



Contribution-based Compensation System (CCS)

A Step-by-Step Review

August 1998



The CCS Process

Step 1 - Employee Feedback Session (Nov/Dec)

- Conducted by first level supervisor
- Reviews prior year contributions and assessment
- Discusses expectations for upcoming cycle
- Discusses developmental and career opportunities
- Session documented in employee's 971 folder



The CCS Process

Step 2 - Mid Year Feedback

(April)

- Conducted by first level supervisor
- Reviews contribution progress to date (by factor) and expectations for second half of CCS cycle
- Discusses the employee's professional qualities
- Documented on an AFMC Form 279 and filed in employee's 971 folder



The CCS Process

Step 3 - Self Assessment

(September)

- Completed by every demo employee
- Provides input to first level supervisor concerning contributions in each of the six factors
- Documented on the AFMC Form 280 Part III



The CCS Process

Step 4 - Preliminary Assessment (Early October)

- Completed by first level supervisor using CCS software (C2S2)
- Reviews/modifies contribution statements made by employee
- Assigns categorical rating between 1L and 4H for each of the six factors





The CCS Process

Step 5 - First Level Meeting of Managers (Late October)

- Chaired by division chief; branch chiefs in attendance
 - Objective is to complete assessments for non-supervisory branch employees
- Employees are placed in like categorical groupings (by factor)
 - Well-known employees can be used as benchmarks
- Employees are placed in appropriate order and numerical scores assigned



The CCS Process

Step 5 - First Level Meeting of Managers (Continued)

- Narrative comments can be edited during the meeting
- Factor weights are applied and composite scores are calculated by C2S2
- Supervisors review a rank ordered list based upon composite CCS scores
 - Peculiarities are investigated
 - Any changes are made at the factor level



The CCS Process

Step 6 - Approval of Division Assessments (By end of Oct)

- Accomplished by Division Chief using C2S2
 - Software allows a comparison of branch scores
 - Division chief must resolve any outstanding issues or disagreements with help of appropriate branch chiefs
 - Follow-up managers meeting may be necessary



The CCS Process

Step 7 - Second Level Review of Division Scores (Early November)

- Accomplished by PPM using C2S2
- Software allows a comparison of division scores using “roll-up” comparison tools (summary statistics)
- PPM can also use benchmark employees
- PPM can direct that some division scores be adjusted
- If necessary, the division chief adjusts the scores
- Once completed, the PPM approves the scores



The CCS Process

STATUS CHECK

	Assessments	Compensation	Broadband Movement
Non-Supervisory Employees Reporting to Branch Chiefs	✓		
Branch Chiefs			
Non-Supervisory Employees Reporting to Division Chiefs			
Division Chiefs			
Non-Supervisory Employees Reporting to PPMs			



The CCS Process

Step 8 - Second Level Meeting of Managers (Mid November)

- Chaired by PPM; division chiefs in attendance
 - Objective: complete assessments for branch chiefs and non-supervisory employees reporting to the division chiefs
- Division chiefs should have completed the preliminary assessments
- Identical process as the first level meeting of managers



The CCS Process

Step 8 - Second Level Meeting of Managers (Continued)

- Division level results are available to help normalize scores between supervisors and employees
- Results in numerical assessment scores for employees reporting to division chiefs
- PPM approves the assessments using C2S2



The CCS Process

STATUS CHECK

	Assessments	Compensation	Broadband Movement
Non-Supervisory Employees Reporting to Branch Chiefs	✓		
Branch Chiefs	✓		
Non-Supervisory Employees Reporting to Division Chiefs	✓		
Division Chiefs			
Non-Supervisory Employees Reporting to PPMs			



The CCS Process

Step 9 - Division Chief Assessments (Mid-Late November)

- PPM completes numerical assessment of division chiefs and non-supervisory employees reporting directly to him/her
- Rank ordered listings of other paypool employees can be used as benchmarks to assist in assigning scores
- No second level review is required



The CCS Process

STATUS CHECK

	Assessments	Compensation	Broadband Movement
Non-Supervisory Employees Reporting to Branch Chiefs	✓		
Branch Chiefs	✓		
Non-Supervisory Employees Reporting to Division Chiefs	✓		
Division Chiefs	✓		
Non-Supervisory Employees Reporting to PPMs	✓		



The CCS Process

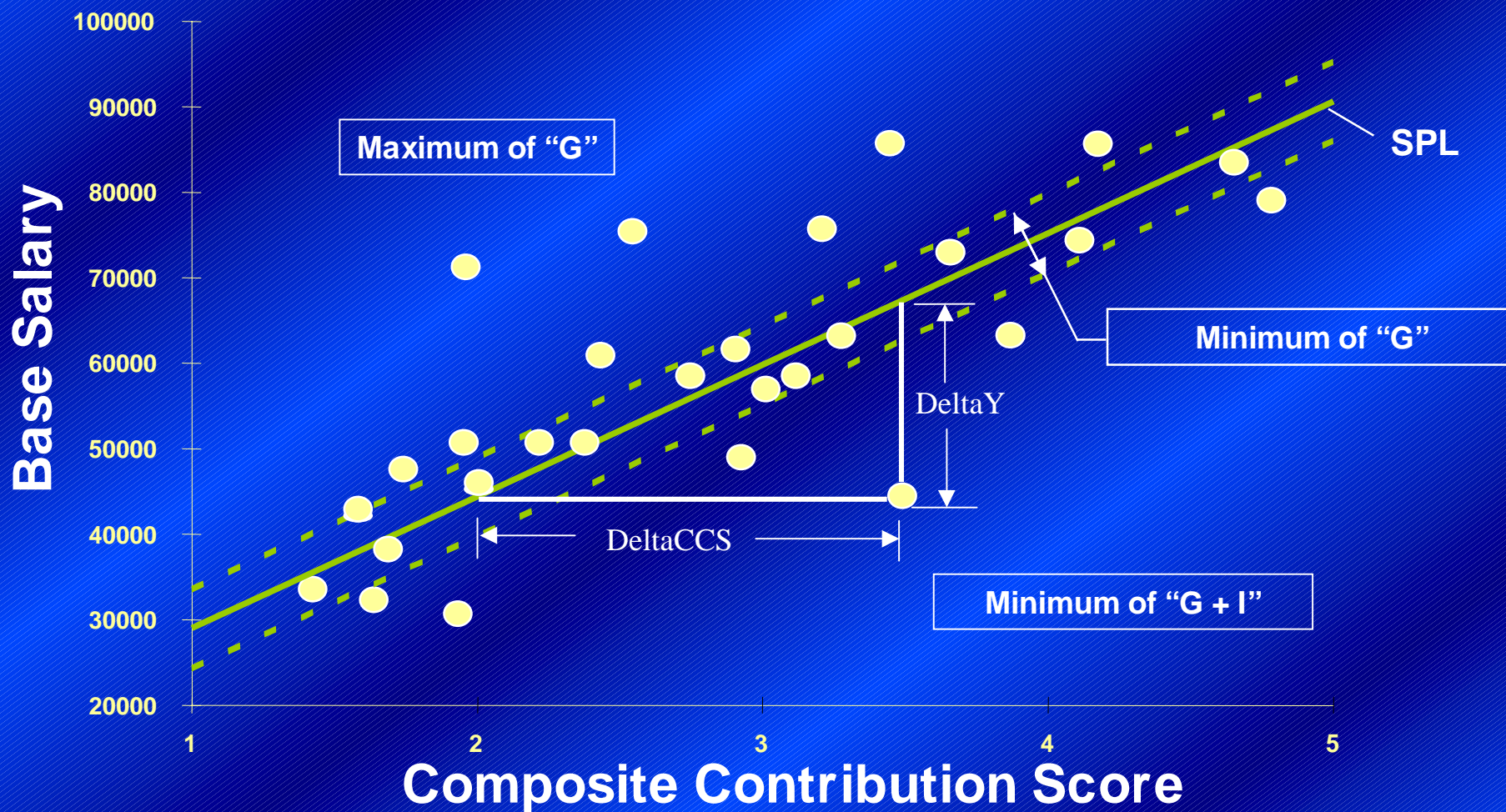
Step 10 - Compensation Adjustments (Early December)

- The PPM completes compensation adjustments for all employees in the payroll
 - Extenuating circumstances should be communicated to the PPM by the division chiefs
- Compensation adjustments cannot be calculated until Congress agrees to the General Cost of Labor Increase ("G") for the year
- Incentive Increase ("I") is set by the AFRL Corporate Board
 - 2.4% for the upcoming cycle



CCS Process

G - General Increase (2.3%)
I - Incentive Increase (2.4%)





The CCS Process

Step 10 - Compensation Adjustments (Continued)

- General increase ("G") to AAZ employees is addressed first
 - C2S2 default position is \$0 to AAZ employees
 - Withheld "G" funds are transferred to Incentive Increase ("I") pool
 - Each AAZ employee is considered separately
- Incentive Increases are then distributed
 - PPMs can use Alpha-DeltaY algorithm in C2S2
 - Allows for discretionary payouts by the PPM



The CCS Process

Alpha-DeltaY

- Sums all positive DeltaYs in the paypool
 - DeltaY is measured in dollars
- This is divided into the total "I" pool available
- Result is an alpha figure (percentage) which will be applied to the DeltaY for all employees below the SPL

$$\alpha = \frac{(\text{Incentive Increase Pool} - \text{Discretionary Set-Aside})}{\sum \text{Positive DeltaYs}}$$



The CCS Process

Alpha-DeltaY (Continued)

- Salary increase for employee i

$$\text{Base Salary Increase}_i = \alpha (\text{Positive DeltaY}_i)$$

- C2S2 ensures payout rules are met
 - If not, C2S2 awards "Supplemental I" from the discretionary set-aside
 - CCS bonus rules are applied after the default algorithm finishes



The CCS Process

STATUS CHECK

	Assessments	Compensation	Broadband Movement
Non-Supervisory Employees Reporting to Branch Chiefs	✓	✓	
Branch Chiefs	✓	✓	
Non-Supervisory Employees Reporting to Division Chiefs	✓	✓	
Division Chiefs	✓	✓	
Non-Supervisory Employees Reporting to PPMs	✓	✓	



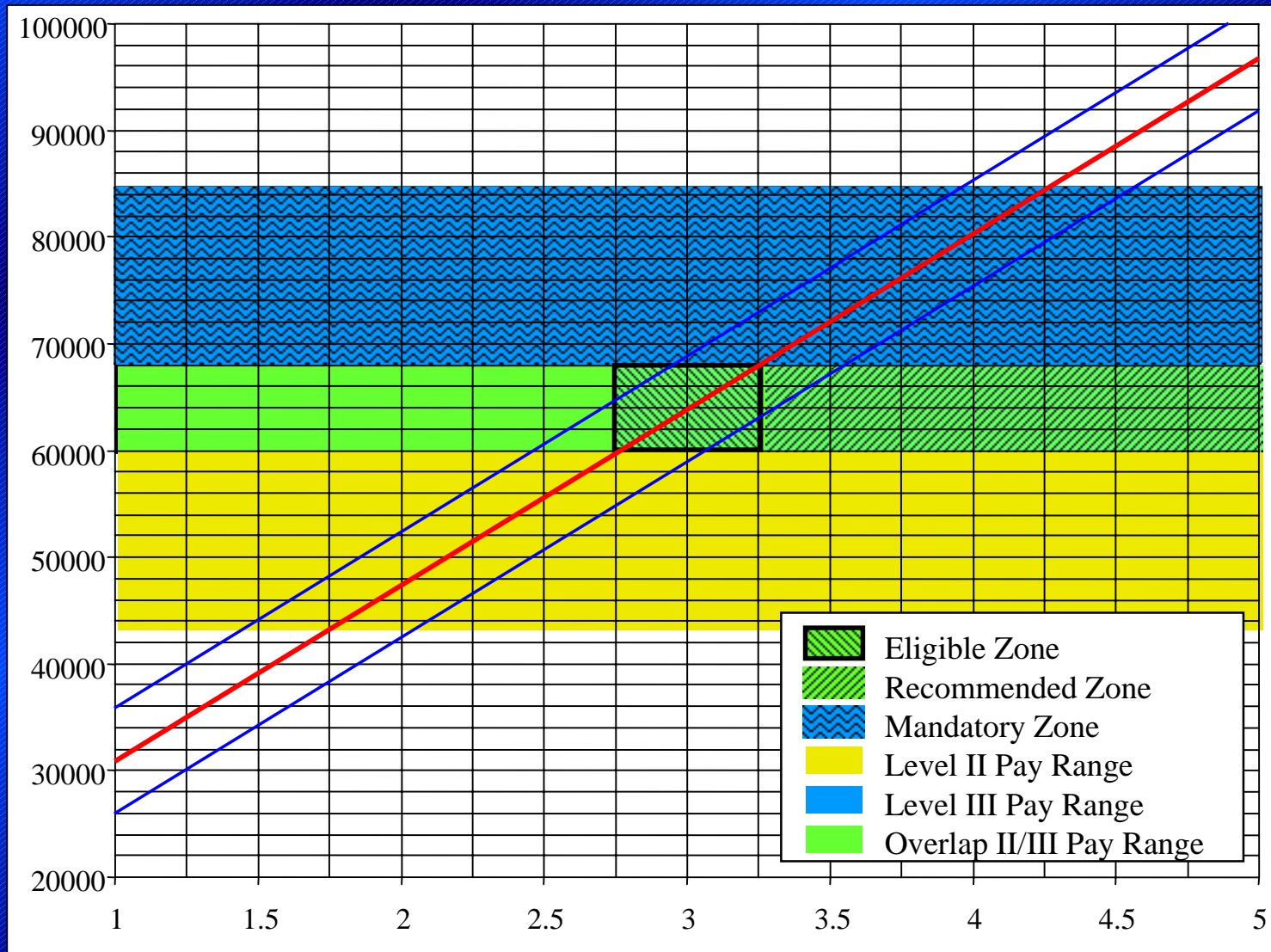
The CCS Process

Step 11 - Broadband Movements (Early December)

- PPM approves/disapproves all broadband movement
- Employees may fall in one of six movement zones or into none at all
 - Eligible, Recommended, or Mandatory Higher
 - Eligible, Recommended, or Mandatory Lower
- Placement depends upon combination of Composite CCS Score and adjusted (new) base salary
- C2S2 identifies employees in any of the six zones
 - Approve/Disapprove check boxes provided

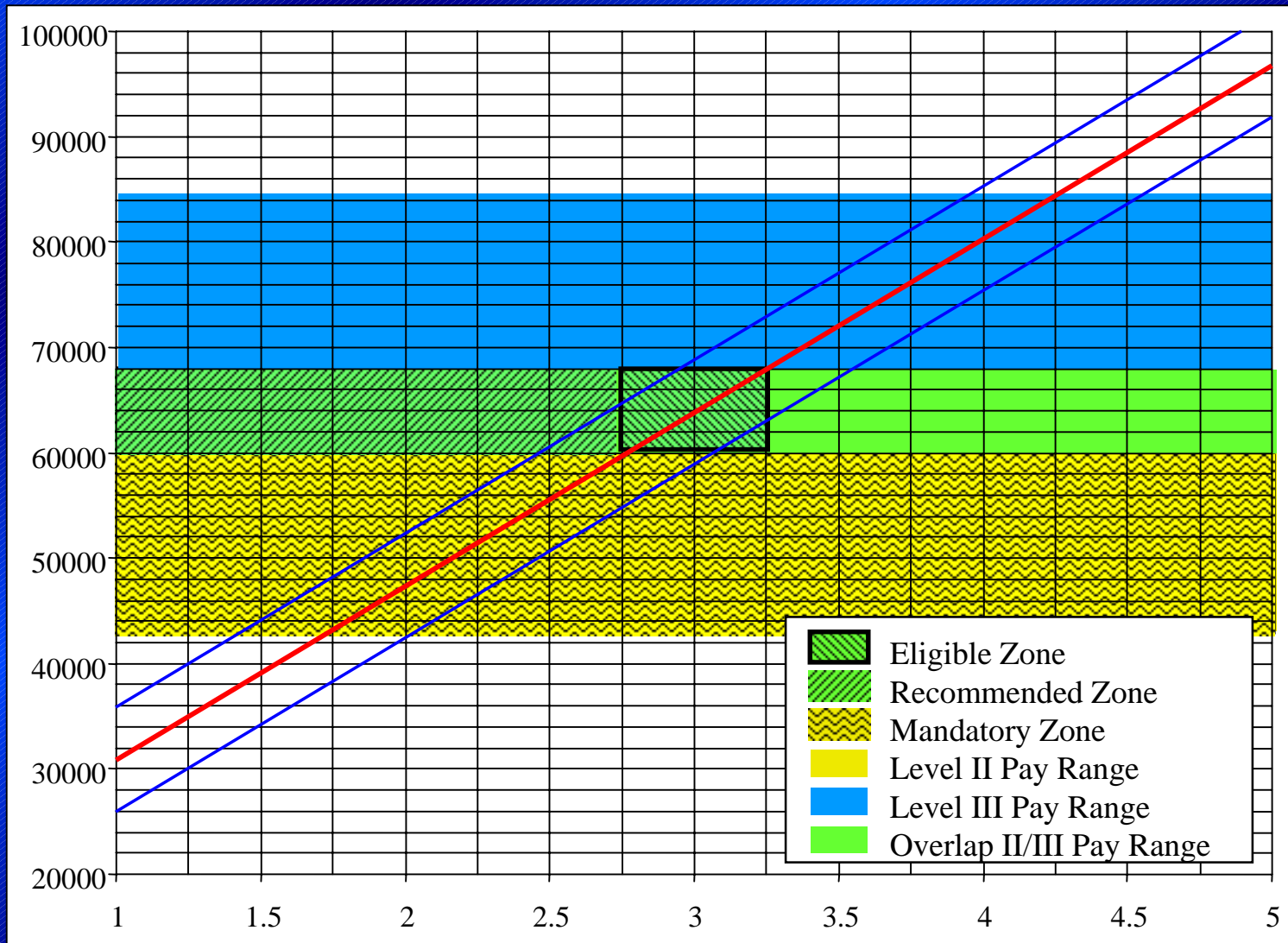


Broadband Movement Level 2 to Level 3





Broadband Movement Level 3 to Level 2





The CCS Process

Step 11 - Broadband Movements (Continued)

- Guidance:
 - Eligible Zone: Do not approve the movement unless there are extenuating circumstances
 - Recommended Zone: Approve the movement unless there are extenuating circumstances
 - Mandatory Zone: Movement is automatic; PPM cannot disapprove
 - Exception: Upward movement to Level III is termed "Highly Recommended" due to high grade controls
 - Level II "Highly Recommended" employees denied advancement receive the CCS bonus



The CCS Process

STATUS CHECK

	Assessments	Compensation	Broadband Movement
Non-Supervisory Employees Reporting to Branch Chiefs	✓	✓	✓
Branch Chiefs	✓	✓	✓
Non-Supervisory Employees Reporting to Division Chiefs	✓	✓	✓
Division Chiefs	✓	✓	✓
Non-Supervisory Employees Reporting to PPMs	✓	✓	✓



The CCS Process

Step 12 - Employee Feedback Session

(Nov/Dec)

- See Step 1 - Cycle completed
- AFMC Form 280 Parts I and II used
 - Provides:
 - Supervisor's contribution statements by factor
 - Factor scores
 - Composite CCS score
 - Paypool scattergram w/ employee position highlighted
 - Salary increase breakdown
 - CCS bonus amount (if applicable)
 - Employee must sign; original in OPF, copy in 971 folder
- MFR or CIP presented to AAZ employees



The CCS Process

Step 13 - Data input to DCPDS

(Early January)

- Coordinated by Project Office
- Input during first week of first full pay period in January
- Employees receive adjusted salaries beginning that pay period