

<b>TRANSMITTAL SLIP</b>		DATE 17 January 1983
TO:		
ROOM NO.	BUILDING	
REMARKS: <i>20 Jan: SIS Pay.</i> Please review and be prepared to present your views on the attached at the DDA's staff meeting on Thursday, 20 January.  Thanks,  <i>Cys. sent to all DA OD's &amp; SSA and CMD.</i> <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div> <i>01/17</i>		
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EXCOM 002-83  
14 January 1983

MEMORANDUM FOR: Executive Committee Members

FROM :   
Executive Assistant to the DDCI


SUBJECT : Agenda for the 20 January 1983 Executive Committee Meeting: SIS Pay

The Executive Committee will meet on Thursday, 20 January, at 1400 hours in the DCI Conference Room to consider the attached SIS pay options. The Director of Personnel developed this paper in response to employee concerns regarding the ramifications of the raising of the pay cap in December for lower level SIS employees.



Attachment

Distribution:

- 1 - DDCI
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SIS Pay Options1. BACKGROUND:

A. The raising of the Federal Pay Cap on 18 December 1982 to \$63,800 for General Schedule employees and to \$67,200 for members of the Senior Service has caused a pay disparity whereby some employees at Senior Intelligence Service (SIS) -1 through -3 could be earning more salary dollars had they not been promoted to or elected conversion into the Senior Intelligence Service. Also, the upper ranges of the GS-15 level (steps 7 through 10) presently earn more salary dollars than those employees at the SIS-1 through -3 level who may be their supervisors. (This is not a unique situation; officers on a fast track traditionally have earned less than supervised employees who have been in grade for a lengthy time.) Of the [ ] SIS-1 through -3 officers presently on duty, [ ] were at the GS-15, step 7 or above level at the time of promotion, [ ] would be earning more salary dollars had they not converted to the SIS but remained frozen at the last Supergrade or Scientific Pay Scale grade held, and [ ] of the present SISers could be earning more salary dollars had the Agency remained under the General Schedule. Thus, [ ] percent of the SIS-1 through -3 could be considered penalized for having joined the SIS and [ ] percent could be earning more salary dollars each pay period had the Agency remained under the General Schedule. Conversely, [ ] percent of the SIS-1 through -3 officers have earned more salary dollars by virtue of being members of the SIS. [ ]

B. In October 1979, the Director of Central Intelligence used his authority to establish the Senior Intelligence Service. When informing concerned Committees in Congress, the Office of Management and Budget, and the Office of Personnel Management of this fact, the Agency acknowledged that the SIS would follow the general purposes and principles provided for in the Civil Service Reform Act of 1978 which established the Senior Executive Service (SES). As pay rates for members of the SES were established, they in turn were adopted for members of the SIS. However, no commitments were made to the Congress that changes in the rates of pay of SIS and SES necessarily would be linked (see Attachment A). In addition, the General Counsel has opined that

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the Agency has its own authority to set SIS pay rates, notwithstanding other laws, pursuant to Section 8 of the CIA Act of 1949, as amended.

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C. In view of expressed concerns over the disparity outlined in A above, a series of options are presented in paragraph 2 of this paper for management consideration.

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## 2. DISCUSSION OF SIS PAY OPTIONS:

A. Create SIS within grade steps to alleviate disparity between the GS and SIS rate structure. The following chart reflects SIS steps at the SIS-1 through SIS-4 levels geared to the GS-15 step increment of \$1,618. (This is one example. Fewer steps or larger increments may be possible.)

### SIS Within Grade Steps

SIS	1	2	3	4	5
6	67,200				
5	65,500				
4	63,800	65,418			
3	61,515	63,133	64,751		
2	59,230	60,848	62,466	64,084	
1	56,945	58,563	60,181	61,799	63,417

### Pros

- Provides pay increase for GS-15's , steps 7 through 10, promoted to SIS-1.
- Graduated increases at all SIS levels provide pay adjustment for officers in relation to where they would have been at GS-15 , SG or SPS level.
- Provides opportunity for pay increase for -1 and -2's having no opportunity for promotion.
- Because SIS and GS pay are linked, future pay adjustment for GS would be equitably related to SIS.
- Cost is less than if all SIS-1 and SIS-2 were moved to the SIS-3 rate.
- Eliminates retained rates.

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Cons

- Defeats the performance oriented concept of the SIS.
- The high steps of SIS-1, SIS-2 earn more than the next higher grade.
- In a number of cases officers promoted into and within the SIS who were at the lower GS-15 step levels have already realized windfall salary increases resulting from the GS/SIS rate spread and elevation of the SIS pay cap from \$50,112.50 in FY-79 to \$67,200 in FY-83.

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B. Establish a separate Agency SIS pay scale that would eliminate pay disparity in relation to the current General Schedule rates. This option has been recommended by the General Counsel (see Attachment B):

<u>SIS</u>	<u>FROM</u>	<u>TO</u>
1	\$56,945	\$63,215
2	59,230	63,786
3	61,515	64,357
4	63,800	64,928
5	65,500	65,500
6	67,200	67,200

Pro

- The SIS-1 rate is one hundred dollars above the GS-15 step 10 rate of \$63,115.
- SIS-1 through SIS-4 realize an increased rate of pay.
- These revised SIS rates enable retention of the SIS hierarchial structure providing monetary recognition for increased responsibility.

Cons

- The increased cost may be prohibitive. For example, GS-15 promotions to SIS-1 this January would result in an increased cost of  (see Attachment C). This does not take into

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consideration the cost of promotion within the SIS. Conversion of all SIS officers to the revised pay scale will cost  (see Attachment D).

- Promotion from GS-15 step 1 to SIS-1 would amount to a salary increase of \$14,662 while an officer being promoted from SIS-3 to SIS-4, (Office Head or DO Division Chief) would only realize an increase of \$571.
- Could we sell a separate SIS pay structure to Congress and OMB, and, if so, how long would it take before we could implement these rates? The 9.6 percent interim overseas differential action resulted in lengthy deliberations with OMB and the Hill.
- If the President is recommending a freeze on Federal, military and civilian employee salaries, would it be politically wise to request an exception for a small segment of CIA employees?
- In a number of cases officers promoted into and within the SIS who were at the lower GS-15 step levels have already realized windfall salary increases resulting from the GS/SIS rate spread and elevation of the SIS pay cap from \$50,112.50 in FY-79 to \$67,200 in FY-83.

C. Elevate SIS-1 and SIS-2 salaries to the SIS-3 current rate of \$61,515.

Pro

- Resolves pay disparity for all those officers who would have achieved the GS-15 step 9 pay rate of \$61,947 or the GS-16 step 3 rate of \$60,741.
- Adjusts pay for the majority of the SIS officers effected with increase in personal service costs less than the  increase cited in option B.

Con

- Officers who would have been at the GS-15 step 10, GS-16 step 4, GS-17 and higher SPS levels continue to remain behind the rate they would have achieved.

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- No pay distinction at the SIS-1, -2, or -3 levels recognizing differences in level of responsibility or program management.

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D. Retain the recently approved SIS pay structure and policies affecting SIS pay such as pay retention for GS-15/7 - GS-15/10 officers promoted to SIS-1.

Pro

- SIS is a separate and distinct system from the General Schedule and includes benefits such as: unlimited accrual of annual leave with lump sum payment at retirement, eligibility for rank stipends and performance awards, and sabbaticals. This system also includes an element of incentive in that excellence in performance is rewarded and results in greater total compensation than the effect of realizing GS longevity increases.
- Establishment of the SIS pay cap at \$67,200 versus the GS pay cap which is limited to \$63,800, is an indication that the SIS is the Senior Service. Future cost of living adjustments will permit the lower SIS levels to rise above the GS capped rate of \$63,800.
- Historically, the General Schedule grades have overlapped and currently a GS-15 step 10 (\$63,115) earns more than a GS-16 step 4 (\$62,639). This condition is similar to the overlapping pay rates between GS-15 step 10 and the first three SIS pay rates.
- The majority of our GS-15 officers promoted to SIS-1 are between the GS-15 step 2 and step 5 pay rates. The following comparison depicts the monetary gain for these officers when promoted to SIS-1 at the current rate of \$56,945.

GS-15/2	\$50,171	SIS-1	\$56,945	+ \$6,774
GS-15/3	51,789		56,945	+ 5,156
GS-15/4	53,407		56,945	+ 3,538
GS-15/5	55,025		56,945	+ 1,920

GS-15 step 7 through GS-15 step 10 are authorized pay retention when promoted to SIS-1.

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Con

- Officers at the GS-15 step 7 level (\$58,261) and above who were promoted to SIS-1 will not receive a base pay increase for expanded duties and responsibilities.
- Approximately 62 percent of the officers who converted to SIS or who have been promoted into the SIS are currently earning less salary dollars than had they remained supergrade, Scientific Pay Schedule (SPS) or GS.

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E. Provide the option of permitting officers to revert to the previous supergrade, SPS or GS status they would have realized had they not achieved membership in the SIS. This would be a "one time" irrevocable option that would permit each SIS officer to decide the merits of his or her individual case. The same election would be offered to GS-15 officers approved for promotion.

Pro

- The immediate result would be to adjust pay upward to the GS rates that the officer would have achieved had he or she remained under the GS or SPS pay scales.
- This option would be consistent with the original SIS membership option to join or decline membership in the SIS and is similar to the one time option to elect coverage under the CIA Retirement and Disability System (CIARDS).
- Retains the integrity of the SIS system as constructed.
- Allows officers to decide for themselves which system, GS or SIS, is best for them.

Con

Officers reverting to the General Schedule would:



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- be limited by the GS \$63,800 pay cap versus the \$67,200 SIS pay cap.
- no longer be eligible for the accrual of unlimited annual leave and lump sum payment for that leave at retirement (Prospective changes in retirement legislation may make this annual leave entitlement more attractive in the future.).
- no longer be eligible for rank stipend or performance award consideration.
- no longer be eligible for SIS sabbatical opportunities.

3. RECOMMENDATION:

A. It is recommended that the SIS principle of linking job performance evaluations to opportunities for performance awards and stipends based on individual excellence be reaffirmed by retaining the recently approved SIS pay structure and policies affecting SIS pay (Option D).

B. However, if pay disparity concerns are of sufficient magnitude to warrant change, it is recommended that present SIS members and future promotees into the Service be allowed a one-time irrevocable election to either remain in or enter the SIS as presently constructed, revert to the appropriate Supergrade range or retain their GS status (Option E).

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