

INTELLIGENCE COMMUNITY INFORMATION REQUEST

COMPENSATION - PAY AND BENEFITS

This portion of the Panel's work has three objectives:

1. To evaluate the existing patterns of compensation (pay and benefits) within and among the agencies of the intelligence community from the standpoint of consistency and equity (within the framework of the intelligence community, and between the intelligence community and other employers), and the rationale for any differences between agencies.

2. To review current proposals for changes in pay and benefits within the intelligence community and develop criteria or guidelines for evaluating proposals for future changes.

3. To examine proposals and make recommendations for changes in compensation systems beyond those currently under consideration.

The first step is to obtain information on the present compensation systems in a form that allows comparison from one agency to another and analysis of similarities and differences. NAPA is providing a questionnaire that will produce the kind of information needed. The questionnaire is divided into four parts, as follows:

- Part I: Fundamental Principles and Objectives of the Compensation System.
- Part II: Basic Pay - the System for Determining Basic Pay and Allowances.
- Part III: Overseas Pay - Adjustments and Additions to Pay for Overseas Service.
- Part IV: Employment Benefits.

Many of the questions are posed in a way that a simple check-mark will provide the answer; but others will require written responses and some data. In order to spread out the work of responding to this inquiry, we have set different deadlines for each of the four parts, as indicated below. The due dates for each Part do not fall in consecutive order, but were selected on the basis of our estimate of the amount of work involved in responding to each Part. At any rate, we need to get back all of the Parts from all of the agencies no later than the final date indicated below.

If it would speed up or simplify the process, NAPA will make staff members of the study team available for agency briefings or discussions covering the points in the questionnaire, instead of asking agencies to complete the responses in writing. Please call at 351-2601 if you would prefer to schedule an informal briefing or other kind of meeting.

Response Due Dates:

Part I - July 29, 1988
Part II - August 19, 1988
Part III - August 12, 1988
Part IV - August 5, 1988

Date of Request: July 18, 1988

PART I. FUNDAMENTAL PRINCIPLES AND OBJECTIVES OF THE
COMPENSATION SYSTEM

Response Due: July 29, 1988

In this Part, the questions relate to the objectives of the agency's compensation system or systems, and to the principles underlying the system.

An employer's compensation system may serve several purposes simultaneously. The amounts an employer pays to employees, and the methods by which the employer decides on the rates of pay may reflect deeply held views about fairness within the organization ("internal equity"), about the stature of the organization in relation to other employers ("external equity"), about what it takes to motivate employees to do the work of the organization ("incentives and rewards"), about the employer's sense of social responsibility, and about the central concepts of management within the enterprise, among other matters.

Question 1. What are the objectives and principles underlying the compensation system of the agency? Check mark any statements below that describe the fundamental objectives of the pay plan of the agency. (Statements may overlap; they are not necessarily mutually exclusive):

INTERNAL EQUITY OBJECTIVES

- 1. Should provide equal pay for substantially equal work.
- 2. Should provide equal pay for work of equal value.
- 3. Differences in compensation should be based on differences in difficulty and responsibility of the work performed.
- 4. Should be accepted by managers and employees - perceived as fair and equitable.

EXTERNAL MARKET OBJECTIVES

- 5. Should enable the agency to get and keep the kind and quality of employees needed to carry out its mission.
- 6. Should enable the agency to meet the competition; to match or keep in step with market rates for the kinds of skills, knowledges, and abilities it needs.
- 7. Should enable the agency to beat the competition; to get ahead of the market rates for the kinds of skills, knowledges, and abilities needed.

WORK PERFORMANCE OBJECTIVES

- 8. Should provide incentives and recognition for superior work performance, and withhold monetary rewards for ineffective performance.
- 9. Should recognize differential contributions of workers to accomplishment of the work goals of the organization.
- 10. Should recognize differential contributions of managers to accomplishment of the missions of the agency.
- 11. Should recognize and reward seniority, loyalty, and long service to the organization.
- 12. Should recognize and reward differences in productivity of workers within the organization or agency.

SOCIAL RESPONSIBILITY OBJECTIVES

- 13. Should comply with laws against discrimination based on race, sex, national origin, age, handicapping condition.
- 14. Should foster, support, or encourage distribution of women and minorities throughout the grade and pay levels, and should discourage concentration of women and minorities in low-paying occupations.
- 15. Should support the concepts of "pay equity" or "comparable worth", including equalization of pay of women and minorities as groups with the pay of men and majority groups in the work force.

PERSONNEL MANAGEMENT OBJECTIVES

- 16. Should provide a structural framework for the personnel management programs of the agency -- career entry, career planning and development, internal placement, compensation and benefits, retirement, etc.
- 17. Should aid in forecasting work force requirements and planning to meet them.
- 18. Should be efficient or cost effective to administer.

CENTRAL MANAGEMENT OBJECTIVES

- 19. Should promote efficient job design and organizational structuring within the agency.
- 20. Should support systematic, rational administrative processes -- budgeting, financial management, resource allocation.
- 21. Should contribute to ability to predict and control costs of operations.
- 22. Should maintain personnel resource costs at levels that assure maximum returns for tax funds spent, or keep costs at lowest levels consistent with mission accomplishment.

OTHER OBJECTIVES

- State any objectives or principles of the agency compensation system or systems that are not covered by the statements above.

Question 2. Indicate the approximate rank order of the importance of the major groups of objectives. In the boxes below, indicate the most important group of objectives by the numeral "1", then rank order the other groups of objectives, down to the least important.

- INTERNAL EQUITY: Treating employees doing similar work in similar circumstances about the same.
- EXTERNAL EQUITY: Keeping pace with the competition in labor markets outside the agency.
- WORK PERFORMANCE: Recognizing differential contributions to success of the enterprise.
- SOCIAL RESPONSIBILITY: Meeting an employer's responsibilities with respect to non-discrimination and other social objectives.
- PERSONNEL MANAGEMENT: Providing a basis for orderly administration of the human resources of the agency.
- COST MANAGEMENT: Providing resources necessary for mission accomplishment at least possible cost.
- OTHER: _____

Question 3. Have the fundamental objectives and principles of the compensation system of the agency been stated or published in any way?

-In statute? (Provide a citation or a copy).

-In regulations? (Provide a copy)

-In other statements of policy/handbooks/manuals/or other places? (Provide a copy of relevant portions).

Are any such statements of objectives available to employees? To supervisors and managers? To interested persons or organizations outside the agency?

Question 4a. With respect to external labor markets for people with the kinds of knowledges, skills, and abilities needed for the work of the agency, identify the primary competitors the agency faces. Primary competitors seeking the same kinds or levels of skills as the agency in critical occupational areas may be (check as many as apply):

- Other agencies of the intelligence community.
- Other Federal agencies outside the intelligence community.
- The Foreign Service.
- The Military Services.
- State and Local Governments.
- Corporations and companies of the private sector of the economy. (Indicate what kinds of companies, e.g., multinational corporations; technical companies engaged in manufacturing and marketing products; service industries engaged in research or in providing information or advisory services; small enterprises engaged in providing services or products, or others).
- Academic institutions. (Indicate what kinds of institutions, such as college and university faculties (in what subject-matter areas?); nonprofit research foundations ("think tanks"), associations of scholars devoted to area studies/modern language studies/science/technology transfer/social science/public administration/business administration/policy analysis/or other fields of concentration; archival and library institutions, or others.)



Other entities or organizations. (Please describe them).

Question 4b. Next, describe, in a general way, the conditions the agency faces with respect to the primary competitors identified and how these conditions affect the compensation package of the agency. For instance, with respect to a particular category of competitor, the agency may find itself at a comparative disadvantage because the other employers seeking the same kinds of people can pay more, or can adjust pay schedules faster, or can offer pay incentives different from those of the agency, or can make hiring decisions and pay offers faster, or can offer working conditions that are more attractive (e.g, freedom from security restrictions, less hazardous environment, etc.).

Question 4c. Finally, outline the methods the agency uses to find out what labor market competitors are offering or paying. For instance, these methods may include reference to standard wage or salary surveys (BLS, CENSUS, private associations); systematic agency-conducted surveys; feedback from agency recruiters; attrition studies; cost-of-living data; feedback from prospective employees who decide to accept offers from other employers; feedback from agency employees who leave for jobs with other employers that pay more or have better benefits or better working conditions; or other methods.

PART II. THE SYSTEM FOR DETERMINING BASIC PAY AND ALLOWANCES

Response Due: August 19, 1988

In this part, the questions seek descriptive information on the system or systems of the agency for determining the basic pay of employees.

Since the General Schedule classification and pay system for while collar work is well known, some of the questions are framed in a way that asks for a comparison of the agency system or systems with the main features of the General Schedule.

The NAPA study team already has information on some of these questions from some of the agencies under study. Where the team has sufficient information from specific agencies, that fact is noted and those agencies do not have to supply any additional information on those points. If no statement is made about this matter with respect to a particular question, NAPA needs a response to the question from all of the agencies involved in the study.

Some of the agencies are devoted exclusively to intelligence and counterintelligence missions (e.g, CIA, NSA, DIA). Those agencies should interpret the questions to apply to the whole agency. With respect to other agencies included in the study, i.e., the military intelligence services, the FBI, the State Department, the questions should be interpreted to apply only to the portions of the agencies that are devoted to intelligence or counterintelligence missions, and then only to the civilian staff devoted to those functions or to supporting those functions.

FORM OF PAY SYSTEMS:

Question 5. Does the agency maintain a rank-in-person pay system for any of its employees?

No. Agency pay systems are all rank-in-job systems. (If no, move on to Question 6.)

If yes, please describe the rank-in-person system or systems.

- What employees does the system cover?
- What are the ranks and pay levels within the system?
- Is there a method to match employees and their personal ranks with billets, positions, or duty assignments?

- Does the rank in person system have an up-or-out advancement feature?

(NAPA has sufficient information on Question 5 from STATE. NAPA needs information on this question from CIA, NSA, DIA, the MILITARY INTELLIGENCE AGENCIES, and FBI.)

BASIC PAY FOR NONSUPERVISORY EMPLOYEES IN RANK-IN-JOB SYSTEMS

Question 6. Determining Basic Pay for Nonsupervisory Employees: With a rank-in-job system the first step in pay determination is to classify the position. Since the salary rate table is linked directly with the position classification structure of the system, the rate of basic pay for the employee follows automatically from the classification of the position. Question 6 is split into two parts. Question 6a. inquires about the structure of the position classification scheme in the agency, by comparison with the General Schedule classification scheme. Question 6b. inquires about the structure of the salary rates in the agency, by comparison with the salary rate table of the General Schedule.

Question 6a. Position Classification: How does the position classification scheme of the agency compare with the classification scheme of the General Schedule?

In the General Schedule, the unit that is to be classified in the position. (Definition: the duties and responsibilities assigned to one employee.) The position is to be placed in a class. (Definition: all positions sufficiently similar as to kind of work and level of difficulty and responsibility and qualifications required as to be treated alike in pay setting and all other personnel management functions.)

The classification scheme of the General Schedule subdivides work first into occupations and second into grade levels. The universe of work is subdivided into 22 Occupational Groups, and then into 440 specific occupational series, which are defined by OPM. The levels of difficulty and responsibility are subdivided into 18 grades (15 for nonsupervisory work), which are defined in statute and further described in OPM classification standards.

What is the structure of the classification scheme or schemes used in the agency?



The agency uses the General Schedule occupational structure as specified by OPM and the General Schedule grade structure. (If no, move on to Question 6b.)

The agency uses a classification scheme that differs from the General Schedule structure. If so, please describe how the agency classification scheme differs from the General Schedule in terms of occupational (kind-of-work) subdivisions and grade (level-of-work) subdivisions. Please indicate whether the occupations and the grades are defined in a document that is available to employees, to supervisors, or to others.

(NAPA has sufficient information on Question 6a from CIA and STATE. NAPA needs information on this question from NSA, DIA, the MILITARY INTELLIGENCE SERVICES, and FBI.)

Question 6b. Salary Determination: The grade level of the position determines the pay level of the employee.

The salary table of the General Schedule has 18 pay grades (15 for nonsupervisory work), and each grade is further subdivided into pay steps. The pay rates embodied in the table are revised periodically, and a new table is issued by an Executive order.

What is the structure of the salary table used in the agency for nonsupervisory work?

The agency adheres to the General Schedule salary table. (If so, move on to Question 6c.)

The agency uses a salary schedule for some or all of its employees that differs from the General Schedule. If so, please describe the major difference in terms of structure -- the number of pay levels, the steps within grades, the size of the differentials between steps, or other differences. Indicate the coverage of the non-GS pay schedule. Indicate how the pay rates in the non-GS schedules compare with the GS rates. Indicate whether the rates are revised from time to time. how frequently, and on what basis.

(NAPA has sufficient information on Question 6b from CIA and STATE. NAPA needs information on this question from NSA, DIA, the MILITARY INTELLIGENCE SERVICES, and FBI.)

Question 6c. Simplification of the Pay Determining Process:

Has the agency taken any steps to simplify the classification and pay system?

Under the General Schedule, some Federal agencies are currently experimenting with alternative pay schedule structures and methods of deciding on pay for individuals.

Some of these experiments involve "pay banding." Two or more grade levels of the GS pay schedule are combined into a single pay band, and the separate pay steps within grades are eliminated. New employees can be started at any rate within the broader pay band that will enable the agency to match the relevant labor market rates. Pay changes of individual employees are not set by fixed step rates. The supervisor adjusts the pay of each employee periodically on the basis of individual performance.

Other experiments aim at more precision in adjustment of salary schedules to match labor market competition for the kinds of knowledges, skills, and abilities the agency needs. Typically, these experiments involve consideration of data about local pay rates for work that is comparable to that of the agency, instead of making the same adjustments nationwide based on average rates in a nationwide survey.

Has the agency tried these or other measures to simplify the structure of the pay schedule, or to link movement through pay levels to performance, or to reflect more precisely local pay rates for comparable work?



No. (If no, move on to Question 7.)



Yes. If yes, please respond to the following additional points:

- Describe the experiments.
- What is the status of any experiments of this kind?
- Has the agency decided to adopt any changes in these systems? What benefits does the agency expect to flow from these changes?
- Has the agency decided not to adopt changes in these systems? What are the reasons for deciding not to make changes?

PERFORMANCE APPRAISAL IN RELATION TO PAY

Question 7. Performance Appraisal and Pay Decisions for Nonsupervisory Workers: How does the agency appraise the performance of nonsupervisory employees? What use is made of performance appraisals in making personnel management decisions?

The agency adheres to the OPM regulations for the Performance Management System for nonsupervisory workers. (If so, move on to Question 8.)

The agency system for performance appraisal and for relating performance and personnel management decisions differs from the Government-wide Performance Management System. If so, please send a copy of the materials that describe the performance appraisal system, including performance rating instructions and rating forms. Some key points to cover:

- Whether the agency uses individual performance standards or performance plans.
- The basis for individual performance standards - e.g....., the duties of the position, or a work plan for the rating period, or general statements of the functions and objectives of the organizational unit.
- The ways in which performance ratings are considered in making decisions on granting or withholding within-grade step increases, on promotions to a higher pay level, including moving trainees up the career ladder, on selection for supervisory jobs, etc.
- Whether the agency grants awards to employees based on performance, specifically:
 - o Quality step increases: moving the employee to a higher pay step within grade based on performance.
 - o Cash awards for sustained superior performance over a time span.
- The ways in which performance ratings are considered in taking action on employees whose work is not satisfactory - e.g., counseling, retraining, reassignment, removal.

(NAPA has sufficient information on Question 7 from STATE. NAPA needs information on this question from CIA, NSA, DIA, the MILITARY SERVICES, and FBI.)

BASIC PAY FOR SUPERVISORS AND MANAGERS IN RANK-IN-JOB SYSTEMS

Question 8. Basic Pay for Supervisors and Managers: How does the agency determine the basic pay for supervisors and program managers (i.e., those not included in a

senior executive service)? How does the system for determining basic pay for supervisors and managers compare with the system for determining basic pay for nonsupervisory work?

- In the General Schedule system, the first step in determining the pay of supervisors and managers is classification of the job. The grade levels and occupational structure for supervisory work are included in the same General Schedule as the grade levels and occupational structure for classifying nonsupervisory work. OPM has provided a single classification standard for all supervisory positions in grades up to GS-15 -- the Supervisory Grade Evaluation Guide (SGEG).

When the grade of the supervisory position has been determined, the pay rate follows from the same General Schedule salary table as is used for nonsupervisory positions. Supervisors up through grade GS-12, like nonsupervisory employees, receive annual comparability adjustments (when the whole schedule is adjusted); and they get within-grade step increases in the same manner and under the same rules as nonsupervisory employees.

The pay of supervisors and managers in grades GS-13, 14, and 15 is determined and adjusted under separate rules of the Performance Management and Recognition System (PMRS), at least until the PMRS legislation expires on September 30, 1989. This statute (Chapter 54 of Title 5, U.S. Code) prescribes for these employees a performance appraisal system with five possible levels of performance (from level 1 -- "Unacceptable" to level 5 -- "Outstanding"), and it mandates that the middle level -- "Fully successful" -- is to be defined in writing. The annual performance rating of the supervisor or manager in these three grades determines the amount of pay adjustment the employee will receive. The performance appraisal controls the pay raise in three categories:

- Annual (Comparability) Pay Adjustment -- full adjustment for performance at "Fully Successful" or above; lesser adjustment or no adjustment for performance below that level.
- Merit Increase -- an additional adjustment of base pay (equivalent to a within-grade increase or part of one) based on the performance rating.

- Performance Award -- a one-time, lump-sum "bonus" payment, representing a percentage of base pay; not added to base pay.

In the agency, how are supervisory and managerial positions (other than those in a senior executive service) classified, and how is basic pay of these employees calculated?



The agency follows the General Schedule classification and pay scheme for supervisors and managers. (If so, move on to Question 9.)



The agency uses a different scheme for classifying supervisory and managerial positions and for determining basic pay. If so, please provide a description of the system, including the classification of supervisory and managerial positions, and the role, if any, that performance plays in determining basic pay. If the agency has considered but not adopted a merit pay system or a pay-for-performance system for supervisors or managers, please describe the circumstances and the reasoning of the decision not to adopt such a system.

(NAPA has sufficient information on Question 8 from STATE. NAPA needs information on this question from CIA, NSA, DIA, the MILITARY INTELLIGENCE SERVICES, and FBI.)

PAY FOR EXECUTIVES

Question 9. Basic Pay in a Senior Executive Service: If the Agency has a senior executive service, what is the structure of the system of basic pay, and what are the rules and procedures for determining the basic pay of the executive?

In the Government-wide Senior Executive Service (SES), the statute (5 U.S.C. 5382) prescribes at least five levels of basic pay, to be established initially, and then adjusted, from time to time, by the President. The statute specifies the lower limit of the SES pay scale (equal to GS-16, step 1 of the General Schedule), and the upper limit (equal to level IV of the Executive Schedule).

Within that range, the President has actually prescribed six pay levels. The head of each agency decides what pay level to assign to each member of the SES in the agency. Since the SES is a rank-in-person system, the pay level is assigned to the individual and is not necessarily based on the grading of the job held by the individual, (although

the agency head may elect to consider the level of the job, or other factors, not specified in the statute, in determining the pay level of each individual.) The pay level of the individual may be adjusted once a year, upward any number of levels, downward one level a year, at the discretion of the agency head.

Career members of the SES are eligible to receive performance awards (bonuses) -- a one-time, lump-sum payment, representing a percentage of basic pay -- at the discretion of the agency head, based on the performance of the individual. Career members of the SES may also receive, from time to time, recognition by the President as a Meritorious Executive (up to five percent of the career executives per year may thus receive a one-time stipend of \$10,000), or as a Distinguished Executive (up to one percent of the career executives per year may thus receive a one-time stipend of \$20,000). Total compensation of one executive in a year may not exceed the pay of level I of the Executive Service.

Does the agency have a senior executive service?

- No. (Move on to Question 10.)
- Yes. If yes, please describe the pay structure of the senior executive service and the rules and procedures for determining and adjusting pay. See next two items:
 - Agency adheres to the Government-wide Senior Executive Service. (If so, move on to Question 10.)
 - Agency has a pay structure and pay-setting rules that are based on, but different from, those of the SES. If so, please describe.

(NAPA has sufficient information on Question 9 from STATE. NAPA needs information on this question from CIA, NSA, DIA, the MILITARY INTELLIGENCE SERVICES, and FBI.)

PAY IN ADDITION TO BASIC PAY

Question 10. Compensation in Addition to Basic Pay -- Adjustments, Additions, or Supplements to Basic Pay, or Allowances not Related to Basic Pay:

Listed below are several types of adjustments or additions to basic pay, or allowances that may supplement the basic pay of employees, supervisors, or managers. Please check off any or all of these

types of additional compensation the agency gives to employees in certain circumstances. Then, for each type of additional compensation, please provide a fuller explanation, covering the following:

- Eligibility: who is eligible to receive the additional compensation and under what circumstances?
- Amount: what is the rate or amount of additional compensation and how is it calculated?
- Rationale: why is the additional compensation considered necessary?
- Extent: does the additional compensation apply only on domestic assignments, or also overseas? Does it apply only to nonsupervisory employees, or also to supervisors, managers, and senior executives?

(NOTE: Allowances that relate only to overseas assignments will be covered separately in Part III of this inquiry.)

The categories of possible additional compensation are:

Special pay rates or special pay schedules for employees in lines of work that represent critical skills, or hard-to-fill jobs, or occupations in which the agency has difficulty recruiting new employees or retaining experienced employees because of salary competition from the private sector or from other government entities. (State what employees get these rates; whether the rates are a flat percentage of basic pay added onto basic pay, or special rates superimposed on the regular salary table, or a separate salary table, or some other form; whether the rates are geographically restricted or paid everywhere. Send a copy of any special salary schedules.)

Incentive Awards:

Cash or honorary awards for one-time special acts or services, or for superior accomplishments.

Cash or honorary awards for ideas or suggestions that improve operational performance.

Cash or honorary awards for inventions.

Presidential Awards: Cash or honorary awards for contributions to economy, efficiency, or improvement

of Government, or for meritorious acts or services.



Pay Differentials:



Extra pay for overtime work. (Indicate whether employees are exempt or non-exempt under the Fair Labor Standards Act (FLSA). Indicate the basis for calculating overtime pay, and limits on overtime pay, if any.)



Extra pay for night shift work.



Extra pay for work on Sundays or holidays.



Extra pay for being on-call, or subject to call-back.



Extra pay for work in hazardous conditions or under unusual physical hardships. (Indicate if hazard pay applies only to irregular or intermittent hazards or hardships that have not been considered in classification of the position, or automatically applies to all employees in certain occupations or locations.)



Extra pay for work at remote sites.



Special Allowances:



One-time recruitment bonus to employees in hard-to-fill job categories.



Extra pay allowance (one-time or continuous) to retain experienced employees in critical skills categories.



Incentive payments to employees to learn a language, or to improve or maintain language skills.



Incentive payments to get employees interested in geographic reassignments. (Within U.S. only, or also overseas? To any location, or only to specific locations? One-time lump-sum, or continuing addition to compensation?)



Extra pay for living and working in high cost of living areas. (Which areas? How is it calculated?)



Travel and Moving:



Reimbursement for travel in connection with geographic relocation or training assignments.



Reimbursement for moving expenses.



Reimbursement for house-hunting trips, for lease-breaking, or for residential transaction fees.



Extra allowance for expense of relocating employee to permanent residence at time of retirement, or for relocating employee's dependents to permanent residence at time of death of employee in service.



Other kinds of adjustments, additions, supplements, allowances, or stipends. (please describe.)

(NAPA has sufficient information on Question 10 from STATE. NAPA needs information on this question from CIA, NSA, DIA, the MILITARY INTELLIGENCE SERVICES, and FBI.)

DATA ON COSTS RELATING TO COMPENSATION

Question 11. Costs of Pay and Benefits: In gross terms, what are the costs of compensation in the agency? Please provide the following data:

- What was the total amount spent on human resources for the staff of the agency in the most recently completed fiscal year -- embracing all forms of compensation (basic pay, allowances, supplements, additions, overseas allowances, plus employee benefits paid by the agency), for all employees (nonsupervisory, supervisory, managerial, executives).
- Has the amount spent on compensation been stable, increasing, or decreasing during the last five years? Does the amount of change in spending correlate with changes in staffing levels during the same period, or is the amount of change disproportionate with changes in staffing?
- Indicate the percent of the total personnel costs that went into salaries and allowances, i.e., the payroll of the agency. Has this percentage been stable, increasing, or decreasing during the last five years? What accounts for the changes, if any?

- Indicate the percent of the total personnel costs that was spent on performance awards, bonuses, or other incentive payments related to work performance. Has this percentage been stable, increasing, or decreasing, over the last five years? What accounts for the changes, if any?
- Indicate the percent of total personnel costs spent on extra pay and allowances for employees stationed abroad. Has this percentage been stable, increasing, or decreasing over the last five years? What accounts for the changes, if any?
- Indicate the percent of total personnel costs spent on basic employee benefits -- health insurance, life insurance, and retirement. (If possible, break this down further to distinguish between health insurance spending, life insurance spending, and retirement spending by the agency.) Has this percentage been stable, increasing, or decreasing over the last five years? What accounts for the changes, if any?

(NAPA needs this data from CIA, NSA, and DIA only; not from STATE, or the MILITARY INTELLIGENCE SERVICES, or FBI.)

PART III. OVERSEAS PAY - ADJUSTMENTS AND ADDITIONS TO PAY FOR SERVICE ABROAD

Response Due: August 12, 1988

This Part of the inquiry seeks information about the policies and practices of the agency relating to additional pay and allowances for employees assigned to work abroad.

(NOTE: NAPA has sufficient information on Questions 13 and 14 from STATE; however, we would appreciate having STATE respond to Question 12. NAPA needs information on Questions 12, 13, and 14 from CIA, NSA, DIA, the MILITARY INTELLIGENCE SERVICES, and FBI, unless noted otherwise on specific questions below.)

Question 12. Objectives of Additional Pay and Allowances for Overseas Assignments: Several possible purposes may be served by giving employees extra pay and special allowances for service abroad. Please check off any purpose on this list that apply in the agency, and provide additional comments on any you feel need more explanation.

- To give employees incentives to take assignments in other countries.
- To reimburse employees for extraordinary expenses they would face in an overseas assignment but not in an assignment within the United States.
- To compensate employees for social or physical hardships incidental to overseas assignments, e.g., disruption of family life, community services and living conditions not up to U.S. standards, separation from accustomed patterns of life in the United States, necessity of learning to function in an unfamiliar cultural environment, physical hardships relating to climate, the environment, unavailability of health care, isolation, the particular job to be done, or other factors.
- To enable employees to maintain a respectable life style as representatives of the United States.
- To enable employees to maintain a life style on a par with other Americans in the same locations.
- To enable employees under cover to maintain a life style commensurate with the functions and social standing of the lines of work they are presenting as their own.
- To keep employees from suffering economic losses because of their absence from the U.S., or because of fluctuations in the value of the dollar.

To offset the special hazards of representing the United States in areas where terrorism abounds and is aimed at U.S. officials in particular.

Other objectives: _____

Question 13. Check List of Possible Allowances for Service Overseas: The following check list presents numerous kinds of allowances, one-time payments, or tax exemptions that may be given to employees serving abroad, but not to employees serving in the U.S. Most of these items are derived from a list of such allowances available to members of the Foreign Service; but some of them come from lists of special allowances that are available to employees of intelligence agencies but not to the Foreign Service. Please check off all items that may apply, in some form, to employees of the agency serving overseas, even if agency employees do not receive exactly the same payments as members of the Foreign Service:

AUGMENTATION OF BASIC PAY ON A CONTINUING BASIS -

Payment of an increased rate of basic pay for service overseas. (Describe how the extra pay is calculated, e.g., a flat percentage of basic pay added to basic pay, or a separate salary table for overseas work. If so, send a copy of the table.)

(Note: NAPA has sufficient information on this point from CIA and STATE. NAPA needs information on this point from NSA, DIA, the MILITARY INTELLIGENCE AGENCIES, and FBI.)

Extra pay incentives for performing covert work overseas.

Extra pay for assignment with paramilitary operations or similar assignments.

MONETARY ALLOWANCES RELATING TO MOVING OVERSEAS -

Advance of pay: advance of salary to ease the transition from domestic to foreign assignment, to be repaid over time by payroll deductions.

Consumables shipment: payment to buy and send consumable foods and expendable supplies to a post where such commodities will be unavailable.

Residential transactions: reimbursement for lease-breaking or for residential transactions for moving from the U.S. overseas.

- Moving and storage of household goods: payment to move household goods either to post of duty or to a storage facility.
- Transfer allowance - foreign: payment for certain expenses incidental to closing down residence in U.S. and moving overseas, e.g., predeparture subsistence for lodging, meals, laundry; converting household appliances; automobile registration fees and drivers license fees.
- Transfer travel and per diem: payment of travel and per diem expenses for employee and dependents in moving to overseas post.
- Temporary lodging allowance: payment to employees upon arrival at overseas post to defray costs of hotel rooms while locating residence quarters or awaiting arrival of furniture.
- Supplementary post allowance: payment to offset extraordinary meal expenses when employee and family are compelled to occupy temporary nonhousekeeping quarters upon arrival at overseas post because temporary quarters with housekeeping facilities are not available.
- Transportation of automobile: payment to transport private automobile overseas and back to the U.S., or to transport a replacement vehicle if automobile is stolen or destroyed, or if the employee is overseas more than four years.
- Tax reimbursement: reimbursement for Federal, State, or local income taxes charged on travel and transportation expenses and relocation allowances.
- Lost or damaged property: payment of claims for loss of or damage to personal property.

NONMONETARY BENEFITS RELATING TO MOVING OVERSEAS -

- Federal manufacturer's excise tax exemption: employee is exempt from paying Federal manufacturer's excise tax on automobiles or other goods taken overseas with intent ultimately to sell or dispose of them and not to bring them back to the U.S.
- Customs privileges: foreign government waives its customs duties for agency employees, on a reciprocal basis with U.S. Government.

- Family orientation training: orientation of family members going abroad with employee.
- Medical examinations: free medical examinations for employee and dependents incidental to change of assignment.
- Immunizations: free immunizations and booster shots for employees and dependents.

MONETARY ALLOWANCES RELATING TO LIVING ABROAD -

- Post allowance: payment of "cost of living" allowances added to salary for serving at posts where the costs of goods and services significantly exceed costs in Washington, D.C.
- Post differential: payment of differential added to salary for "hardship" posts, for assignment or detail to posts with unusually difficult or unhealthful conditions or severe physical hardships. (If agency pays a hardship post differential, may employee elect to get extra service credit toward retirement instead of money? Yes No)
- Separate maintenance allowance: payment of allowance added to salary for maintaining family at a location other than the overseas post of duty (in lieu of other family allowances).
- Basic living quarters allowance: payment of allowance to enable employee to secure suitable housing and related services if U.S. Government does not provide quarters at the post of duty, including payment for rent, garage space, furniture rental, property insurance, agent's fees, initial repairs.
- Supplemental living quarters allowance: payment of additional allowance when the basic allowance is insufficient.
- Foreign income tax reimbursement: payment of reimbursement for income taxes paid to foreign government (in lieu of exemption from income taxes of foreign country).
- Layette shipment: payment for shipment from U.S. to overseas post of clothing, furniture, and equipment for a newborn child.
- Representational allowances: payment of allowances for expenses related to representing the U.S., for entertainment, gifts, gratuities.

NONMONETARY BENEFITS RELATED TO LIVING ABROAD -

- Government housing: housing provided by U.S. Government at post overseas, including heat, fuel, lighting, furniture, equipment, repairs, maintenance, garage space, guards, gardeners, and telephone installation (in lieu of monetary housing allowances).
- Commissary: permission to make purchases at military commissaries or post exchanges.
- Military clubs: permission to use military clubs, messes, and recreational facilities overseas.
- Duty free goods: foreign government allows agency employees to purchase goods duty free, on a reciprocal basis.
- Health care: health care for employee and dependents provided at overseas post of duty, including hospitalization at Government expense.
- Local holidays: time off on local holidays of foreign country, as well as U.S. national holidays.
- Income tax exemptions: exemption from local income taxes of foreign government (in lieu of reimbursement for local income taxes).
- Loan of household goods: U.S. Government lends employee basic household furnishings and equipment for use at post of duty in lieu of paying costs to ship household goods overseas and back.

SPECIAL MONETARY PAYMENTS FOR EXPENSES RELATING TO FAMILY LIFE -

- Education allowance: payment for educational expenses of children, including tuition, room and board, and travel expenses between post of duty and location of school.
- Educational travel allowances: payment for travel expenses of student attending college in the U.S., covering round trip between post of duty and U.S.
- Emergency visitation travel: payment of expenses for employee, spouse, or family member to travel to the U.S. from overseas post to visit family member suffering serious illness or injury, or likely to die.
- Health care travel: payment of travel expenses for employee or dependents to get health care or dental care not available at post of duty, including travel expenses of patient and expenses of family member or attendant required to accompany the patient.

Emergency evacuation: payment of allowances in event of emergency evacuation of employee and/or family from post of duty, including travel expenses, subsistence, and other allowances.

Separated parents: payment of travel expenses of children sent to visit separated or divorced parents.

SPECIAL MONETARY ALLOWANCES RELATING TO REST, RECUPERATION, OR RECREATION WHILE OVERSEAS -

Home leave: payment of travel expenses and per diem and limited freight expenses for employee and family between overseas tours of duty (time off charged to annual leave).

Rest and recuperation: payment of travel expenses of employee and family to travel for rest and recuperation during period of service at posts that present unfavorable conditions of climate, isolation, housing, sanitation, lack of essential services, prevalence of communicable diseases, or unusual personal hazards.

SPECIAL MONETARY AND NONMONETARY ALLOWANCES RELATED TO SERVICE IN DANGEROUS POSTS -

Danger pay: extra pay for danger at a post where civil insurrection, civil war, or warlike conditions prevail.

Family visitation travel: payment of travel grant for an employee in an imminent danger area to visit family located away from the danger area.

Stress, hardship, abuse allowances: special leave and/or travel allowances for employees who have been subjected to unusual physical or psychological stress, or hardship, or abuse.

Death gratuity: payment of death gratuity to dependents of an employee killed overseas as a result of hostile or terrorist activities or high-risk intelligence activities.

Income tax exemption: U.S. Government foregoes income taxes of an employee who dies because of terrorist activities overseas.

MONETARY ALLOWANCES RELATED TO RETURN FROM ABROAD -

(Note: payments for moving and storage of household goods, for transfer travel and per diem for employee and family and for transportation of personal automobile, are assumed to be

the same for moving back to the U.S. as for making the move overseas. These items were listed above under the heading "MONETARY ALLOWANCES RELATING TO MAKING THE MOVE OVERSEAS".)

- Transfer allowance-home: payment of allowance to assist with relocation expenses back to the U.S., covering subsistence (hotel lodging, meals, laundry, for up to 60 days after arrival in the U.S.), and miscellaneous expenses (converting household appliances, obtaining automobile registration and drivers license.)
- House-hunting: reimbursement for expenses of house-hunting trip in connection with move from abroad back to the U.S.
- Temporary lodging allowance: payment of an allowance for expenses prior to departure from overseas post if employee and family are required to take temporary residence at a hotel, with supplemental allowance, if needed, to cover meal expenses in such a situation.
- Deceased employee: payment to family for preparation of body, for casket, and for transportation of deceased employee, and for travel of dependents and shipment of household goods back to the U.S.

MISCELLANEOUS OTHER ALLOWANCES OR BENEFITS RELATING TO OVERSEAS SERVICE -

- Other payments, allowances, nonmonetary benefits, or tax exemptions relating to overseas service _____

Question 14. Eligibility, amounts, and costs of overseas allowances: Please review the items checked off in Question 13 above. For each item checked, please provide the following information:

- Eligibility: who is eligible for the allowance or nonmonetary benefit and under what circumstances?
- Amounts: what is the formula or rule for determining the amount to be paid?
- Rationale: what is the reason for the particular allowance, benefits, or tax exemption?

(Note: if the agency's allowance or benefit in any of these items is the same in substance as the Foreign Service, but the agency has different eligibility criteria or payment formulas, just explain the difference.)

PART IV. EMPLOYMENT BENEFITS

Response Due: August 5, 1988

The generic definition of employee benefits is: 1) any kind of compensation in a form other than direct wages, and 2) paid in whole or in part by the employer.

The first question in this Part (Question 15) asks each agency to focus attention on why they provide employee benefits to their workers at all. It lists a number of purposes or objectives that employers might have with respect to providing a collection of benefits to employees over and above paying for the work they do, and it asks each agency to indicate which of the statements represent the reasons behind the agency's employment benefits.

The second question in this Part (Question 16) requests information on the particular employment benefits the agency provides for its workers. For Federal employees generally, there is a standard package of employment benefits, embracing paid leave, health insurance, life insurance, and retirement annuities. NAPA assumes that employees of the intelligence community receive the same package of benefits as other Federal employees, but asks whether there are points on which the benefits of these agencies differ from those of the other agencies of the Federal Government. If so, NAPA asks for some details about the points of difference.

The third question in this Part (Question 17) asks about benefits that may be available to agency employees beyond the standard packages, and the last question (Question 18) asks for an opinion about the adequacy of the current package of benefits.

NAPA requests that all agencies involved in the study respond to the questions in this Part of the inquiry.

Question 15. Purposes and Objectives of Employment Benefits:

Virtually all progressive, responsible employers provide to their employees a package of employment benefits above and beyond pay for work performed. When employers are asked why they do this, or what they expect to gain from it, they offer a variety of reasons. Some of the most prominent objectives of employers in providing benefits are listed below. Please consider the degree to which these statements represent the purposes of the agency in providing a package of employment benefits to employees and check off those statements that best describe the agency's objectives -- or, if none of the statements on the list is appropriate, provide a statement of the agency's objectives. (If the agency has already made a declaration of its objectives, purposes, or policies with respect to employment benefits, please send a copy.)

1. To promote the economic security of employees (and their families) in areas they could not provide for out of their earnings alone.
2. Because other employers provide benefits to their employees, the agency has to provide similar benefits in order to be competitive in the labor markets that supply the kinds of people the agency needs.
3. To comply with laws that require employers to provide certain benefits to employees, e.g. Medicare, Workmen's Compensation.
4. To cement the relationship between the agency and employees over time, to secure organizational loyalty and a long-term employment commitment, to make a "contract" between employer and employees.
5. To pool resources to protect employees from the financial impact of potentially catastrophic events (illness, disability, death) by sharing the risks and costs among a larger group.
6. To enable the workforce as a whole to cope collectively and cooperatively with events beyond the capacity of individual employees, both during their working years and after.
7. Social responsibility of the employer -- to keep employees from becoming a burden on the community, both during their working years and their retirement years.
8. To make it possible for employees to maintain in later life the standard of living they have achieved during their working years.
9. To enable older workers to leave the workforce, thereby making way for younger workers to move up the career ladder and also opening jobs at the intake levels for new workers with fresh views and recent training -- a process of continual renewal of the vitality of the workforce as a whole.
10. Other purposes: _____

Question 16. Employment Benefits: This question asks agencies to respond only if the catalogue of employment benefits they provide to their employees differs from the package provided to Federal employees generally, and, if so, to describe only the key differences.

Federal employees generally get periods of time off with full pay: annual leave, sick leave, time off on national holidays, military leave, jury duty leave, and administrative leave in the event of emergencies that make it impossible for workers to do any work, e.g., natural disasters, severe storms, or building shut-downs. If the agency's leave provisions differ from the rest of the Government, please describe the differences.

Federal employees are entitled to Workmen's Compensation, which provides for continuation of income during periods of disability related to injury on the job. If employees of the agency are not able to claim workmen's compensation, or if their benefits differ from other Federal employees, please describe the differences.

Through the Federal Employees Health Benefits Program (FEHB), Federal employees can obtain either health insurance or prepaid health care in a health maintenance organization, for the employee and dependents, with costs shared by the Government and the employee. Through Medicare, they can obtain health care support after age 65; and costs are shared by the Government and the employee. If the agency does not provide these benefits, or if the agency programs differ markedly from the Government norm (e.g., agency pays larger share of costs, or benefits exceed or fall short of those of other agencies), please describe the differences.

Through the Federal Employees Group Life Insurance Plan (FEGLI), Federal employees can obtain life insurance for themselves, including extra insurance for accidental death or dismemberment, and can also obtain life insurance for family members. If the agency's life insurance offerings differ from the plans for other Federal employees, please describe the differences.

Federal employees other than those enrolled in FERS may participate in the Thrift Savings Plan, with investment by the employee only and none by the Government. If this privilege is not available to the agency's employees, or if the agency's provisions for its employees are different, please indicate those facts.

RETIREMENT:

With respect to retirement plans, we request only that you affirm the points set forth below, or correct them if they are wrong:

- CIA employees may be covered by CSRS, FERS, FERS Special Category, or, in some cases, by CIARDS.
- NSA employees may be covered by CSRS or FERS.
- DIA employees, and employees of the military intelligence services may be covered by CSRS or FERS.
- FBI employees may be covered by CSRS or FERS.
- State Department employees in the Foreign Service are covered by the Foreign Service Retirement Plan, and those in the civil service may be covered by CSRS or FERS.
- Except for CIARDS, and for the FBI's law enforcement eligibility under CSRS or FERS, none of these retirement plan provides routinely for retirement at any age after 25 years of service, or at age 50 with 20 years of service. (Exception to this rule: in the event an agency is having a major reduction in force or a major reorganization, the agency may get permission from OPM to offer on a one-time basis early retirement to employees involved.)
- In addition to paying annuities to retired employees, all of these plans offer disability retirement in the event of injury or illness that makes it impossible for the employee to continue working, and all of them offer survivor's annuities for dependents after the death of the employee.

If any part of our understanding outlined above is in error, please provide correct information on that matter.

Question 17. Other Employment Benefits: Some additional employment benefits are available to some Federal employees, in some agencies, in some locations, but are not necessarily part of the standard package available to all Federal employees. Please indicate whether the agency offers any of the following benefits, and if so, to what employees, where, and under what circumstances:



Counseling for alcohol, drug, financial, social, or other problems of the employee or family that would otherwise disrupt work or the work place.



Day care available for children, or for elderly dependents, with costs paid in part by the agency.

Pre-retirement planning and counseling service.

Other benefits: _____

Question 18. Adequacy of Employment Benefits: This question asks for an opinion: Are the employment benefits now available to employees of the agency adequate or inadequate in terms of the special needs of the agency staff? Please elaborate on the response -- why do you say the benefits are adequate or inadequate, and what are the special needs of the agency staff?