

## **AGREEMENT ON COMPENSATION REFORM PAY RESET**

### **Section 1: Pay Band Structure for Bureau-wide Salary Reset**

A. The base salary range minimums and maximums for all pay bands up through CN-71 will be adjusted in 2023 by the rates and percentages reflected in Appendix A.

B. The Bureau will establish a new total salary pay cap of \$255,000 for the CN-71 pay band and below in 2023.

C. The parties agree to negotiate annual pay-band structure adjustments (including changes to pay bands and the total salary pay cap) when they negotiate a new agreement to replace the January 2021 compensation agreement in accordance with timeframes outlined in Section 16: Duration of that document.

### **Section 2: Pay Setting Process for the Bureau-wide Experience Review and Salary Reset**

A. The Bureau will use (1) direct experience and (2) indirect experience to determine reset salaries, as determined by the Joint Crediting Committees (JCC) process agreed to by the parties in the 2021 compensation agreement. Part-time experience will be credited pro-rata based on a 40-hour work week; however, work of 32 hours or more will be rounded to full time.

B. The Bureau will apply a 3:1 ratio of indirect to direct experience for the purposes of determining the total number of years of experience (YOE) to be used to determine reset base salaries.

C. Upon determining the total number of YOE an employee is credited, the Bureau will use the pay matrix tool included in Appendix B to determine an employee's target base salary (also referred to throughout as "target salary") In calculating the YOE for each employee, experience will be credited up through the pay period before the implementation of reset salaries.

D. Select positions will receive the following adjustments to their target base salary:

1. Attorneys (occupational code: 0905): An additional 3 years of direct experience will be added to the total YOE for attorneys in all pay bands to determine their target base salary.

2. PhD economists and research scientists:

An additional 37% increase will be applied to the target base salary for employees who possess position-relevant PhD degrees and encumber the following economist and research scientist positions in all pay bands:

1. Economist (occupational code: 0110)
2. Social Scientist (occupational code: 0101)
3. Research Psychologist (occupational code: 0180)

3. Any adjustment under this provision is limited by the base pay maximum, total salary maximum, and/or total salary cap applicable to the pay band.

E. For employees hired between PP1 1, 2022 and the implementation date of the reset, their reset base salaries will be determined using the same process for new hires described in Section 4 of this agreement. Those employees who applied to jobs posted prior to the implementation of Section 4A(3) shall be afforded an opportunity to submit a comprehensive resume.

### **Section 3: Addressing above Target Salaries**

A. General: Employees whose current base salaries are above their target salaries at the time of the reset will be subject to the following modifications for non-promotional increases to base salary, effective the first pay period of 2024, as follows:

1. Employees who are 0-5% above their target salary will receive their full base salary increase.

2. Employees above 5%, and up to 10%, above their target salary will receive half of their increase in base salary, and half as a lump sum.

3. Employees that are more than 10% above their target salary will receive the percentage of the increase in the form of a cash lump sum payment only, in lieu of receiving a non-promotional increase to base salary.

4. Employees who receive any kind of lump sum (subsections 2 and 3 above) will continue to be ineligible for full CFPB merit increases to base salary until their base salary falls within 5% of their target salary.

B. Promotions: Following the reset, if an employee is promoted and their current base salary is above the target salary designated for their current pay band as defined in (A), above, the promotional increase will be reduced by the difference between the current salary and the target when the employee is promoted to a higher-level pay band.

1. Notwithstanding this provision, the single pay band promotional increase will not be less than 6% unless it is restricted by the base pay maximum, total salary maximum, or total salary cap applicable to the pay band.

2. If the employee's base salary is still above target after this adjustment, the employee will continue to be subject to the provisions of Section 3(A), above, until the employee's base salary is within 5% or less of their target salary or until the next promotion occurs, at which time the same steps of this provision will be followed.

C. Target base salary adjustments: Beginning in January 2024, target base salaries will be adjusted annually or at promotion to account for any negotiated annual merit increase, pay structure increase, and any other increase to base salaries. The Bureau will adjust target salaries for the sole purpose of determining whether mitigation, as described in Section 3(A), will continue to apply.

a. Annually: At the time merit increases are effective, target base salaries will be increased by the amount of the negotiated merit increase and processing

actions will be based on the above target category the employee falls into and the associated action, as described in Section 3(A).

i. Generally, the verification and associated actions will use the employee's salary data as of September 30<sup>th</sup> prior to implementation of the annual adjustment.

ii. However, for employees who receive a pay affecting action between October 1 and PP01 of the new calendar year, the verification will use the employee's salary data as of PP26.

b. At promotion: At the time of promotion, target base salaries will be increased in accordance with the language in Section 4(B).

#### **Section 4: Pay Setting Process following the Bureau-wide Experience Review and Salary Reset**

A. Management has determined the following pay setting practice for new hires:

1. Prior to the individual's appointment at the Bureau, the Bureau will use, per the matrices in the Appendix B, (1) direct experience and (2) indirect experience, applying the same definitions used by JCCs in Section 2 above, to credit experience and set base salaries for new hires within the pay bands established in Section 1 and Appendix A. Appendices A and B will be adjusted according to any agreement the parties may reach regarding annual pay-band structure adjustment.

2. The Bureau will use the following business rules for setting pay for new hires in the positions below:

i. Attorneys: 3 years of direct experience will be added to the experience of a new attorney to determine their base salary placement on the pay matrix.

ii. For new hires for positions identified in Section 2(D)(2) above who possess position-relevant PhD degrees, a 37% increase will be applied to the employee's target base salary for the pay band to which the employee is being hired.

3. The Bureau will credit experience using the resume submitted by the new hire. CFPB will advise all applicants to submit a comprehensive resume to show all experience.

4. The Bureau will adopt formal policies on setting pay for new hires as follows:

i. The Office of Human Capital will use the appropriate (i.e. same job-series) guidance to JCC members and the final crediting determinations of the JCC process as guidance to credit experience for new hires based on applicant resumes. OHC will maintain a record of the crediting determination for each new hire, including which positions were credited and how each position was credited.

ii. When necessary, the Office of Human Capital will consult with a Subject Matter Expert designated by the hiring office when it has any questions on how to credit a specific job reflected on the applicant's resume.

iii. In the first quarter of each year of this agreement starting in 2024, the Bureau will provide to NTEU an Excel spreadsheet containing the total amount of direct and indirect experience credited to each new hire for each new hire onboarded to a bargaining unit position in the previous calendar year.

iv. If Management determines an adjustment to these provisions or to individual salary determinations is needed to maintain alignment with the competitive market or otherwise meet business needs, Management will provide the Union notice and an opportunity to bargain to the extent required by law.

B. Promotions: The Bureau will apply a promotional increase equal to the percentage difference between the minimums of the two relevant bands to the employee's base pay with the following exceptions.

1. Any adjustment under this provision is limited by the base pay maximum, total salary maximum, and/or total salary cap applicable to the pay band.

2. If an employee's current salary is above the target salary designated for their current pay band, the promotional increase will be processed in accordance with Section 3(B), above.

C. Reassignments: An employee who is reassigned to a new role (i.e., is laterally non-competitively transferred to another position that is in the same pay band or competitively selected for a new position that is in the same pay band as the employee's previous position) will retain their current base salary, except for the following situations:

1. When an employee is reassigned to an attorney position from a non-attorney position, a pay adjustment equivalent to 3 years of direct experience will be added to the employee's base salary.

2. When an employee who possesses a position-relevant PhD is reassigned from a position not identified in Section 2(D)(2) above, to a position identified in Section 2(D)(2) above, a 37% increase will be applied to the employee's target base salary for the pay band to which the employee is being reassigned.

3. When an employee is reassigned voluntarily (either by being competitively selected or voluntarily accepting a noncompetitive transfer) to a non-attorney position from an attorney position, a pay adjustment equivalent to 3 years of direct experience will be deducted from the employee's base salary.

4. When an employee who possesses a position-relevant PhD is reassigned voluntarily (either by being competitively selected or voluntarily accepting a noncompetitive transfer) from a position identified in Section 2(D)(2) above to a new position not covered by Section 2(D)(2), the employee's current base salary will be divided by 1.37 (i.e., the 37% supplement will be removed) to determine their new base salary.

## **Section 5: Enhanced Pay Differentials**

A. Management and NTEU agree to postpone negotiations on the issue of pay differentials until the reopener of the January 2021 Compensation Agreement.

## **Section 6: Implementation of Pay Structure Changes and Reset Salaries**

Management will make every reasonable effort to effectuate the following as soon as practicable following the effective date of this agreement:

- A. Changes to base salary ranges outlined in Appendix A.
- B. Any increases resulting from adjusting the base salaries of impacted employees to the new minimum rate of the new pay band salary ranges.
- C. Any increases resulting from adjusting the base salaries of impacted employee to their target base salaries as a result of the salary reset.
- D. The total salary pay cap for CN-71 and below.
- E. Each employee who is identified as “below target” under Appendix B “Pay Matrices” at the time that reset salaries are implemented shall be entitled to a lump sum payment equivalent to the difference between the employee’s new target base salary minus the employee’s base salary as of pay period (PP) 1, 2023, and this payment shall cover PP1 2023 up through the PP before implementation of reset salaries, but shall not exceed 12 PPs of pay. This payment shall include the new 2023 locality rate applicable to the employee’s duty station, which shall be added to the lump sum after calculation of the base salary difference.
  - a. This lump sum will not affect retirement and benefits in any way, nor include interest or any other adjustment.
  - b. The payment of the lump sum will be made as soon as administratively feasible after the salary reset date, but no later than 3 months after the salary reset date.
  - c. This lump sum shall only be paid if the NTEU Joint Crediting Committee members complete their crediting determinations of all crediting forms by Feb 28, 2023.
- F. Any salary increases made pursuant to this Section will be prospective only.

## **Section 7: Duration**

A. This agreement, with the exception of Section 3, will expire on December 31, 2026, and will have no force and effect on future agreements absent mutual agreement. Section 3 will remain in effect until there are no longer bargaining unit employees whose salaries were reset and whose base salary is more than 5% above their target base salary (as adjusted annually or at promotion) and will expire at that time.

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**Appendices:**

- A: Proposed pay bands
- B: Proposed pay matrices

## Appendix A: Pay bands

NOTE: Supervisory Pay Bands CN-72 and CN-61 are included for informational purposes only and are not negotiable.

Pay band	Number of employees	[For Reference] Current pay bands			Proposed pay bands			Structure Adjustments	
		Min	Max	Width	Min	Max	Width	Min	Max
<b>CN - 72</b>	147	N/A	N/A	N/A	\$136,186	\$231,240	70%	New pay band	
<b>CN - 71</b>	242	\$112,320	\$208,804	86%	\$127,277	\$216,112	70%	13%	3%
<b>CN - 61</b>	129	N/A	N/A	N/A	\$121,031	\$205,505	70%	New pay band	
<b>CN - 60</b>	334	\$95,593	\$174,295	82%	\$113,113	\$192,061	70%	18%	10%
<b>CN - 53</b>	278	\$90,953	\$138,318	52%	\$103,096	\$146,732	42%	13%	6%
<b>CN - 52</b>	133	\$78,888	\$114,387	45%	\$90,833	\$129,280	42%	15%	13%
<b>CN - 51</b>	149	\$67,539	\$97,931	45%	\$80,029	\$113,903	42%	18%	16%
<b>CN - 40</b>	31	\$49,653	\$95,501	92%	\$65,287	\$95,501	46%	31%	0%
<b>CN - 30</b>	64	\$39,012	\$66,358	70%	\$57,522	\$83,489	45%	47%	26%
<b>CN - 43</b>	6	\$63,667	\$95,501	50%	\$67,802	\$96,500	42%	6%	1%
<b>CN - 42</b>	9	\$55,407	\$88,076	59%	\$62,490	\$88,940	42%	13%	1%
<b>CN - 41</b>	2	\$49,653	\$70,071	41%	\$57,595	\$81,972	42%	16%	17%
<b>CN - 33</b>	6	\$43,899	\$66,358	51%	\$58,661	\$83,489	42%	34%	26%
<b>CN - 32</b>	0	\$39,073	\$54,664	40%	\$54,065	\$76,949	42%	38%	41%
<b>CN - 31</b>	0	\$39,012	\$48,075	23%	\$49,829	\$70,920	42%	28%	48%

## Appendix B: Pay matrices

The below pay matrices place staff a certain percentage above the minimum of their pay band, based on their credited overall experience (COE), which is calculated as [ credited direct experience + (1/3) \* credited indirect experience ]. NOTE: Supervisory Pay Bands CN-72 and CN-61 are included for informational purposes only and are not negotiable.

Pay Setting Matrix for Employees in T&S Pay Bands 31, 32, 33, 41, 42 & 43																							
COE	0 - <1	1 - <2	2 - <3	3 - <4	4 - <5	5 - <6	6 - <7	7 - <8	8 - <9	9 - <10	10 - <11	11 - <12	12 - <13	13 - <14	14 - <15	15 - <16	16 - <17	17 - <18	18 - <19	19 - <20	20 - <21	21 - <22	22+
% Above band min.	0.00%	1.65%	3.33%	5.03%	6.77%	8.53%	10.32%	12.14%	13.99%	15.87%	17.78%	19.72%	21.70%	23.71%	25.75%	27.82%	29.93%	32.08%	34.26%	36.47%	38.72%	41.01%	42.33%
CN-31 Salary	\$49,829	\$50,652	\$51,487	\$52,337	\$53,201	\$54,078	\$54,971	\$55,878	\$56,800	\$57,737	\$58,689	\$59,658	\$60,642	\$61,643	\$62,660	\$63,694	\$64,745	\$65,813	\$66,899	\$68,003	\$69,125	\$70,265	\$70,920
CN-32 Salary	\$54,065	\$54,957	\$55,864	\$56,786	\$57,723	\$58,675	\$59,643	\$60,627	\$61,628	\$62,644	\$63,678	\$64,729	\$65,797	\$66,882	\$67,986	\$69,108	\$70,248	\$71,407	\$72,585	\$73,783	\$75,000	\$76,238	\$76,949
CN-33 Salary	\$58,661	\$59,628	\$60,612	\$61,612	\$62,629	\$63,662	\$64,713	\$65,781	\$66,866	\$67,969	\$69,091	\$70,231	\$71,390	\$72,567	\$73,765	\$74,982	\$76,219	\$77,477	\$78,755	\$80,055	\$81,375	\$82,718	\$83,489
CN-41 Salary	\$57,595	\$58,545	\$59,511	\$60,493	\$61,491	\$62,506	\$63,537	\$64,586	\$65,651	\$66,735	\$67,836	\$68,955	\$70,093	\$71,249	\$72,425	\$73,620	\$74,835	\$76,069	\$77,325	\$78,600	\$79,897	\$81,216	\$81,972
CN-42 Salary	\$62,490	\$63,521	\$64,569	\$65,635	\$66,718	\$67,818	\$68,937	\$70,075	\$71,231	\$72,406	\$73,601	\$74,816	\$76,050	\$77,305	\$78,580	\$79,877	\$81,195	\$82,535	\$83,896	\$85,281	\$86,688	\$88,118	\$88,940
CN-43 Salary	\$67,802	\$68,921	\$70,058	\$71,214	\$72,389	\$73,583	\$74,797	\$76,032	\$77,286	\$78,561	\$79,858	\$81,175	\$82,515	\$83,876	\$85,260	\$86,667	\$88,097	\$89,551	\$91,028	\$92,530	\$94,057	\$95,609	\$96,500



**Pay Setting Matrix for Employees in P&A Pay Bands 30 & 40**

COE	0 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5 - 6	6 - 7	7 - 8	8 - 9	9 - 10	10 - 11	11 - 12	12 - 13	13 - 14	14 - 15	15 - 16	16 - 17	17 - 18	18 - 19	19 - 20	20 - 21	21 - 22	22 - 23	23+
<b>% Above band min.</b>	0.00%	1.65%	3.33%	5.03%	6.77%	8.53%	10.32%	12.14%	13.99%	15.87%	17.78%	19.72%	21.70%	23.71%	25.75%	27.82%	29.93%	32.08%	34.26%	36.47%	38.72%	41.01%	43.34%	45.14%
<b>CN-30 Salary</b>	\$57,522	\$58,471	\$59,436	\$60,417	\$61,413	\$62,427	\$63,457	\$64,504	\$65,568	\$66,650	\$67,750	\$68,868	\$70,004	\$71,159	\$72,333	\$73,527	\$74,740	\$75,973	\$77,227	\$78,501	\$79,796	\$81,113	\$82,451	\$83,489
<b>CN-40 Salary</b>	\$65,287	\$66,365	\$67,460	\$68,573	\$69,704	\$70,854	\$72,023	\$73,212	\$74,420	\$75,648	\$76,896	\$78,165	\$79,454	\$80,765	\$82,098	\$83,453	\$84,830	\$86,229	\$87,652	\$89,098	\$90,569	\$92,063	\$93,582	\$95,126

**Pay Setting Matrix for Employees in P&A Pay Bands 51, 52 & 53**

COE	0 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5 - 6	6 - 7	7 - 8	8 - 9	9 - 10	10 - 11	11 - 12	12 - 13	13 - 14	14 - 15	15 - 16	16 - 17	17 - 18	18 - 19	19 - 20	20 - 21	21 - 22	22+
<b>% Above band min.</b>	0.00%	1.65%	3.33%	5.03%	6.77%	8.53%	10.32%	12.14%	13.99%	15.87%	17.78%	19.72%	21.70%	23.71%	25.75%	27.82%	29.93%	32.08%	34.26%	36.47%	38.72%	41.01%	42.33%
<b>CN-51 Salary</b>	\$80,029	\$81,350	\$82,692	\$84,057	\$85,443	\$86,853	\$88,286	\$89,743	\$91,224	\$92,729	\$94,259	\$95,814	\$97,395	\$99,002	\$100,636	\$102,296	\$103,984	\$105,700	\$107,444	\$109,217	\$111,019	\$112,851	\$113,903
<b>CN-52 Salary</b>	\$90,833	\$92,332	\$93,856	\$95,404	\$96,978	\$98,579	\$100,205	\$101,858	\$103,539	\$105,247	\$106,984	\$108,749	\$110,544	\$112,368	\$114,222	\$116,106	\$118,022	\$119,969	\$121,949	\$123,961	\$126,007	\$128,086	\$129,280
<b>CN-53 Salary</b>	\$103,096	\$104,797	\$106,526	\$108,284	\$110,070	\$111,887	\$113,733	\$115,609	\$117,517	\$119,456	\$121,427	\$123,430	\$125,467	\$127,537	\$129,642	\$131,781	\$133,955	\$136,165	\$138,412	\$140,696	\$143,017	\$145,377	\$146,732

**Pay Setting Matrix for Employees in P&A Pay Bands 60, 61, 71 & 72**

COE	0 - <1	1 - <2	2 - <3	3 - <4	4 - <5	5 - <6	6 - <7	7 - <8	8 - <9	9 - <10	10 - <11	11 - <12	12 - <13	13 - <14	14 - <15	15 - <16	16 - <17	17 - <18	18 - <19	19 - <20	20 - <21	21 - <22	22 - <23	23 - <24	24 - <25	25 - <28	28 - <31	31 - <34	34 - <37	37 - <40	40 - <43	43 - <46	46 - <49	49+
<b>% Above band min.</b>	0.00%	1.65%	3.33%	5.03%	6.77%	8.53%	10.32%	12.14%	13.99%	15.87%	17.78%	19.72%	21.70%	23.71%	25.75%	27.82%	29.93%	32.08%	34.26%	36.47%	38.72%	41.01%	43.34%	45.70%	48.11%	50.55%	53.04%	55.56%	58.13%	60.74%	63.39%	66.08%	68.82%	69.80%
<b>CN-60 Salary</b>	\$113,113	\$114,980	\$116,877	\$118,805	\$120,766	\$122,758	\$124,784	\$126,843	\$128,936	\$131,063	\$133,226	\$135,424	\$137,658	\$139,930	\$142,238	\$144,585	\$146,971	\$149,396	\$151,861	\$154,367	\$156,914	\$159,503	\$162,135	\$164,810	\$167,529	\$170,294	\$173,103	\$175,960	\$178,863	\$181,814	\$184,814	\$187,864	\$190,963	\$192,061
<b>CN-61 Salary</b>	\$121,031	\$123,028	\$125,058	\$127,122	\$129,219	\$131,351	\$133,519	\$135,722	\$137,961	\$140,237	\$142,551	\$144,903	\$147,294	\$149,725	\$152,195	\$154,706	\$157,259	\$159,854	\$162,491	\$165,173	\$167,898	\$170,668	\$173,484	\$176,347	\$179,256	\$182,214	\$185,221	\$188,277	\$191,383	\$194,541	\$197,751	\$201,014	\$204,331	\$205,505
<b>CN-71 Salary</b>	\$127,277	\$129,377	\$131,512	\$133,682	\$135,887	\$138,129	\$140,409	\$142,725	\$145,080	\$147,474	\$149,907	\$152,381	\$154,895	\$157,451	\$160,049	\$162,690	\$165,374	\$168,103	\$170,877	\$173,696	\$176,562	\$179,475	\$182,437	\$185,447	\$188,507	\$191,617	\$194,779	\$197,993	\$201,259	\$204,580	\$207,956	\$211,387	\$214,875	\$216,112
<b>CN-72 Salary</b>	\$136,186	\$138,433	\$140,717	\$143,039	\$145,399	\$147,799	\$150,237	\$152,716	\$155,236	\$157,797	\$160,401	\$163,048	\$165,738	\$168,473	\$171,252	\$174,078	\$176,950	\$179,870	\$182,838	\$185,855	\$188,921	\$192,039	\$195,207	\$198,428	\$201,702	\$205,030	\$208,413	\$211,852	\$215,348	\$218,901	\$222,513	\$226,184	\$229,916	\$231,240