



INTELLIGENCE

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SUBJECT: FY 2016 Defense Civilian Intelligence Personnel System Guidance on Pay
Pools, Awards, and Reporting of Results

This memorandum provides guidance for conducting Defense Civilian Intelligence Personnel System (DCIPS) pay pools based on FY 2015 performance evaluations, and for paying individual cash awards during FY 2016. Guidance received from the Office of Personnel Management continues to cap spending for non-executive bonuses and all individual cash awards at 0.96 percent of aggregate salaries. The rule requiring Components to allocate at least 80 percent of their total awards budget to performance bonuses distributed through the DCIPS pay pool process remains in place during FY 2016. The remaining funds are available for lump-sum cash awards throughout the FY. Components with an alternative awards plan may request approval to allocate a lower percentage of their budget to performance bonuses. We will continue to follow Departmental practice of capping the fiscal year budget for base pay increase awards (DCIPS Quality Increases and Sustained Quality Increases) at 0.17 percent of aggregate salaries.

The attachments, "DCIPS Guidance on Pay Pools and Reporting of Results for Fiscal Year 2015 with Additional Guidance on Awards for Fiscal Year 2016," (TAB A) and "Template for Publishing 2015-16 DCIPS Performance Evaluation and Payout Results to the Workforce," (TAB B) provide additional information for conducting pay pools, communicating results, and effecting payments. My point of contact is Mr. Gary Cunningham at (571) 256-0797 or gary.r.cunningham8.civ@mail.mil.

Marcel Lettre

Attachments:

As stated

cc:

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DCIPS Guidance on Pay Pools and Reporting of Results for Fiscal Year 2015 with Additional Guidance on Awards for Fiscal Year 2016

This document provides guidance on DCIPS pay pools and reporting of performance management and pay pool results based on fiscal year (FY) 2015, and awards spending for FY 2016. All Defense Intelligence Components and other organizations with DCIPS positions will comply with this guidance, and with DCIPS Volume 2012, "Defense Civilian Intelligence Personnel System (DCIPS) Performance-Based Compensation" and DCIPS Volume 2008, "Defense Civilian Intelligence Personnel System (DCIPS) Awards and Recognition."

DCIPS pay pools provide a basis for linking employee performance-based bonuses and performance-based salary increases to individual accomplishments and contributions to organizational mission and results as measured by the DCIPS performance evaluation process. Therefore, each Component with DCIPS positions is expected to complete the annual DCIPS pay pool process by considering eligible employees for performance-based bonuses, and performance-based salary increases for organizations operating under the DCIPS banded structure.

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

- Pay pool deliberations for salary increases and bonuses and all decisions on awards (including base-pay increase monetary awards) will be conducted in accordance with Merit System Principles (5 USC, section 2301).
- Analyses of performance evaluations or pay pool results by demographic characteristics that identify protected classes of individuals are prohibited prior to conclusion of both the performance management and pay pool processes. Analyses by organizational and/or position-related characteristics are permitted.

Performance-based Salary Increases, Bonuses, and Base-Pay Increase Monetary Awards

- The National Geospatial-Intelligence Agency (NGA) will conduct pay pools for the purpose of determining performance-based salary increases and bonuses based on FY 2015 performance evaluations of record. All other Components will conduct pay pools for their DCIPS employees to grant performance bonuses based on FY 2015 performance evaluations. See DCIPS Volume 2012 governing the DCIPS pay pool processes.

- Components other than the NGA 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 Pay Pools and Awards

- In accordance with guidance received from the Office of Personnel Management (OPM) FY 2016 spending on performance bonuses for non-executive employees, and other cash awards for all employees (executive and non-executives) shall be capped at .96% of the sum of the Component’s aggregate salaries (base pay plus local market supplement, targeted local market supplement, and/or special salary rate supplement/field adjustment) for all employees.
- No less than 80% of the available .96% of aggregate salaries for performance bonuses and awards may be spent on performance bonuses through the pay pool process. Therefore, component-wide funding levels for performance bonuses through the pay pools will be set within the range of .77% to .96% of total DCIPS employee aggregate salaries. The remainder may be spent on other lump-sum monetary awards throughout FY 2016.

- NGA may set the funding for performance-based salary increases within the range of 2.0% and 2.4%, unless alternate guidance is received from Department of Defense (DoD), OPM, or Office of Management and Budget.
- Base-pay increase monetary awards (DQIs and SQIs) do not count against the bonus funding percentage and are excluded from the .96% cap on bonuses and awards. However, Components with DCIPS positions will continue to follow previous USD(I) guidance by spending no more than .17% of aggregate DCIPS salaries on base-pay increase monetary awards during FY 2016.

Computations for Establishing Individual Pay Pool Budgets

- For NGA, the preliminary pay pool budget for performance-based salary increases will be calculated by summing the total base salaries of all eligible employees in the pay pool and multiplying by the performance-based salary increase funding level.
- For all Components with DCIPS positions, the DCIPS Compensation Workbench (CWB) will provide two computations for the preliminary budget for performance bonuses: 1) by summing the total base salaries of all eligible employees in the pay pool and multiplying by the performance bonus funding level, and 2) by summing the total aggregate salaries (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. Components have the option of funding based on base salaries or aggregate salaries, but must ensure that, when all pay pools are combined, the final sum of all bonus allocations and other lump-sum monetary awards outside the bonus process across the Component does not exceed .96% of aggregate DCIPS employee salaries.
- Employees without a DCIPS performance evaluation of record for FY 2015 are ineligible for participation in 2015 pay pools, and their salaries are not used for budget calculations in the CWB.

Automated Tools for Facilitating Pay Pool Decisions

- Unless a documented exception exists, Components with DCIPS positions must use the DCIPS CWB, and may use the optional DCIPS Payout Analysis Tool, for facilitating the DCIPS pay pool decision-making process and capturing pay decisions. No other tools are authorized for use in the DCIPS pay pool process.

Limitation on Awarding Performance Bonuses

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

Relationship of Performance Evaluations of Record to Performance-based Salary Increases and Bonuses

- All DCIPS employees with a 2015 DCIPS Performance Evaluation of Record of “Successful” or higher are eligible for consideration for performance bonuses through their Component pay pool process. Employees with a Performance Evaluation of Record of “Minimally Successful” or “Unacceptable” are ineligible for any performance bonuses.
- NGA employees with a 2015 DCIPS Performance Evaluation of Record of “Successful” or higher are eligible for performance-based salary increases through the NGA pay pool process. Employees with an evaluation of record of “Minimally Successful” will receive any applicable general pay increase, known as the “DCIPS floor” increase, but are ineligible for any further performance-based increase. NGA Employees with a Performance Evaluation of Record of “Unacceptable” are ineligible for any salary increase, including the DCIPS “floor” increase.
- All DCIPS employees, except those assigned to NGA, who meet the stated performance criteria, are eligible to be considered for base-pay increase monetary awards in accordance with policies provided in DCIPS Volume 2008.

Consideration of Employees Transferring Between DCIPS Components or Between Pay Pools Within a DCIPS Component

- DCIPS employees who change pay pools within a Component or who move to another Component with DCIPS positions (not due to a joint duty assignment) with less than 90 days remaining in the annual performance evaluation period, or

after the end of the evaluation period, will be considered with the new pay pool to which they are assigned. The DCIPS Performance Evaluation of Record from the previous DCIPS organization will be used in the gaining organization's pay pool process.

Consideration of Employees Serving on Joint Duty Assignments (JDAs)

- Employees detailed under a JDA Memorandum of Understanding (MOU) with less than 90 days remaining in the annual evaluation period will be considered for bonuses by the home organization.
- Employees detailed under a JDA MOU with at least 90 days remaining in the performance period will be assigned to a pay pool in the gaining organization that will consider them for bonuses.
- If the JDA gaining element (e.g., certain non-DoD agencies) does not have a monetary performance recognition program (awards or bonuses) the home element can request an exception to policy to allow the employee to be considered in the home element's pay pool for work completed while on the JDA.

Communicating Pay Pool Payouts

- As soon as possible after payout decisions have been finalized through Component processes and by the component's Pay Pool Performance Review Authority, Rating Officials will communicate payout decisions to their employees. (Performance management decisions are communicated at the close of the performance management process).
- All employees must receive communication about the pay pool process. Employees receiving performance-based payouts must receive personal communication regarding their salary increase and/or bonus and/or base-pay increases monetary award, as applicable.
- Components are responsible for ensuring Rating Officials are provided information and guidance on sharing results of the pay pool process.
- Rating Officials must document how and when such feedback was provided to employees.

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 were required to provide the following data to HCMO no later than **November 13, 2015**:
 - A raw data file of monetary awards allocated outside of the pay pool process during FY 2015. 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), occupational series/group.
 - A raw data file containing records for all DCIPS employees as of the last day of FY 2015.
- Components will provide the following data to HCMO no later than **January 15, 2016**:
 - A report on Component spending on recruitment, retention and relocation incentives for all civilian employees (including DISES and DISLs) during calendar year 2015. This report must include spending by occupational series/group, geographic location, and by pay band or grade separated by the type of incentive.

Reporting Requirements for Performance Evaluations of Record and Pay Pool Results

- All Components with DCIPS positions are required to provide aggregate DCIPS performance evaluation of record and payout results to their workforces as soon as practical after the conclusion of the pay pool process using the USD(I) template provided for this purpose (See Attachment 2).

- Aggregate performance evaluation of record and payout results should be displayed in an easily accessible location or through a convenient medium such as an internal website to ensure common messaging to all employees.
- Components may choose to provide additional high-level information that supports DCIPS policy and philosophy of transparency. However, such information must be consistent with DCIPS reporting conventions (e.g., no reported information may identify a specific individual, reporting of performance management results must align to DCIPS rating descriptors vice numeric scores with decimals).
- Components must provide HCMO with an advance copy of the information to be provided to the workforce for review. The information provided to HCMO may be in the form of PowerPoint slides, screen shots from the Component website, or other appropriate method.
- As soon as is practical, but no later than **January 22, 2016**, Components other than those using DCPDS will provide HCMO with a raw data file, including employee demographics, on performance evaluation and payout results by employee. HCMO will conduct an analysis which will be shared with each Component's leadership. HCMO will also provide Component data to the Office of the Director of National Intelligence in accordance with oversight requirements

Payout Effective Date

- Components are generally expected to make performance-based salary increases, bonus payments, and base pay increase awards effective on the first day of the first pay period of the new calendar year, which is **January 10, 2016**. Exceptions to this date may be requested in writing with a supporting business case for the requested exception.

Further Information

- For questions related to this guidance please contact Gary Cunningham at (571) 256-0797 or gary.r.cunningham8.civ@mail.mil.

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

2015-16

Sample Aggregate Report for Employees

Overall Summary – FY15 Performance Cycle / FY16 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.

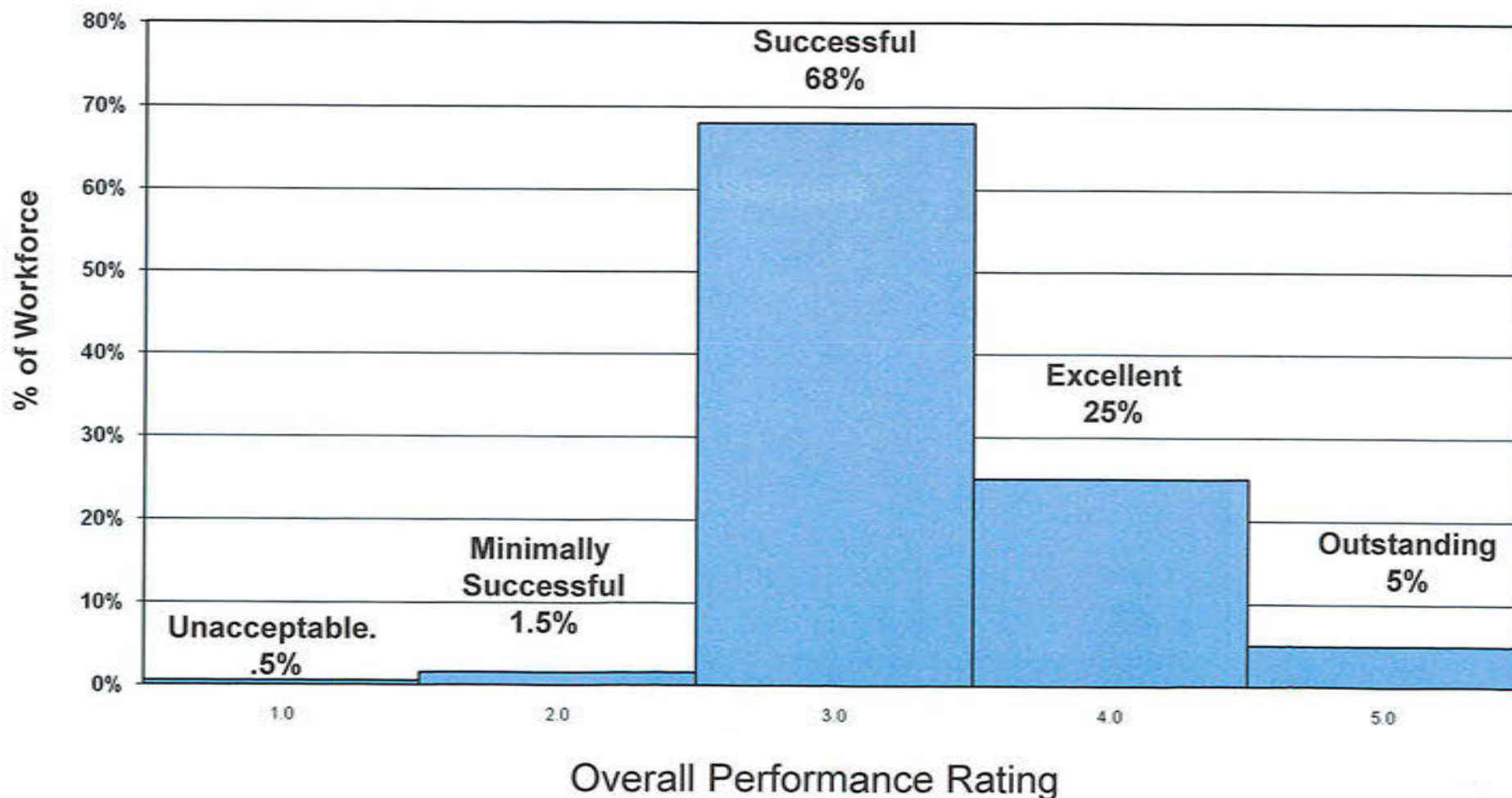
Sample Aggregate Report for Employees

Overall Results by Special Characteristics – FY15 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

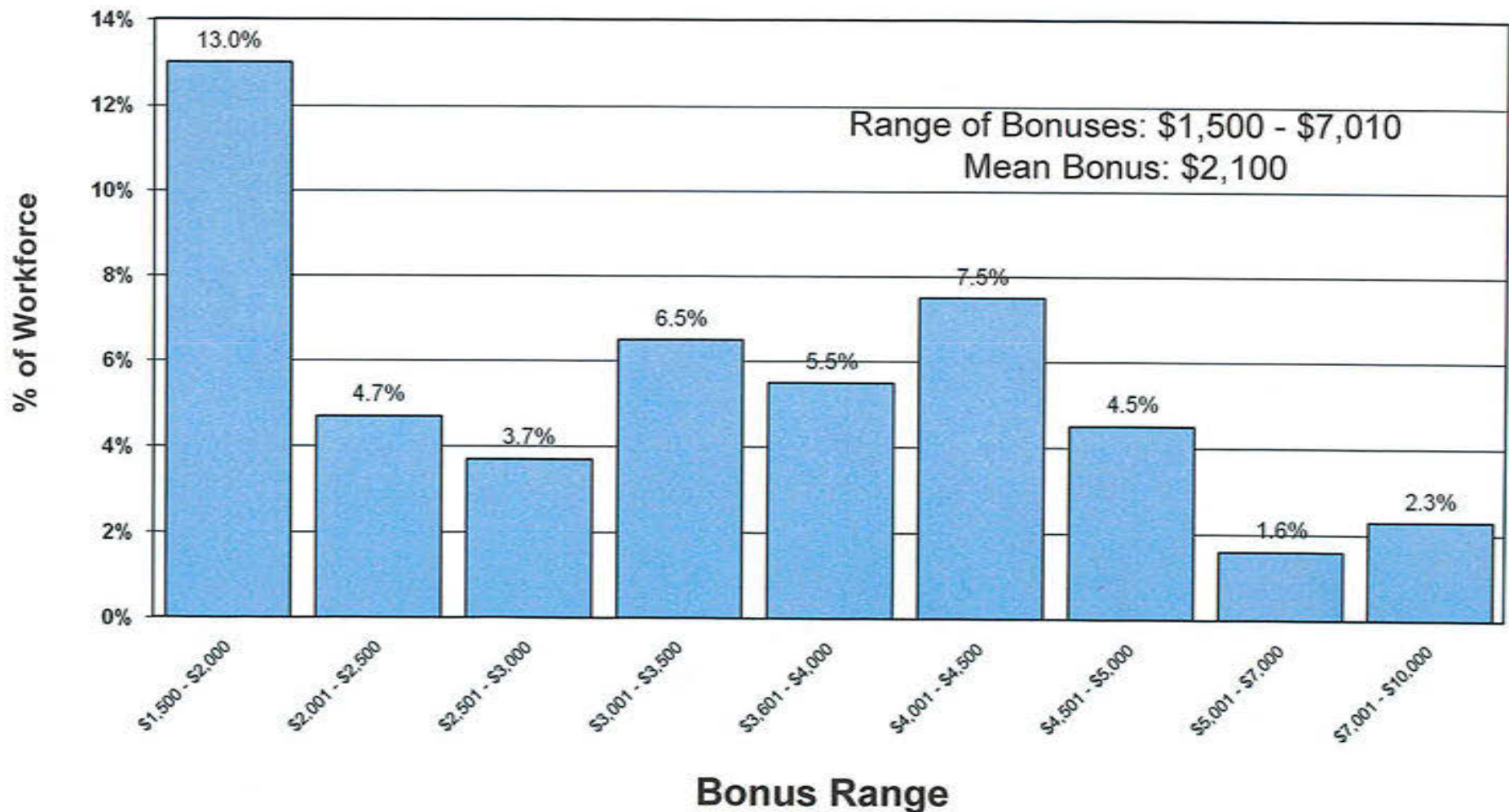
Sample Aggregate Report for Employees

Overall Performance Ratings – FY15 Performance Cycle



Sample Aggregate Report for Employees

Bonus Amounts Awarded Based on FY15 Performance



Sample Aggregate Report for Employees

Average Bonus by Performance Evaluation of Record FY15 Performance Cycle

