



To enhance mission performance, TSA is committed to promoting a culture founded on its values of Integrity, Innovation and Team Spirit.

Note: Pursuant to Section 101 of the Aviation and Transportation Security Act (49 U.S.C. 114(n)), this directive, and all related Handbooks, Attachments, and Appendices establish Transportation Security Administration (TSA) policy and must be applied accordingly.

REVISION: This revised directive supersedes [TSA MD 1100.53-8, *Setting Pay After Appointment*](#), dated August 28, 2012, and effective September 23, 2012.

SUMMARY OF CHANGES: Section 1, Purpose, Section 2, Scope, and Section 3, Authority, updated; Section 5, Responsibilities, minor revisions for clarification; Section 6, Policy, changed In Position Increase (IPI) to In Band Increase (IBI) to include Supervisory IBI (SIBI); updated Promotions to reflect an increase of six percent; added Pay Band Retention; updated Pay Retention to be granted for an indefinite period; added Performance Band Increase (PBI); and limited special circumstances to the pay setting policy through the AA/OHC were added. Administrative changes made throughout the directive.

1. **PURPOSE:** This directive provides TSA policy and procedures for establishing criteria and requirements for setting pay after an employee's initial appointment at TSA.
2. **SCOPE:** This directive applies to all TSA employees assigned to positions covered under the TSA Core Compensation System.
3. **AUTHORITIES:**
 - A. The Aviation and Transportation Security Act, Pub. L. 107-71 (ATSA)
4. **DEFINITIONS:** See [TSA Handbook 1100.53-8, *Setting Pay After Appointment*](#).
5. **RESPONSIBILITIES:**
 - A. The Office of Human Capital (OHC) is responsible for:
 - (1) Administering, developing, implementing, and modifying pay policies applicable to TSA employees; and
 - (2) Providing advice, guidance, and training associated with setting pay and documenting pay in TSA's official recordkeeping, timekeeping, and payroll systems.
 - B. Assistant Administrators (AA) or Deputy Assistant Administrators are responsible for:
 - (1) Resolving pay setting issues within their respective office within the limits of this directive and the associated handbook; and
 - (2) Ensuring adequate funding for pay setting actions by managing their workforces within applicable fiscal constraints and coordinating with the Office of Finance and Administration (OFA), as appropriate.

- C. OFA is responsible for ensuring adequate funding for, and allocating funds to, the respective program offices and reviewing related office expenditures as they occur.
- D. Managers, Supervisors, Administrative Officers, and Human Resources (HR) Specialists are responsible for consistently applying the policies and procedures found in this directive, and the accompanying Handbook, when setting pay for TSA employees.
- E. Employees are responsible for reviewing each Standard Form-50, *Notification of Personnel Action*, as well as Statements of Earnings and Leave, to ensure that pay is documented appropriately, and for bringing inconsistencies to the attention of HRAccess, local TSA management, or the appropriate HR Specialist.

6. POLICY:

TSA will set pay for all employees during the course of TSA employment based on the provisions of this directive and the associated handbook. Pay setting upon appointment to TSA will follow the provisions found in [TSA MD 1100.53-7, *Setting Pay Upon Appointment*](#) and the associated [Handbook](#).

A. Promotions:

- (1) Will result in an increase of six percent of the current rate of basic pay of employees.
- (2) The rate of basic pay may not be set below the minimum of the pay band and may not exceed the maximum of the pay band in which the employee is promoted.

B. IBIs:

- (1) Will be an increase of one percent to three percent of the employee's current rate of basic pay.
- (2) An IBI in excess of three percent and up to five percent, will require approval by the AA/OHC.
- (3) Employees must be at an "Achieved Expectations" or higher level to be considered for an IBI.
- (4) Increases to the employee's current rate of basic pay should be made using the midpoint salary range principle with consideration of the employee's specialized experience.
- (5) Employees may not be granted more than one IBI in a 52-week period.

C. SIBIs:

- (1) Must be competitively selected for a reassignment from a non-supervisory position to a supervisory position within the same pay band.
- (2) Will be an increase of one percent to three percent of the employee's current rate of basic pay.

- (3) A SIBI in excess of three percent and up to five percent, will require approval by the AA/OHC.
- (4) Must be at an “Achieved Expectations” or higher performance level to be considered for an SIBI.
- (5) May only be granted one SIBI within each pay band held.

D. Reassignment Increases:

- (1) Are only 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.
- (2) Reassignment increases will be an increase of up to five percent of the employee’s current rate of basic pay, not to exceed the maximum rate of basic pay for the pay band.
- (3) Requests for approval of a reassignment increase must be made in writing through the appropriate AA to the AA/OHC.
- (4) Requests for positions under the purview of the Executive Resources Council (ERC) must be submitted to the Executive Resources Division prior to submission to the AA/OHC for approval.
- (5) Requests must include the title, series, and pay band of the employee’s current position and the position to which the employee will be reassigned, the recommended reassignment increase percentage, the justification for the reassignment increase (i.e., a description of the substantial increase in the responsibilities and complexity of the new position as compared to the current position), and a proposed effective date.

E. PBIs allow an increase of one percent up to three percent of an employee’s current rate of basic pay and recognize highly successful accomplishment of duties based on an employee’s rating of record of “Achieved Excellence” or equivalent.

F. Pay Band Retention will be granted for a two-year period (104 weeks) when placed into a lower pay band as a result of a qualifying involuntary management action which occurs on or after the effective date of this policy.

G. Pay Retention will be granted for an indefinite period following the effective date after an employee is involuntarily reduced in pay band within TSA as a result of a management action, for reasons other than performance/conduct, and when the employee’s rate of basic pay will not fit within the range of the lower pay band.

H. Highest Previous Rate may be taken into account for pay setting upon reemployment, transfer, reassignment, promotion, involuntary demotion, or change in type of appointment, within the parameters of this policy, as long as it does not exceed the maximum rate for the pay band of the position being filled.

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- I. Demotion/Change to Lower Band is the assignment of an employee to a position at a lower pay band.
- J. Pay Setting for L and M Band Positions:
 - (1) All selections of individuals for L and M band positions must be approved by the ERC before the personnel actions are processed and pay setting is determined.
 - (2) All salary setting decisions relating to L and M band positions will receive final approval from the AA/OHC.
 - (3) Pay increases for L and M band executives will be reviewed annually during the performance review cycle by the TSA Performance Review Board.
- K. Special circumstances leading to requests to modify the pay setting policies and procedures found in this directive or the associated handbook must be approved in writing by the AA/OHC or designee prior to setting pay for TSA employees. These situations should be rare. Any request to set pay outside the provisions of this directive and the associated handbook must be submitted by the program office AA or DAA to the AA/OHC, and include documentation stating the business reason and impact to the program office if the request is not approved. The program office should coordinate these requests in advance with OHC Policy prior to submitting to the AA/OHC.
- L. All personnel actions that occur under this pay setting policy will be effective at the beginning of a pay period.

7. PROCEDURES: See [TSA Handbook 1100.53-8, *Setting Pay After Appointment*](#).

8. **APPROVAL AND EFFECTIVE DATE:** This policy is approved and effective the date of signature unless otherwise specified.

APPROVAL

Signed

September 29, 2017

Karen Shelton Waters
Assistant Administrator for Human Capital

Date

EFFECTIVE

October 15, 2017

Date

Distribution: Administrator, Deputy Administrator, Chief of Staff, Chief of Mission Support, Chief of Operations, Assistant Administrators, Regional Directors, Federal Security Directors, Supervisory Air Marshals in Charge, Business Management Division Directors, Administrative Officers, and Human Resources Specialists.

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