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**Homeland
Security**

Policy Directive 255-11

MEMORANDUM FOR: Component Heads
FROM: Russell C. Deyo 
Under Secretary for Management
SUBJECT: Guidance on Executive Pay Setting

The following guidance is applicable to career employees in the Senior Executive Service (SES) and to executives in Senior Level (SL) and Scientific or Professional (ST) pay plans that supervise General Service (GS) employees.

In compliance with Executive Order Number 13714 issued December 15, 2015 and titled "Strengthening the Senior Executive Service," Component heads are authorized to set SES, SL and ST pay at a rate greater than the GS subordinates they supervise.

Such policies and practices support, recognize, and reward agency executives, especially top performers, in a manner commensurate with their roles, responsibilities, and contributions, and may increase the competitiveness of SES positions with comparable positions outside of Government.

This guidance applies only to initial appointments, reassignments to positions of greater responsibility and transfers from other government agencies. This guidance is not retroactive, but any offer made prior to the date of this memorandum may be modified provided an Entry on Duty has not occurred. Additional specifics of how the Executive Order will be implemented are:

- Setting pay for SES, SL and ST pay plans upon initial appointment, reassignment to position of greater responsibility and career transfers should be set above Step 10, including locality pay, of the highest GS grade that reports to the executive including vacant positions.
- The Executive Order directs policy implementation as permitted by and consistent with applicable law and regulation. The Department of Homeland Security (DHS) is certified under a pay for performance management system that allows the Department to pay executives up to Level II of the Executive Schedule which in 2016 is \$185,100. In reference to Code of Federal Regulations (CFR), Title 5,

section §430.312, agencies are required to provide appropriate incentives and recognition (including pay adjustments and performance awards under part 534, Subpart D) for excellence in performance. Consequently, pay adjustments for executives earning less than their GS subordinates can only be achieved through the performance management system, or again upon reassignment to positions of greater responsibility or transfer.

- Only those executives with a rating of Outstanding or Achieved Excellence can receive the top pay adjustments. Performance Review Boards must consider GS subordinate salary ranges of executives achieving an Outstanding or Achieved Excellence performance rating for compliance with the Executive Order.
- Component Heads may also approve increases in an executive's rate of basic pay if it is determined that the executive's exceptionally meritorious accomplishment significantly contributes to the agency's performance or the retention of the senior executive is critical to the mission of the agency and the senior executive would likely leave the agency in the absence of a pay increase. These exceptions are also covered in 5 CFR Part 534, Subpart D.

If you have any questions, please contact Thomas Vieira at thomas.vieira@hq.dhs.gov or (202) 357-8790.