

Questions and Answers

1. Who is covered by the freeze?

Answer: All exempt and non-exempt (salaried, weekly and hourly) employees whose contracts include the provision allowing DOE to manage contractor increases. These include the national laboratories, other M&Os, and the major site and facility management contracts. This does not extend to employees who are covered by a collective bargaining agreement that already includes wage or benefit increases.

2. Are subcontractors affected?

Answer: No. Only prime contract employees are affected.

3. What salary increases are frozen?

Answer: All wage and salary increases except promotions and adjustments.

4. Can the M&O's/site and facility management contractors adjust their salary ranges even though they are not giving individual salary increases?

Answer: No.

5. Will M&O's and other major site and facility management contractors be allowed to receive catch-up increases in subsequent years?

Answer: No. They will be required to establish a FY-11 baseline with the Contracting Officer to use as the basis for determining all future compensation plan changes and to ensure that FY-11 savings are maintained through the life of the contract.

6. Does the freeze extend to other benefits?

Answer: No. The freeze only applies to wage and salaries.

7. Are promotions frozen?

Answer: No, promotion increases are not frozen.

8. What is a promotion?

Answer: It represents a significant increase in job duties or a move to a higher job grade.

9. Does the freeze extend to new hires?

Answer: New hire salaries are not considered salary increases and are outside the scope of the freeze.

10. Are wages covered under the Service Contract Act (SCA) exempted?

Answer: Employee wages covered by the SCA will be frozen unless the freeze would cause them to fall below the minimum allowable wage.

11. What about DOE labs that have already had pay increases this year?

Answer: For sites that have already approved and implemented increases, the freeze shall be effective for the next compensation cycle beginning between January 1, 2011, and December 31, 2011. For example, DOE contractor employees who received pay increases in October 2010 will have their pay frozen beginning in October 2011 for the following two year periods.

12. Is this inconsistent with Administration plans to bolster funding for weapon labs in light of New Start treaty concerns? Won't you lose "best and brightest"?

Answer: The Administration is committed to modernizing our nuclear infrastructure and this decision should have no impact on that effort. We are confident our national labs, the country's crown jewels for leading research and development, will continue to attract and retain the nation's top scientists, and pursue some of the most important discoveries that will lead us into the 21st century.

13. What will you do with the costs that are avoided because of the freeze?

Answer: DOE and the Office of Management and Budget are currently reviewing how to utilize these savings.

14. Why doesn't the freeze extend to all DOE contracts?

Answer: The freeze is applicable to the vast bulk of DOE contractor employees. It is applicable to all DOE contracts that require DOE approval of their contractor's compensation increase plan or other merit increases reimbursed under the contract.

15. Are other agencies doing this too?

Answer: We are not aware of other agencies that are similarly situated, that is, that have this close relationship with their contractors that includes, as one facet, approval of compensation increases. We are not aware at this time of other agencies taking similar steps; however, DOE is taking what it believes to be the appropriate action.

16. Are there plans to freeze other lab benefits?

Answer: This freeze only extends to salaries and wages similarly to the federal employee compensation freeze.