

Frequently Asked Questions

Transition from Bonuses to Awards

1. Why is this transition from Bonuses to Awards occurring and being communicated so late in the Fiscal Year?

Army has been proactively benchmarking and working closely with our Intelligence Community (IC) counterparts within DoD and the Office of the Under Secretary of Defense for Intelligence and Security (OUSD(I&S)) since March of 2020. The approval for the final decision came late due to the routing and changes at OUSD(I&S). Since 2010, Army has slowly reallocated funds away from pay pools to other monetary awards. Army originally funded pay pools at 80% of the awards budget and have gradually reduced funding allocation solely for performance-based bonuses derived from pay pools. That allocation is currently 50%.

2. What is driving this change?

This change was originally discussed at the January 2019 People Summit, reflecting industry best practices and the IC's commitment to changing the performance management process. This transition also aligns with the USD(I&S)'s focus on modernizing the IC's performance management, performance pay, and awards and recognition programs. Further, one of the Office of Management and Budget (OMB) and the Office of Personnel Management (OPM) desired outcomes, as published in their joint memorandum M-19-24 dated 19 Jul 19, is recognizing and rewarding employees in a timely manner throughout the year. The intent of this change has always been to recognize and reward employees when the outstanding achievement, event, or act occurs so employees know that the IC appreciates and values the work they do. Timely recognition is a key factor for a recognition and awards program and is essential for supporting a positive work environment, creating a culture of recognition, and increasing employee engagement.

3. What will happen to the funds that were normally allocated for performance-based bonuses?

The Fiscal Year 2022 funds that would normally be allocated for performance-based bonuses will move to the awards budget; this money will remain dedicated to being used for employee recognition throughout the year in the form of Special Act/Service Awards and On-the-Spot awards. OUSD(P&R) has approved a change (through an exception to policy pending a rewrite of applicable volumes of Department of Defense (DoD) Instruction 1400.25) in the allocation of the awards funding split from 50% bonuses and 50% monetary award to 100%

monetary awards. Money for Fiscal Year 2022 performance-based bonuses that would have been paid out in January 2023 with Fiscal Year 2022 funds will instead be available now for use with a new budget as of 1 October 2022.

4. Without annual bonuses, aren't there fewer opportunities for employees to be recognized for performance?

Actually, this change increases the number of employees eligible to receive accomplishment-based compensation. This shift allows supervisors the opportunity to recognize and reward noteworthy employee achievements or acts throughout the year, instead of waiting until the end of the DCIPS performance cycle.

Additional benefits of the shift to 100% monetary awards:

- Allows Army to recognize a far greater percentage (up to 100%) of eligible employees instead of being limited to generally no more than 50% of the workforce through the annual performance-based bonus process
- Provides timely recognition to employees based on achievements or special acts
- Recognizes and promotes positive behaviors that support individual, groups, and the organization's mission, vision, and values
- Assists in creating a culture of mutual respect, reward, and recognition for DCIPS employees
- Empowers supervisors and managers to provide recognition for deserving achievements and acts, instead of this being a pay pool panel responsibility

5. Without annual performance-based bonuses, do performance ratings still matter?

Yes! The purpose of performance ratings is NOT to drive a performance bonus, but rather to serve as feedback on an employee's performance against established performance objectives and elements over the course of the DCIPS evaluation period. While this change means the agency will not consider employees for an annual performance bonus based on their Final Rating of Record, employee performance ratings will still drive base-pay increase monetary awards (e.g. DQI, SQI) and retention standing in case of any manpower reductions through involuntary separations. Further, performance

ratings may be considered when competing for employment opportunities and competing for training opportunities.

6. With no performance-based bonuses starting in Fiscal Year 2022, how will employees be rewarded for performance throughout the year?

Throughout the year supervisors should consider whether the specific employee achievements, as they are accomplished, are deserving of an award and they should complete the award nomination package at that time. The recognition for the accomplishment is then occurring closer to the actual achievement and can be provided as part of the feedback about the employee's performance. The amount of the award should be commensurate with Awards Based on Tangible and Intangible Benefits, tables 7-1 and 7-2, Army Regulation 672-20 (Incentive Awards). See Appendix A.

7. Since Pay Pools are going away, what will happen to base-pay monetary Increase awards (i.e. DCIPS Quality Increase (DQI), DCIPS Sustained Quality Increase (SQI))?

The pay pool process is only being eliminated for performance-based bonuses, since annual performance based bonuses are eliminated starting in 2022. Employees will now be recognized more timely throughout the year via other monetary awards (i.e. special Act/Service Awards, On-the-Spots) close to the time the act occurs. The pay pool process will continue within each Command solely for determining DQIs/SQIs. All timelines, eligibility criteria, tools, and processing via the Compensation Workbench remain unchanged. Pay Pools will convene for the sole purpose of identifying the top 1-10% of performance ratings and to approve those within the top 1-10% who meet eligibility criteria with these awards based upon their Commands established budget.

8. Will the submission and processing of a cash award (e.g. Special Act/Service Award or On-the-Spot Award) require additional effort from supervisors during an already difficult/busy time?

The process for submitting the cash award may require more effort, but supervisors are encouraged to pull previous language from progress reports to justify the award.

9. Will AUTONOA be used to submit award nominations?

Yes, AutoNOA will be used for submitting requests for cash award for all DCIPS employees; these cash awards do not require individual Requests for Personnel Actions or processed via the Compensation WorkBench.

10. Will the level of effort needed to warrant an end of year bonus be measured at the same level as an award? How will the agency ensure supervisors across the agency know how and what to award and award thresholds? How will consistency of award thresholds across the agency be established?

Actually, thresholds for performance-based bonus are not consistent across the Agency, as it depends on the ratings distribution within an individual office as a whole, but also within individual pay pools. Agency-wide there are guidelines for approvals related to awards amounts; within those guidelines, commands can continue to establish guidelines and/or a governance structure, based on their size, reporting structure, etc. Each command develops and publishes their awards guidance. For example, some organizations publish the accomplishments of their workforce in town halls for transparency. While amounts and actions are included, this shows their respective workforce that recognition is occurring. This practice can be adopted throughout the organization.

11. Who is the eligible for a Special Act/Service Award or On-the-Spot Award?

All DCIPS personnel with:

- **Current “Successful” or Above Rating:** Employees must have rating of at least “Successful”, in the absence of a rating of record, the employee must be performing at least at the “Successful” rating in their current work
- **No Disciplinary or Adverse Actions:** Employees must be clear of any pending or final disciplinary actions within the previous 12-month period. An employee with a pending disciplinary investigation will remain ineligible until a decision is made. If no disciplinary action is taken, the employee will then be granted the award. If an action is taken, the employee will receive no award

12. What is the criteria for an employee to be nominated for a Special Act/Service Award?

Employee contributions must meet the following criteria to be eligible for a Special Act/Service Award:

- Occurred in Fiscal Year the award is to be given
- Effort or act beyond the scope of regular day-to-day activities and assignments
- Not previously recognized through another award during the same Fiscal Year

- Not on a Joint Duty Rotation to another organization for the entire rating cycle
- Aligned to Tangible and Intangible Benefits, tables 7-1 and 7-2, Army Regulation 672-20 (Incentive Awards), extracted and displayed at Appendix A of this document

Commands must adhere to the following:

- Merit System Principles (5 USC § 2301) at: https://www.mspb.gov/studies/studies/The_Merit_System_Principles_Keys_to_Managing_the_Federal_Workforce_1371890.pdf
- **Not use** Performance Pay Panels for award decision making
- **Not use** percent of eligible population to determine who is awarded

13. What is the minimum and maximum dollar amount of the Special Act/Service Award?

Cash awards range from \$25 to \$25,000, depending on the achievement being recognized; however, the award amount should be meaningful and align to Tangible and Intangible Benefits, tables 7-1 and 7-2, Army Regulation 672-20 (Incentive Awards), see Appendix A. An additional award exceeding \$25,000 may be approved at the discretion of the President. Any award above \$10,000 requires endorsement from the HQDA, G-2 and paneled by the Army Incentive Awards Board managed by HQDA, G-1. The Tangible and Intangible Benefits tables provide a guide for recommended dollar amounts. Supervisors should consider the following when determining award amount:

- Alignment of actions or achievements to employee expectations. Consider if the employee's contribution is at or above their grade level to assess whether the award amount should be higher or lower. Reference the Tangible and Intangible Benefits tables to determine an appropriate award amount.

14. What is an On-the-Spot cash award and minimum and the maximum dollar amounts?

An On-the-Spot cash award is a small award (\$50 to \$500) which may be given by a supervisor for day to day accomplishments of subordinate employees. Based upon its name, this award is intended to be accomplished as expeditiously as possible.

15. Can a supervisor award a time-off award in lieu of a cash award?

Yes. While the awards budget has increased over previous years, the time-off awards budget has not increased. If time-off hours are available, the supervisor can reward an employee with a time-off award in lieu of a cash award. Keep in mind that there are stricter limitations on the size of time-off awards (NTE 40 hours per award for a single contribution) and that time off granted as an award must be scheduled and used within one year after the effective award date, cannot transfer with the employee if employee goes to another Agency, or it will be forfeited – it will not convert to cash. Note: Employees may only be awarded a cumulative maximum of 80 hours of time off during a leave year.

16. How will personal bias and favoritism be mitigated in this process since a pay pool and algorithm will no longer be used for determining bonuses? Won't this perpetuate perceived biases within our processes?

Accountability remains key throughout Performance Management and Awards. We will continue to hold each other accountable. Commands are already required to ensure consistent and equitable distribution of monetary and time off awards.

- The agency has the capability to complete annual demographic reviews
- Commands need to be looking at who is being rewarded and which supervisors are not rewarding employees and address them accordingly. While this process puts more opportunity for recognition/reward in the hands of supervisors, it is no more biased or unbiased than our previous process. Any processes dealing with humans are inherently open to bias – that includes the performance management process and the bonus process that has been tied to it for years

17. Since many supervisors may not have submitted awards throughout the year in Fiscal Year 2022, and we are now entering the 2nd half of the Fiscal Year, will they be able to retroactively award employees for work that was done earlier in the year?

Yes. Since Fiscal Year 2022 is a transition year, we recommend that raters go back and relook at employee accomplishments during the current Fiscal Year and complete an award where warranted. The purpose of eliminating the annual performance bonus was to ensure that employee are timely recognized throughout the year. Therefore, in future years the expectation is that employees are timely recognized as specific accomplishments occur.

18. What happens to those that will be moving to another job or their rater may change? Are we potentially harming employees who worked hard throughout the performance cycle but had to change supervisors and risk that their new leadership may fail to submit them for an award (due to gaining supervisors not accounting for these new employees; or due to limited 4th Qtr. funds)?

This is also a good reminder to losing supervisors to ensure they are recognizing their employees for their contributions in a timely manner rather than assuming there will be an opportunity to submit for an annual end-of-year award which is not consistent with the move from pay pools to cash awards. Employees are to be rewarded timely as accomplishments are performed and deserving of recognition. In order to ensure employees that are deserving of an award for their contributions are recognized, we encourage dialogue between losing and gaining supervisors. This is particularly important for employees that transition out.

19. Will Defense Intelligence Senior Civilian Executive bonuses still follow the prior process or is there a change to these bonuses as well?

OMB, OPM and DoD establish different funding rules for our Defense Intelligence Senior Civilian Executives – the Defense Intelligence Senior Executive Service and Defense Intelligence Senior Leader employees. Their process will remain unchanged.

20. How will awards funding be allocated across quarters to ensure that funds are equally available for Q4 as Q1?

Awards funding will be allocated in the same manner as it has been every year according to your Command's process. For this transition period, up to 1.3% of the overall 2.5% Awards budget (approximately 52%) will be set aside for use as cash award during Fiscal Year 2022.

21. Is it true that anyone who has a final adverse action is ineligible for cash awards, so 100% of the agency population is NOT actually eligible for these awards?

Yes, this is correct. An eligibility check is conducted before an employee can receive an award - this was also true for bonuses. The difference is that generally, no more than 50% of the eligible population could receive bonuses, whereas up to 100% of the eligible population could receive awards.