



INTELLIGENCE

UNDER SECRETARY OF DEFENSE

5000 DEFENSE PENTAGON
WASHINGTON, DC 20301-5000

November 13, 2017

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, DEFENSE INTELLIGENCE AGENCY
DIRECTOR, DEFENSE SECURITY SERVICE
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE
AGENCY
DIRECTOR, NATIONAL RECONNAISSANCE OFFICE
DIRECTOR, NATIONAL SECURITY AGENCY/CENTRAL
SECURITY SERVICE
DIRECTOR, DEFENSE PRISONER OF WAR/MIA ACCOUNTING
AGENCY
DIRECTOR, WASHINGTON HEADQUARTERS SERVICES
DIRECTOR, DEPARTMENT OF DEFENSE CONSOLIDATED
ADJUDICATION FACILITY

SUBJECT: Fiscal Year 2018 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 final guidance on Fiscal Year (FY) 2018 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 and non-Defense Intelligence Senior Level positions.

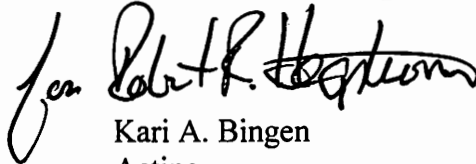
Recently-released Office of Management and Budget/Office of Personnel Management guidance for FY 2018 follows last year's guidance permitting spending up to 1.5 percent of aggregate non-executive salaries for individual monetary awards. Department of Defense Components shall allocate no less than 50 percent of their aggregate DCIPS awards budget to FY 2017 end-of-rating-period performance bonuses, with the remaining amount available for cash awards during the FY 2018 performance year. Please report your plans for allocation of your FY 2018 awards budget to the Director, Human Capital Management Office (HCMO), Office of the Under Secretary of Defense for Intelligence (OUSDI), not later than 10 business days from the date of signature of this memorandum.

Salary increase (DCIPS Quality Increase and Sustained Quality Increase) awards remain subject to annual reporting to the Director, HCMO, OUSDI, for oversight.



This awards spending guidance is available for immediate implementation within the Defense Intelligence Enterprise, subject to any internal component-established budgetary limitations.

The first attachment, "DCIPS Guidance on Awards for Fiscal Year 2018," and the second attachment, "Template for Publishing 2017-18 DCIPS Performance Evaluation and Payout Results to the Workforce," provide additional information for conducting DCIPS pay pools, communicating results, and effecting payment. For further information or questions, please contact Sharon McMahon, (703) 692-3709, sharon.m.mcmahon4.civ@mail.mil.



Kari A. Bingen
Acting

Attachments:
As stated

cc:

Under Secretary of Defense for Personnel and Readiness
Assistant Deputy Chief of Staff, G-2, Department of the Army
Director, Information Dominance (N2/N6), Department of the Navy
Deputy Chief of Staff, A2, Department of the Air Force
Director of Intelligence for Support, Headquarters, U.S. Marine Corps
Deputy Assistant Secretary of Defense for Civilian Personnel Policy
Chief of Staff, Office of the Under Secretary of Defense for Intelligence
Defense Intelligence Human Resources Board

DCIPS Guidance on Awards for Fiscal Year 2018

This document provides guidance on awards spending for FY 2018. All Defense Intelligence Components and other organizations with DCIPS positions (“Components”) will comply with this guidance and with DoD Instruction 1400.25, Volume 2008, “Defense Civilian Intelligence Personnel System (DCIPS) Awards and Recognition” (“DCIPS Volume 2008”).

Compliance with Merit System Principles

- All decisions on awards (including base-pay increase monetary awards) will be conducted in accordance with Merit System Principles (5 USC 2301).

Base-Pay Increase Monetary Awards

- Components other than the National Geospatial-Intelligence Agency may, at the discretion of the Component Head, award DCIPS Quality Increases (DQIs) and/or Sustained Quality Increases (SQIs) during the pay pool process. Components are advised to consult DCIPS Volume 2008, “Awards and Recognition,” for complete rules related to these awards.
- Components choosing to award DQIs and/or SQIs during the pay pool process are not prohibited from awarding them at other times throughout the year, subject to budget constraints and other award limitations contained in this guidance. Under DCIPS Volume 2008, employees who receive a DQI or SQI are not excluded from consideration for a performance bonus or other awards, and vice versa. However, Components may apply Component-specific caps or restrictions pertaining to these awards.
- DQIs may only be awarded to employees whose base pay is at least one full step below the maximum of the pay grade, and SQIs may only be awarded to employees whose base pay is at least two full steps below the maximum of the pay grade. The pay grade maximum includes the extended pay range and is equivalent to the virtual step 12 rate of the grade. No partial SQIs or DQIs may be granted.
- 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 above the rate of pay equal to Level IV of the Executive Schedule.

Funding Levels for DCIPS Awards

- In accordance with guidance from the Office of Management and Budget and the Office of Personnel Management, FY 2018 spending on performance bonuses for non-executive employees and other cash awards for non-executive employees shall be capped at 1.5% of the sum of the Component's non-DISES/DISL aggregate salaries (base pay plus local market supplement (LMS), targeted local market supplement (TLMS), and/or special salary rate supplement/field adjustment) at the end of FY 2017.
- No less than 50% of the available 1.5% of aggregate salaries for performance bonuses and awards may be spent on performance bonuses through the pay pool process. The remainder may be spent on other lump-sum monetary awards throughout FY 2018.
- Base-pay increase monetary awards (DQIs and SQIs) do not count against the bonus funding percentage and are excluded from the 1.5% cap on bonuses and awards.

Reporting Monetary Awards and Incentives

- The following requirements apply only to Components that do not use the Defense Civilian Personal Data System (DCPDS). Data for Components using DCPDS will be extracted from that system by the USD(I) Human Capital Management Office (HCMO).
- Components will report spending on monetary awards granted outside of the pay pool process to the HCMO to support tracking of Component spending against previous years' spending and against DoD budget guidance.
- Components are required to provide the following data to HCMO no later than **December 16, 2017** :
 - A raw data file of monetary awards allocated outside of the pay pool process during FY 2017. The file will include the dates of awards, employee grade and step or band, employee basic pay (including LMS, TLMS, or special salary rate supplement), and occupational series/group.
 - A raw data file containing records for all DCIPS employees as of the last day of FY 2017.

- Components will provide the following data to HCMO no later than **January 13, 2018**:
 - A report on Component spending on recruitment, retention and relocation incentives for all civilian employees (including DISES and DISLs) during calendar year 2017. This report must include spending by occupational series/group, geographic location, and by pay band or grade separated by the type of incentive.

Further Information

- For questions related to this guidance please contact Sharon McMahon at (703) 692-3709 or sharon.m.mcmahon.civ@mail.mil.

DCIPS

DEFENSE CIVILIAN INTELLIGENCE
PERSONNEL SYSTEM

Attachment 2



***Template for Publishing DCIPS Performance Evaluation
and Pay Pool Results to the Workforce***

2017-2018



Sample Aggregate Report for Employees

Overall Summary – FY17 Performance Cycle/ FY18 Payouts

Modal Performance Evaluation of Record*	Successful (3)
Mean Performance-based Salary Increase (NGA only)	2.4%
Mean Bonus Amount	\$2,100
Percent of Workforce Receiving a Bonus	39%
Percent of Workforce Receiving a DQI or SQI (if applicable)*	1%

* DCIPS Quality Increase or Sustained Quality Increase.

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Sample Aggregate Report for Employees

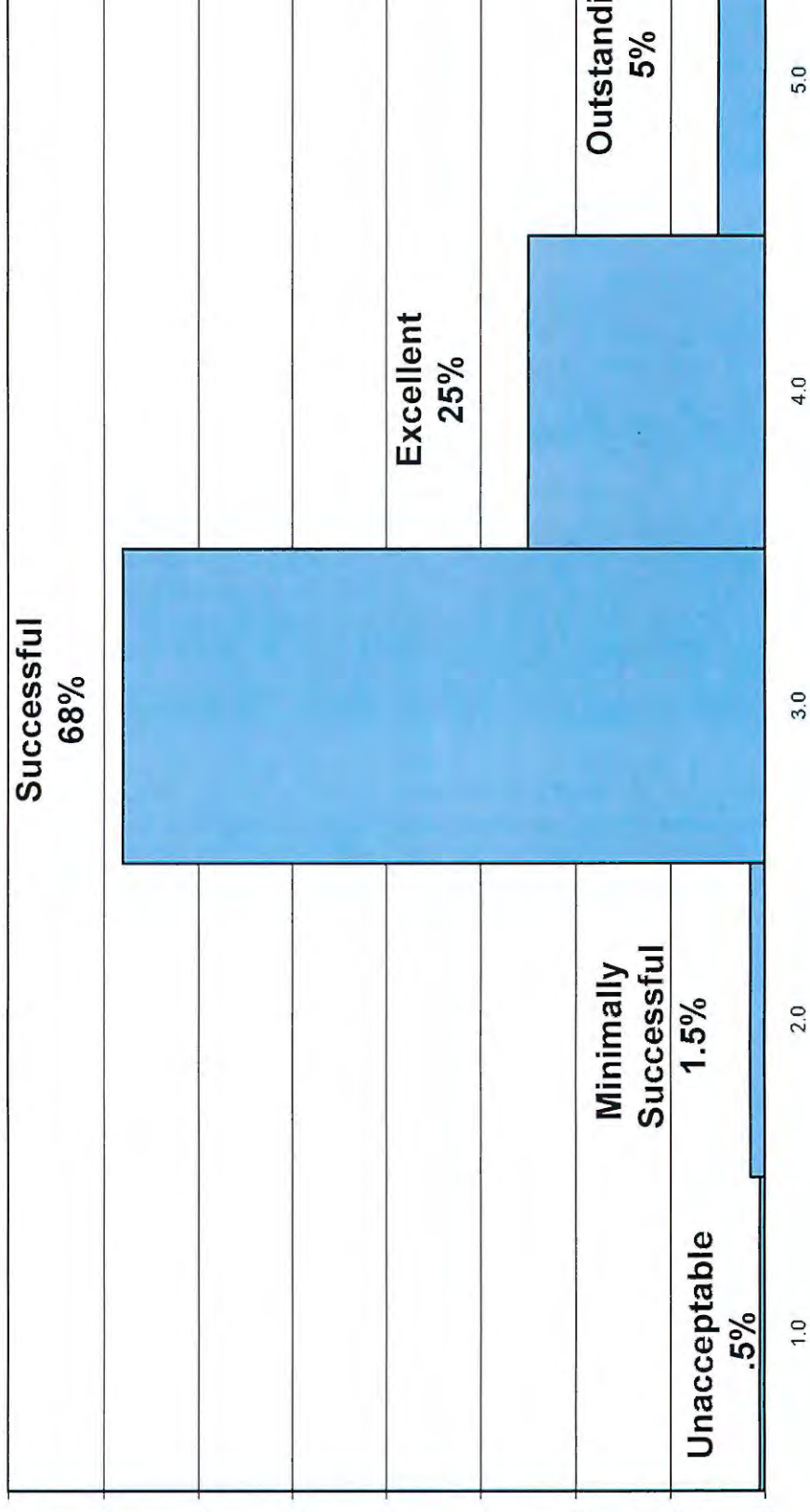
Overall Results by Special Characteristics – 17 Performance Cycle

	Number of Employees	Average Bonus Amount
Overall Workforce	3,000	\$2,100
Employees in Developmental Programs	120	\$2,100
Employees on Deployment	75	\$2,100
Employees Away on Joint Duty Assignments	50	\$2,100
Employees Hosted on Joint Duty Assignments	36	\$2,100



Sample Aggregate Report for Employees

Overall Performance Ratings – FY17 Performance Cycle



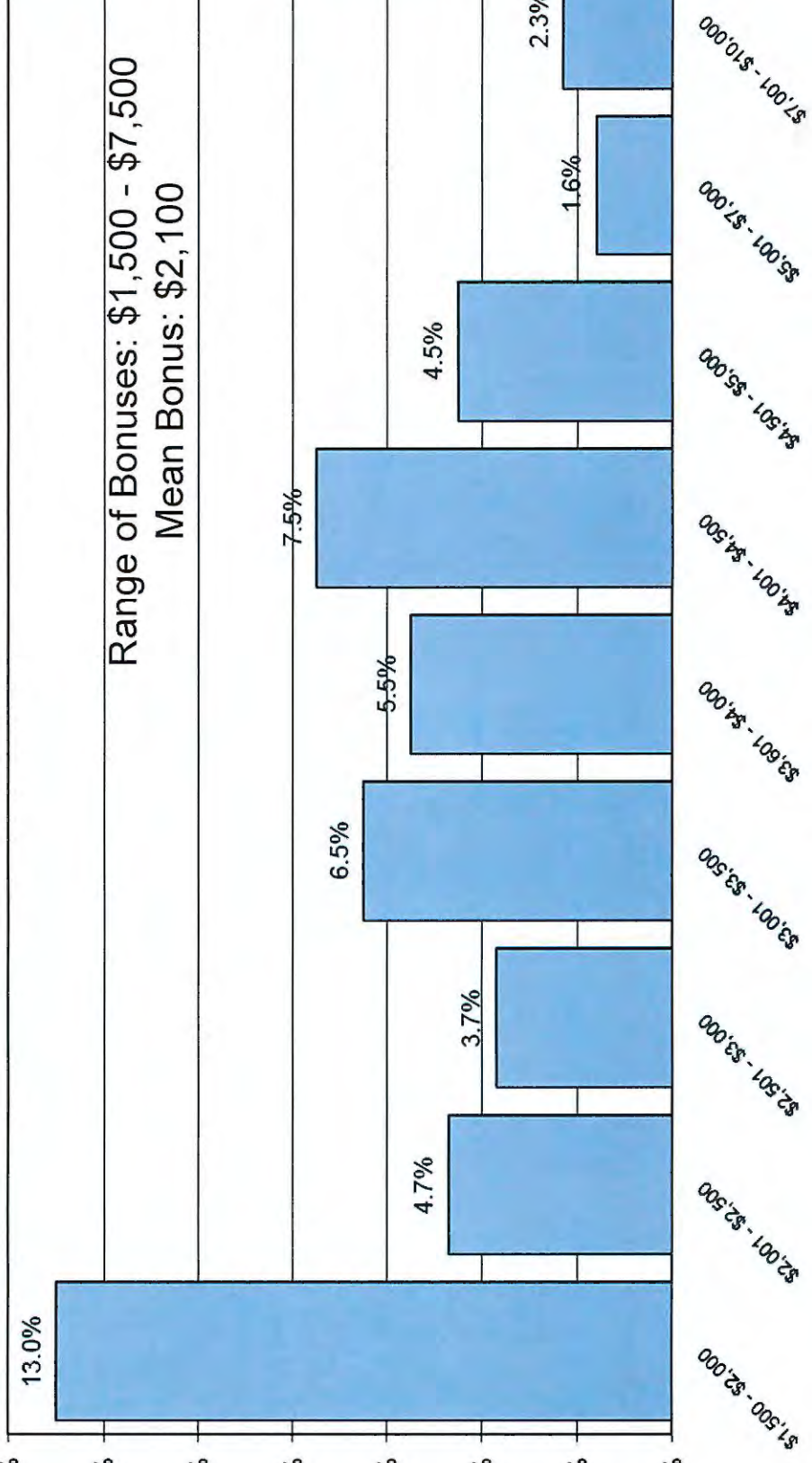
Overall Performance Rating



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Sample Aggregate Report for Employees

Bonus Amounts Awarded – FY17 Performance Cycle

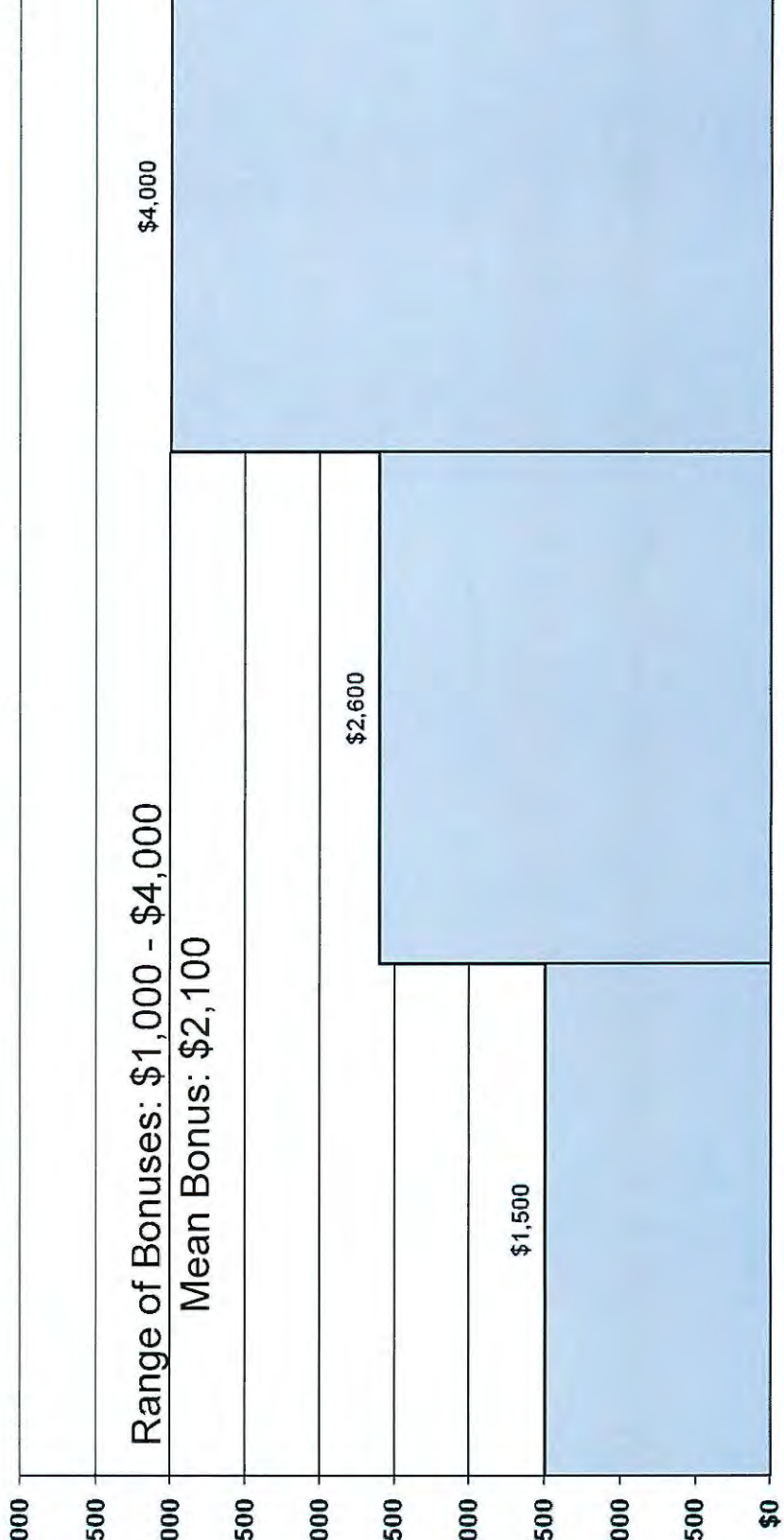


Bonus Range



Sample Aggregate Report for Employees

Average Bonus Amount by Bonus Factor – Y17 Performance Cycle



Successful

Excellent

Outstanding

Performance Evaluation of Record