



Department of Defense INSTRUCTION

NUMBER 1400.25, Volume 550

March 20, 2015

Incorporating Change 4, Effective August 9, 2019

USD(P&R)

SUBJECT: DoD Civilian Personnel Management System: Pay Administration (General)

References: See Enclosure 1

1. PURPOSE

a. Instruction. This instruction is composed of several volumes, each containing its own purpose. The purpose of the overall instruction, in accordance with the authority in DoD Directive (DoDD) 5124.02 (Reference (a)), is to establish and implement policy, establish procedures, provide guidelines and model programs, delegate authority, and assign responsibilities regarding civilian personnel management within the DoD.

b. Volume. In accordance with DoDD 1400.25 (Reference (b)), this volume:

(1) Reissues Volume 550 of this instruction (Reference (c)) and establishes DoD policy for pay administration pursuant to sections 5501 through 5597 of Title 5, United States Code, and part 550 of Title 5, Code of Federal Regulations (CFR) (References (d) and (e)) for each employee **except** those named in subparts 550.101(b) and 550.101(c) of Reference (e).

(2) Incorporates and cancels the Deputy Secretary of Defense Memorandum (Reference (f)).

2. APPLICABILITY. This volume:

a. Applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities (referred to in this volume as the "DoD Components").

b. Does not apply to physicians, dentists, nurses, or any other DoD employee paid by authority delegated pursuant to Reference (e). These employees are covered by Volumes 540 through 543 of this instruction.

c. Does not apply to employees covered by the Defense Civilian Intelligence Personnel System.

3. POLICY. In accordance with References (d) and (e), it is DoD policy that DoD Components comply with all guidance in Enclosure 3 when administering the pay of DoD employees.

4. RESPONSIBILITIES. See Enclosure 2.

5. PROCEDURES. Enclosure 3 provides procedures for pay administration (general).

6. RELEASABILITY. **Cleared for public release.** This volume is available on the Directives Division Website at <https://www.esd.whs.mil/DD/>.

7. INFORMATION COLLECTIONS. The Sample Repayment Agreement, referred to in Paragraph 2.c. of Enclosure 3, does not require licensing with a report control symbol in accordance with Paragraph 13 of Volume 1 of DoD Manual 8910.01 (Reference (g)).

8. SUMMARY OF CHANGE 4. The changes to this issuance are made in accordance with Reference (f). Procedures in Paragraph 2 of Enclosure 3 have been changed to outline the advances in pay. References were also updated as a result of the change.

9. EFFECTIVE DATE. This volume is effective April 14, 2015.


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Under Secretary of Defense for
Personnel and Readiness

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ENCLOSURE 1

REFERENCES

- (a) DoD Directive 5124.02, “Under Secretary of Defense for Personnel and Readiness (USD(P&R)),” June 23, 2008
- (b) DoD Directive 1400.25, “DoD Civilian Personnel Management System,” November 25, 1996
- (c) DoD Instruction 1400.25, Volume 550, “DoD Civilian Personnel Management System: Pay Administration (General),” December 1, 1996, as amended (hereby cancelled)
- (d) Title 5, United States Code
- (e) Part 550 of Title 5, Code of Federal Regulations
- (f) Deputy Secretary of Defense Memorandum, “Guidance on Advance Payments for Employees Relocating Within the United States and its Territories,” September 19, 2017 (hereby cancelled)
- (g) DoD Manual 8910.01, Volume 1, “DoD Information Collections Manual: Procedures for DoD Internal Information Collections,” June 30, 2014, as amended
- (h) DoD 7000.14-R, Volume 8, “Department of Defense Financial Management Regulations (FMRs): Civilian Pay Policy,” current edition
- (i) DoD 7000.14-R, Volume 16, “Department of Defense Financial Management Regulations (FMRs): Department of Defense Debt Management,” current edition
- (j) Part 1605 of Title 29, Code of Federal Regulations

ENCLOSURE 2

RESPONSIBILITIES

1. ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND RESERVE AFFAIRS (ASD(M&RA)). Under the direction, authority, and control of the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), the ASD(M&RA) develops and oversees the implementation of the policy of this volume.

2. DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR CIVILIAN PERSONNEL POLICY (DASD(CPP)). Under the authority, direction, and control of the ASD(M&RA), the DASD(CPP):

- a. Develops policy governing pay administration pursuant to References (d) and (e).
- b. Exercises final approval authority on changes to this volume.
- c. Oversees the appropriate and effective use of this volume.
- d. Supports the development of civilian personnel policy covered by this volume and monitors its execution by DoD Components.

3. DIRECTOR, DEPARTMENT OF DEFENSE HUMAN RESOURCES ACTIVITY (DoDHRA). Under the authority, direction, and control of the USD(P&R), the Director, DoDHRA, provides support to the DASD(CPP), as appropriate, in execution of the duties and responsibilities of this volume.

4. DoD COMPONENT HEADS. The DoD Component heads implement and measure the use of the authorities of this volume within their areas of responsibility. This authority may be delegated, in writing, to officials who exercise personnel appointing authority.

ENCLOSURE 3

PROCEDURES

1. PREMIUM PAY.

a. Maximum Earnings Limitation (Annual versus Biweekly). The head of agency authority to determine the existence of an emergency in accordance with section 550.106(a) of Reference (e) and to determine a need for employees to perform work critical to the agency under section 550.106(b) of Reference (e), is delegated to officials who exercise personnel appointing authority (normally the head of an installation or activity). These authorities are delegated through and subject to the authority of the DoD Component heads. A copy of each determination must be forwarded immediately to the servicing payroll office and the Office of the DASD(CPP).

b. Time Spent in Pre-shift or Post-shift Activities. The head of department authority concerning pre-shift or post-shift activities pursuant to section 550.112(b) of Reference (e) is delegated to officials who exercise personnel appointing authority (normally the head of an installation or activity). These authorities are delegated through and subject to the authority of the DoD Component heads.

c. Compensatory Time Off

(1) The head of agency authorities concerning the granting of compensatory time off pursuant to sections 550.114(a) through 550.114(c) of Reference (e) are delegated to officials who exercise personnel appointing authority (normally the head of an installation or activity). These authorities are delegated through and subject to the authority of the DoD Component heads.

(2) Compensatory time off earned must be used by the end of the 26th pay period after that in which it was earned. With the exception of National Guard technicians, who may not be paid overtime, compensatory time off not used during the established time period will be paid at the overtime rate at which it was earned, in accordance with Volume 8 of DoD 7000.14-R (Reference (h)).

(3) When a DoD employee separates or transfers to another DoD Component (e.g., from Army to Navy or Navy to Defense Logistics Agency), any unused compensatory time off balance will be paid at the overtime rate at which it was earned in accordance with Reference (h). National Guard technicians will forfeit any unused compensatory time off when they separate or transfer to a different Component or federal agency.

d. Premium Pay for Civilian Air Traffic Controllers. DoD air traffic controllers who meet the statutory requirements will be paid the 5 percent premium pay, as authorized by section 5546a(a)(1) of Reference (d). Premium pay may be paid only to employees whose duties are consistent with the provisions of the statutory authority.

2. ADVANCES IN PAY.

a. Advances in Pay for New Employees. The head of agency authority to provide for the advance payment of basic pay, covering no more than two pay periods, to an employee who is newly appointed to a position in the agency pursuant to section 550.203 of Reference (e) is delegated to officials who exercise personnel appointing authority (normally the head of an installation or activity). This authority is delegated through and subject to the authority of the DoD Component heads to be used on a case-by-case basis.

b. Advances in Pay for Relocating Employees. The head of agency authority to provide for the advance payment of basic pay to an employee who is assigned to a position in the agency outside of the employee's commuting area pursuant to section 5524a(a)(2) of Reference (d) is delegated to officials who exercise personnel appointing authority (normally the head of an installation or activity). This authority is delegated through and subject to the authority of the DoD Component heads to be used on a case-by-case basis. Advances in pay under this authority will be subject to the following requirements:

(1) The advance will cover no more than four pay periods.

(2) Employees receiving the advance must be relocating within the United States and its territories. The worksite of the new position must be at least 50 miles farther from the employee's current residence than the old worksite is from the same residence.

c. Advances in Pay Repayment. Employees receiving advances are required to sign repayment agreements. A sample repayment agreement that may be used for advances authorized in accordance with this section is located at the Figure. All of the information identified on the sample agreement must be completed and submitted to the Defense Finance and Accounting Service (DFAS) for either type of advance payment through Remedy (or other DFAS action request tool) under the title "Stateside Salary Advance." Advances of pay are recovered through the debt collection process for continuing employees and for debtors no longer in government service as outlined in Reference (i).

3. ALLOTMENTS AND ASSIGNMENTS FROM FEDERAL EMPLOYEES. Information concerning allotments and assignments from DoD civilian employees is contained in DoD financial management guidance such as Reference (h).

Figure. Sample Repayment Agreement

Advances of Pay - Repayment Agreement

Employee: _____ SSN: _____

Position: _____ PP/Series/Grade: _____

Organization: _____

Duty Station: _____

____ New Employee: I am requesting an advance in pay equal to (*circle one*): 1 / 2 pay period(s) (5 C.F.R. § 550.203 / 5 U.S.C. § 5524a) of basic pay in the gross amount of \$_____ to be deposited in my payroll electronic funds transfer account.

____ Current employee: I am requesting an advance in pay equal to (*circle one*): 1 / 2 / 3 / 4 pay period(s) (5 U.S.C. § 5524a) of basic pay in the gross amount of \$_____ to be deposited in my payroll electronic funds transfer account. In association with this request, I certify my new position is at least 50 miles farther from my current residence than the old worksite is from the same residence.

I understand that the above advance pay in the gross amount of \$_____ will be recovered in installments from my biweekly salary by payroll deductions not to exceed 14 pay periods to be deducted over a period of _____ pay periods beginning on the second pay period after issuance of the advance and ending on _____.

I am aware that in accordance with the order of precedence for payroll deductions prescribed by applicable laws and regulations, an advance of pay is considered to be an indebtedness due the United States Government; as such, this deduction precedes other voluntary deductions, including allotments and assignments of pay.

I understand that if I accept employment with another organization, including one elsewhere in the Department of Defense, or in another Federal agency, or if my employment with the Federal Government is terminated for any reason, any outstanding balance will become due and payable in full as a debt due the United States Government and collected under 5 U.S.C. § 5514 or 31 U.S.C. § 3711.

I certify that I have read and I accept the above terms and conditions relating to my request for the issuance and repayment of this request for an advance in pay.

Employee Signature: _____ Date _____

Approving Official Signature: _____ Date _____ Amount \$ _____

LOA: _____

Approved advances in pay must be submitted through Remedy under the title "Stateside Salary Advance" to the Defense Finance and Accounting Service.

4. PAY FOR MORE THAN ONE POSITION.

a. Delegation. The authority of section 550.504(a) of Reference (e) to make an exception to section 5533(a) of Reference (d) upon determining that required services cannot be readily obtained otherwise, is delegated to officials who exercise personnel appointing authority (normally the head of an installation or activity). This authority is delegated through and subject to the authority of the DoD Component heads.

b. Record Keeping. Activities will maintain records of exceptions that specify the position(s) to which each applies.

5. SEVERANCE PAY.

a. Limitation on Payment of Appropriated Fund Severance Payments to Certain Employees Moving to Nonappropriated Fund (NAF) Positions

(1) Section 5595 of Reference (d) prevents DoD appropriated fund employees from receiving severance pay upon movement to DoD NAF positions without a break in service of more than 3 days. If the employee is involuntarily separated from NAF employment, the original appropriated fund severance pay entitlement is reinstated. This is true unless the employee is entitled to immediate payment of retired or retainer pay as a member or former member of the uniformed services, or to an immediate annuity (including an annuity from a NAF instrumentality), or is being removed for cause on charges of misconduct, delinquency, or inefficiency.

(2) Civilian personnel offices (CPOs) and human resources offices (HROs) responsible for the authorization of appropriated fund severance pay should not initiate payment of severance pay when it is known that the employee will accept NAF employment without a break in service of more than 3 days. Gaining CPOs and HROs should notify the employee's former servicing office immediately when the employee is appointed to a NAF position without a break in service.

b. Authority to Pay Severance Pay in a Lump Sum. Section 5595(i) of Reference (d) provides that the Secretary of Defense or the Secretary of the Military Department concerned may, upon application by an eligible employee, pay severance pay to the employee in a lump sum rather than on a biweekly basis. Subject authority is delegated to the Deputy Chief Management Officer and the directors of Defense Agencies with independent appointing authority and cannot be further delegated.

6. PAY FOR DUTY INVOLVING PHYSICAL HARDSHIP OR HAZARD. Requests to establish new rates or categories of hazard pay differential must comply with section 550.903(b) of Reference (e) and will be submitted through DoD Component heads to the DASD(CPP).

7. ADJUSTMENT OF WORK SCHEDULES FOR RELIGIOUS OBSERVANCES.

a. Entitlement. Within the DoD, employee entitlement and responsibility with respect to religious compensatory time off will be determined by application of section 550.1002 of Reference (e). The alternative methods of accommodating religious practices in part 1605 of Title 29, CFR (Reference (j)) also apply.

b. Supplementation. Any supplementation of this section must consider the obligation to balance religious accommodation with the agency's ability to accomplish its mission as set forth in References (e) and (j).

c. Payment. When a DoD employee separates or transfers to another DoD Component, any unused religious compensatory overtime will be paid at the basic hourly rate in effect when the time was worked.

8. COLLECTION BY OFFSET FROM INDEBTED GOVERNMENT EMPLOYEES.

Information concerning the recovery of certain debts by offset from the current pay account of DoD civilian employees is contained in DoD financial management guidance such as Reference (h).

9. LUMP-SUM PAYMENT FOR RESTORED ANNUAL LEAVE. Section 5551(c)(1) of Reference (d) requires lump-sum payment for annual leave restored pursuant to section 6304(d)(3) of Reference (d) for a DoD employee moving to a position in any federal agency or department outside of the DoD, or to any position within the DoD not located at an installation being closed or realigned, as described in section 6304(d)(3) of Reference (d).

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

ASD(M&RA)	Assistant Secretary of Defense for Manpower and Reserve Affairs
CFR	Code of Federal Regulations
CPOs	civilian personnel offices
DASD(CPP)	Deputy Assistant Secretary of Defense for Civilian Personnel Policy
DFAS	Defense Finance and Accounting Service
DoDD	DoD directive
DoDHRA	Department of Defense Human Resources Activity
GS	general schedule
HROs	human resources offices
NAF	nonappropriated fund
USD(P&R)	Under Secretary of Defense for Personnel and Readiness

PART II. DEFINITIONS

Unless otherwise noted, these terms and their definitions are for the purposes of this volume.

annual maximum earnings limitation. The maximum annual rate of basic pay payable for General Schedule (GS)-15 (including any applicable locality-based comparability payment and any applicable special rate of pay) in effect on the last day of the calendar year; or the annual rate payable for Level V of the Executive Schedule in effect on the last day of the calendar year, whichever is the greater. This limitation may be applied in certain emergency or mission critical situations.

biweekly maximum earnings limitation. The maximum biweekly rate of basic pay payable for GS-15 (including any applicable locality-based comparability payment and any applicable special rate of pay) in effect on the last day of the pay period; or the biweekly rate payable for Level V of the Executive Schedule in effect on the last day of the pay period, whichever is the greater.

break in service. The time when an employee is no longer on the payroll of an agency. (In computing creditable service for NAF portability, a separation of 4 or more calendar days is considered to be a break in service.)

official who exercises personnel appointing authority. An official delegated the authority to take final action on matters pertaining to the employment, direction, and general administration of personnel.

premium pay. Defined in subpart A of Reference (e).

rate of basic pay. The rate of pay fixed by law or administrative action for the position held by a GS employee including a GS rate, a law enforcement officer special base rate, a special salary rate, a locality rate, and a retained rate, but exclusive of additional pay of any kind.

severance pay. Defined in subpart G of Reference (e).