

Setting Pay After Appointment

Frequently Asked Questions (FAQs)

General Pay Questions

Q.1. Who is covered under TSA MD 1100.53-8, “Setting Pay After Appointment?”

A.1. This management directive applies to all TSA employees assigned to positions covered under the TSA Core Compensation System. This does not apply to employees covered under the Transportation Security Executive Service (TSES).

Q.2. What are the pay topics discussed in TSA MD 1100.53-8, Handbook “Setting Pay After Appointment?”

A.2. TSA MD 1100.53-8 covers pay provisions for the following types of actions: Promotions, In Band Increases (IBI), Supervisory In Band Increases (SIBI), Reassignment Increases, Performance Band Increases (PBI), Pay Retention, Pay Band Retention, and Demotions.

NOTE: Transportation Security Officer (TSO) E band promotion increases are not covered by this Handbook. For more information, please refer to [HCM 335-1, Transportation Security Officers \(TSO\) D to E Band Promotions](#) and [HCM 550-7, Rates of Basic Pay and Pay Setting for Transportation Security Officer \(TSO\) D and E Band positions](#).

Q.3. How does the midpoint principle work?

A.3. The midpoint principle is considered when determining the appropriate increase to the employee’s current rate of basic pay. Typically, skills and knowledge are acquired more rapidly when employees are new to a position or band. The rate of skills and knowledge acquisition decreases over time and eventually plateaus. As employees pass the midpoint of the band, the rate of salary growth should also decrease.

Promotions

Q.4. I was selected for promotion, how much of an increase will I receive from my current pay band to a higher pay band?

A.4. The rate of basic pay upon promotion will be set within the range of the new pay band. Promotions will be an increase of 6 percent of the employee’s current rate of basic pay. If a promotion to the minimum of the pay band results in less than a 6 percent increase to the employee’s rate of basic pay, then the rate of basic pay must be set above the minimum of the pay band to provide a 6 percent increase to the employee’s current rate of basic pay.

Q.5. I’m a new TSA employee looking to advance quickly, how soon can I seek a promotion?

A.5. Generally, employees may not be promoted to another position within the first 90 calendar days after the employee’s first appointment with TSA. Please refer to [TSA MD 1100.30-14, Post Appointment Movement Restrictions](#), for further information after the employee’s initial appointment or rehire appointment.

Q.6. Can I receive a salary increase for temporary promotions?

A.6. Yes. The pay setting provisions covered in TSA MD 1100.53-8, “Setting Pay After Appointment” also apply to temporary promotions.

Q.7. Is TSA Form 1153-2, Salary Increase Justification, required when the promotion increase exceeds 6%?

A.7. No. TSA Form 1153-2 is not required for promotions regardless if the increase is 6% or if the increase exceeds 6%. Pay setting for promotions requires setting the pay at a 6% increase to the rate of basic pay or the minimum of the new pay band.

In-Band Increases (IBIs)

Q.8. What's the difference between an in-band increase (IBI) and a performance band increase (PBI)?

A.8. In-Band Increases (IBI) acknowledge an employee's significant professional growth within their position in the same pay band separate and distinct from the recognition received after the close out of the performance cycle (PBI). An IBI should reflect increased complexity of an employee's duties and/or responsibilities which led to additional achievements that made a positive change with the program office, or may reflect an employee's increase in knowledge, skills, and/or competencies directly related to the position. To be eligible for an IBI, an employee must be performing at a minimum performance level of "Achieved Expectations"; however, this is not a performance-based award and should not be used for this purpose.

A Performance Band Increase (PBI) is an increase to basic pay that may be granted at the end of the performance cycle to recognize employees for their accomplishment of duties and is based on the employee's rating of record of "Achieved Excellence" or equivalent.

Q.9. What are the eligibility requirements to receive an IBI?

A.9. An employee may not receive an initial IBI until he/she has been on TSA's rolls for at least 90 calendar days. The 90-day requirement begins on the TSA entrance on duty (EOD) date. This applies to an individual newly hired or rehired to TSA, not a current TSA employee converted to a new appointment.

An employee must be performing at a minimum performance level of "Achieved Expectations" to be eligible for an IBI; however, this is not a performance-based award and should not be used for this purpose.

Q.10. Will I receive an IBI every year?

A.10. No. Granting an IBI is at the sole discretion of the appropriate designated management official and is not an entitlement. An employee may be granted no more than one IBI within a 52-week period.

Q.11. Can I receive an IBI while serving in a temporary promotion?

A.11. No. An employee may not receive an IBI while on a temporary promotion. At the end of a temporary promotion, if the employee is returned to his/her permanent position at the lower pay band, the employee could become eligible for an IBI. The temporary promotion does not begin a new IBI waiting period; the time period in which the employee is temporarily promoted is included as part of the 52-week waiting period which began with the effective date of the last IBI or permanent promotion. If the temporary promotion is made permanent without an intervening return to the lower pay band, a new IBI waiting period is considered to have begun with the effective date of the temporary promotion.

Q.12. Am I still eligible for an IBI after receiving a disciplinary action for conduct or performance?

A.12. No. IBIs will not be granted for employee's who have had any disciplinary action (e.g., letter of reprimand; suspension; indefinite suspension; or reduction in pay band for reasons of conduct/performance) effected within the 52 weeks preceding the proposed IBI date or an employee currently on administrative leave or in an unpaid status as the result of a suitability or a conduct/performance matter that may result in removal.

Q.13. How much will my salary increase after receiving an IBI?

A.13. Generally, IBIs will be an increase of 1% up to 3% of the employee's current rate of basic pay. In very rare cases, an IBI above 3% up to 5% of the employee's current rate of basic pay may be granted based on unique and extraordinary circumstances and must be approved by the AA/OHC.

Q.14.What will prevent me from receiving an IBI?

A.14. An employee may not receive an IBI if he/she has been promoted, received a previous IBI/IPI, or a reassignment increase that provided an increase to his/her rate of basic pay, within the previous 52 weeks.

An employee reassigned within the same program office or from one program office to another program office at the same band level is not eligible to receive an IBI until after completing the 52 week waiting period since the employee's last IBI or promotion increase. The employee must have been assigned to the new position for at least 90 calendar days after the effective date of the reassignment before the employee can be granted an IBI.

IBIs will not be granted for employee's who have had any disciplinary action (e.g., letter of reprimand; suspension; indefinite suspension; or reduction in pay band for reasons of conduct/performance) effected within the 52 weeks preceding the proposed IBI date or an employee currently on administrative leave or in an unpaid status as the result of a suitability or a conduct/performance matter that may result in removal.

Q.15.How would the midpoint salary range apply to an IBI?

A.15. (IBI 1-3%) A new employee with some experience, yet growing and developing skill sets as compared to someone with more substantive specialized experience in the same pay band may be evaluated differently. A new employee's growth to the midpoint may be more appropriate to occur at a rapid rate vs. an employee who has already gained a valuable amount of experience. The IBI for the newer employee may be considered near the top range at 3%. The employee with more substantive specialized experience may be considered for an IBI at a more appropriate rate of 1-2%. This is management's discretion and serves as a guide only, keeping in mind the restrictions between 1-3%.

Supervisory In-Band Increases (SIBIs)

Q.16. I was non-competitively selected from a non-supervisory position to a supervisory position within the same pay band. Am I eligible to receive a SIBI?

A.16. No. The SIBI does not apply to non-competitive actions or details. The SIBI may be considered for an employee who is competitively selected for a reassignment from a non-supervisory position to a supervisory position within the same pay band (e.g. J band non-supervisory position to a J band supervisory position). The selection must be made from a referral list of eligible candidates that applied for consideration and competed through a job opportunity announcement (JOA). The referral certificate which shows the competitive selection must be attached to the RPA for processing.

Q.17. How much will my salary increase after receiving a SIBI?

A.17. Generally, SIBIs will be an increase of 1% up to 3% of the employee's current rate of basic pay; the AA/OHC has delegated authority to approve an SIBI above 3% and up to 5% of the employee's current rate of basic pay.

Q.18. Can I receive more than one SIBI while serving in a supervisory position?

A.18. No. Only one SIBI may be granted within each band held.

Q.19. I just received a SIBI, can I still receive more than one pay increase in a 52-week pay period (i.e. IBI, SIBI, PBI)?

A.19. Yes. Other pay increases within a 52-week period (e.g., PBIs, IBIs, promotion) do not affect an employee's eligibility to receive a SIBI. Example: John is an H Band employee and received an IBI in the month of March. He also received a SIBI in June (after competitive selection from a non-supervisory position to a supervisory position within the same pay band), and a performance band increase in December. Under this scenario, John may receive more than one pay increase within a 52-week period.

Reassignment Increases**Q.20. What is a reassignment increase?**

A.20. Reassignment increases are appropriate for rare and exceptional instances where other pay setting actions are inappropriate and the employee has been permanently reassigned to a new position within the same pay band as his/her current position. A recommendation for approval of a reassignment increase must be justified based on a substantial increase in the responsibilities and complexity of the new position compared to the employee's current position.

Reassignment increases will be an increase of up to 5% of the employee's current rate of basic pay, not to exceed the maximum rate of basic pay for the pay band.

Q.21. Will I always receive a reassignment increase every time I move to a new position?

A.21. No. Below are the eligibility requirements for a reassignment increase:

- An employee may not receive a reassignment increase until he/she has been on TSA's rolls for at least 90 calendar days. The 90-day requirement begins on the TSA EOD date.
- An employee may not receive a reassignment increase if he/she has been promoted, or received an IBI or IPI, or a previous reassignment increase within the previous 52 weeks;
- An employee may not receive more than one reassignment increase in a 52-week period;
- An employee may not receive a reassignment increase for a detail or as a result of a reclassified position;
- A reassignment increase may not be appropriate if the employee has had any form of disciplinary action within the last 12 months. In determining the appropriateness of a reassignment increase and a percentage of increase, the management official should consider the severity of the event that led to discipline, the type of

discipline issued, and the length of time since the event/discipline and the employee's performance and conduct since that time; and

- Reassignment increases cannot be granted to incumbents of reclassified positions.

Q.22. If I am eligible for a reassignment increase, how much would I receive?

A.22. Reassignment increases will be an increase of up to 5% of the employee's current rate of basic pay, not to exceed the maximum rate of basic pay for the pay band. Requesting a reassignment increase is at the sole discretion of the appropriate Program Office AA. This authority may not be delegated.

Performance Band Increases (PBI)

Q.23. What is a performance band increase (PBI)?

A.23. A PBI is an increase to an employee's basic pay designed to recognize employees for their accomplishment of duties granted on an individual basis at the end of the performance cycle and based on the employee's rating of record that reflects "Achieved Excellence." A PBI may only occur once per year (52 weeks) for the purpose of recognizing the employee's current year performance. There must be a current official rating of record on file in order to officially verify the employee's rating of record. The employee's performance rating of record must be "Achieved Excellence" or equivalent.

Q.24. I just received a pay increase (i.e. IBI, SIBI, etc.). Can I still receive a performance band increase within that 52-week pay period?

A.24. Yes. Other pay increases (e.g., promotion, IBIs) do not affect an employee's eligibility to receive a PBI. Receiving a PBI does not impact the waiting period to receive other pay increases. However, only one PBI may be granted per annual performance cycle.

Q.25. I've been granted a performance band increase; how much money will I receive?

A.25. When granted, a performance band increase will be a minimum of 1% up to 3% of the employee's current rate of basic pay (locality pay not included). If the employee is near the maximum of the pay band, the employee can only be granted the percentage of the recommended PBI that places him/her at the maximum of the pay band. The remaining dollar equivalent of the PBI will be paid as an additional lump-sum cash award.

Highest Previous Rate (HPR)

Q.26. How is HPR applied under setting pay after appointment?

A.26. The application of HPR allows an employee's rate of basic pay to be set above the rate that would be established under general pay setting rules. HPR may be applied in accordance with the provisions in the Handbook to MD 1100.53-8 to an employee having either current or prior TSA or other Federal service. (HPR may also be applicable to other types of personnel actions such as reemployment, transfer, or change in appointment of an employee having either current or prior TSA or other Federal service). Please refer to [TSA MD 1100.53-7, Setting Pay Upon Appointment](#).

Q.27. Can HPR be considered when setting pay for a voluntary demotion?

A.27. No. HPR may not be used when setting pay based on a voluntary demotion.

Pay Retention

Q.28. What is pay retention?

A.28. Pay retention is an employee's entitlement to retain his/her rate of basic pay, when involuntarily reduced in pay band within TSA as a result of a management action, for reasons other than performance/conduct, when the employee's rate of basic pay will not fit within the ranges of the lower band.

Q.29. How long can I stay on retained pay?

A.29. For actions effective on or after January 22, 2017, pay retention is granted for an indefinite period following the effective date of the action warranting pay retention. Current employees on indefinite pay retention will remain on indefinite pay retention.

Employees on pay retention for a limited period of time (e.g., 104-week period following the effective date of the action warranting pay retention) on January 22, 2017, will be granted pay retention for an indefinite period.

Q.30. What conditions would cause me to lose my pay retention?

A.30. An employee's entitlement to pay retention is terminated sooner if the employee:

- Becomes entitled to a rate of basic pay that is equal to or higher than the employee's retained pay rate;
- Declines a reasonable offer defined as a position in the same or higher pay band in the same commuting area as that from which reduced, and for which the rate of basic pay is equal to or higher than the employee's retained rate;
- Is further demoted at the employee's request or for conduct/performance reasons;
- Has a break in service of one workday or more; or
- Does not maintain enrollment in the Hiring Priority Selection Program (HPSP), ([TSA MD 1100.30-32; Hiring Priority Selection Program for Reclassification/Reorganization Pay Band Reduction](#)).

Pay Band Retention

Q.31. What is Pay Band Retention?

A.31. Pay Band Retention is an employee's right to retain his/her current pay band for up to two years (104 weeks) when placed into a lower pay band as a result of a qualifying involuntary management action.

Q.32. How long can I stay on Pay Band Retention?

A.32. An employee will receive pay band retention for a 2-year period (104 weeks) beginning on the effective date of his/her qualifying placement in the lower pay band position.

Q.33. What conditions would cause me to lose my pay band retention?

A.33. An employee's entitlement to pay band retention is terminated if the employee:

- Has completed his/her two-year period (104 weeks) of pay band retention;
- Declines a reasonable offer of a position in a band that is equal to or higher than his/her retained band;

- Is placed in a position/band equal to or higher than his/her retained band;
- Is further demoted at the employee's request or as a result of conduct/performance reasons;
- Has a break in service of one workday or more; or
- Is no longer enrolled in HPSP ([TSA MD 1100.30-32; Hiring Priority Selection Program for Reclassification/Reorganization Pay Band Reduction](#)).

Q.34. How is my pay set during the period of Pay Band Retention?

A.34. An employee entitled to pay band retention retains the pay band held prior to the qualifying personnel event/action. The basic pay to which an employee is entitled upon commencing a period of pay band retention remains the same.

The retained pay band is treated as his/her pay band for pay administration. Any change in the employee's basic pay during the pay band retention period, such as an In Band Increase (IBI), will be based on the employee's retained pay band and given as a full pay increase, and will be included in the employee's basic pay, not to exceed the maximum of the pay band retained.

An employee will receive 100 percent of any annual pay adjustment percentage, such as the CEI, however, the pay increase may not exceed the maximum rate of the pay band occupied.

Demotions

Q.35. How much pay will I lose if I was involuntarily demoted due to performance or conduct reasons?

A.35. Under these circumstances, pay will be reduced no less than 5% and no more than 10% based on the severity of the performance/conduct issue leading to the involuntary demotion. Pay shall be set no lower than the minimum of the pay band (and no higher than the maximum of the pay band) to which the employee is being demoted. The only time the rate of basic pay will be reduced by more than 10% is when the employee's rate of basic pay exceeds the maximum rate of the lower pay band after a 10% reduction. In this case, the employee will be placed at the maximum of the lower pay band, even though it results in more than a 10% reduction.

Q.36. How much pay will I lose when my pay is set upon a voluntarily demotion?

A.36. In a voluntary demotion, employees will have pay set below their current rate of basic pay, unless the employee meets the eligibility requirements to allow pay to be maintained.

If the employee meets the eligibility requirements, *the supervisor/manager may use the employee's current rate of basic pay to set pay in the lower pay band. This is discretionary on the part of the supervisor/manager.* For further details and examples in setting pay for a voluntary demotion, please review the table titled "Pay Setting for Voluntary Demotion," in [TSA Handbook 1100.53-8](#).