2012 Army DCIPS Performance-Based Bonus and Awards Guidance

Purpose: To provide interim administrative guidance for the conduct of the FY2012 Performance-Based Bonus Program and FY2013 Awards and Recognition Programs for Army Organizations with DCIPS employees. This guidance provides instructions for: conducting Bonus Pools for DCIPS employees, developing budgets for Bonuses and Awards for FY13, the flexibility to reward the new Base Pay Increase Monetary Awards and the administrative reporting requirements. This guidance is applicable to: Commanders of the Commands (ACOMs), the Commanders of the Army Service Component Commands (ASCCs), the Commander/Superintendent of the Direct Reporting Units (DRUs) and the Administrative Assistant to the Secretary of the Army (AASA). For purposes of this guidance, the Principal Officials of the Headquarters, Department of Army (HQDA), their staffs and other elements, including Field Operating Agencies (FOAs), Staff Support Agencies (SSAs), and those DRUs not covered above fall under the purview of the AASA. These organizations are hereto referred to as "Commands".

Instructions: The Army DCIPS Performance-Based Bonus Program, when combined with a complementary organization Awards Programs will help establish a performance culture that promotes outstanding contribution to the Army Intelligence Mission. Commands with DCIPS employees shall comply with this guidance, and with the Department of Defense Instruction (DoDI) 1400.25 Volume 2012, "Defense Civilian Intelligence Personnel System (DCIPS) Performance-Based Compensation" and Volume 2008, "Defense Civilian Intelligence Personnel System (DCIPS) Awards and Recognition." Exceptions to this guidance or to DCIPS policy may be requested in writing with a supporting business case, to include cost/data analysis, for the requested exception. Such requests should be directed to the Director, Intelligence Personnel Management Office (IPMO), Headquarters, Department of the Army, Office of the Deputy Chief of Staff G-2.

1. Compliance with Merit System Principles and Prohibition of Pre-decisional Demographic Analysis

- a. Bonus pool deliberations and all decisions on awards will be conducted in accordance with Merit System Principles.
- b. Analyses of performance evaluations or bonus pool results by demographic characteristics that identify protected classes of individuals are prohibited prior to conclusion of both the performance management and bonus pool processes. Analyses by organizational and/or position-related characteristics are permitted.

2. Base-Pay Increase Monetary Awards and Performance-Based Bonuses

- a. Commands shall conduct DCIPS Bonus Pools for the purpose of determining performance bonuses based on FY2012 performance evaluations of record.
- b. Two new awards have been authorized through the revision of DCIPS Volume 2008, "Defense Civilian Intelligence Personnel System (DCIPS) Awards and Recognition." These are the DCIPS Quality Increase (DQI), which awards a one-step increase in recognition of exemplary performance for one performance period, and the DCIPS Sustained Quality Increase (DCIPS SQI), which awards a two-step increase in recognition of exemplary performance for three performance periods at the same grade level. Commands, at the discretion of the Bonus Pool Performance Review Authority, can award DQIs and/or DCIPS SQIs during the Bonus Pool process. All other awards are to be granted through the Command's awards process based on policy in DCIPS Volume 2008, "Awards and Recognition" and with the guidance provided within this document.
 - (1) <u>DQI</u>. DQI is a base-pay increase monetary award in the form of an increase in an employee's pay from one step of the grade of the employee's position to the next higher step of that grade. Commands may use a DQI to reward employees deemed initially eligible and who have not received a base-pay increase monetary award of any type within the preceding 52 consecutive weeks from the effective date of the award. Command discretion may be used to provide additional criteria for this award.
 - (2) **DCIPS SQI**. DCIPS SQI provides the highest base-pay increase monetary award available to Army DCIPS employees. The DCIPS SOI is a sustained performance award reserved to recognize truly exemplary sustained performance. The award consists of a base-pay increase monetary award in the form of an increase in an employee's pay of two steps at their current grade. Commands may use the DCIPS SQI to reward employees who were deemed initially eligible for consideration for a base-pay increase monetary award for 3 consecutive years, the current and two preceding performance evaluation cycles. Employees who have received an "Outstanding" level rating for the past 2 consecutive years are eligible for consideration. Employees need not have received a QSI/DQI during the preceding 2 years. Employees who are considered for award of a DCIPS SQI must have been under the DCIPS Performance Management system and in the same DCIPS grade for the last 3 years. Time spent under DCIPS bands may be considered if the employee's current grade was encompassed in the prior band in the same work category. An employee may not receive more than one DCIPS SQI during any 3-year period. The consideration for the use of these awards includes the following:
 - i. DQIs may only be awarded to employees whose base pay is at least one full step below the maximum of the pay grade, and DCIPS SQIs may only be awarded to employees whose base pay is at least two full steps below the maximum of the pay grade. The maximum of the pay grade includes the extended pay range and is equivalent to the virtual step 12 rate of the grade. No partial DCIPS SQIs or DQIs may be granted.

- ii. Employees in non-foreign OCONUS areas who are subject to the TLMS phaseout plan beginning in January 2013 are not prohibited from receiving base-pay increase monetary awards, lump-sum monetary awards, and bonuses.
- iii. Under no circumstances may an employee's basic pay (base pay plus Local Market Supplement, locality pay, Targeted Local Market Supplement, or special salary rate supplement) be increased above the rate of pay equal to Level IV of the Executive Schedule.

3. Awarding the DQI and DCIPS SQI (Reportable)

These awards should be reserved for the highest levels of performance within commands. Command emphasis should be exercised when the potential award of the DQI or DCIPS SQI will result in the recompense for "Successful" performance. The message of performance will be impacted throughout the organization and could potentially set a consequential and unintended standard of performance.

- a. Eligibility Criteria. Commands awarding base-pay increase Monetary awards shall choose one of two available methodologies to determine initial eligibility for a base-pay increase monetary award; this methodology will apply consistently across the entire organization for the DCIPS bonus pools. All DCIPS employees with an Evaluation of Record of "Successful" or higher are eligible for consideration for base-pay increase monetary awards and performance bonuses through the Bonus Pool process. Eligibility does not imply that such an award will be given; it serves only to identify the initial pool of employees eligible for initial consideration, and to whom additional criteria will be applied.
 - 1) The two (2) methodologies available are: (1) choose employees with a current evaluation of record of "Outstanding" or (2) choose from employees whose performance evaluations of record identify them as top performers by being in a percentage of top ratings for the Commands. Commands have the option to select a percentage from 1% 10%, not to exceed 10%. Additional considerations for both methodologies are listed below.
 - i. *Method 1*. This method is consistent with past practices in DCIPS and easily managed. This method also aligns with the use of the Quality Step Increase (QSI), which may be currently utilized in Commands that have mixed pay systems.
 - ii. *Method 2*. This method provides Commands the option to reward those excellent employees that are the most deserving of the awards, however, you must maintain this method in order to award the DCIPS SQI in the following years or establish a clearly defined method for translating these ratings.

4. Funding Levels for DCIPS Bonus Pools and Awards

- a. Army DCIPS will continue to observe the cap on performance-based bonuses and awards that was implemented for FY 2012 through the Office of Personnel Management (OPM) and the Office of Management and Budget (OMB) memorandum, "Guidance on Awards for Fiscal Years 2011 and 2012," dated June 10, 2011 unless new guidance is received for FY 2013. Fiscal year spending on performance bonuses and cash awards for GG and IA employees shall remain capped at 1.0 % of the sum of GG/IA aggregate salaries (base pay plus Local Market Supplement, locality pay, Targeted Local Market Supplement, and/or special salary rate supplement) for those employees.
- b. Organization-wide funding levels for performance bonuses through the bonus pools will be set within the range of 0.8% and 1.0% of total GG/IA employee aggregate salaries. This leaves 0% to 0.2% for other lump-sum monetary awards throughout FY13.
- c. Base-pay increase monetary awards (DQIs and DCIPS SQIs) do not count against the bonus funding percentage and are excluded from the 1.0% cap on bonuses and awards. However, Commands will follow the current USD(I) guidance by spending no more than 0.17% of aggregate GG and IA salaries on base-pay increase monetary awards during FY 2013.

5. Computations for Establishing Individual Bonus Pool Budgets

- a. The DCIPS Compensation Workbench (CWB) will provide two computations for the preliminary budget for performance bonuses: 1) by summing the <u>total base salaries</u> of all eligible employees in the pay pool and multiplying by the performance bonus funding level, and 2) by summing the <u>total aggregate salaries</u> (including base pay plus Local Market Supplements and Targeted Local Market Supplement) of all eligible employees in the pay pool and multiplying by the performance bonus funding level. Commands have the option of funding based on base salaries or aggregate salaries, but must ensure that the .8% requirement for bonus budgets have been satisfied and when all bonus pools are combined, the final sum of all bonus allocations and other lump-sum monetary awards outside the bonus process across the Commands does not exceed 1.0% of aggregate GG or IA employee salaries for FY2013.
- b. Employees must have a DCIPS performance evaluation of record for FY 2012 to be eligible for participation in FY 2012 bonus pools.

6. Automated Tools for Facilitating Bonus Pool Decisions

- a. The DCIPS CWB and the optional DPAT will be used for facilitating the DCIPS Bonus Pool decision-making process and capturing pay decisions.
- b. No other tools are authorized for use in the DCIPS bonus pool process.

7. Limitation on Awarding Performance Bonuses

- a. As noted in DCIPS Volume 2012, the number of employees who receive bonuses generally shall not exceed fifty percent of the eligible population. Base-pay increase monetary awards (DQI, DCIPS SQI) do not count against the fifty percent nor do they count against bonus pool funds.
- b. Commands may apply command-specific caps or limitations on the numbers of base-pay increase monetary awards that may be granted within the previously prescribed funding limitations.

8. Consideration of Employees Transferring Between DCIPS Components and on Joint Duty Assignments

- a. DCIPS Employees who change bonus pay pools within an Organization or who move to another Organization with DCIPS positions within 90 days of the annual performance evaluation close-out will be considered with the new bonus pool to which they are assigned using the DCIPS performance evaluation of record from the previous DCIPS organization.
- b. Employees detailed to another DoD Component with DCIPS positions under a Joint Duty Assignment (JDA) within 90 days of the annual evaluation close-out will be considered for bonuses by the home organization. Employees detailed to another DoD Component with DCIPS positions under a JDA with more than 90 days remaining in the performance period will be assigned to a bonus pool in the gaining organization that will consider them for bonuses. If the gaining component is outside the Defense Intelligence Enterprise the employee may be considered for a lump-sum monetary award by the gaining component (in accordance with the gaining component's policies) if that component does not have a process for awarding performance-based bonuses.
- c. Special rules have been established for employees transitioning or transitioned to the new Department of Defense Consolidated Adjudications Facility (DoD CAF). These rules will be for the FY2012 bonus process and will be communicated via a separate memorandum from the USD(I).

9. Communicating Bonus Pool Payouts

- a. As soon as possible after payout decisions have been finalized, Rating Officials will communicate payout decisions to their employees. (Performance Management decisions are communicated at the close of the performance management process).
- b. All employees must receive communication about the payout process. Employees receiving performance-based payouts must receive personal communication regarding their salary increase and/or bonus.

- c. Commands are responsible for ensuring Rating Officials are provided information and guidance on sharing results of the bonus pool process.
- d. Rating Officials must document how and when such feedback was provided to employees.

Army DCIPS Organizational Reporting Requirements FY2012 Bonus and Awards

The Army Performance Review Authority (PRA) has the oversight of the DCIPS Bonus Pool Process and must report the Army data on the aggregate to the Under Secretary of Defense for Intelligence (USD(I)). Commands have the individual reporting requirements as listed below to inform the consolidated Army DCIPS compliance with the directives issued by the USD(I). See the following reporting requirements.

1. Method for Award of DQI or DCIPS SQI

The method selected for the use of the DQI and the DCIPS SQI must be applied consistently throughout the command. Commands must select the method for the administration of the bonus process and report this selection to the IPMO via the voting button included in the distribution email message providing this document by: **9 November 2012**. This information will become a part of the official DCIPS Bonus Pool process and should be included in the Certification memo upon completion of the bonus pools.

METHOD 1.	The highest level	rating	(Outstanding)
MICTION I.	The ingliest level	Taung (Outstanding

☐ METHOD 2: Top 1% - 10% of organizational performance ratings

2. Certification

After Bonus Group Managers determine the recommended payouts, the recommendations are submitted to the Command PBB PRA for review and approval. The Command PBB PRA then sends a signed certification letter to the Army-wide PRA not later than: **11 January 2013**. Bonus Group results shall be available and approved such that payments may be made to employees to coincide with the annual Federal General Schedule (GS) pay increase, normally effective on the first day of the first pay period following January 1 of the new calendar year.

- ✓ Confirmation of Compliance with Army DCIPS Bonus and Awards Guidance
- ✓ The date the Bonus Pools commenced
- ✓ The date the Bonus Process completed
- ✓ Number of Bonus Pools
- ✓ Number of DQIs and DCIPS SQIs awarded
- ✓ Use of the Award Method (Highest Level "Outstanding" or "Top Percentage (%)"

3. Bonus Process Results - Organization Roll up

Commands are required to provide aggregate performance evaluation of record and payout results to their DCIPS workforces as soon as practical after the conclusion of the bonus pool process using the USD(I) template provided for this purpose. The consolidated Bonus Process Result report (using the provided USD(I) template) should also be provided to the Army G-2, IPMO not later than: **11 January 2013**. It is highly recommended that you provide your report along with the certification letter addressed in paragraph 2.

4. Awards Tracking

Commands will report spending on monetary awards granted outside of the bonus pool process to the IPMO to support tracking of spending level against previous years' spending and against Army DCIPS budget guidance. A separate data call will be provided soliciting this information based on future USD(I) guidance.