



*To enhance mission performance, TSA is committed to promoting a culture founded on its values of Integrity, Innovation and Team Spirit.*

*Note: Pursuant to Section 101 of the Aviation and Transportation Security Act (49 U.S.C. § 114 (n)), this directive establishes Transportation Security Administration (TSA) policy and supersedes Federal Aviation Administration (FAA) orders, policies, guidance, bulletins regarding Waiver of Salary Offset (Dual Compensation Reduction) issued under the FAA personnel management system. This directive is TSA policy and must be applied accordingly.*

**REVISION:** This revised directive supersedes TSA MD 1100.55-6, *Waiver of Dual Compensation Reduction (Annuity Salary Offset)*, dated October 29, 2004, which was rescinded effective June 13, 2006 when TSA received the delegated authority to approve waivers of salary offset and began processing waivers under that authority.

**SUMMARY OF CHANGES:** The directive title is changed; Section 3, Authorities, adds new authorities and removes those that no longer apply; Section 4, Definitions, adds new and revised definitions; Section 5, Responsibilities, adds new and revised responsibilities for TSA officials; and Section 6, Policies and Procedures, separates policy and procedures into two separate sections (i.e., 6. Policy and 7. Procedures), and revises policies and procedures based on TSA's delegated authority to waive salary offset; and the former Section 7, Effective Date and Implementation has been changed to Section 8.

1. **PURPOSE:** This directive provides TSA policy and procedures for requesting a waiver of salary offset (dual compensation) under the delegation of authority<sup>1</sup>. An Assistant Administrator may request a waiver when the program office has a need for experienced, seasoned staff to provide leadership and support to complete the development of TSA's infrastructure and when a candidate, who is a Federal annuitant, refuses to accept a position unless his or her salary is not offset by receipt of his or her annuity.
2. **SCOPE:** This directive applies to employment of civilian annuitants who would be subject to salary offset under 5 U.S.C. § 8344 or 5 U.S.C. § 8468.
3. **AUTHORITIES:**
  - A. Section 101 of the Aviation and Transportation Security Act, Pub.L. 107-71 (ATSA), November 19, 2001 (49 U.S.C. §§ 114(n))
  - B. 5 U.S.C. § 8344 (for Civil Service Retirement System annuitants)
  - C. 5 U.S.C. § 8468 (for Federal Employees' Retirement System annuitants)
  - D. 5 CFR Part 553

---

<sup>1</sup> Waiver requests for positions not covered in TSA's delegated authority must be submitted through the Assistant Administrator for Human Capital so that such requests can be referred to DHS and OPM.

**TSA MANAGEMENT DIRECTIVE No. 1100.55-6**  
**WAIVER OF SALARY OFFSET**  
**(DUAL COMPENSATION REDUCTION)**

- E. Letter from Linda M. Springer, Director of the U.S. Office of Personnel Management (OPM), to Acting Under Secretary for Management L. Scott Charbo (Department of Homeland Security) dated June 12, 2006, re: New delegation of authority to waive salary offset
- F. Memo from Acting Under Secretary for Management L. Scott Charbo (Department of Homeland Security) to Assistant Secretary Kip Hawley (Transportation Security Administration) dated June 27, 2006, re: Re-delegation of authority to waive salary offset

**4. DEFINITIONS:**

- A. Annuitant: A current or former civilian employee who is receiving, or meets the legal requirements and is applying or has announced intention to apply for, an annuity under subchapter III of chapter 83 or chapter 84 of title 5, United States Code (U.S.C.), based on his or her service.
- B. Core Compensation System: TSA's compensation management program covering all non-Transportation Security Executive Service (TSES) employees, which outlines the policies, procedures, and guidelines that TSA will use to determine the compensation of employees in those positions. Positions in the Core Compensation System are in pay plan SV.
- C. Executive Resources Council (ERC): A committee that advises the Assistant Secretary and Deputy Assistant Secretary concerning the recruitment, assessment, and selection of executives, their compensation and benefits packages, the executive performance management and awards process, and the certification of professional development activities to strengthen the executive cadre at TSA. Membership consists of senior leadership, with permanent and rotating membership.
- D. Program Office: The employing TSA office responsible for the administration of the position and the individual assigned to the position.

**5. RESPONSIBILITIES:**

- A. The Assistant Secretary for TSA is responsible for:
  - (1) Reviewing requests for a salary offset waiver;
  - (2) Approving or disapproving all requests for a waiver by signature;
  - (3) Returning approved or disapproved waivers to the Office of Human Capital (OHC); and
  - (4) Ensuring there are processes in place to administer the delegated authority within the parameters set forth in the delegation, including maintenance of documentation that supports decisions to grant approval for waivers.
- B. The ERC is responsible for:

**TSA MANAGEMENT DIRECTIVE No. 1100.55-6**  
**WAIVER OF SALARY OFFSET**  
**(DUAL COMPENSATION REDUCTION)**

- (1) Determining if changes made to an annuitant's job duties will impact the individual's existing waiver;
- (2) Reviewing all requests for a salary offset waiver;
- (3) Recommending endorsement or disapproval of waiver requests;
- (4) Forwarding all waiver requests to the Assistant Secretary; and
- (5) Returning waiver casework to OHC.

C. OHC is responsible for:

- (1) Reviewing all requests for a waiver;
- (2) Preparing and submitting waiver recommendations to the ERC;
- (3) Maintaining records concerning each waiver that was requested and/or approved; and
- (4) Preparing and providing a quarterly report through DHS to OPM.

D. Assistant Administrators are responsible for:

- (1) Applying the policy and procedures in this directive; and
- (2) Ensuring the employee is qualified for the position, including confirmation that the employee is eligible for a law enforcement position, if applicable, as per [TSA MD 1100.88-1, Law Enforcement Position Standards and Hiring Requirements](#).

**6. POLICY:** It is the policy of TSA to use this waiver authority on a limited basis, and only when no other viable candidates for an authorized position exist. All waivers are subject to the conditions outlined herein.

- A. Waivers will be considered on a case-by-case basis when necessary to reemploy an annuitant, under a temporary appointment, who elected optional retirement, *excluding early voluntary and/or buyout (i.e., voluntary early retirement, voluntary separation incentive payment, discontinued service retirement, and disability retirement)*.
- B. An Assistant Administrator may request a waiver to meet temporary emergency hiring needs or when TSA has encountered exceptional difficulty in recruiting or retaining a qualified candidate for a particular position.
- C. An Assistant Administrator may request a waiver when the program office has an urgent need to accomplish the staffing of one of the positions listed in Section 6D, in furtherance of TSA's efforts to achieve a high-performance organization, to meet its continued need for experienced

**TSA MANAGEMENT DIRECTIVE No. 1100.55-6**  
**WAIVER OF SALARY OFFSET**  
**(DUAL COMPENSATION REDUCTION)**

and seasoned leadership, and to attract and retain experienced and highly skilled managers and executives.

- D. The Assistant Secretary may use the delegated authority to staff positions on a temporary basis:
- (1) In pay bands I, J, K or L in the Core Compensation System; or in the TSES (pay plan SW); and
  - (2) In series 0080, 0132, 0301, 0340, 1102, 1801, 1811, and 2210; and
  - (3) That are located in the United States, which includes the 50 States, the District of Columbia, and all its territories, possessions, and commonwealths.
- E. In deciding whether to request a waiver or grant a waiver under the delegated authority, TSA management involved in requesting or approving a waiver is expected to weigh fiscal responsibility and employee equity. Additionally, management must consider factors such as the availability of funds and the waiver criteria set forth in this policy.
- F. Assistant Administrators must exhaust all other staffing options and are encouraged to offer hiring incentives such as travel and transportation expenses and recruitment or retention incentives, when appropriate, before requesting a waiver.
- G. The decision to approve or deny a waiver for any individual under any of the provisions of this directive will be at the discretion of the Assistant Secretary. A determination in connection with one position does not require a like determination in connection with any other position.
- H. The Assistant Secretary has the delegated authority to approve new waivers not-to-exceed five years. New waivers may not be extended past five years.
- I. The Assistant Secretary has the delegated authority to extend waivers in existence as of June 13, 2006, for up to two years.
- J. If an Assistant Administrator wishes to request an extension of a waiver beyond the initial not-to-exceed (NTE) date, the request for an extension must demonstrate that the conditions justifying the initial waiver still exist.
- K. There is no authority to approve waivers retroactively; therefore, approved waivers must be effective on or after the approval date.
- L. A waiver will only apply to the particular individual for whom it is approved, and only while that individual continues to serve in the same position for which the waiver is approved. The waiver terminates upon the individual's assignment to a different position - unless a new waiver, consistent with the provisions of this policy, is approved. Any changes to an individual's position must be coordinated with the ERC prior to implementing these changes. The ERC will determine if the changes impact the individual's existing waiver.

**TSA MANAGEMENT DIRECTIVE No. 1100.55-6  
WAIVER OF SALARY OFFSET  
(DUAL COMPENSATION REDUCTION)**

M. A waiver terminates when the:

- (1) Employee terminates employment with TSA;
- (2) Conditions that make the waiver necessary change or no longer exist;
- (3) Position or nature of work changes;
- (4) Waiver's NTE date is reached; and/or
- (5) Waiver is no longer operationally necessary.

N. A waiver does not terminate if there are reductions in work schedule or periodic salary increases but could terminate when staff reductions or realignments are anticipated and a determination is made to reduce non-permanent staff before undertaking permanent staff reductions.

O. Annuitants with a waiver may not be given a detail or temporary promotion and maintain the waiver, since such actions would conflict with the waiver's parameters.

P. Annuitants with a waiver may not make retirement contributions or participate in the Thrift Savings Plan pursuant to 5 CFR 553.203.

Q. TSA's delegation to approve salary offset waivers under this authority ends on June 13, 2008.

**7. PROCEDURES:**

A. When a program office has a temporary critical need to staff positions providing leadership and support to complete the development of TSA's infrastructure, the program office must work with OHC to post a vacancy announcement on USAJOBS, and use all reasonable recruiting incentives and staffing flexibilities to fill the vacancy as soon as possible.

B. Requests for waivers must be submitted to the Assistant Administrator for OHC, from the appropriate Assistant Administrator, using [TSA Form 1173, Salary Offset \(Dual Compensation\) Waiver Request](#). Each request must include a detailed written justification, as required in TSA Form 1173. In addition, each request must include a written statement from the annuitant that he/she declines the offered position unless a waiver of the required salary offset is granted. Requests will not be considered unless they are accompanied by an adequate declination.

C. Requests based on an emergency hiring need. Assistant Administrators may request a salary offset waiver for an individual whose services are needed on a temporary basis to respond to an emergency involving a direct threat to life or property or other unusual circumstances. Requests submitted on this basis must meet the following criteria:

**TSA MANAGEMENT DIRECTIVE No. 1100.55-6**  
**WAIVER OF SALARY OFFSET**  
**(DUAL COMPENSATION REDUCTION)**

- (1) Nature of emergency: Describe the military threat, natural disaster, or other unforeseen occurrence, the date it occurred, and the expected duration of the emergency response effort.
  - (2) Need for individual's services: Describe the individual's unique qualifications for the emergency response work to be done or the number of positions to be filled and/or urgency of response that justify making the particular appointment without further delay. Waiver requests will not be considered solely to meet normal seasonal workload fluctuations.
- D. Requests based on severe recruiting difficulty. Generally, requests for a waiver will be based on exceptional difficulty in recruiting a qualified candidate for a particular position. Requests must include a detailed description of the length, breadth, and results of recruiting efforts for the position and any other factors demonstrating that a legitimate recruiting need cannot be met without the requested waiver. These factors may include, but are not limited to, unusual qualification requirements or working conditions, possibility of job reengineering or contracting, or a need to fill the position without further delay because of the critical nature of the position.
- E. Requests based on need to retain a particular individual. In very rare cases, waivers may be appropriate when TSA needs to retain the services of a particular employee who is uniquely qualified for an ongoing project. Requests submitted on this basis must meet the following criteria:
- (1) Critical nature of project: The request must describe the importance of the project to TSA's mission, the potential costs of project failure or delay, legislative or Presidential deadlines, if any, and any other factors demonstrating that the project is unusually critical. Waivers will not be approved merely to avoid delay in scheduled completion of ongoing work.
  - (2) Candidate's unique qualifications: The request must describe the knowledge, skills, and abilities possessed by the employee that are essential for successful completion of the project, and that could not be acquired by another appointee within a reasonable time.
  - (3) Need for retention: The request must show good cause to believe that the employee will retire (or, in the case of an individual currently reemployed without a waiver, will resign) from that position, and that the agency will lose his or her services if the waiver is not granted.
  - (4) Lack of other staffing options: The request must outline the recruitment efforts undertaken and when those efforts were made. The request for waiver must also address why the work could not be assigned to other employees involved with the same project. Other reasonable staffing options include doing the following first:
    - (a) Hiring all qualified applicants who are available to work;

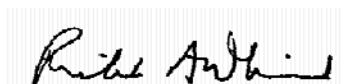
**TSA MANAGEMENT DIRECTIVE No. 1100.55-6  
WAIVER OF SALARY OFFSET  
(DUAL COMPENSATION REDUCTION)**

- (b) Hiring all qualified annuitants who are available to work with their salary offset;
- (c) Offering details, reassignments, voluntary overtime or compensatory time off to qualified employees;
- (d) Offering recruitment, relocation, and/or retention incentives, if appropriate; and
- (e) Replacing annuitants working with a salary offset waiver.

F. Upon OHC's receipt of all required documentation, the waiver request will be reviewed by the Assistant Administrator of OHC and then provided to the ERC. The Assistant Secretary will make the final and binding decision.

**8. EFFECTIVE DATE AND IMPLEMENTATION:** This policy is effective immediately upon signature.

**APPROVAL**



Richard A. Whitford  
Assistant Administrator for Human Capital

11-16-2007

Date

Filing Instructions: File 200.1.1

Effective Date: Date of Signature

Review Date: June 12, 2008

Distribution: Assistant Secretary, Deputy Assistant Secretary, Associate Administrator, Assistant Administrators, Area Directors, Federal Security Directors, Special Agents in Charge, and Office Directors

Point-of-Contact: Office of Human Capital