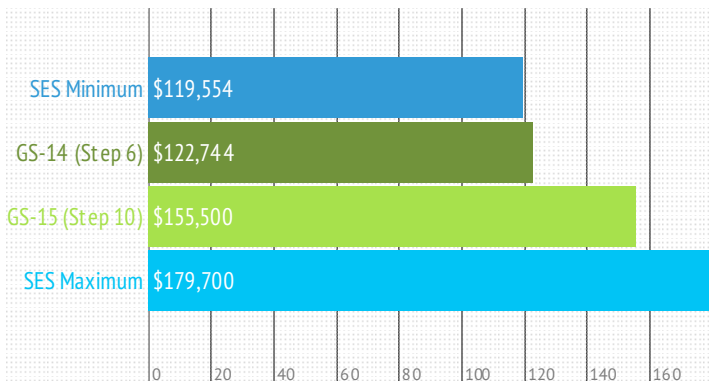


MYTHS AND REALITIES

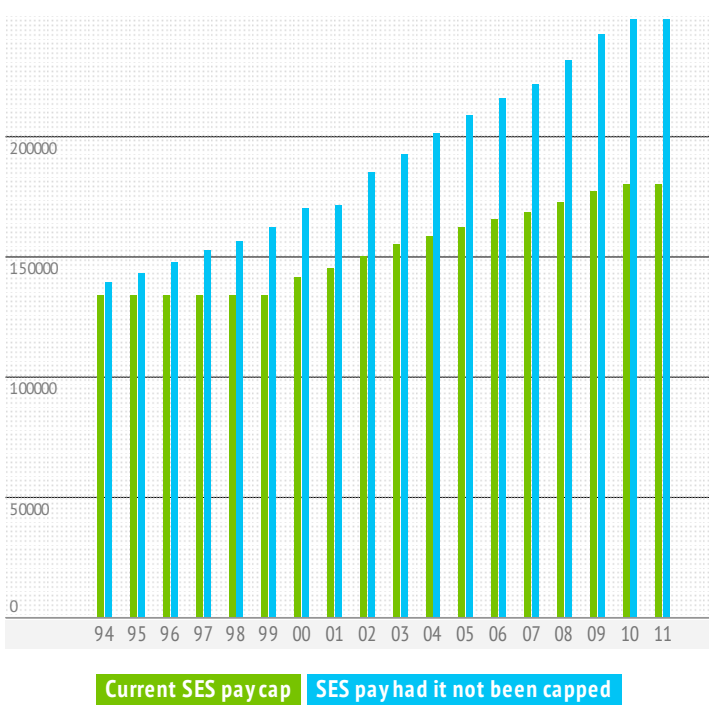
Pay Overlap Between SES and General Schedule Employees



MYTH - Members of the Senior Executive Service (SES) make more than their General Schedule (GS) subordinates.

REALITY - In 2012, approximately 25% of the SES made less than \$160,000 per year. GS-15 (step 10) employees make \$155,500 and former DoD NSPS employees make above GS-15 (step 10) salaries. This overlap presents a significant obstacle to attracting high performing managers into the executive corps. If current trends continue, pay overlap will increase and more lower level employee salaries will overlap Senior Executive salaries.

Current SES Pay vs. SES Pay with Market-Based Adjustments Received by GS Employees in DC Area



MYTH - Senior Executives in the federal government are severely overpaid.

REALITY - Due to several years of freezes in the 90s, the abolition of locality pay in 2004, and years of smaller increases than those received by GS employees, SES pay has been overlapped by the General Schedule. If Senior Executive pay had increased at the same market-based annual percentage as the General Schedule, the SES pay cap would now be \$248,600 rather than the current cap of \$179,700.

Year	SES Pay Cap	Market-Based Pay Increase for GS Employees in DC Area	SES Pay Cap with DC Area GS Employee Increase	Federal Contractor Executive Salary Cap*
1994	\$133,600	4.23%	\$139,251	
1995	\$133,600	3.22%	\$143,735	\$250,000
1996	\$133,600	2.54%	\$147,386	\$200,000
1997	\$133,600	3.33%	\$152,294	\$250,000
1998	\$136,700	2.45%	\$156,025	\$340,650
1999	\$136,700	3.68%	\$161,767	\$342,968
2000	\$141,300	4.94%	\$169,758	\$353,010
2001	\$145,100	3.81%	\$171,226	\$374,228
2002	\$150,000	4.77%	\$184,632	\$387,783
2003	\$154,700	4.26%	\$192,497	\$405,273
2004	\$158,100	4.42%	\$201,005	\$432,851
2005	\$162,100	3.71%	\$208,462	\$473,689
2006	\$165,200	3.44%	\$251,633	\$546,689
2007	\$168,000	2.64%	\$221,326	\$597,912
2008	\$172,200	4.49%	\$231,264	\$597,912
2009	\$177,000	4.78%	\$242,318	\$612,196
2010	\$179,700	2.60%	\$248,618	\$684,181
2011	\$179,700	0%	\$248,618	\$693,951
2012	\$179,700	0%	\$248,618	\$763,029
2013	\$179,700	0%	\$248,618	\$950,000

* The federal government benchmarks compensation of executives at large private sector companies (annual sales over \$50 million) to determine market value for compensation of federal contractor executives. The five most highly compensated employees in management positions at each home office and each segment of the contractor are eligible for payment from the government up to the level of the capped rate. Every single contract employee at the Defense Department, Coast Guard, and NASA is eligible for government reimbursement up to this capped rate.