

Appendix A:

“How to” Guidelines for Civilian Pay Rate Review

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1. Purpose of Rate Review Procedures

The purpose of this document is to give stakeholders in the civilian rates process guidance on how to review their DFAS execution data so that they can identify and fix data anomalies before rates are built and locked for the budget process. Periodic reviews of the DFAS data make the rate and end year execution process more efficient. These reviews also give stakeholders the ability to address concerns they have about their rates during the time when changes can be made.

2. Prerequisites needed to analyze DFAS Execution Data

- a) Access to the official DFAS data contained in the CIVPAY_MO_YYYYMM table.
- b) A method to pull data from the CIVPAY_MO_YYYYMM table. Two possible methods being ACCESS and SQL.
- c) A method of analyzing data that is pulled in 2 above. Excel is one possible analysis tool.

3. Where to find the DFAS Civilian Execution Data

DFAS is the official source for the civilian execution data that is used to build Army civilian pay rates. Each month the data is processed and a table is created in the DAQSDB data base that has the cumulative civilian pay execution data. This data is stored in a table in the Execution section and is named CIVPAY_MO_YYYYMM where YYYY is the year and MM is the month. An example of the naming convention used for the table is the March data for fiscal year 2005 would be in the table CIVPAY_MO_200503.

4. How to pull the Data

a) What data fields should be included in the data pull:

In a data query you will need to include fields for DEPT, OA, SRC_FUND, ROC, PE8 (which is your APE), EOR, APPN, AmtDet, and Data_CD. First you will need to select Data_CD BJ for the cumulative obligations data and Data_CD 38 for the man months.

b) What data should be excluded:

Exclude department 97 data, including SOF data. Some SOF data is included in the official rates but is rolled up using complicated business rules. The total amount of SOF is not large enough to bias this calculation for most rates. Except for working capital funds, exclude all reimbursable funds (SRC_FUND A and F.)

The following EORs are excluded (with the special exceptions as described) when developing the civilian pay rates:

- Military EORs ('1198', '1199', '1210', '1220', '1250')
- Overtime, except for TC 4930 (EORs with the first three characters in '11D', '14D', '16D', '28D')
- EORs ending with 'W' (CTYPE 305)
- NAF Retirement ('17M')
- Separation Allowance ('12V', '15V', '17V', '28V')
- Civilian PCS - TEMP QRTRS ('122') (Exclude for CONUS OA's Include for OCONUS ROC/OA's *)
- Civilian PCS - REAL ESTATE ('123')
- Civilian PCS - OTHERS ('124')
- Civilian PCS - RELOC TAXES ('126') (Exclude for CONUS OA's Include for OCONUS ROC/OA's *)
- Civilian PCS - RELOC BONUS ('127')
- Civilian Relocation Bonus ('128')
- Retention Allowance ('12E', '15E', '17E')
- Recruitment Bonus ('12F', '15F', '17F')
- Severance Pay ('13P')
- Severance Pay ('13U')
- Incentive/other Cash Awards ('11K', '14K', '16K')
- Performance Cash Awards ('11S', '14S', '16S')
- EORs ending in Z (12NZ, 15NZ, 17NZ)

***OCONUS ROC/Summary ROC = 78, 82, 89, B7, B8, B9**

- All Special MDEP data (VINJ, VX01, VX03, VMTS, VUPC), Currently the EORs for Special MDEPS are:

EOR	description	mdep
o 12JB	Mass Transit Subsidy	VMTS
o 12RB	Civ Fed Employees Compensation Act	VINJ
o 13HB	VSIP TAX -15% Remittance to CSRDF	VX03
o 13TB	Civ Unemployment Compensation	VUPC
o 13Z*	Civ Separation Incentive - VERA VSIP	VX01
o 15JB	Mass Transit Subsidy	VMTS
o 17JB	Mass Transit Subsidy	VMTS

- For SESs also exclude EORs for Premium Pays. Currently the EORs for Premium Pays are:

- o 11NF Medical Premium Pay
- o 11PF Staffing Differential
- o 11FF Sunday Pay
- o 11GF Night Differential
- o 11HF Hazardous Duty/Environmental Pay
- o 11JF Post Differential
- o 11LF Other Premium
- o 11QF Supervisory Differential
- o 11RF Remote Work Site
- o 11TF Physician's Comparability
- o 11UF Foreign Language
- o 11EF Holiday Pay

c) How to pull a subset of the data for rates:

In order to do an analysis of the DFAS data and to check if a stakeholder's rates are within an acceptable range an analyst has to select the correct subset of data to review. Civilian pay rates are made at the summary ROC (first two characters of ROC), CTYPE, Rate Group level of detail.

i) How to determine CTYPE

DFAS data does not contain CTYPE or Rate Group in the data fields. CTYPE can be derived from the EOR and can be found in the DEF_EOR table in the Probe database. Here is a quick reference:

- 101 - Graded (GS) Employees - U.S. Citizens (EOR ending with B or Z)
- 102 - Federal Wage Grade System - U.S. Citizens (EOR ending with C)
- 105 - Koreans (Direct Hire) (EOR ending with R)
- 110 - Other Direct Hire Foreign Nationals (EOR ending with T)
- 121 - Senior Executive Service & Civilian Executive Schedule (EOR ending with F)
- 124 - Graded Reserve Component Technicians (EOR ending with J)
- 125 - Federal Wage Sys - Reserve Component Technicians (EOR ending with K)
- 130 - HQDA Interns (EOR ending with 7)
- 202 - German Nationals (EOR ending with 2)
- 204 - Korean Service Corps (EOR ending with 1)
- 205 - Japanese Master Labor Contract (MLC) (EOR ending with 4)
- 206 - Other Indirect Hire Foreign National (EOR ending with 5)
- 305 - Special Opportunity Program (EOR ending with W)

ii) How to determine Rate Group

Rate Group is more complicated to derive, but the following explanation of the current Rate Group rules should help to pull data that corresponds to the correct Rate Group.

A quick explanation of how to determine what rate group a record belongs to:

- 1.) Rate group 1 is defined as a record that has an APE ending (5th and 6th characters) in '98'
- 2.) There are not command level rates for Rate group 2. The Rate group 2 rates are generated at the CTYPE and Rate group level. The method of determining which rates are in Rate group 2 has complicated rules and is defined as a record that is not in Rate group 1 and has:
 - an APPN in ('OMA', 'OMAR', 'OMNG') and the first three characters of APE are in ('131', '132', '214', '315', '316', '325', '326', '336', '438', '439')
 - or APPN = OMA and the first three characters of APE are '847' and the 5th and 6th characters of APE are in ('19', '20', '53', '54', '56', '75', '76', '78', '79', '90', '93', '95', '96')
 - or APPN = AWCF and the first three characters of APE are in ('ZGA', 'ZGD')
 - or APPN = AFHO
 - or APE = '433710' or 433709 or '433R10'
- 3.) Rate group 4 includes all the records not in Rate group 1 or 2 and have APPN = RDTE
- 4.) Rate Group 5 includes all the records not in Rate group 1, 2, or 4 and have APPN = MCA
- 5.) Rate Group 6 includes all the records not in Rate group 1, 2, 4, or 5 and have APPN = AWCF
- 6.) Rate Group 3 contains all records that are not in any other Rate group (1, 2, 4, 5, 6)
- 7.) The rate groups should be determined in the order listed above starting with Rate group 1 and ending with the Rate Group 3 records.
- 8.) These rules change periodically but the rules listed above contain the latest guidance.

5. How to Calculate Approximate Rates

a) How to annualize the data

After you have pulled data for the summary ROC, CTYPE, and Rate Group that you are reviewing, remember to annualize your data correctly by multiplying man months and dollars by 12/month of data. Example: if you are doing mid year data with March data then you would multiply both dollars and man months by 12/6 to get an annualized rate that will better compare to published rates.

b) How to convert man months to FTE

Next convert your man month data to whole work year full time equivalent (FTE) data for each record. This is done by dividing man month data by 12 and rounding to the nearest work year for each record.

c) SES rates

The SES populations are too small to calculate reliable rates at the MACOM level, so they are calculated at the Army wide level.

d) Accounting for Awards

In the EOR exclusion section (4. b) Incentive/other Cash Awards ('11K', '14K', '16K') and Performance Cash Awards ('11S', '14S', '16S') were taken out. For CTYPES 101, 102, 105, 110, 124, and 125 add 1% of the total for base pay '11B', '14B', and '16B' as the amount for awards. And for CTYPE 121 at 8% of total base pay '11B'.

e) How to account for special situation data

If there is a special situation that reduces Army costs, such as a burden sharing arrangement, you will have to review the DFAS data to be sure you are only capturing the net Army cost. If the DFAS data does not reflect the true costs to the Army, then the dollars should be adjusted according to the current burden sharing arrangement. Only an official agreement can be used for determining the adjustment.

f) How do calculate an approximate rate in the year of execution

Once you have the data, there is a simple way to check the rates. Take the cumulative dollars for the different types of employees and divide them by the work years for that type of employee. This will yield a total work year cost or a fully burdened rate with all budget benefits included in the rate.

g) How to age the rate to compare against the generated rate

Use the Pay Adjustment table below to find the foreign currency percent change (FC), pay raise percent (PR), and pay raise fiscal month PM for the year you are calculating.

To find the correct information in the table below use the CTYPE associated with your rate to determine which CTYPE Group to get your data from. Pay adjust type F is for Foreign currency and P is for Pay raise.

Classified = CTYPE 101, 121, 124, 130	PR only, no foreign currency
Wage Board = CTYPE 102, 125	PR only no foreign currency
German = CTYPE 202	
Japan = CTYPE 205	
Korean = CTYPE 105, 204	
Other = CTYPE 110, 206	PR only no foreign currency

Pay Adjust Type	Fiscal Year	CTYPE Group	PR Fiscal Month	Percent	Narrative
F	2008	German	1	3.18	Foreign Currency Percent Change
F	2008	Japanese	1	-1.3	Foreign Currency Percent Change
F	2008	Korean	1	10.89	Foreign Currency Percent Change
F	2009	German	1	4.29	Foreign Currency Percent Change
F	2009	Japanese	1	0.42	Foreign Currency Percent Change
F	2009	Korean	1	4.35	Foreign Currency Percent Change
P	2007	Classified	4	2.2	FY2007 PAYRAISE
P	2007	German	4	2.2	FY2007 PAYRAISE
P	2007	Japanese	4	2.2	FY2007 PAYRAISE
P	2007	Korean	10	2.2	FY2007 PAYRAISE
P	2007	Other	4	2.2	FY2007 PAYRAISE
P	2007	Wage Board	7	2.2	FY2007 PAYRAISE
P	2008	Classified	4	3.5	FY2008 PAYRAISE
P	2008	German	4	3.5	FY2008 PAYRAISE
P	2008	Japanese	4	3.5	FY2008 PAYRAISE
P	2008	Korean	10	3.5	FY2008 PAYRAISE
P	2008	Other	4	3.5	FY2008 PAYRAISE
P	2008	Wage Board	7	3.5	FY2008 PAYRAISE
P	2009	Classified	4	2.9	FY2009 PAYRAISE
P	2009	German	4	2.9	FY2009 PAYRAISE
P	2009	Japanese	4	2.9	FY2009 PAYRAISE
P	2009	Korean	10	2.9	FY2009 PAYRAISE
P	2009	Other	4	2.9	FY2009 PAYRAISE
P	2009	Wage Board	7	2.9	FY2009 PAYRAISE
P	2010	Classified	4	2.3	FY2010 Payraise
P	2010	German	4	2.3	FY2010 Payraise
P	2010	Japanese	4	2.3	FY2010 Payraise
P	2010	Korean	10	2.3	FY2010 Payraise
P	2010	Other	4	2.3	FY2010 Payraise
P	2010	Wage Board	7	2.3	FY2010 Payraise

Take the rate created above and perform the following steps:

For year of execution:

- 1.) Find the Foreign currency adjustment, pay raise, and pay raise month in the table above for the CTYPE and for the year you are calculating.
- 2.) Fully Burdened AYSAL = Total Dollars/FTE
- 3.) Annualization Fraction (AF) = PR fiscal month/12 (from table above)
- 4.) Dollars per FTE after payraise (DpFafterPR) = ((Burdened AYSAL)/(AF + (1 + PR)*(1-AF)))*(1+PR)

For year of execution + 1:

- 5.) Find the Foreign currency adjustment, pay raise, and pay raise month in the table above for the CTYPE and for the year you are calculating
- 6.) Dollars per FTE before pay raise (DpFbeforePR) = Dollars per FTE after pay raise from previous year (rate calculated in 4).

7.) Dollars per FTE after foreign currency ($DpF_{afterFC}$) = $DpF_{beforePR} * (1 + FC)$
NOTE: if there is no foreign currency change then $DpF_{beforePR} = DpF_{afterFC}$

8.) Dollars per FTE after pay raise = $DpF_{afterFC} * (1 + PR)$

9.) Fully Burdened AYSAL = $AF * DpF_{afterFC} + Dp_{afterPR} * (1 - AF)$

For year of execution +2:

10.) Find the Foreign currency adjustment, pay raise, and pay raise month in the table above for the CTYPE and for the year you are calculating

11.) Dollars per FTE before pay raise ($DpF_{beforePR}$) = Dollars per FTE after pay raise from previous year

12.) Dollars per FTE after foreign currency ($DpF_{afterFC}$) = $DpF_{beforePR} * (1 + FC)$

NOTE: if there is no foreign currency change then $DpF_{beforePR} = DpF_{afterFC}$

13.) Dollars per FTE after pay raise = $DpF_{afterFC} * (1 + PR)$

14.) Fully Burdened AYSAL = $AF * DpF_{afterFC} + Dp_{afterPR} * (1 - AF)$

Example: Rate for CTYPE 202 and year of execution = 2007

Total dollars = 2,000,000 Total FTE = 200

For year of execution: 2007

1.) Find the Foreign currency adjustment, pay raise, and pay raise month in the table above for the CTYPE and for the year you are calculating.

FC = not used for execution year, PR = 2.2% or .022, Pay raise month = 4 (January)

2.) Fully Burdened AYSAL = Total Dollars/FTE

FB AYSAL = 2,000,000/200 = 10,000 dollars per FTE

3.) Annualization Fraction (AF) = PR fiscal month/12 (from table above)

AF = 4/12 = .333333

4.) Dollars per FTE after payraise ($DpF_{afterPR}$) = $((AYSAL)/(AF + (1 + PR) * (1 - AF))) * (1 + PR)$

$DpF_{afterPR} = ((10000)/(.33333 + (1 + .022000) * (1 - .33333))) * (1 + 0.022) = 10072.2726$

For year of execution + 1: 2008

5.) Find the Foreign currency adjustment, pay raise, and pay raise month in the table above for the CTYPE and for the year you are calculating

FC = 3.18% or .0318, PR = 3.5% or .035, Pay raise month = 4

6.) Dollars per FTE before pay raise ($DpF_{beforePR}$) = Dollars per FTE after pay raise from previous year

10072.2726

7.) Dollars per FTE after foreign currency ($DpF_{afterFC}$) = $DpF_{beforePR} * (1 + FC)$

NOTE: if there is no foreign currency change then $DpF_{beforePR} = DpF_{afterFC}$

$DpF_{afterFC} = 10072.2726 * (1 + 0.0318) = 10392.572$

8.) Dollars per FTE after pay raise = $DpFafterFC * (1 + PR)$
 $DpFafterPR = 10392.572 * (1 + 0.35) = 10756.31$

9.) Fully Burdened AYSAL = $AF * DpFafterFC + DpafterPR * (1 - AF)$
 Fully Burdened AYSAL = $.33333 * 10392.572 + 10756.31 * (1 - .33333) = 10635.06$

For year of execution +2: 2009

10.) Find the Foreign currency adjustment, pay raise, and pay raise month in the table above for the CTYPE and for the year you are calculating
 FC = 4.29% or .0429, PR = 2.9% or 0.029, Pay raise month = 4

11.) Dollars per FTE before pay raise ($DpFbeforePR$) = Dollars per FTE after pay raise from previous year
 10756.31

12.) Dollars per FTE after foreign currency ($DpFafterFC$) =
 $DpFbeforePR * (1 + FC)$

NOTE: if there is no foreign currency change then $DpFbeforePR = DpFafterFC$

$DpFafterFC = 10756.31 * (1 + 0.429) = 11283.371$

13.) Dollars per FTE after pay raise = $DpFafterFC * (1 + PR)$
 $DpFafterPR = 11283.371 * (1 + 0.029) = 11610.59$

14.) Fully Burdened AYSAL = $AF * DpFafterFC + DpafterPR * (1 - AF)$
 FB AYSAL = $.33333 * 11283.371 + 11610.59 * (1 - .33333) = 11501.52$

NOTE: If needed, continue to apply the steps above to age rates additional years.

The rate you calculated above should be comparable to the generated rates. If your quick check of the raw data is within 5% of the rates generated, you are within an acceptable range and do not need to do further analysis.

The actual rates development process takes into account multiple other variables and uses complex algorithms to generate the rates. These processes include using several business rules in order to clean up and convert data from the raw DFAS data based on EORs into CTYPE data and in order to break out the dollar data into the dollar categories used in budget generation (BCOMP, OTIME, OCOMP, BBENE, CASHA, HOPAY, FEPER, SVPAY). Man Months are also converted to FTE and rounded to the nearest work year.

6. How to proceed when the approximate rate is not within guidelines:

a) Determine source of error

If the rate you calculated is more than 5% different you will need to do a more in depth analysis of your data. The typical cause for an abnormal rate is anomalies in the execution data. You will need to determine the source of the data error and determine the best course of action to correct the data problem and ensure the problem does not recur. Ideally you should review your execution data throughout the year, so the problem has not accumulated over the year and become more costly and time consuming to resolve.

In most cases your Finance and Accounting office will be able to make the adjusting entries necessary to correct the problem.

b) Fact of life changes

If a fact of life change has occurred you will need to analyze the impact of the change. The specifics of the change will have to be determined based on the specific case.

c) Contacting DASA-CE with rate problems

Please see the section of the Cost Manual *Guidance for Civilian Pay Rates Review Timing and Procedure* if after performing the detailed analysis described above you believe there is a problem with a specific rate.

7. Where to find rate timelines

Please consult the section of the Cost Manual *Guidance for Civilian Pay Rates Review Timing and Procedure* for the timelines that affect civilian pay rates.