



INTELLIGENCE  
AND SECURITY

OFFICE OF THE UNDER SECRETARY OF DEFENSE  
5000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-5000

APR 11 2025

MEMORANDUM FOR SENIOR PENTAGON LEADERSHIP  
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

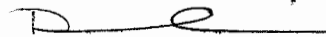
SUBJECT: Fiscal Year 2025 Defense Civilian Intelligence Personnel System Guidance on Pay Pools, Awards, and Reporting of Results for Non-Defense Intelligence Senior Executive Service and Non-Defense Intelligence Senior Level Positions

This memorandum provides guidance on Fiscal Year (FY) 2025 funding levels for Defense Civilian Intelligence Personnel System (DCIPS) pay pools and awards, as well as reporting of results for non-Defense Intelligence Senior Executive Service (DISES) and non-Defense Intelligence Senior Level (DISL) positions. Defense Intelligence Components should continue to plan for awards spending at a level not less than one-percent greater than FY 2020 awards spending levels. This amount should generally be not less than 2.5 percent of aggregate, non-executive salaries for individual monetary awards. Defense Intelligence Components should also ensure meaningful distinctions are reflected between rating levels, such that higher relative performance within a rating level should result in higher total annual, performance-based compensation.

On November 13, 2024, the Acting Under Secretary of Defense for Personnel and Readiness approved an exception to policy to allow Heads of DoD Components with DCIPS positions (Components) to suspend annual performance bonus payments for the FY 2024 performance period due to planned phased implementation of a new performance management recognition system based on lessons-learned from the National Security Agency Talent, Evaluation, and Advancement pilot. This exception to policy authorizes Components to shift from end-of-year performance bonuses to individual and team lump-sum monetary awards in support of timely recognition of impactful performance results, pending publication of new policy during FY 2025. As a result of the movement to timely performance recognition, all Components will use 100 percent of their budgets toward lump-sum monetary awards during FY 2025. These Components should plan for their awards spending to be no less than 2.5 percent of the aggregate salaries for their non-DISES/DISL employees. Components are encouraged to re-examine, and adjust as appropriate, the balance between rating-based awards and individual contribution awards (e.g., spot awards) as we continue to transition to the new DCIPS Performance Development System.

Please report your plans for allocation of your FY 2025 awards budget to the Director, Human Capital Management Office (HCMO), Office of the Under Secretary of Defense for Intelligence and Security (OUSD(I&S)), no later than 10 business days from the date of signature of this memorandum. Additionally, base-pay, salary increase monetary awards (i.e., DCIPS Quality Increase and Sustained Quality Increase) remain subject to annual reporting to the Director, HCMO, OUSD(I&S), for oversight purposes. A report on all monetary awards, including base-pay salary increase awards during FY 2024, must be forwarded by Wednesday, April 30, 2025.

This awards spending guidance is subject to any internal Component-established budgetary limitations. The first attachment, "DCIPS Guidance on Awards for FY 2025" (TAB A), and the second attachment, "Template for Publishing 2024-2025 DCIPS Performance Evaluation and Payout Results to the Workforce" (TAB B), provide additional information for conducting DCIPS pay pools, and reporting your monetary awards to OUSD(I&S) HCMO. Please note the suspense date of Wednesday, April 30, 2025, and ensure timely response. For further information, please contact Ms. Christine Juda, Director, Workforce Strategy, HCMO, at (703) 692-3765, or via email at Christine.m.juda.civ@mail.mil.



Dustin J. Gard-Weiss  
Performing the Duties of the  
Under Secretary of Defense for  
Intelligence and Security

Attachments:

TAB A - DCIPS Guidance on Awards for FY 2025

TAB B - Template for Publishing 2024 DCIPS Performance Evaluation and Payout Results  
to the Workforce

cc:

Under Secretary of Defense for Personnel and Readiness  
Assistant Deputy Chief of Staff, G-2, Department of the Army  
Director, Information Warfare (N2/N6), Department of the Navy  
Deputy Commandant for Information, U.S. Marine Corps  
Deputy Chief of Staff, Intelligence, Surveillance, and Reconnaissance and Cyber Effect  
Operations, Department of the Air Force  
Deputy Chief of Space Operations for Intelligence, U.S. Space Force  
Deputy Assistant Secretary of Defense for Civilian Personnel Policy  
Director, I&S Enterprise Administration & Management  
Defense Intelligence Human Resources Board Members

**TAB A**

**Defense Civilian Intelligence Personnel System Guidance on Awards  
for Fiscal Year 2025**

This document provides specific guidance on awards spending for Fiscal Year (FY) 2025. Heads of DoD Components with Defense Civilian Intelligence Personnel System (DCIPS) positions (“Components”) will apply the guidance set out below, consistent with DoD Instruction 1400.25, Volume 2008, “DoD Civilian Personnel Management System: DCIPS Awards and Recognition,” (“DCIPS Volume 2008”) and DoD Instruction 1400.25, Volume 2012, “DoD Civilian Personnel Management System: DCIPS Performance Based Compensation” (“DCIPS Volume 2012”).

**Compliance with Merit System Principles**

- All decisions on awards (including base-pay increase monetary awards) will be conducted in accordance with the Merit System Principles in title 5, U.S. Code. Forced distributions and quotas are not permitted.

**Funding Levels for DCIPS Awards**

- FY 2025 spending on cash awards for non-executive employees shall be not less than 2.5 percent of the sum of the Component’s non-Defense Intelligence Senior Executive Service and non-Defense Intelligence Senior Level aggregate salaries (base pay plus local market supplement, targeted local market supplement, and/or special salary rate supplement/field adjustment) at the end of FY 2024.
- On November 13, 2024, the Acting Under Secretary of Defense for Personnel and Readiness approved an exception to policy to allow Components to suspend annual performance bonus payments for the FY 2024 performance period due to planned, phased implementation of a new performance management recognition system based on the lessons-learned from the National Security Agency (NSA) Talent Evaluation and Advancement (TEA) pilot. All Component Heads will suspend FY 2024 annual performance bonuses and use 100 percent of the Component’s 2.5 percent budget towards lump sum monetary awards during FY 2025.
- Component Heads are encouraged to re-examine and adjust, as appropriate, the balance between ratings-based awards and individual contribution awards (e.g., spot awards) as we continue to migrate toward the potential adoption of the NSA TEA pilot lessons.
- Base-pay increase monetary awards, such as DCIPS Quality Increases (DQIs) and Sustained Quality Increases (SQIs), do not count against the bonus funding percentage and are excluded from the 2.5 percent on bonuses and awards.

**Base-Pay Increase Monetary Awards**

- Components other than the National Geospatial-Intelligence Agency may, at the discretion of the Component Head, award DQIs and SQIs during the pay pool process. Components are advised to consult DCIPS, Volume 2008, for complete rules related to these awards.
- Components that elect to award DQIs and/or SQIs during the pay pool process are not precluded from making such awards at other times throughout the year, subject to budget constraints and other award limitations contained in this guidance.

- Receipt of a DQI or SQI does not preclude an employee from receiving other forms of recognition provided for in DCIPS, Volume 2008, or DCIPS, Volume 2012, including but not limited to, non-monetary awards, lump-sum monetary awards, and time-off awards. However, Components may apply Component-specific caps or restrictions pertaining to these awards.
- DQIs and SQIs are the only means by which an employee covered by DCIPS may move into the extended pay range (Steps 11 or 12). Instances in which the award of a full DQI or SQI would result in a salary not aligned to Steps 11 or 12, or in excess of the range maximum, a partial award may be given to set the employee's salary up to the range maximum.
- Under no circumstances may an employee's basic pay (base pay plus local market supplement, targeted local market supplement, or special salary rate supplement) be increased to exceed the statutory limitation of the Level IV rate of the Executive Schedule.

#### **Reporting Monetary Awards and Incentives**

- Components will report spending on monetary awards granted outside of the pay pool process to the Office of the Under Secretary of Defense for Intelligence and Security (OUSD(I&S)) Human Capital Management Office (HCMO) to support tracking of Component spending against previous years' spending and DoD budgetary guidance. Components that do not utilize the Defense Civilian Personnel Data System will be provided a worksheet, via Joint Worldwide Intelligence Communications System (JWICS), to complete and return to OUSD(I&S) HCMO no later than Friday, March 7, 2025.
- All Components will utilize the attachment in TAB B ("Template for Publishing 2024 DCIPS Performance Evaluation and Payout Results to the Workforce") to provide an aggregate report for their performance evaluation results. This report is also due to OUSD(I&S) HCMO no later than Friday, March 7, 2025, and must contain records for all DCIPS employees through the last day of FY 2024.

#### **Consideration of Employees Transferring Between DCIPS Components or Between Pay Pools within a DCIPS Component**

- DCIPS employees who transfer to a new pay pool (including transfers where there are less than 90 days remaining in the annual performance evaluation period, or after the end of the evaluation period) will be considered for awards with the new pay pool to which they are assigned, unless the transfer was due to a joint duty rotation. The gaining organization will use the employee's FY 2024 DCIPS performance evaluation of record for its pay pool process.

Consistent with DCIPS Volume 2012, Enclosure 3, Paragraph 5.h., DCIPS employees detailed on a joint duty assignment (JDA) to another Intelligence Community Component:

- With 90 days or less remaining in the performance cycle will be considered for awards by the employee's home element.

- With more than 90 days remaining in the performance cycle will be considered for awards (in accordance with Component practices) by the gaining element. The home element may consider the employee for an award according to DCIPS Volume 2008 for performance during the performance cycle prior to commencement of the JDA.

Upon receipt of the approval of a performance-based monetary award from the gaining element, the award should be paid by the home element in a timely manner.

**Further Information**

- For questions related to this guidance, please contact Ms. Christine Juda, Director, Workforce Strategy, HCMO, at (703) 692-3765, or via email at [Christine.m.juda.civ@mail.mil](mailto:Christine.m.juda.civ@mail.mil).

**TAB B**

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Office of the Under Secretary of Defense for  
Intelligence and Security  
OUSD (I&S)



## FY 24 Reporting Template

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## Aggregate Report for Employees

### Overall Summary – FY 24 Performance Cycle

	FY 24
Total DCIPS Population	
Total Rated DCIPS Population	
Total Number of DQI Awards Given (1 Step)	
Total Number of SQI Awards Given (2 Steps)	
% of Eligible Workforce Received a DQI/SQI	
Total # Cash Awards / % Workforce Who Received Cash Awards in FY 24	
Total # Time-Off Awards / % of Workforce Who Received a Time-Off Award in FY 24	

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## Aggregate Report for Employees

### Overall Results by Special Characteristics – FY 24 Performance Cycle

	Number of Employees	Average Amount of Cash Awards
Overall Workforce		
Employees in Developmental Programs		
Employees on Deployment		
Employees Away on Joint Duty Assignments		
Employees Hosted on Joint Duty Assignments		

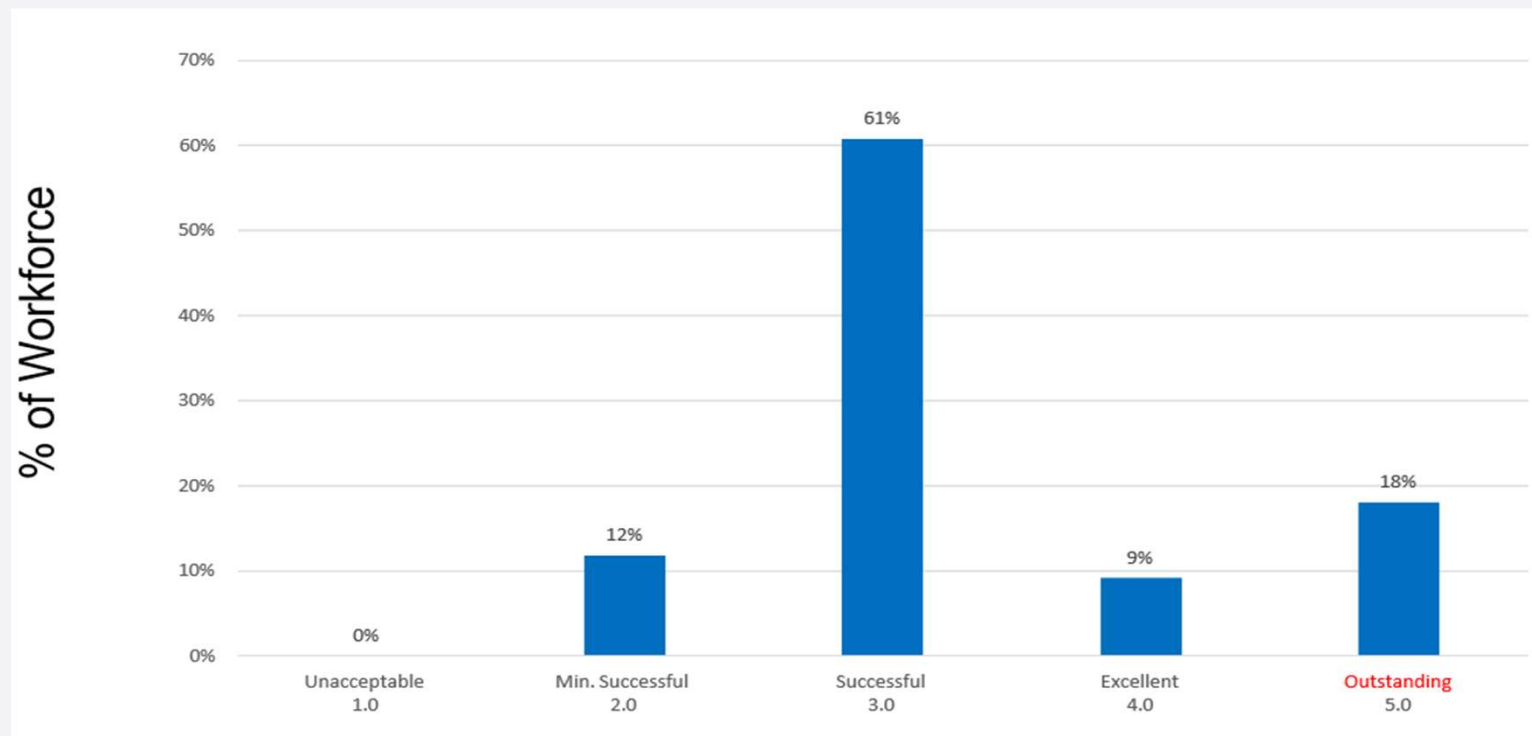
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# Aggregate Report for Employees

## Overall Performance Ratings – FY 24 Performance Cycle



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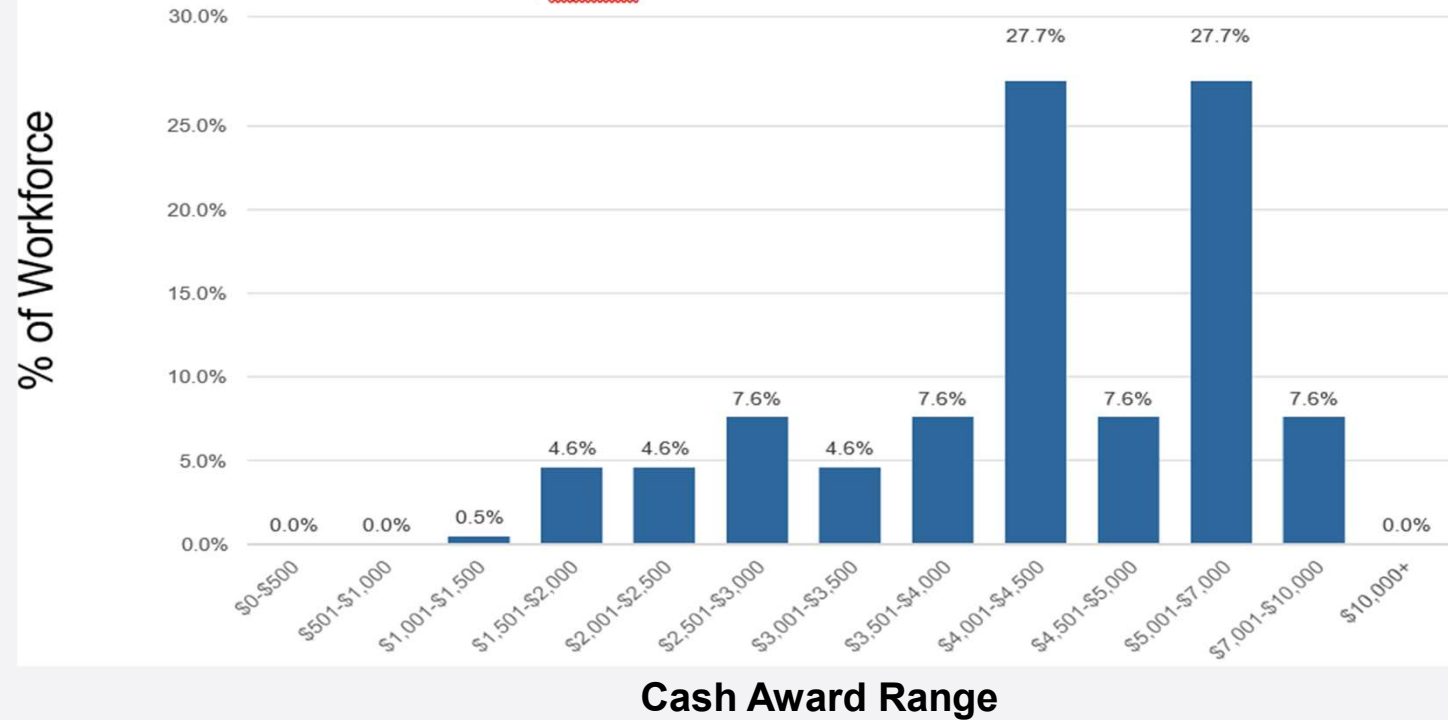
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## Aggregate Report for Employees

### Cash Award – FY 24 Performance Cycle

Range of Awards: \$x,xxx - \$x,xxx

Mean Awards: \$x,xxx



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