

Wednesday, October 8, 2014  
CPM 2014-12

**MEMORANDUM FOR: Chief Human Capital Officers**

FROM: Katherine Archuleta Director

Subject: Critical Position Pay Authority

As part of a key initiative by this Administration to close skills gaps in the Federal Science, Technology, Engineering and Mathematics (STEM) workforce, the U.S. Office of Personnel Management (OPM), the Chief Human Capital Officers (CHCO) Council, and the White House Office of Science and Technology Policy (OSTP) have undertaken a series of activities, including studies, workshops, and proposed policy and practice changes, all aimed at enhancing the quality and diversity of the Federal STEM workforce. These changes are intended to enable the Federal Government to better execute designated STEM-related missions, become a more attractive employer to qualified STEM talent, and provide greater flexibility to reshape the STEM workforce to meet rapidly evolving mission needs.

Federal agencies have substantial discretionary authority to provide additional direct compensation in certain circumstances to support their recruitment and retention efforts for the STEM workforce. These discretionary authorities are summarized in a fact sheet on OPM's website at <http://www.opm.gov/policy-data-oversight/pay-leave/pay-and-leave-flexibilities-for-recruitment-and-retention/>. Agencies should ensure that any compensation flexibilities are used judiciously and in accordance with applicable law, regulations, agency policy, and budgetary limitations to enhance the Federal Government's ability to attract and retain top talent.

As part of its effort to close skills gaps for the STEM workforce, OSTP, OPM, and OMB have identified the critical position pay authority as a potentially underutilized flexibility. Therefore, the attached guidance has been drafted for agencies with mission critical STEM positions to better educate agency staff on the critical position pay authority under 5 U.S.C. 5377, as implemented by OPM in regulations found at 5 CFR part 535. Subject to the statutory limitations in 5 U.S.C. 5377, the critical position pay authority is available to assist agencies with mission critical science and technology positions by granting them the authority to fix the rate of basic pay for one or more critical positions at a rate higher than the rate that would otherwise be payable for the position. Such positions may be encumbered or vacant at the time an agency requests use of the critical position pay authority.

In order to apply for the critical position pay authority, the position must require an extremely high level of expertise in a scientific, technical, professional, or administrative field that is critical to the successful accomplishment of an important agency mission, as determined by the head of the agency or designee. The authority may be used only to the extent necessary to

recruit or retain individuals the agency determines are exceptionally well qualified for mission critical positions.

OPM has designated staff to provide assistance in determining if use of the authority is appropriate and, if so, to assist agencies in completing the application process. To further assist agencies competing for qualified STEM talent, OPM and OMB, to the maximum extent practicable, will review agency proposals and provide written feedback to the requesting agency within 15 business days of receipt of an application.

This memorandum has two attachments: OPM's fact sheet on the critical position pay authority and a sample template for submitting agency requests to use the authority.

OPM staff members are available to assist agencies in navigating this process. Agency headquarters-level human resources offices may contact Pay and Leave at OPM at [pay-leave-policy@opm.gov](mailto:pay-leave-policy@opm.gov). Employees should contact their agency human resources or payroll office for further information on this memo.

cc: Human Resources Directors