of 2004 into law. This legislation provides NASA with new human resources flexibilities—flexibilities that will be vitally important in meeting the Agency’s human capital goals.

The Act consists of over a dozen provisions designed to address a range of human capital challenges and to strengthen all levels of the workforce: freshouts, mid-level, and senior level. The provisions include incentives that will enable NASA to compete successfully with the private sector in attracting and retaining a world-class workforce as well as authorities that will enable NASA to reshape and redeploy its workforce more effectively to support the Agency’s Mission. Charts summarizing the scope of the provisions are at Appendix A of this desk guide. You will find additional information regarding the NASA Flexibility Act on the NASA Human Capital Legislation website at <http://nasapeople.nasa.gov/hclwp/index.htm>.

This desk guide is intended to provide operational and procedural guidance for using and reporting on the human capital authorities in the NASA Flexibility Act of 2004. You should use this guide in conjunction with the Interim Implementing Policies and Procedures, issued May 5, 2004. Those policies will be incorporated into the appropriate NASA Procedural Requirements (NPRs) in the near future. They are available now on the NODIS website (<http://nodis3.gsfc.nasa.gov/>), linked to NPD 3000.1, Management of Human Resources. The link is below the subject line of that NPD.

NASA’s Critical Needs and the Competency Management System

There are extensive annual Congressional reporting requirements associated with NASA’s use of the provisions of this Act. They are defined in the portion of the Act codified in 5 U.S.C. 9815. Although the specific reporting requirements for each provision differ, there is an item of information NASA must report for almost all of them: the extent to which the provision was used to address a critical need, as defined in the NASA Workforce Plan. More specifically, for the workforce authorities listed below, NASA must distinguish between instances in which the authority was used to address a critical need and all other instances in which the authority was used:

- Recruitment, redesignation, relocation, retention bonuses
- Term appointments/conversions
- Distinguished scholar appointments
- Enhanced annual leave
- Limited appointments to SES positions
- Qualifications pay actions

Therefore, in every instance of using any of those provisions, you must document whether the position associated with the action is a “critical need” position.

Critical needs are described and identified in the NASA Workforce Plan (dated March 26, 2004) in terms of NASA's most significant competency requirements — the competencies on which the Agency must focus its recruitment, retention, and development efforts to meet its human capital challenges. At this time, there are 35 competencies that represent NASA's critical needs. A list of these competencies is found on page 10 of the Workforce Plan and is provided at the end of this section. They are defined in the NASA Workforce Competency Dictionary.

To determine whether your proposed use of an authority addresses one of NASA's critical needs, you must review the official position description associated with the action and determine whether any of the competencies linked to that position are among the 35 "critical needs" competencies. For example, if you are appointing an individual under the Distinguished Scholar Appointment authority, you must look at the position description to which the new hire will be appointed, identify the competencies associated with that position description, and determine whether any of them are among the 35 critical needs competencies.

Identifying the competencies associated with the position will require referring to the data in the Competency Management System (CMS). Position competencies are represented by Data Set 2 in the CMS database. You may need to work with your Center's CMS Administrator to gain access to the CMS data if you do not already have access to it. Also, in order to verify the required competencies, you will need to collaborate with the appropriate management official who is taking the personnel action.

There are several ways to identify the competencies associated with a position. If there is a previous incumbent, the CMS can be queried using that individual's name to identify the competencies associated with the position; of course, management must confirm that the competencies are still appropriate for the job. Or, if there is a similar position incumbered by an individual that reflects the desired competencies, a query can be made under that employee's name to identify the competencies associated with that position. In situations in which the position is newly-established and there is no comparable incumbered position, management must identify the required competencies, using the Workforce Competency Dictionary.

Most positions will have several competencies associated with it, including a primary competency. Obviously, at least one of the competencies associated with the position must be among the 35 critical needs competencies if you are stating that the position addresses one of NASA's critical needs. However, it is not necessary that all of the competencies associated with the position be among those 35 critical competencies in order for the position to be considered one that addresses a critical need. Also, it is not necessary that the position's primary competency be among the 35 critical need competencies. In determining whether a specific position truly addresses a critical need, your decision must be based on the relative importance of the critical need competency (or competencies) to the duties and the degree to which the individual possesses that competency.

Since NASA must report to Congress on its use of the new authorities relative to addressing critical needs, it is important that any determination as to whether a position is linked to a critical need be consistent with the data in the CMS (i.e. Data Set 2). This is particularly important in cases in which you are using an authority in connection with a newly-established position for which management has not yet entered the position competencies into the CMS. Management may identify the required competencies verbally in working with you on the action, but you need to follow up to ensure that the decisions are reflected in the CMS position data.

As a final note, it is important to remember that the pay authority for critical positions can be used only when addressing a critical need. Also, paying any recruitment, relocation, redesignation, or retention bonus in an amount greater than 25% of the employee's annual rate of basic pay (excluding comparability payments) is limited to situations addressing a critical need. The other authorities in the Act can be used in any appropriate situation (consistent with the law and the interim policies) even if the use is not addressing a critical need. Remember, however, that in such cases you must document that the use was not linked to a critical need in order to comply with the Congressional reporting requirement.

Competencies Representing NASA's Critical Needs

From NASA Workforce Plan dated March 26, 2004

COMPETENCY	Category of Competency				
	Corporate	At Risk	RTF	Freshout	At Risk (Center-specific)
Systems Engineering	X	X	X	X	
Integration Engineering	X	X	X	X	
Test Engineering	X	X	X	X	
Mission Assurance	X	X	X	X	
Human Factors Engineering	X				
Nuclear Engineering	X				
Design and Development Engineering	X	X	X		
Quality Engineering and Assurance	X		X		
Business Management *	X	X			
Mission Execution	X	X		X	
Program/Project Management		X	X	X	
Business IT Systems		X			
Budgeting Management *		X		X	
Propulsion Systems and Testing			X		
Safety Engineering and Assurance			X		
Mission Analysis and Planning			X		
Administrative Support (EXCLUDED)				X	
Acquisition and Contract Management *				X	
Mathematical Modeling and Analysis				X	
Intelligent/Adaptive Systems					X
Institutional Facilities Planning					X
Institutional Facilities Operations					X
Fundamental Human Factors Research					X
Engineering and Science Support					X
Electrical and Electronics Systems					X
Communications Networks and Engineering					X
Advanced In-Space Propulsion					X
Computer Systems and Engineering					X
Financial Management *					X
Flight and Ground Data Systems					X
Human Resources *					X
Public Communications and Outreach *					X
Legal *					X
Advanced Mission Analysis					X
Advanced Experimentation and Testing Technology					X
Aerodynamics					X

IMPORTANT: Since the law defines “critical needs” in terms of important safety, management, engineering, research, science, or operations requirements, for purposes of applying the provisions of the NASA Flexibility Act of 2004, **exclude:** (1) the *Administrative Support* competency and (2) nonmanagement positions associated with the shaded and asterisked competencies.

Competencies Representing NASA's Critical Needs

Alphabetical List

Acquisition and Contract Management *	[CONMMT 124]
Advanced Experimentation and Testing Technology	[AETT 109]
Advanced In-Space Propulsion	[ADVPRO 72]
Advanced Mission Analysis	[ADVMIS 89]
Aerodynamics	[AERODYN 101]
Budgeting Management *	[BUDGETMMT 119]
Business IT Systems	[BUSITSYS 131]
Business Management *	[BUSMMT 113]
Communications Networks and Engineering	[COMNETENG 60]
Computer Systems and Engineering	[COMPSYSENG 80]
Design and Development Engineering	[DESDEV 8]
Electrical and Electronics Systems	[ELSYS 13]
Engineering and Science Support	[ENGSCISUP 11]
Financial Management *	[FINMMT 118]
Flight and Ground Data Systems	[FLTGNDSYS 19]
Fundamental Human Factors Research	[FUNHUM 40]
Human Factors Engineering	[HUMFAC 41]
Human Resources *	[HUMRES 128]
Institutional Facilities Operations	[INSFACOPS 146]
Institutional Facilities Planning	[INSFACPLAN 145]
Intelligent/Adaptive Systems	[IASYS 85]
Integration Engineering	[INTEGENG 9]
Legal *	[LEGAL 125]
Mathematical Modeling and Analysis	[MMA 86]
Mission Analysis and Planning	[MAP 1]
Mission Assurance	[MA 30]
Mission Execution	[MISEXC 4]
Nuclear Engineering	[NUCLEARENG 138]
Program/Project Management	[PROJPROGMT 122]
Propulsion Systems and Testing	[PROSYS 68]
Public Communications and Outreach *	[PPUBLICOMM 135]
Quality Engineering and Assurance	[QEA 29]
Safety Engineering and Assurance	[SAFENG 27]
Systems Engineering	[SYSENG 7]
Test Engineering	[TESTENG 10]

* Management positions only

From NASA Workforce Plan dated March 26, 2004

Compensation for Certain Excepted Personnel

Background

Section 2 of the NASA Flexibility Act of 2004 amends the Space Act (42 U.S.C. 2473(c)(2)(A)) to raise the maximum allowable rate of pay for NASA Excepted (NEX) positions to level III of the Executive Schedule. Prior to this amendment, the rate of pay was capped at level IV of the Executive Schedule.

This is the only provision of the NASA Flexibility Act of 2004 that is not subject to the “90 day waiting period” following the submission of a Workforce Plan to Congress. Consequently, this amendment took effect the first pay period after February 24, 2004 (March 7, 2004).

Although the “cap” on the maximum salary level has been raised, this does not mean that a current NEX employee who is paid at level IV of the Executive Schedule is entitled to be paid at a higher level or that it is appropriate to raise the employee’s rate of pay above the current limit. In determining the appropriate level of compensation, consideration should be given to factors such as the employee’s qualifications and performance, criticality of the position to the organization’s mission, labor market factors affecting NASA’s ability to recruit and retain employees with comparable skills, and salaries of employees performing comparable duties within and outside the organization.

Processing actions

No special legal authority codes or authorities need to be cited if pay is set above level IV of the Executive Schedule when processing an appointment or a conversion under the NEX authority.

Additionally, no special legal authority codes or authorities need to be cited if a pay adjustment is made to a current NEX employee to increase the rate of pay above level IV of the Executive Schedule

Refer to the NASA Desk Guide on *NASA Excepted Employment (Processing and Benefits)*, dated March 2004, for specific information on processing actions associated with the NEX authority. The Desk Guide is available on the NASA People website at <http://nasapeople.nasa.gov/references/deskguides.htm>.

Approval authority

This new authority does not change any existing policies regarding authority to appoint and compensate employees under the NEX authority.

That authority has been delegated to the Associate Deputy Administrator for Institutions and Asset Management and NASA Center Directors when appointed from outside the civil service. Under this delegation, individuals may be appointed for up to 3 years and be extended for an additional 3 years. The Administrator retains authority to approve conversions of civil servants to NEX positions. Refer to the Desk Guide for additional information.

Reporting requirements

There are no reporting requirements associated with this provision.

Recruitment, Redesignation, and Relocation Bonuses

Background

The NASA Flexibility Act of 2004 enhances the traditional, Federalwide recruitment and relocation bonuses (2 of the “3 Rs”) in several ways. More generous monetary amounts may be approved for individuals; the bonuses may be paid under various payment schedules; and recruitment bonuses may be offered to Federal employees from other agencies—these are called “redesignation bonuses.”

However, it is important to remember that the criteria for approving the enhanced bonuses are very different from the criteria for approving the bonuses under the Federalwide authority. Before offering an enhanced bonus, make sure that the situation meets the criteria specified in the law and NASA’s implementing policies. Some of the key “checkpoints” you must consider are:

- Is the person a political appointee? If the answer is “yes”, a bonus is prohibited.
- Have you adequately documented that the situation meets the basic eligibility requirements, as defined in the Interim Implementing Policies?
- Have you determined that the bonus amount to be paid is consistent with the criteria for determining the bonus level, as defined in the Interim Implementing Policies?
- If the proposed bonus is for an amount that exceeds what is allowed under the Federalwide law at the time of passage of the Act (25% of base pay, excluding locality pay), is the individual being placed in a position that addresses a critical need? If not, the individual is not eligible for that bonus amount.
- Has the person signed a service agreement for a period not less than 6 months and not more than 4 years?
- If the proposed bonus is for an individual in a supervisory or management position, will payment of the bonus allow the Center to remain within the statutory “cap” that stipulates that not more than 25% of bonus money paid in any fiscal year may be given to supervisors/managers? (Note: In computing the totals, combine recruitment, redesignation, and relocation bonuses as a single bonus category. Treat retention bonuses as a separate category.)

Processing actions

Centers may continue to authorize bonuses under the Federalwide recruitment and relocation authority in section 5753 of title 5, United States Code. Current procedures for processing such bonuses under that authority are unchanged. The instructions in this section pertain to processing the enhanced recruitment, redesignation, and relocation bonuses provided in the NASA Flexibility Act of 2004, as codified in 5 U.S.C. 9804. The first part of the discussion addresses requirements under the Department of Interior's Federal Personnel and Payroll System (FPPS) to which NASA will migrate in August 2004. The second part addresses processing requirements under NASA's legacy system.

Processing bonuses—DOI's Federal Personnel and Payroll System (FPPS)

When NASA approves a recruitment or relocation bonus under the Federalwide authority in section 5753 of title 5, United States Code, the payment can be processed and documented through an SF-50. The SF-50 is able to serve as the "pay authorizing" document because there is only one method of paying a bonus under 5 U.S.C. 5753: a single lump sum payment.

A different approach is necessary to pay the enhanced recruitment, relocation, and redesignation bonuses authorized under the NASA Flexibility Act of 2004 (codified in 5 U.S.C. 9804). The current version of the SF-50 is not designed to capture the new flexible payment options that are now permitted by the Act. However, we do not want to eliminate the use of the SF-50 altogether in documenting bonuses under NASA's new authority, because it an efficient way to capture data for the annual report to Congress.

For those reasons, under DOI's system, two distinct but related actions must be taken when processing the enhanced bonuses under 5 U.S.C. 9804. The **SF-50** will be used to input information into the Agency personnel and payroll system so that data can be retrieved to comply with reporting requirements on the usage of the new bonus authorities. The payment schedule, however, will not be reflected on the SF-50. Instead, at the time the SF-50 is being created, the user will be prompted to go to the **command FREN** to complete screens that will indicate the manner in which the bonus is paid.

Step 1. Completing the SF-50

When processing SF-50's for recruitment, redesignation, and relocation bonuses under the NASA Flexibility Act of 2004, use the Nature of Action Codes, Nature of Action, and Legal Authority Codes shown on the next page

RECRUITMENT BONUSES under 5 U.S.C. 9804		
NOAC	NOA	Legal Authority Code
815	Recruitment Bonus	Z4A/P.L. 108-201, sec. 9804 (critical)
		Z4B/P.L. 108-201, sec 9804

REDESIGNATION BONUSES under 5 U.S.C. 9804		
NOAC	NOA	Legal Authority Code
826	Redesignation Bonus	Z4C/P.L. 108-201, sec. 9804 (critical)
		Z4D/P.L. 108-201, sec 9804

RELOCATION BONUSES under 5 U.S.C. 9804		
NOAC	NOA	Legal Authority Code
816	Relocation Bonus	Z4E/P.L. 108-201, sec. 9804 (critical)
		Z4F/P.L. 108-201, sec 9804

If the position to which the bonus recipient is assigned is associated with a critical need competency, you must use the Legal Authority Code that includes the parenthetical “critical” in the code. (This will be the Codes beginning with Z4A..., Z4C..., Z4E...) Otherwise, use the Legal Authority Code that does not have “critical” in it (i.e., the Codes beginning with Z4B..., Z4D..., and Z4F...) Refer to the discussion in Section I, “General Information — NASA’s Critical Needs” of this desk guide for information on identifying critical needs positions.

Remember: if the position is not associated with a critical need competency, the bonus recipient is limited to the amount authorized under the original provision in 5 U.S.C. 5753 for recruitment and relocation bonuses, viz., 25% of the annual rate of basic pay, excluding comparability payments. The advantage of using the NASA authority in such cases—rather than the Federalwide authority—is that it permits paying the bonus in an arrangement other than the single lump sum payment.

In the award amount field (block 20 on the SF-50), indicate the amount of the bonus payments to be paid during the entire fiscal year—not the amount to be paid over the life of the service agreement. For example, if the effective date of the action is November 14, 2004, you will need to calculate the total bonus amount that will be paid between November 14, 2004 and September 30, 2005.

IMPORTANT: The award field represents the total bonus amount paid in a fiscal year. “Total bonus amount paid in a fiscal year ” is not the amount the employee actually receives in that fiscal year. Instead, it is defined as the amount NASA authorizes to be

paid in the paychecks corresponding to the pay periods that begin in that fiscal year. For example, if a bonus is paid with the paycheck corresponding to the pay period that begins September 19, 2004, that bonus is included in the total amount of bonus payments for FY 2004, despite the fact that the employee will not receive the paycheck until October 12, 2004 (which falls in the next fiscal year). This approach will simplify the calculations.

If a bonus will be paid over a subsequent fiscal year as well, you will need to process another SF-50 during that fiscal year in order to capture the data for the annual report corresponding to that fiscal year.

For example, if a recruitment bonus is paid to an individual in biweekly installments beginning December 12, 2004 and ending December 26, 2005, two SF-50's must be processed. The first SF-50 must be processed with an effective date of December 12, 2004. The award amount must reflect the total amount that will be paid between December 12, 2004 and September 30, 2005. The second SF-50 must be processed with an effective date in FY 2006: October 2, 2005. The award amount on the second SF-50 must reflect the total amount that will be paid between October 2, 2005 and December 26, 2005.

Step 2. Completing the FREN screen

At the time of the issuance of this Desk Guide, the details of the processing in FPPS are not fully known. New commands and screens are being developed to reflect the information on the Employee Service Agreement. Guidance on completing the FPPS screens will be issued by the Agency e-Payroll team in the form of a Job Aid. Three important fields that must be completed on the screens are:

- Service Agreement End Date
- Entitlement amount [This reflects the total amount to be paid within the fiscal year. This amount must match the amount on the SF-50, since that also reflects the total amount paid out in the fiscal year.]
- Frequency Indicator [You will select the indicator corresponding to the payment schedule. When the frequency indicator is selected, specific fields will be displayed in which you enter the payment information.]

There are ten distinct payment options, with indicator codes corresponding to them. The chart on the next page defines the payment schedule options that are available in DOI's system.

Indicator Codes

Code	Description	Schedule of Payment
01	Pay period	Biweekly payments; first payment included with paycheck covering the bonus effective date. (If SF-50 effective date is 9/5/2004, first payment is included with paycheck for 9/5/2004 through 9/18/2004)
02	Monthly	Paid monthly in equal installments, on the last pay period of the next full month (If SF-50 effective date is 9/5/2004, first payment is paid on last pay period in October)
03	Quarterly	Paid quarterly in equal installments, on the last pay period of the next full quarter. (If SF-50 effective date is 9/5/2004, first payment is paid on last pay period of quarter beginning 10/1/2004—viz., pay period beginning 12/26/2004)
04	Lump sum	A single payment, paid with the paycheck covering the bonus effective date. (If SF-50 effective date is 9/5/2004, payment is included with paycheck for 9/5/2004 through 9/18/2004).
05	Pay period + lump sum	Paid in equal installments on a biweekly basis, with the final payment being a lump sum amount that differs from the biweekly payment. (If SF-50 effective date is 9/5/2004, first payment is included with paycheck for 9/5/2004 through 9/18/2004. Lump sum payment follows the final “biweekly equal amount” payment and reflects the balance of the bonus.)
06	Monthly + lump sum	Paid in equal monthly installments with the first payment paid on the last pay period in the next full month and final payment being a lump sum amount that differs from the monthly payment. (If SF-50 effective date is 9/5/2004, first payment is paid on last pay period in October. Final lump sum payment is paid on pay period following the final monthly payment.)
07	Quarterly + lump sum	Paid in equal quarterly installments with first payment paid on the last pay period in the next full quarter and the final payment being a lump sum amount that differs from the quarterly payments. (If SF-50 effective date is 9/5/2004, first payment is paid on last pay period of quarter beginning 10/1/2004—viz. pay period beginning 12/26/2004. Next quarterly payments are paid in the same way. The final, lump sum payment is paid on the next pay period following the last quarterly payment.)
08	Lump sum + biweekly	A lump sum payment is made, followed by biweekly payments in equal amounts. (If SF-50 effective date is 9/5/2004, the lump sum payment is included with paycheck for 9/5/2004 through 9/18/2004 and the biweekly payments commence with the next pay period.)
09	Lump sum + monthly	A lump sum payment is made, followed by monthly payments in equal amounts. If SF-50 effective date is 9/5/2004, the lump sum payment is included with paycheck for 9/5/2004 through 9/18/2004. The first monthly payment is paid on the last pay period for the next full month (October).
10	Lump sum + quarterly	A lump sum payment is made, followed by quarterly payments in equal amounts. If SF-50 effective date is 9/5/2004, the lump sum payment is included with paycheck for 9/5/2004 through 9/18/2004. The first quarterly payment is paid on last pay period of quarter beginning 10/1/2004—viz. pay period beginning 12/26/2004

Processing actions—Under NASA’s legacy system

The NASA Personnel and Payroll System (NPPS) will accommodate paying bonuses up to the maximum amount permitted under the Act. The system also will accommodate processing redesignation bonuses using the new nature of action code. However, NPPS cannot accommodate flexible payment schedules without major reprogramming that could impact adversely on the parallel testing that must be conducted before NASA’s personnel/payroll data migrates to DOI’s system (FPPS).

For that reason, enhanced recruitment, relocation, and redesignation bonus payments that are awarded under NASA’s legacy system must be paid under the same schedule that the Federalwide recruitment and relocation bonuses are paid: a single lump sum payment.

The legacy system has been programmed to accept the new nature of action and legal authority codes corresponding to the enhanced bonuses under the legacy system. Make sure that you use those codes (described on page 12 of this guide) in processing the SF-50. In the award amount field, indicate the total lump sum payment.

Approval authority

The approval levels for the enhanced bonuses are the same as the approval levels for the existing 3Rs provisions. Refer to the interim implementing policies for details.

Service Agreements

Refer to the implementing policies for guidance on executing service agreements. Revised Employee Service Agreements are now available as NASA Forms:

- NF 1716 Employee Service Agreement Relocation Bonus
- NF 1717 Employee Service Agreement Redesignation Bonus
- NF 1718 Employee Service Agreement Recruitment Bonus

These forms also are available on the human capital legislation website at <http://nasapeople.nasa.gov/hclwp/index.htm>

Reporting requirements

The annual report to Congress must include the following information on recruitment, redesignation, and retention bonuses:

- Total amount of bonuses paid—categorized by critical and noncritical needs
- Total number of bonuses paid—categorized by critical and noncritical needs
- Percentage of the amount of bonuses awarded to supervisors and management officials—categorized by critical and noncritical needs
- Average bonus amount as an average percentage of employee’s salary—categorized by critical and noncritical needs

After migration to the DOI Federal Personnel and Payroll System, we will be able to extract this information through queries in the system. Until that occurs and we have developed and tested the queries, Centers will need to maintain “manual” data on the use of the bonuses to ensure that we comply with the annual reporting requirements. Centers will need to provide HQ with data in the format indicated on the Excel spreadsheet called “NASA Flexibility Act Report Format.”

Date)

Retention Bonuses

Background

The NASA Flexibility Act of 2004 enhances the Federalwide retention bonus authority in several ways. More generous monetary amounts may be approved for individuals; the bonuses may be paid under various payment schedules; and retention bonuses may be paid to NASA employees who would otherwise leave to accept a position in another Federal agency.

However, it is important to remember that the criteria for approving the enhanced retention bonuses are very different from the criteria for approving retention bonuses under the Federalwide authority. Before offering an enhanced retention bonus, make sure that the situation meets the conditions specified in the law and NASA's implementing policies. Some of the key "checkpoints" you must consider are:

- Is the person a political appointee? If the answer is "yes", a bonus is prohibited.
- Have you adequately documented that the situation meets the Basic Eligibility Requirements, as defined in the Interim Implementing Policies?
- Have you determined that the bonus amount to be paid is consistent with the Bonus Level Evaluation Criteria, as defined in the Interim Implementing Policies?
- If the proposed bonus is for an amount that exceeds what is allowed under the Federalwide law at the time of passage of the Act (25% of base pay, excluding locality pay), is the individual in a position that addresses a critical need? If not, the individual is not eligible for that bonus.
- If the employee is being paid in other than biweekly payments, has he/she signed a service agreement for a period not less than 6 months and not more than 4 years?
- If the proposed bonus is for an individual in a supervisory or management position, will payment of the bonus allow the Center to remain within the statutory "cap" that stipulates that not more than 25% of bonus money paid in any fiscal year may be given to supervisors/managers? (Note: In computing the totals, do not combine the retention bonus amounts with any of the other bonus categories.)

Processing actions

Centers may continue to authorize retention bonuses under the Federalwide authority in section 5754 of title 5, United States Code. Current procedures for processing such bonuses under that authority are unchanged. The instructions in this section pertain to processing the enhanced retention bonuses under the NASA Flexibility Act of 2004, as codified in 5 U.S.C. 9805. The first part of the discussion addresses requirements under the Department of Interior’s Federal Personnel and Payroll System (FPPS) to which NASA will migrate in August 2004. The second part addresses processing requirements under NASA’s legacy system.

Processing retention bonuses—DOI’s Federal Personnel and Payroll System (FPPS)

When NASA approves a retention bonus under the Federalwide authority in 5 U.S.C. 5754, the payment can be processed and documented through an SF-50. The SF-50 is able to serve as the “pay authorizing” document for this bonus because there is only one method of paying it: biweekly installments.

A different approach is necessary to pay enhanced retention bonuses authorized under the NASA Flexibility Act of 2004 (codified in 5 U.S.C. 9805). The current version of the SF-50 is not designed to capture the new flexible payment options that are now permitted by the Act. However, we do not want to eliminate the use of the SF-50 altogether in documenting bonuses under NASA’s new authority because it is an efficient way to capture data for the annual report to Congress.

For those reasons, under DOI’s system, two distinct but related actions must be taken when processing the enhanced retention bonus under 5 U.S.C. 9805. The **SF-50** will be used to input information into the Agency personnel and payroll system so that data can be retrieved to comply with reporting requirements on the usage of the new authority. The payment schedule, however, will not be reflected on the SF-50. Instead, at the time the SF-50 is being created, the user will be prompted to go to **the command FREN** to complete screens that will indicate the manner in which the bonus is paid.

Step 1. Completing the SF-50

Use the following Nature of Action Code, Nature of Action and Legal Authority Code when processing retention bonuses under NASA’s authority AND the bonus is being paid in biweekly payments. Select the appropriate legal authority code to indicate whether the bonus is paid to address a critical need.

RETENTION BONUSES under 5 U.S.C. 9805 BIWEEKLY payments		
NOAC	NOA	Legal Authority Code
810	Chg in Allow/Diff	Z4G/P.L. 108-201, sec. 9805 (critical)
		Z4H/P.L. 108-201, sec 9805

If the position to which the bonus recipient is assigned is associated with a critical need competency, use the Legal Authority Code with the Z4G prefix. Otherwise, use Z4H. Refer to Section I, “General Information—NASA’s Critical Needs” in this desk guide for information on identifying critical needs positions.

Use the retention allowance field (20D) to indicate the total amount of retention allowance paid in the fiscal year. You will need to process a new 810 action:

- each fiscal year;
- if the underlying retention allowance percentage changes; or
- if the retention allowance is being paid on a biweekly basis as a percentage of the employee’s salary and the salary increases (e.g., due to a pay adjustment).

Use the following Nature of Action Code, Nature of Action, and Legal Authority Code when processing retention bonuses under NASA’s authority AND the bonus is being paid in other than biweekly payments. If the bonus is paid to address a critical need, use the Legal Authority Code that begins with the Z4G prefix.

RETENTION BONUS under 5 U.S.C. 9805 Other than biweekly payments		
NOAC	NOA	Legal Authority Code
827	Retention Bonus	Z4G/P.L. 108-201, sec. 9805 (critical)
		Z4H/P.L. 108-201, sec 9805

In the award amount field (block 20), indicate the amount of all retention bonus payments to be paid during that entire fiscal year. For example, if the effective date of the action is November 14, 2004, you will need to calculate the total bonus amount that will be paid out between November 14, 2004 and September 30, 2005.

IMPORTANT: The award field represents the total bonus amount paid in a fiscal year. “Total amount paid in a fiscal year” is not the amount the employee actually receives in that fiscal year. Instead, it is defined as the amount NASA authorizes to be paid in the paychecks corresponding to the pay periods that begin that fiscal year. For example, if a bonus is paid with the paycheck corresponding to the pay period that begins September 19, 2004, that bonus is included in the total amount of bonus payments for FY 2004, despite the fact that the employee will not receive the paycheck until October 12, 2004 (which falls in the next fiscal year). This approach will simplify the calculations

If a bonus will be paid over a subsequent fiscal year as well, you will need to process another SF-50 in that that fiscal year in order to capture the data for the annual report corresponding to that fiscal year. For example, if a retention bonus is processed with an effective date of November 14, 2004 and is paid out in monthly installments beginning December 26, 2004 and ending December 26, 2005, two SF-50’s must be processed. The first SF-50 has an effective date in FY 2005 (November 14, 2004), so the award amount must reflect the total amount that will be paid through September 30, 2005. The second

SF-50 will have an effective date in FY 2006, viz., October 2, 2005. The award amount on the second SF-50 must reflect the total amount that will be paid between October 2, 2005 and December 26, 2005.

Reminder: if the position is *not* associated with a critical need competency, the bonus recipient is limited to the amount authorized under the original provision in 5 U.S.C. 5754 for retention bonuses: 25% of the annual rate of basic pay, excluding comparability payments. The advantage of using the NASA authority in such cases—rather than the Federalwide authority—is that it permits paying the bonus in an arrangement other than biweekly payments.

Step 2. Completing the FREN screen

At the time this Desk Guide is issued, the details of the processing in FPPS are not fully known. New commands and screens are being developed to reflect the information on the Employee Service Agreement. Guidance on completing the FPPS screens will be issued by the Agency e-Payroll team in the form of a Job Aid. Three important fields that must be completed on the screens are:

- Service Agreement End Date
- Entitlement amount [This reflects the total amount to be paid within the fiscal year. This amount must match the amount on the SF-50, since that also reflects the total amount paid out in the fiscal year.]
- Frequency Indicator [You will select the indicator corresponding to the payment schedule. When the frequency indicator is selected, specific fields will be displayed in which you enter the payment information.]

There are ten distinct payment options, with indicator codes corresponding to them. The chart on the next page defines the payment schedule options that are available in DOI's system.

Indicator Codes

Code	Description	Schedule of Payment
01	Pay period	Biweekly payments; first payment included with paycheck covering the bonus effective date. (If SF-50 effective date is 9/5/2004, first payment is included with paycheck for 9/5/2004 through 9/18/2004.)
02	Monthly	Paid monthly in equal installments, on the last pay period of the next full month (If SF-50 effective date is 9/5/2004, first payment is paid on last pay period in October.)
03	Quarterly	Paid quarterly in equal installments, on the last pay period of the next full quarter. (If SF-50 effective date is 9/5/2004, first payment is paid on last pay period of quarter beginning 10/1/2004—viz., pay period beginning 12/26/2004.)
04	Lump sum	A single payment, paid with the paycheck covering the bonus effective date. (If SF-50 effective date is 9/5/2004, payment is included with paycheck for 9/5/2004 through 9/18/2004).
05	Pay period + lump sum	Paid in equal installments on a biweekly basis, with the final payment being a lump sum amount that differs from the biweekly payment. (If SF-50 effective date is 9/5/2004, first payment is included with paycheck for 9/5/2004 through 9/18/2004. Lump sum payment follows the final “biweekly equal amount” payment and reflects the balance of the bonus.)
06	Monthly + lump sum	Paid in equal monthly installments with the first payment paid on the last pay period in the next full month and final payment being a lump sum amount that differs from the monthly payment. (If SF-50 effective date is 9/5/2004, first payment is paid on last pay period in October. Final lump sum payment is paid on pay period following the final monthly payment.)
07	Quarterly + lump sum	Paid in equal quarterly installments with first payment paid on the last pay period in the next full quarter and the final payment being a lump sum amount that differs from the quarterly payments. (If SF-50 effective date is 9/5/2004, first payment is paid on last pay period of quarter beginning 10/1/2004—viz. pay period beginning 12/26/2004. Next quarterly payments are paid in the same way. The final, lump sum payment is paid on the next pay period following the last quarterly payment.)
08	Lump sum + biweekly	A lump sum payment is made, followed by biweekly payments in equal amounts. (If SF-50 effective date is 9/5/2004, the lump sum payment is included with paycheck for 9/5/2004 through 9/18/2004 and the biweekly payments commence with the next pay period.)
09	Lump sum + monthly	A lump sum payment is made, followed by monthly payments in equal amounts. If SF-50 effective date is 9/5/2004, the lump sum payment is included with paycheck for 9/5/2004 through 9/18/2004. The first monthly payment is paid on the last pay period for the next full month (October).
10	Lump sum + quarterly	A lump sum payment is made, followed by quarterly payments in equal amounts. If SF-50 effective date is 9/5/2004, the lump sum payment is included with paycheck for 9/5/2004 through 9/18/2004. The first quarterly payment is paid on last pay period of quarter beginning 10/1/2004—viz. pay period beginning 12/26/2004.

Processing actions—Under NASA’s legacy system

The NASA Personnel and Payroll System (NPPS) will accommodate paying retention bonuses up to the maximum amount permitted under the Act. The system also will accommodate processing retention bonuses using the new nature of action code. However, NPPS cannot accommodate flexible payment schedules without major reprogramming that could impact adversely on the parallel testing that must be conducted before NASA’s personnel/payroll data migrates to DOI’s system (FPPS).

For that reason, enhanced retention bonus payments that are awarded under NASA’s legacy system must be paid either as biweekly payments (which represents the schedule under which the current Federalwide retention bonuses are paid) or in a single lump sum payment.

If you are processing an enhanced retention bonus under the legacy system and paying the bonus in biweekly payments, use the following codes:

RETENTION BONUSES under 5 U.S.C. 9805 BIWEEKLY payments		
NOAC	NOA	Legal Authority Code
810	Chg in Allow/Diff	Z4G/P.L. 108-201, sec. 9805 (critical)
		Z4H/P.L. 108-201, sec 9805

In other words, continue to use an 810 action, but use the new legal authorities to document that the actions are based on NASA’s legislation. If the bonus is paid to address a critical need, use the Legal Authority Code that begins with the Z4G prefix; otherwise, use the Z4H prefix. Enter the total dollar amount that will be paid in the fiscal year (annualized amount of the retention allowance percentage) in the retention allowance field (block 20D).

If you are processing an enhanced retention bonus under the legacy system and paying the bonus in a lump sum payment use the codes from the table below; again, you must use the Legal Authority Code that begins with the Z4G prefix if the bonus is paid to address a critical need.

RETENTION BONUS under 5 U.S.C. 9805 Other than biweekly payments		
NOAC	NOA	Legal Authority Code
827	Retention Bonus	Z4G/P.L. 108-201, sec. 9805 (critical)
		Z4H/P.L. 108-201, sec 9805

In the award amount field (block 20), indicate the amount of the lump sum payment.

Approval authority

The approval levels for the enhanced retention bonus are the same as the approval levels for the existing 3Rs provisions. Refer to the interim implementing policies for details.

Service Agreements

Refer to the implementing policies for guidance on executing service agreements. An Employee Service Agreement for Retention Bonuses has been developed and is now available as NASA Forms 1719.

A service agreement is not required if the individual is being paid the full percentage of the bonus in biweekly installments. However, we have developed a statement of understanding memorandum that documents the information pertaining to the manner in which payments are made. This is available as NASA Form 1715, Statement of Understanding—Retention Bonus/Allowance.

Both NF 1715 and NF 1719 are available on the human capital legislation website at <http://nasapeople.nasa.gov/hclwp/index.htm>.

Reporting requirements

The annual report to Congress must include the following information on retention bonuses:

- Total amount of bonuses paid—categorized by critical and noncritical needs
- Total number of bonuses paid—categorized by critical and noncritical needs
- Percentage of the amount of bonuses awarded to supervisors and management officials—categorized by critical and noncritical needs
- Average bonus amount as an average percentage of employee’s salary—categorized by critical and noncritical needs

After migration to the DOI Federal Personnel and Payroll System, we will be able to extract this information through queries in the system. Until that occurs and we have developed and tested the queries, Centers will need to maintain “manual” data on the use of the bonuses to ensure that we comply with the annual reporting requirements. Centers will need to provide HQ with data in the format indicated on the Excel spreadsheet called “NASA Flexibility Act Report Format.”

Term Appointments

Background

The NASA Flexibility Act of 2004 provides several new flexibilities pertaining to term appointments. First, term appointments may be made (or extended) up to six years. In addition, under specific conditions, term employees may be converted to career or career-conditional appointments. Since these flexibilities derive specifically from the Act and are not federal-wide, we must cite new, NASA-unique legal authority codes in processing actions associated with the new authorities and, in some cases, include special remarks on the SF-50's.

Advertising vacancies

NASA STARS does not contain a special template for term positions. Use the template that is most appropriate for the type of recruitment you are conducting. The system includes an array of standard statements that may be edited as appropriate for the specific circumstances. As of the date this guidance is written, system changes are underway to provide new standard text that will facilitate creating term announcements that reflect the new authorities in the NASA Flexibility Act of 2004. You will be notified when the changes are completed. Until this occurs, follow the “Interim Instructions for Creating a Term Announcement” at the end of this section.

In creating a term announcement, keep the following points in mind:

- Regardless of the length of the initial term appointment, all term announcements should include a statement in the “Other Information” section stipulating that the appointment may be extended up to the maximum six-year period. This does not create an obligation to extend the appointment to the maximum period, but it provides the Agency with the flexibility of doing so if appropriate.
- Term announcements normally will include a standard statement in the “Other Information” section offering conversion eligibility to the individual(s) selected from the announcement. A consistent and broad use of this authority provides NASA with greater flexibility in using its workforce effectively and provides term employees with greater opportunities to pursue their career goals. If a selecting official feels strongly that a specific term announcement should not offer conversion eligibility to the selectee, the reasons for the decision must be documented.

The “Who May Apply” language in NASA STARS has been modified to indicate that term employees who meet the requirements for conversion to permanent may be included in the area of consideration for competitive placement opportunities. As of the date this guidance is being written, system changes are underway to provide the new standard text. You will be notified when it is complete. Until that occurs, follow the “Interim Instructions for creating a Term Announcement” at the end of this section.

Evaluating eligibility for conversion from term to permanent

When applicants complete the “Supplemental Questions” portion of the NASA STARS resume builder, they will be asked if they currently possess term conversion eligibility. This information will provide an initial basis for determining if the individual is eligible for consideration on that basis. As with other claims in the resume, term conversion eligibility must be verified before the final employment offer is made. As of the date this guidance is being written, system changes are underway to modify the Supplemental Questions. We expect the changes to be completed prior to any term employee obtaining conversion eligibility; in the event this does not occur, initial determinations must be made based on the information in the body of the resume.

1. Verifying that an employee competed under an announcement offering conversion.

When an employee is selected from a term announcement that offers conversion eligibility, the term appointment/conversion SF-50 must include a remark stating that fact. Inclusion of the remark on the SF-50 provides sufficient evidence of the employee’s eligibility. (An employee may be promoted or reassigned to a different term position after being selected for the position offering conversion eligibility, but as long as the basis for the original term appointment/conversion is an announcement that offered conversion eligibility, the employee retains that eligibility.)

If the employee claims that he/she has competed under an announcement offering conversion eligibility but there is no corresponding remark on the employee’s term appointment/conversion SF-50, you may be able to verify eligibility by reviewing the announcement from which the employee was selected. In the event that the conversion statement was included on the announcement but the appropriate remark was not included on the SF-50 action, the employee is considered eligible. (If the remark was erroneously omitted from the appointment action, the SF-50 must be corrected.)

2. Verifying length of service

When an employee is appointed/converted to a term position on the basis of an announcement that offers conversion eligibility, the appointment/conversion SF-50 should include a remark indicating the length of the employee’s current continuous service. That normally will service as a basis for calculating when the two-year requirement for conversion eligibility has been met.

If the remark has been omitted, or there is a question regarding the accuracy of the information, it may be necessary to reconstruct the length of service from the employee’s Official Personnel Folder. Qualifying service must stem from an appointment in the competitive service—excepted service time is not creditable. Also, creditable service need not have been performed at NASA. For example, if an employee serves under a competitive service term appointment at the National Science Foundation for 18 months before being converted to a term position at NASA (without a break in service), he will meet the two-year service requirement after six months of service at NASA.

3. Verifying Quality of Service

All NASA service should be verified by a final or interim performance appraisal documenting performance of at least “fully successful” or equivalent.

For non-NASA service, the employee is responsible for providing copies of performance appraisal(s) covering the relevant period(s) of service. For any period of time for which the employee has no appraisal, a signed statement by the supervisor or by a human resources official may be substituted.

Processing actions

1. When making an initial term appointment under the new authority in 5 U.S.C. 9806 or converting an employee to a term appointment under that authority, use the Nature of Action Code, Nature of Action, and Legal Authority Codes from the table below. Remember: if your appointment, extension, or conversion is to a term appointment for a period of more than 4 years and/or the announcement associated with the action stated that there was potential for conversion to a career/career-conditional appointment, then you must use these codes.

INITIAL TERM APPOINTMENT/CONVERSION to TERM APPOINTMENT under 5 U.S.C. 9806		
NOAC/NOA	1st Legal Authority Code	2nd Legal Authority Code
108- Term Appt NTE <i>or</i>	Select appropriate LAC from Table 10-E in GPPA	Z4J/P.L. 108-201, sec. 9806 (critical)
508- Conv to Term Appt NTE		Z4K/P.L. 108-201, sec 9806

2. If you are extending a term appointment that was made initially under the provisions of 5 U.S.C. 9806, use the Nature of Action Code, Nature of Action, and Legal Authority Code listed below.

EXTENSION of TERM APPOINTMENT that was originally made under 5 U.S.C. 9806	
NOAC/NOA	Legal Authority Code
765- Ext of Term Appt NTE	Enter the same LAC as for the initial appointment. (This will be Z4J/PL 108-201, sec 9806 (critical) OR Z4K/PL 108-201, sec. 9806.

3. If you are processing an extension of a term employee whose original appointment was *not* made under the NASA Flexibility Act, and you wish to extend the employee beyond 4 years, you must cite the LAC associated with the Act. There are three points to remember about such extensions: (1) the total length of time of the initial appointment combined with the extension cannot exceed 6 years; the extension does not confer any conversion eligibility; and (3) there are not qualified and eligible ICTAP candidates.

EXTENSION OF TERM APPOINTMENT if the original appointment was made under the Federalwide authority and the extension is under PL 108-201 (i.e. beyond 4 years)		
NOAC/NOA	1st Legal Authority Code	2nd Legal Authority Code
765- - Ext of Term Appt NTE	Enter same LAC as for the initial appointment	Z4J/P.L. 108-201, sec. 9806 (critical)
		Z4K/P.L. 108-201, sec 9806

4. If you are converting a term employee to a career/career-conditional appointment noncompetitively based on the employee having competed for his/her term position through open competitive examination that meets the requirements of 5 U.S.C. 9806, use the Nature of Action Code, Nature of Action, and Legal Authority Code listed below.

CONVERSION from Term Appointment to Career/Career-Conditional Appointment without further competition	
NOAC/NOA	Legal Authority Code
500 – Conv to Career Appt	Z4L/P.L. 108-201, Sec. 9806 (critical)
or	
501 – Conv to Career-Cond Appt	Z4M/P.L. 108-201, Sec. 9806

5. If you are converting a term employee to a career/career-conditional appointment under merit promotion procedures based on the employee having competed for his/her current term position through open competitive examination that meets the requirements of 5 U.S.C. 9806, use the Nature of Action Code, Nature of Action, and Legal Authority Code listed below.

CONVERSION from Term Appointment to Career/Career-Conditional Appointment under merit competition	
NOAC/NOA	Legal Authority Code
500 – Conv to Career Appt	Z4S/P.L. 108-201, Sec. 9806 (critical)
or	
501 – Conv to Career-Cond Appt	Z4T/P.L. 108-201, Sec. 9806

REMARKS ASSOCIATED WITH THE TERM AUTHORITY
P.L. 108-201 (codified in 5 U.S.C. 9806)

New remarks and remark codes have been developed to be used as appropriate when appointing, extending, or converting term employees under the Act.

Situation	Remark	Code
If extending an appointment under P.L. 108-201, but original appointment was made under a different authority	Appointment is extended under P.L. 108-201, as codified in 5 U.S.C. 9806(a).	224
If appointment is made under P.L. 108-201, as codified in 5 U.S.C. 9806, for a period less than 6 years and announcement stated possibility of extension for up to 6 years.	Appointment may be noncompetitively extended for a maximum of six years under P.L. 108-201 as codified in 5 U.S.C. 9806(a).	225
If appointment is made under P.L. 108-201, as codified in 5 U.S.C. 9806, for a period of 6 years.	Appointment limited to six years under P.L. 108-201, as codified in 5 U.S.C. 9806(a)	226
Any appointment made under P.L. 108-201, as codified in 5 U.S.C. 9806	Employee has competed under an announcement offering the potential for conversion to permanent appointment under P.L. 108-201, as codified in 5 U.S.C. 9806.	227
	Employee has current continuous term service under an appointment in the competitive service beginning on (date).	228
If employee appointed under P.L. 108-201 is converted noncompetitively to career/career-conditional	Employee meets requirements under P.L. 108-201, as codified in 5 U.S.C. 9806(b) for noncompetitive conversion to career/career-conditional appointment.	229
If employee appointed under P.L. 108-201 is converted to career/career-conditional under internal competitive procedures	Employee meets requirements under P.L. 108-201, as codified in 5 U.S.C. 9806(c) for conversion to career/career-conditional appointment under competitive placement procedures.	230

Approval authority

There are no additional approval requirements associated with the term appointment authorities under the NASA Flexibility Act of 2004 beyond those requirements associated with appointing, converting, or extending a term employee under existing Federalwide authority.

Reporting requirements

The annual report to Congress must include the following information pertaining to the term appointment authority:

- The total number of term appointments converted during the fiscal year under section 9806;
- Of the term appointments converted during the fiscal year under section 9806, the number of conversions that were made to address a critical need.

After migration to the DOI Federal Personnel and Payroll System, we will be able to extract this information through queries in the system. Until that occurs and we have developed and tested the queries, Centers will need to maintain “manual” data to ensure that we comply with the annual reporting requirements. Centers will need to provide HQ with data in the format indicated on the Excel spreadsheet called “NASA Flexibility Act Report Format.”

Statements of Understanding

In appointing a term employee, you should execute the appropriate statement of understanding with the individual to ensure that he/she fully understands the nature of the term appointment. We have developed two different statements of understanding that apply to different situations associated with the term authority. They address:

1. Conditions associated with placement into a term position under competitive procedures that provides eligibility for conversion to a permanent position. Under this circumstance, use NASA Form 1720: Statement of Understanding—Conditions of Term Employment (Competitive Appointment).
2. Conditions associated with placement into a term position under noncompetitive procedures that do *not* provide eligibility for conversion to a permanent position. Under this circumstance, use NASA Form 1721, Statement of Understanding—Conditions of Term Employment (Non-Competitive Appointment).

Both NF 1720 and NF 1721 are available on the human capital legislation website at <http://nasapeople.nasa.gov/hclwp/index.htm>.

Interim Instructions Creating a Vacancy Announcement in NASA STARS Term Employment Provisions

The NASA STARS system will be enhanced in the near future to provide standard text for addressing the term employment provisions. The information in this section is intended to provide an *interim* approach to creating vacancy announcements.

These instructions address the data fields requiring modification to accommodate the new term provisions. If a data field is not addressed, it should be completed as the specialist finds appropriate.

The statements provided in this section usually can be used “as is” in your announcement. However, you may edit them to meet specific vacancy requirements, provided your revised version complies with the provisions of the Act and NASA’s interim policies.

APPOINTMENT TYPE: In addition to the current choices, four additional options apply:

Under Full Time:

- This position is a full time term appointment, not to exceed five years.
- This position is a full time term appointment, not to exceed six years.

Under Part Time:

- This position is a part-time term appointment, not to exceed five years.
- This position is a part-time term appointment, not to exceed six years.

WHO MAY APPLY: The options shown below have been modified to reflect the inclusion of NASA term conversion eligibles. All other options remain unchanged.

Government-wide: Open to current Federal employees serving on a career or career-conditional appointment, former Federal employees eligible for reinstatement, or those eligible for non-competitive appointment under special authorities. NASA term employees with term conversion eligibility under P.L. 108-201 may also apply. Veterans who are preference eligibles or who have been separated from the armed forces under honorable conditions after 3 or more years of continuous active service may apply.

Local Commuting Area: Applications will only be accepted from status applicants, including NASA term employees eligible for conversion, and displaced employees in the local commuting area. Veterans who are preference eligibles or have been separated from the armed forces under honorable conditions after 3 or more years of continuous active service may apply.

NASA-wide: Open to current NASA Federal employees serving under a career, career-conditional or VRA appointment, those serving on an appointment under 213.3102(t) or (u) of Schedule A, or NASA term employees who have acquired conversion eligibility under P.L. 108-201.

Combined DE and CPP: This announcement combines a merit promotion and a competitive announcement in one advertisement. Applications will be accepted from status and non-status candidates. Status candidates, including NASA term employees eligible for conversion under P.L.108-201, will be considered under merit promotion procedures. Non-status candidates will be considered under competitive procedures.

OTHER INFORMATION:

ON TERM ANNOUNCEMENTS:

- Term Appointment Limit: This appointment may be extended beyond the initial appointment date, for a period not to exceed a total of six years.
- Conversion Eligibility Statement For Term Announcements: Under the NASA Flexibility Act of 2004, individuals appointed under this announcement may be converted to permanent appointment, either non-competitively or through internal agency competitive placement procedures. Conversion is not guaranteed, and *term conversion eligibility* is contingent on the employee meeting all legal requirements.

ON COMBINED ANNOUNCEMENTS:

- Conversion Eligibility Statement For “B” and “C” Announcements: Qualified NASA term employees who have *term conversion eligibility* under the NASA Flexibility Act of 2004 will be referred and considered equally with other NASA permanent employees under internal competitive placement procedures.

Pay Authority for Critical Positions

Background

The NASA Flexibility Act of 2004 (5 U.S.C. 9807) modifies the existing critical pay authority in two ways. It delegates the critical pay authority to the Administrator, and it permits the salary to be set up to the rate of the Vice President.

The criteria for approving critical pay under this authority are the same as the criteria under the existing authority in 5 U.S.C. 5377. Specifically, the authority may be exercised only with respect to a position which (1) requires expertise of an extremely high level in a scientific, technical, professional, or administrative field; (2) is critical to the agency's successful accomplishment of an important mission; and (3) is necessary to recruit or retain an individual exceptionally well qualified for the position.

In addition, this pay authority is limited to positions that address a critical need as identified in the NASA Workforce Plan.

Processing Actions

Use the same NOA/NOAC and legal authority codes that you would use in processing an action using the critical pay authority provided in the Federalwide authority in 5 U.S.C. 5377. However, add "ZLM" and "P.L. 108-201, section 9807" immediately after the other authorities you use (as directed by the Guide to Processing Personnel Actions).

Approval authority

The Administrator must approve the use of this authority. The authority may not be delegated.

Reporting requirements

Section 9815 of title 5, U.S.C. requires NASA to report to Congress on an annual basis the number of positions for which the rate of basic pay was fixed under this authority in the fiscal year and the number of positions for which such pay was terminated.

Each Center Human Resources Office must maintain records of each submission requesting approval of the critical pay authority.

Assignments of Intergovernmental Personnel

Processing Actions

NASA generally executes Intergovernmental Personnel Act (IPA) agreements through details, rather than appointments, so SF-50's are not processed.

In the unlikely event that an IPA assignee is appointed, *and* you are extending the appointment for a period of time that would result in the total length of the assignment exceeding four years, the extension action would be processed in this manner:

NOAC	760
NOA	Ext of Appt NTE (date)
1 st Auth Code	VPE
1 st Authority	U.S.C. 3374
2 nd Auth Code	ZLM
2 nd Authority	5 U.S.C. 9808

(Refer to the Guide to Processing Personnel Actions, Chapter 11, Excepted Service Appointments, for the NOAC, NOA, and the first authority code.)

Remember: the total length of the assignment (including all extensions) cannot exceed 6 years.

Executing Agreements

No additional documentation is required on the IPA agreement form.

Approval authority

The approval levels for extensions up to the six-year limit are the same as the current approval levels for any IPA extension.

Reporting requirements

There are no additional reporting requirements beyond the annual IPA report that Centers provide to Headquarters, Office of Human Resources, for submission to the Office of Personnel Management. However, Center submissions must annotate any extension of an IPA assignment that was made under the authority of 5 U.S.C. 9808. Since the format of the annual IPA report could change over time, specific instructions on how to annotate such extensions on the report will be provided when the data call is sent to Centers each year.

Distinguished Scholar Appointment Authority

Background: Deciding when to use the Distinguished Scholar authority

This Distinguished Scholar (DS) appointing authority supplements, but does not replace, existing external hiring authorities. In fact, it can be used only in filling certain positions:

- The position must be classified in a professional or scientific occupational series covered by the Group Coverage Qualification Standard for Professional and Scientific Positions.
- The position must be filled at grades GS-07 through GS-12. If the position has a higher full performance level than GS-12, you may still use DS to fill the job, provided that the position is not advertised for fill at anything higher than GS-12.
- Appointments made under the DS authority are career or career-conditional appointments, so you cannot use this authority if you intend to fill a position with a time-limited appointment (e.g. term appointment).

Once you have determined that a position meets the minimum requirements summarized above, you will want to work with the selecting official to decide whether the DS appointment authority is an appropriate recruitment approach for the position being filled. Remember: you can recruit for a position using DS while simultaneously using other hiring authorities —such as delegated examining.

This appointment authority is most beneficial in situations in which your recruitment strategy is focused on academic accomplishments, since candidates under this program must have degrees appropriate for the grade levels for which they're applying and meet specific grade point criteria. For example, under this hiring authority applicants for a GS-09 position must have at least a master's or equivalent degree; unlike the delegated examining authority, they cannot qualify based on a bachelor's degree plus a year of experience equivalent to the GS-07 level.

The distinguished scholar appointment authority is particularly appropriate if you are targeting your recruitment toward “fresh-outs” who typically have little, if any, professional work experience. Individuals with excellent academic credentials, but who have little work experience, are often at a disadvantage in the delegated examining evaluation process, so using the DS authority helps to “level the playing field.”

In developing a strategy for filling a particular vacancy, the selecting official and the human resources specialist should work closely together to determine whether the distinguished scholar hiring authority is the appropriate hiring approach to use.

Recruitment processes under the Distinguished Scholar authority

1. Determining how applicants will be evaluated

You must decide whether applicants will be screened only for basic qualifications and eligibility, *or* whether they will be further rated and separated into quality groups (or categories). In making this decision, you should consider the type of job being filled, the grade level(s), size of the likely candidate pool, and similar matters. It may be helpful to “visualize” the end result.

- If you screen only for basic eligibility and qualifications, you will refer all qualified and eligible candidates. Since all candidates will be considered to be equally well qualified, CTAP/ICTAP candidates and veterans who meet the basic requirements have absolute priority over other candidates. In the absence of CTAP/ICTAP candidates or veterans, the selecting official may select from among any of the qualified candidates.
- If you evaluate candidates further on the basis of other criteria, you retain the traditional ability to group candidates based on the possession of specific job-related skills. CTAP/ICTAP candidates must be evaluated as “well qualified” in order to be referred as priority candidates. Veterans’ preference will apply as appropriate for the grade level of the position being filled.
- You also must decide whether you wish to use the traditional *quality group* approach or whether you wish to apply the *category rating* process. (At the time this desk guide is being written, category rating is under development as a NASA STARS feature. Until this initiative is completed, you must use the current *quality group* method to accomplish further candidate evaluation.)

Once you have decided on the method of evaluating applicants, the announcement must tell job seekers which method will be used.

2. Creating the vacancy announcement

Once it is available, use the Distinguished Scholar announcement template (Type G) within NASA STARS to create your announcement. Use the statements as they appear in the template, making appropriate additions and modifications. (As of the date this desk guide is being written, the template is being developed within NASA STARS. You will be notified when it is complete. Until it is available, follow the Interim Instructions for Creating a DS Announcement, located at the end of this section.) In using the template, keep these points in mind:

- Qualification Requirements (General)—The template automatically will include a statement about basic DS eligibility. You must select and include information about requirements that match the grade level(s) of the position being filled.

- Qualification Requirements (Education)—You should continue to include information about specific course work or fields of study applicable to the position, e.g., for AST positions.
- Basis of Rating—The template will auto-fill with the statement applicable to the quality grouping process. You will need to edit the template to select a different statement if you are only screening for basic qualifications and eligibility, or if you are using category rating.
- Other Information—The template will auto-fill with the ICTAP statement appropriate for quality grouping and category rating processes, i.e., further rating and ranking. If you are screening only for basic qualifications and eligibility, you will need to edit the block to select the statement called “Distinguished Scholar – Basic Eligibility CTAP/ICTAP Statement.”

3. Evaluating candidates – basic qualifications and eligibility

Because this appointment authority has very specific education-based eligibility requirements, all applicants must be screened to assure they meet the minimum eligibility and qualifications requirements. You can use the system to do the screening for grade point average (GPA), date of graduation, and type of degree. In addition, you may include any required skills that will serve as screen out factors.

Grade point average

- In the “Grade Point Average” block, insert the lowest acceptable GPA. With the exception of GS-07 positions, this will be 3.5 (on a 4.0 scale). The system will read this as a minimum and include all candidates having GPAs of 3.5 or higher.
- If you are filling a position at the GS-07 level, there are **two** GPA requirements for individuals qualifying on the basis of a bachelor’s degree: (1) the overall GPA and (2) GPA for the field of study being used to qualify for the position. Applicants will be instructed to put the overall GPA in the GPA field, and to include their field of study GPA in the “Relevant Course Work” field. The system will screen for the overall GPA, which is 3.0, but you will need to manually review the information in the “Relevant Course Work” field to confirm that the applicant has at least a 3.5 GPA for the field of study. Applicants who fail to provide this information may be disqualified.

Remember: In order to qualify for a Distinguished Scholar appointment, a candidate must meet the specific GPA requirements associated with the grade level for which he or she is being considered. Unlike the “Superior Academic Achievement” criteria for qualifying at the GS-7 level, there are no alternative ways of qualifying based on class standing or election to a national scholastic honor society.

- The relevant GPA requirements are those associated with the degree used to qualify for the position. For example, if an applicant is qualifying for a GS-09 position based on his/her master's degree, you would only need to look for an overall GPA of 3.5 in graduate coursework in the field of study required for the position.

Examples of evaluating GPA requirements

You are recruiting for several Chemist positions and considering candidates at the GS-07 and GS-09 levels. You are assessing the resumes of the applicants described below. (Assume that all degrees have been obtained within the required time frames.)

- a. Candidate A has a BS in Chemistry, with an overall GPA of 3.2 and a GPA of 3.8 in his Chemistry courses. He also has a year of work experience at a level equivalent to GS-07. *Candidate A is eligible at the GS-07 level because he meets both the overall grade level requirements and the GPA for the relevant field of study. Since this is a DS announcement, the work experience cannot be used to qualify him at the GS-09 level.*
- b. Candidate B has an M.A. in English with a GPA of 3.75. She also has a B.S. in Physical Science with an emphasis in Chemistry. Her overall GPA is 3.0 and her Chemistry GPA is 3.25. *Candidate B is not qualified at either grade level. Although the GPA for her master's degree exceeds the minimum requirements, the degree is in English. Her B.S. is in a qualifying field, and her overall GPA meets the minimum, but her GPA of 3.25 for her Chemistry coursework falls short of the minimum criteria.*
- c. Candidate C has an M.S. in Chemistry with a GPA of 3.4. He also has a B.S. in Chemistry with an overall GPA of 3.3 and a GPA of 3.6 in his Chemistry courses. *Candidate C is qualified and eligible at GS-07 only, since those GPA parameters are the only ones meeting the DS criteria.*
- d. You are filling the Chemist position at the GS-07 level. Candidate D has an M.S. in Chemistry with a GPA of 3.6. She also has a B.S. in Chemistry with an overall GPA of 3.0 and a GPA of 3.3 in her Chemistry courses. *Candidate D is qualified for the position. Although her B.S. degree is not within the required parameters, her M.S. degree is, and can be used to qualify her at the GS-07 level.*

Date degree is received

To be eligible for a distinguished scholar appointment, an applicant must have received the qualifying degree within two years of the date of appointment.

- The "graduation date" field will accept a range. Note that the "to date" does not include the designated month. *For example, if you anticipate an "Entry on Duty" date of September 15, 2004, you will need to identify candidates with a graduation date between September 15, 2002 and September 15, 2004. The system parameters*

should be “9/2002 – 10/2004.” This will pick up anyone with a graduation date through September 30, 2004. When a tentative selection is made and an entry-on-duty date is established, you must confirm that the selectee’s graduation date falls within the two-year window.

- You also may use projected graduation dates in the system. This is useful if you are conducting college recruitment and wish to consider candidates who are still in school.

Field of study and type of degree

Under the Distinguished Scholar authority, candidates must meet specific degree requirements to qualify, regardless of work experience they might have.

- From the “Degree” section of the grammar base, select the category(ies) of degrees that are qualifying for the position you are filling. Each category type includes an array of specific degrees. For example, the category “Master’s” includes M.S., M.A., M.B.A., M.P.A. and numerous others. If only one kind of master’s degree is acceptable, identify that degree rather than the broader category. If many, but not all, of the degrees in the category are qualifying, select the entire category, but hand screen and remove those with non-qualifying degree types. (These scenarios would be unusual.)
- As previously noted, candidates who have degrees at levels higher than the minimum qualifying level also must be considered. Therefore you must identify all potentially qualifying degree levels. The following chart explains the way this works:

GRADE LEVEL	MINIMUM DEGREE REQ'T	CATEGORY SELECTIONS
GS-07	Bachelor’s	Bachelor’s, Master’s, Ph.D.
GS-09	Master’s	Master’s, Ph.D.
GS-11	Ph.D.	Ph.D.
GS-11 (Research)	Master’s	Master’s, Ph.D.
GS-12 (Research)	Ph.D.	Ph.D.

- When selecting the appropriate degree categories, do not mark them as “required.” If you do, only candidates who have listed all of the degrees will pass through the screening.

Don’t forget that the degree used to qualify for the position must have been received within the last two years. *For example*, in response to an announcement for a GS-07 Electrical Engineer, you receive a resume from an individual who received an M.A. in Philosophy in December 2003, and a B.S. in Electrical Engineering in June 1999. It is July 2004. This individual is NOT eligible. Although she received a degree within the last two years, that degree (in Philosophy) is not qualifying for the engineering position.

The engineering degree is qualifying, but it was not received within the two-year time frame.

Required skills

If appropriate for the job being filled, you may include **required** skills. (Do not use desired skills unless you are doing further rating and ranking. Desired skills are not appropriate for use in a “basic eligibility only” process.)

Evaluating candidates – Quality groups / categories:

If your announcement tells candidates that they will be placed in quality groups or categories (depending on the process you are using), you must identify additional desired skills from the Resumix grammar base (in addition to the basic qualifications and eligibility criteria described above). Follow the processes you normally would use for evaluating and grouping candidates.

Referring candidates

1. When Using Only Basic Qualifications and Eligibility: NASA STARS will return an initial list of candidates who meet the basic criteria. As usual, you will need to review those resumes to confirm the information. All candidates would be referred to the selecting official in alphabetical order, unless there are CTAP/ICTAP eligibles or veterans who take precedence in accordance with established requirements. In such cases, non-veterans may not be considered until the CTAP/ICTAP eligibles and the veterans are cleared.
2. When Using Quality Groups or Categories: Follow the processes you would normally use for referring candidates.

CTAP / ICTAP candidates must, as always, be in the well-qualified group in order to be referred.

Veterans will be referred appropriately for the grade level of the position.

Processing Actions

Once a candidate has been selected and you have verified the individual’s qualifications and eligibility, use the authorities below to process the action.

DISTINGUISHED SCHOLAR APPOINTMENT under 5 U.S.C. 9810	
NOAC/NOA	Legal Authority Code
101 – Career-Cond Appt	Z4N/P.L. 108-201, sec. 9810 (critical)
501 – Conv to Career-Cond Appt	Z4P/P.L. 108-201, sec 9810

The proper legal authority code will depend upon whether the position is associated with a critical need as identified in the NASA Workforce Plan. Refer to the discussion in Section I, “General Information—NASA’s Critical Needs” for information on identifying critical needs position.

Approval authority

There are no special approval requirements associated with the use of this authority.

Reporting requirements

The annual report to Congress must include the following information pertaining to the Distinguished Scholar appointment authority:

- The total number of Distinguished Scholar appointments made during the preceding fiscal year
- Of the Distinguished Scholar appointments made, the number of appointments that were made to address a critical need.

After migration to the DOI Federal Personnel and Payroll System, we will be able to extract this information through queries in the system. Until that occurs and we have developed and tested the queries, Centers will need to maintain “manual” data to ensure that we comply with the annual reporting requirements. Centers will need to provide HQ with data in the format indicated on the Excel spreadsheet called “NASA Flexibility Act Report Format.”

Interim Instructions Creating a Vacancy Announcement in NASA STARS

The NASA STARS system will be enhanced in order to provide a template for issuing vacancy announcements using the Distinguished Scholar (DS) hiring authority. The system will include additional text menu options for information applicable to specific vacancies, e.g., grade level criteria. The instructions in this section are intended to provide an *interim* approach to creating DS announcements. Centers will be advised when NASA STARS system changes are complete.

These instructions address the data fields that require specific entries to accommodate advertising a position under the DS authority. If a data field is not addressed, complete it as appropriate.

The statements described in this section usually can be used “as is” in your vacancy announcement. However, you may edit them to meet specific vacancy requirements, provided your revised statements comply with the DS provisions and all other legal and regulatory requirements.

SELECTING THE TEMPLATE: Until the DS template is completed, select the template type that best fits your situation. This is likely to be the Delegated Examining template.

CATEGORY: Select “Professional, Engineering, & Scientific.” (The DS hiring authority **only** applies to positions in this category.)

APPOINTMENT TYPE: Select either full-time or part-time **permanent**. (Appointments made under this authority must be career-conditional/career appointments in the competitive service.)

WHO MAY APPLY: Generally, this would be “This announcement is open to all qualified individuals.”

QUALIFICATION REQUIREMENTS (GENERAL)

Announcements should include the following statement:

“All candidates for Distinguished Scholar appointments qualify on the basis of education. Candidates must meet the required grade level criteria and must have received the qualifying degree from an accredited university within **two years** of the date of appointment.”

Depending on the grade level of the position, use one or ore of the following statements:

- GS-07 Level: “For the GS-7 grade level, applicants must have a bachelor’s degree, and must have achieved a cumulative grade point average (GPA) of 3.0 or higher (on a 4.0 scale) and a GPA of 3.5 or higher for courses in the field of study required to qualify for the position.”
- GS-09 Level: “For the GS-9 grade level, applicants must have a master’s or master’s equivalent degree, and must have achieved a cumulative grade point average (GPA) of 3.5 or higher (on a 4.0 scale) in graduate coursework in the field of study required to qualify for the position.”
- GS-11 Level: “For the GS-11 grade level, applicants must have a Ph.D. or equivalent doctoral degree, and must have achieved a cumulative grade point average (GPA) of 3.5 or higher (on a 4.0 scale) in graduate coursework in the field of study required to qualify for the position.”
- GS-11 Level (Research): “For research positions at the GS-11 grade level, applicants must have a master’s or master’s equivalent degree, and must have achieved a cumulative grade point average (GPA) of 3.5 or higher (on a 4.0 scale) in graduate coursework in the field of study required to qualify for the position.”
- GS-12 Level (Research): “For research positions at the GS-12 grade level, applicants must have a Ph.D. or equivalent doctoral degree, and must have achieved a cumulative grade point average (GPA) of 3.5 or higher (on a 4.0 scale) in graduate coursework in the field of study required to qualify for the position.”

QUALIFICATION REQUIREMENTS (EDUCATION): Continue to use specific coursework requirements as appropriate for the position being filled. Remember: applicants for DS positions are not qualified if they meet AST qualifications, but fail to meet the qualifications requirements in the OPM standard for the occupational series.

BASIS OF RATING:

In order to select the appropriate language, you must decide whether candidates will be screened only for basic qualifications and eligibility or whether they will be further rated and ranked. This **must** be done before the announcement is prepared, since the decision will determine the language used in the announcement to advise applicants how they will be evaluated. Once the basis of rating has been announced in the job announcement, it may not be changed unless the position is re-advertised.

- If candidates who meet the basic qualifications will be further rated and ranked, continue to use the standard language now provided by NASA STARS.
- If candidates will be screened only for basic qualifications and eligibility, use the following statement:

“Resumes will be evaluated by an automated system (Resumix) that will identify candidates meeting basic qualifications. Candidates who are verified as meeting basic qualifications and eligibility criteria will be eligible to be referred to the selecting official for consideration.”

OTHER INFORMATION: In addition to using any statements appropriate for the specific position, include the following:

ALL POSITIONS:

“This position is announced under the NASA Distinguished Scholar (DS) Appointing Authority. All candidates, including veterans and CTAP/ICTAP eligibles, must meet the DS qualification requirements, including the requirement to have received the qualifying degree within two years of the date of appointment or conversion.

Because the DS program includes specific grade point average (GPA) criteria, candidates must include GPA information in the “Education” section of the resume. Candidates who fail to do so will be found ineligible.”

POSITIONS AT GS-07:

“Positions at GS-07 require both an overall GPA of 3.0 and a GPA of 3.5 in the field of study required to qualify for the position. Candidates should provide their overall GPA in the GPA block in the “Education” section of the resume. The field of study being used to qualify for the position and the GPA for that field should be provided in the block called “Relevant Course Work.”

IF SCREENING ONLY FOR BASIC ELIGIBILITY

If you are screening only for basic eligibility, use the statement below pertaining to CTAP/ICTAP. This statement should be used instead of the statement that is normally used. The new statement is required because CTAP/ICTAP candidates cannot be held to a higher standard than that applied to other candidates, and they must be advised as to what is required to be referred.

“Individuals who have special priority selection rights under the Agency Career Transition Assistance Program (CTAP) or the Interagency Career Transition Assistance Program (ICTAP) will receive consideration for special priority selection. CTAP/ICTAP candidates must meet basic qualifications and eligibility requirements.

Federal employees seeking CTAP/ICTAP consideration must indicate their eligibility when applying for a position. NASA’s resume builder asks applicants to identify their eligibility under the Supplemental Information section. If the selected for the position,

the selectee must be prepared to submit proof of CTAP/ICTAP status. This includes providing a copy of the agency notice, a copy of the most recent performance rating, and a copy of the most recent SF-50 noting current position, grade level, and duty location.”

Travel/transportation Expenses of New Appointees

Background

The NASA Flexibility Act of 2004 includes a provision (now codified in section 9811 of title 5, U.S.C.) that allows the Agency to pay the travel, transportation, and relocation expenses of a new appointee to the same extent, in the same manner, and subject to the same conditions as payments of such expenses under title 5, U.S.C., sections 5724, 5724a, 5724b, and 5724c. Those sections address payments to an employee who is transferred to a new duty location in the interest of the United States Government.

This means that a new appointee—as defined in the Act and the Interim Policies—may be approved to receive the same travel benefits that a current Federal employee may receive in connection with a transfer to a new duty location.

This new flexibility is not an entitlement. Travel authorizing officials must determine if the travel of a new appointee is in the interest of the U.S. Government, and then determine whether the individual will receive the standard “first duty travel” benefits available to new hires under Federalwide law, or the more comprehensive benefits permitted in the NASA Flexibility Act of 2004.

As before, the decision to authorize travel for new appointees must be communicated to all potential applicants for the position under recruitment. Normally this is done by including the appropriate information in the vacancy announcement.

Travel authorization

If an individual is approved for the enhanced first duty station travel benefits allowed under 5 U.S.C. 9811, you must ensure that the travel authorization documents are annotated accordingly. These documents are:

- NASA Form 1449—Information Covering Persons Transferred or Appointed to First Duty Location
- NASA Form 1450—Authorization – Change of Station

These forms have been revised to include a new option under the category of “Type of Move”. (They are available on the Human Capital Legislation website at <http://nasapeople.nasa.gov/hclwp/index.htm>.) There are now five “type of move” options, instead of four:

- First Duty Station
- FDS 5 USC 9811 (*this is the new option*)
- PCS
- TCS
- SES last move home

Annotate “FDS 5 USC 9811” for a first duty station move that provides for the enhanced travel benefits authorized by 5 U.S.C. 9811. (The option of “FDS” refers to first duty station moves under the current Federalwide law.)

Approval authority

This new authority does not change any existing policies regarding the travel authorization authority. Refer to NASA Financial Management Manual 9761 on delegated travel authorization authority.

Reporting requirements

The annual report to Congress must include the following information pertaining to NASA’s use of this authority in a fiscal year:

- The average amount paid per appointee during the preceding fiscal year
- The largest amount paid to any appointee during the preceding fiscal year.

The Centralized Travel Office at Johnson Space Center will be able to provide this information to Headquarters *provided* all Centers properly annotate the NF 1449, Information Covering Persons Transferred or Appointed to First Duty Station and the NF 1450, Authorization – Change of Station.

As stated above, it is critical that the HR specialist ensure that in each instance in which the travel benefits under 5 U.S.C. section 9811 is authorized for a new appointee, the NF 1449 and/or NF 1450 is annotated under “Type of Move” to reflect “FDS – 5 USC 9811”.

Annual Leave Enhancements

Background

The NASA Flexibility Act of 2004 provides two distinct authorities pertaining to annual leave accrual rates for NASA employees.

1. Annual leave accrual for senior-level employees

Senior-level employees are entitled to accrue annual leave at the rate of 1 day for each full biweekly pay period. “Senior level employees” comprise employees in the Senior Executive Service, Senior Level (SL) system, Scientific and Professional (ST) system, and employees in an equivalent category whose rate of basic pay is greater than the rate payable at GS-15, step 10. (In determining whether an employee’s rate of basic pay is greater than GS-15/10, use the salary on the appropriate locality pay table.)

They are entitled to receive this rate as of July 11, 2004, which is the beginning of the first full biweekly pay period after the date on which the 90-day Congressional waiting period ends (i.e. July 8, 2004).

Current senior-level employees, as well as new hires, will receive this benefit. Also, there is no requirement to determine if they have a specified number of years of nonfederal work experience to place them in the maximum accrual rate category.

However, this benefit applies to them only while they remain in a senior-level position (unless they are otherwise eligible for that accrual rate based on years of service). For example, if a General Schedule employee is temporarily converted to an ST position for two years, he/she will accrue annual leave at the maximum rate upon being placed in the senior-level position. When the employee returns to his/her General Schedule position, the employee’s leave accrual rate reverts to what it otherwise would have been. The employee retains any accrued leave, however.

2. Annual leave accrual for other employees (non-senior level employees)

A non-senior-level employee who is being considered for a new appointment is eligible to have appropriate nonfederal work experience be creditable towards his or her annual leave accrual rate. Unlike the provision for senior-level employees, this is not an entitlement. Individual employees must be approved for this benefit. Also, only new appointees (as defined in the Act and Implementing Policies) may receive this benefit; individuals already employed with NASA or employees transferring from other federal agencies are not eligible.

For both categories of employees, the enhanced leave accrual rate benefit is available to them only while employed with NASA. If an employee who is receiving the enhanced

leave accrual rate separates from NASA to transfer to another Agency, the employee's new leave accrual rate will be based on his/her qualifying Federal service only. However, the employee will be able to retain all accumulated leave.

Processing actions

Due to the conversion to the Department of Interior's Federal Personnel and Payroll System (FPPS) on August 8, 2004, NASA will not implement the annual leave enhancement by processing a "Change in SCD" action in the legacy system for affected employees. The manner in which such an adjustment would be made in our legacy system is not compatible with the new system. For that reason, we will delay processing enhanced SCD adjustments until after the migration to FPPS. After that occurs, the human resources offices will be responsible for inputting data into FPPS to record the "enhanced leave SCD" for any employee who will receive this benefit.

Remember, however, that any employee who would otherwise receive this benefit between July 8, 2004 and the date NASA migrates to FPPS will have the benefit processed retroactive to the date he or she otherwise would have received it.

At the time of the issuance of this Desk Guide, the details of the processing in FPPS are not fully known. New commands and screens are being developed to capture the enhanced leave data. More detailed guidance on completing the FPPS screens will be issued by the Agency e-Payroll team in the form of a Job Aid. At this point, we are advised that the following three fields must be completed in FPPS, and that if you enter data in one field you must enter data in all three.

1. Field: ENHANCED LEAVE INDICATOR

- 1 Senior level, critical need
- 2 Senior level, noncritical need
- 3 Non-senior level, critical need
- 4 Non-senior level, noncritical need

Select the indicator that corresponds to the category of employee (i.e., senior level employee or otherwise) and the competencies associated with the position in which the employee is placed (i.e., critical need competency or otherwise). Refer to the discussion under the "General Information" section of the manual for information on identifying critical needs positions.

2. Field: SCD ENHANCED LEAVE

Non-senior-level hire:

If the employee is otherwise eligible for the enhanced leave benefit based upon the criteria in the Interim Policies and the conditions of the Act, *and* management has approved granting the benefit, you must document the period of qualifying non-Federal

service that is being credited to the appointee's leave accrual rate. (Remember: management is not required to credit *all* such experience.).

To document the decision, you may wish to create a form similar to the now-obsolete Standard Form 144-A (Statement of prior Federal Service Worksheet) to use as a worksheet to document the dates and place of employment corresponding to the creditable experience. A copy of the SF 144-A is available in the Guide to Processing Personnel Actions, Chapter 6. (This approach may be helpful in recording such data in a uniform manner, but you also must address the criteria for approval as specified in the Interim Policies.)

Use your worksheet to calculate the employee's adjusted SCD after crediting him/her with any creditable service based on the Federalwide rules in combination with the qualifying nonfederal service. Then enter the computed date in the SCD Enhanced Leave field.

Senior-level hire

If the senior level employee is employed at NASA on July 8, 2004, but is not in the 8 hour leave category because the employee does not yet have 15 years of creditable service, you must establish an SCD that will reflect 15 years of creditable service as of July 8, 2004. This means you must enter the date of July 8, 1989 in the SCD Enhanced Leave field for these employees.

If a senior level employee is appointed to NASA after July 8, 2004, follow the same process. For example, if a senior-level employee enters on duty on September 5, 2004 and does not have enough creditable experience (from prior Federal service and/or military service) to credit the employee with 15 years of service, you must establish an SCD that will reflect 15 years of creditable service on that date. This means you must enter the date of September 5, 1989 in the SCD Enhanced Leave field for the employee.

3. Field: EFF DTE SCD ENHANCED LV

Enter the date on which the employee is placed in the enhanced leave status. Remember: since the authority cannot be exercised prior to July 8, 2004, this field can never have a date prior to July 8, 2004 for any employee.

Non-senior level new hire. This field must reflect the date of the appointment because the enhanced annual leave benefit cannot be given to a non-senior-level employee after he or she has been appointed.

Senior-level employees employed by NASA as of July 8 will be placed in the enhanced leave status as of that date. Enter *July 8, 2004* in the "Effective Date SCD Enhanced Leave" field. For senior-level employees appointed after that date, enter their appointment date in the field.

SPECIAL NOTE: Retroactive adjustments

The processes described in this section reflect how the SCD adjustment will be made in FPPS. As stated, however, NASA will not migrate to FPPS until August 8, 2004.

This means:

- All NASA senior-level employees employed by the Agency as of July 11 who would otherwise be converted to the 8-hour leave category on that date will receive the benefit later (in August) but it will be retroactive to July 11, 2004.
- Any senior-level employee appointed to NASA after July 8 but prior to migration to FPPS will have his or her Leave SCD adjusted after the migration, but the adjusted SCD will be retroactive to the date of the appointment.
- Any non-senior level employee who is appointed after July 8 but before the migration to FPPS, is approved for the enhanced Leave SCD, and is otherwise eligible for the benefit, will have his or her Leave SCD adjusted after the migration. Again, the adjusted SCD will be retroactive to the date of the employee's appointment.

At the time of issuance of this Desk Guide, the e-Payroll migration date is August 8, 2004. We recommend that you do not process the annual leave enhancements on that date—wait at least one more pay period.

Approval authority

The enhanced annual leave benefit for *senior-level employees* does not require approval; it is an entitlement.

Approval of the enhanced annual leave benefit for *non-senior-level employees* is delegated to Center Directors and may be redelegated in accordance with NPD 3000.1.

Termination of the benefit

The enhanced accrual rate applies to an employee only while employed with NASA. Upon transfer to another federal agency, the employee's creditable service for annual leave accrual will be determined by the gaining agency in accordance with 5 U.S.C. Chapter 63. (Any leave accumulated by the employee at the time of transfer is retained.)

It is important that employees receiving this benefit understand that the enhanced annual leave accrual rate will terminate upon transferring to another agency, unless the gaining activity has authority under separate legislation to authorize it. You may wish to advise employees of this through a memorandum of understanding. In addition, we recommend that you include the following remark on SF-50's for appointment actions in which the new hire will receive the benefit:

The employee's annual leave accrual rate was set pursuant to P.L. 108-201, as codified in 5 U.S.C. 9812. In the event the employee leaves NASA and is employed subsequently in another position subject to the provisions of 5 U.S.C. Chapter 63, the employee's service credit for annual leave and annual leave accrual rate will be determined by the gaining agency in accordance with 5 U.S.C Chapter 63.

This remark also could be inserted on transfer SF-50's for senior-level employees transferring to NASA. (Note: The Department of Interior's system will allow free-form remarks to be added to SF-50's.)

Also, senior-level employees who subsequently are assigned to non-senior-level positions will lose this benefit upon vacating the senior-level position unless they are otherwise eligible for the 8-hour accrual rate based on years of service. If you are processing an action that places a General Schedule employee into a senior-level position for a time-limited period and the action results in the employee accruing annual leave at the maximum rate, you should calculate whether the employee will be able to continue accruing leave at that rate when the assignment ends (based upon service). If the employee will revert to a lower annual leave accrual rate, you should advise him/her at the time. When processing the action placing the person in the senior-level position, you should include a remark such as:

The employee's annual leave accrual rate was set pursuant to P.L. 108-201, as codified in 5 U.S.C. 9812 (c)(1). In the event the employee is no longer assigned to a position covered by 5 U.S.C. 9812 (c)(1), the employee's service credit for annual leave and annual leave accrual rate will be determined in accordance with 5 U.S.C Chapter 63.

Reporting Requirements

The annual report to Congress must include the following information pertaining to NASA's use of this authority in a fiscal year:

- The total number of employees awarded enhanced annual leave during the preceding year;
- The number of employees who were awarded enhanced annual leave during the preceding year who are in positions addressing a critical need as defined in the NASA Workforce Plan;
- For the two groups identified above, the average amount of additional annual leave these employees earned in the preceding fiscal year over and above what they would have earned if they had not been awarded enhanced annual leave.

After migration to the DOI Federal Personnel and Payroll System, we will be able to extract this information through queries in the system. Until that occurs and we have developed and tested the queries, Centers will need to maintain "manual" data to ensure that we comply with the annual reporting requirements. Centers will need to provide HQ with data in the format indicated on the Excel spreadsheet called "NASA Flexibility Act Report Format.

SES Limited Appointments and Bonuses

Background

The NASA Flexibility Act of 2004 provides for two distinct, but related, authorities pertaining to limited appointments to SES positions. The authorities are codified in 5 U.S.C. 9813. First, it permits filling a Career Reserved SES position on a temporary basis (not limited to project-based needs or emergencies) to meet short-term needs. Second, it authorizes paying performance award (i.e. SES bonuses) to individuals appointed under this authority.

Processing actions

Processing appointment actions under 5 U.S.C 9813

Use the nature of action code, nature of action, and legal authority codes in the table below in processing the action, referring also to the Guide to Processing Personnel Actions. Note that the nature of action could be a conversion to SES Ltd Term Appt NTE or an SES Ltd Term Appt NTE. .

Limited Appointments to SES Career Reserved positions under 5 U.S.C. 9813)	
NOAC/NOA	1st Legal Authority Code
Select appropriate NOA/NOAC from Table 13-A in Guide to Processing Personnel Actions	Z4V/P.L. 108-201, sec. 9813 (critical)
	Z4W/P.L. 108-201, sec. 9813

If a limited appointment made under the authority in 5 U.S.C. 9813 is extended, use:

Extension of Limited Appointments to SES Career Reserved positions that were originally made under 5 U.S.C. 9813)	
NOAC/NOA	1st Legal Authority Code
762 Ext of SES Limited Appt NTE (date)	Z4V/P.L. 108-201, sec. 9813 (critical)
	Z4W/P.L. 108-201, sec. 9813

For appointments (and conversions and extensions), the proper legal authority code will depend upon whether or not the position is associated with a critical need as identified in the NASA Workforce Plan. Refer to the discussion under the “General” section of this manual for information on identifying critical needs position. If so, you must use the legal authority code that begins with Z4V. It is crucial that you verify the critical need status of the position, in order to assure proper reporting of NASA’s use of this flexibility.

Processing performance awards under 5 U.S.C. 9813

Use the following nature of action code, nature of action, and legal authority code when processing a performance award for an individual who was appointed under 5 U.S.C 9813.

SES Performance Award under 5 U.S.C. 9813 (for individuals appointed under 5 U.S.C. 9813)		
NOAC	NOA	Legal Authority Code
879	SES Performance Award	ZLM 5 U.S.C. 9813

Approval authority

The approval levels for these appointments are the same as existing approval levels for SES limited term appointments under the Federalwide authority. Refer to the interim implementing policies for details.

Reporting Requirements

The annual report to Congress must include the following information on limited appointments to SES positions:

- The total number of appointments made under this authority during the preceding fiscal year
- Of the total number of appointments made under this authority during a fiscal year, the number of appointments that were made to address a critical need.

After migration to the DOI Federal Personnel and Payroll System, we will be able to extract this information through queries in the system. Until that occurs and we have developed and tested the queries, Centers will need to maintain “manual” data to ensure that we comply with the annual reporting requirements. Centers will need to provide HQ with data in the format indicated on the Excel spreadsheet called “NASA Flexibility Act Report Format.”

There is no reporting requirement for bonuses paid under this authority.

Qualifications Pay

Background

The Qualifications Pay authority of the NASA Flexibility Act of 2004, codified in 5 U.S.C. 9814, authorizes NASA to set the pay of General Schedule employees at any step within the pay range for the grade of the position when the employee is assigned new duties or assigned to a new position and the employee possesses unusually high or unique qualifications related to the new duties.

The authority is not used when setting pay for newly hired employees, i.e., employees who at the time of appointment are not currently employed in a Federal position.

Processing actions

To process an action that establishes an employee’s step and rate of pay based on the qualifications pay authority in 5 U.S.C. 9814 use the following codes:

Setting pay: Internal candidates

Qualifications Pay under 5 U.S.C. 9814 INTERNAL actions		
NOAC/NOA	1st Legal Authority Code	2nd Legal Authority Code
Select appropriate NOAC/NOA from Chapter 14 of Guide to Processing Personnel Actions	Select appropriate legal authority code from Chapter 14 of GPPA	Z4X/P.L. 108-201, sec. 9814 (critical)
		Z4Y/P.L. 108-201, sec 9814

Setting pay: external candidates (transfers, conversions)

Qualifications Pay under 5 U.S.C. 9814 EXTERNAL actions		
NOAC/NOA	1st Legal Authority Code	2nd Legal Authority Code
Select appropriate NOAC/NOA from appropriate chapter on appointments in Guide to Processing Personnel Actions	Select appropriate legal authority code from appropriate chapter on appointments in GPPA	Z4X/P.L. 108-201, sec. 9814 (critical)
		Z4Y/P.L. 108-201, sec 9814

Use pay rate determinate (PRD) “7”. PRD 7 is used only on the action that establishes the qualifications pay rate; PRD 0 or another appropriate code is used on subsequent actions.

The following remark will be used in processing all actions effecting qualifications pay:

Remark Code 231

The employee's pay for this position was set pursuant to P.L. 108-201, as codified in 5 U.S.C. 9814. 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. Chapter 53. If the employee leaves the position before completing 1 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 cannot be used to set pay in the new position.

Approval authority

NASA Center Directors and the Assistant Administrator for Human Resources are authorized to set pay under this provision. This authority may be re-delegated in accordance with NPD 3000.1.

Reporting Requirements

The annual report to Congress must include the following information on the use of the qualifications pay authority:

- The number of employees for whom pay was set under 5 U.S.C. 9814 during the preceding fiscal year
- Of the total number, the number of times pay was set under 5 U.S.C. 9814 during the preceding fiscal year to address a critical need.

After migration to the DOI Federal Personnel and Payroll System, we will be able to extract this information through queries in the system. Until that occurs and we have developed and tested the queries, Centers will need to maintain "manual" data to ensure that we comply with the annual reporting requirements. Centers will need to provide HQ with data in the format indicated on the Excel spreadsheet called "NASA Flexibility Act Report Format."

APPENDIX A

NASA FLEXIBILITY ACT of 2004

APPLICABILITY OF PROVISIONS

Provision	New Appointees	Current Employees
Enhanced Recruitment Bonus	X	
Enhanced Relocation Bonus	Transfers	X
Enhanced Retention Bonus		X
Redesignation Bonus	Transfers	
Expanded Use of Term Appointments	X	X
Pay Authority for Critical Positions	X	X
Extension of IPA Assignment Period	X	X
Distinguished Scholar Appointment Authority	X	X
Enhanced Travel Benefits for New Hires	X	
Enhanced Annual Leave for New Hires	X	
Enhanced Annual Leave for Senior Level Employees	X	X
Expanded SES Limited Appointment Authority	X	X
Qualifications Pay	Transfers	X
Increase in the Maximum Rate of Pay for NEX employees	X	X
Scholarship for Service Program	X	

NASA FLEXIBILITY ACT of 2004

OBJECTIVES of NEW AUTHORITIES

<p><i>Incentives to Attract New Talent</i></p> <ul style="list-style-type: none">▪ Enhanced recruitment & relocation bonuses▪ More substantial travel benefits for new hires▪ Enhanced annual leave for new hires▪ Enhanced critical pay authority▪ Higher cap on NEX rate of pay	<p><i>Streamlined & Flexible Hiring Authorities</i></p> <ul style="list-style-type: none">▪ Distinguished Scholar hiring authority▪ More flexible term appointments▪ More flexible SES limited term authority▪ Streamlined critical pay authority
<p><i>Tools to Retain & Leverage Existing Talent</i></p> <ul style="list-style-type: none">▪ Enhanced relocation and retention bonuses▪ Qualifications pay▪ Streamlined process for converting terms▪ Flexibility in filling limited term SES position▪ Enhanced critical pay authority▪ Higher cap on NEX rate of pay	<p><i>Building the Pipeline and Strengthening Mission Capability</i></p> <ul style="list-style-type: none">▪ Science and Technology Scholarship Program▪ Longer IPA assignments