



INTELLIGENCE

UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-5000

OCT 25 2019

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 COUNTERINTELLIGENCE AND
SECURITY AGENCY
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

SUBJECT: Fiscal Year 2020 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) 2020 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.

Components are permitted to spend up to 1.5 percent of aggregate non-executive salaries for individual monetary awards. In general, Department of Defense Components shall allocate no less than 50 percent of their respective aggregate DCIPS awards budgets to FY 2019 end-of-rating-period performance bonuses, with the remaining amount available for cash awards during the FY 2020 performance year. Any alternative allocation for the awards budget is subject to the approval of the Under Secretary of Defense for Intelligence. Components should also ensure meaningful distinctions are reflected between rating levels. Also, the higher the relative performance within a rating level, the higher the total Annual Performance-Based Compensation should be.

On July 12, 2019, the Office of Management and Budget (OMB) and Office of Personnel Management (OPM) jointly published Memorandum M-19-24, "Guidance on Awards for Employees and Agency Workforce Fund Plan." DoD Components must develop Workforce Fund Plans (WFPs) consistent with this guidance to steer spending on civilian monetary awards for FY 2020 and submit these plans to the Defense Civilian Personnel Advisory Service in time for DoD's final budget submission in January 2020. Further guidance on the requirements of the WFPs will be provided as soon as it is available.



Please report your plans for allocation of your FY 2020 awards budget to the Director, Human Capital Management Office (HCMO), not later than 10 business days from the date of signature of this memorandum.

Base-pay salary increase (DCIPS Quality Increase and Sustained Quality Increase) monetary awards remain subject to annual reporting to the Director, HCMO, for oversight. A report on all monetary awards, including base-pay salary increase awards during FY 2019, must be forwarded by Friday, January 10, 2020.

This awards spending guidance is subject to any internal component-established budgetary limitations. The first attachment, "DCIPS Guidance on Awards for Fiscal Year 2020," and the second attachment, "Template for Publishing 2019-20 DCIPS Performance Evaluation and Payout Results to the Workforce," provide additional information for conducting DCIPS pay pools, communicating results, and effecting payment. Please note the Friday, January 10, 2020, suspense and ensure timely response. For further information, please contact Ms. Jing Deng, (703) 692-3709, jing.deng.civ@mail.mil.



Joseph D. Kernan

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

TAB A

DCIPS Guidance on Awards for Fiscal Year (FY) 2020

This document provides guidance on awards spending for FY 2020. 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). Forced distributions and quotas are not permitted.

Funding Levels for DCIPS Awards

- FY 2020 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-Defense Intelligence Senior Executive Service (DISES) and non-Defense Intelligence Senior Level (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 2019.
- 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 2020.
- Base-pay increase monetary awards (DCIPS Quality Increases (DQIs) and Sustained Quality Increases (SQIs)) do not count against the bonus funding percentage and are excluded from the **1.5%** cap 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 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 and SQIs are the only means by which an employee covered by DCIPS may move into the extended pay range (steps 11 to 12). In cases in which the award of a full DQI or SQI would result in a salary not aligned to the Step 11, 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. Components, at their discretion, may elect to award the difference as a cash bonus payment through the annual pay pool process.
- 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.

Reporting Monetary Awards and Incentives

- Components will report spending on monetary awards granted outside of the pay pool process to the OUSD(I) Human Capital Management Office (HCMO) to support tracking of Component spending against previous years' spending and against DoD budget guidance. Data for Components using the Defense Civilian Personal Data System will be extracted from that system by OUSD(I)/HCMO.

Components will provide the following data to HCMO through the HCMO Manpower and Personnel data call template at Attachment 2.

These data will contain records for all DCIPS employees as of the last day of FY 2020.

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 and bonuses 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 2019 DCIPS performance evaluation of record for its pay pool process.

Consistent with Volume 2012 of DoDI 1400.25, Enclosure 3, Paragraph 5.h., employees detailed on a Joint Duty Rotation to another IC Component:

- With 90 days or less remaining in the performance cycle will be considered for a bonus by the employee's home element.
- With more than 90 days remaining in the performance cycle will be considered for a bonus (or similar monetary award in accordance with Component practices) by the gaining element. The home element may consider the

employee for an award according to Volume 2008 of DoDI 1400.25 for performance during the performance cycle prior to commencement of the JDR.

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 timely manner.

Further Information

- For questions related to this guidance, please contact Jing Deng at (703) 692-3591 or jing.deng.civ@mail.mil

TAB B



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

2019-2020

Sample Aggregate Report for Employees

Overall Summary – FY19 Performance Cycle/ FY20 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.

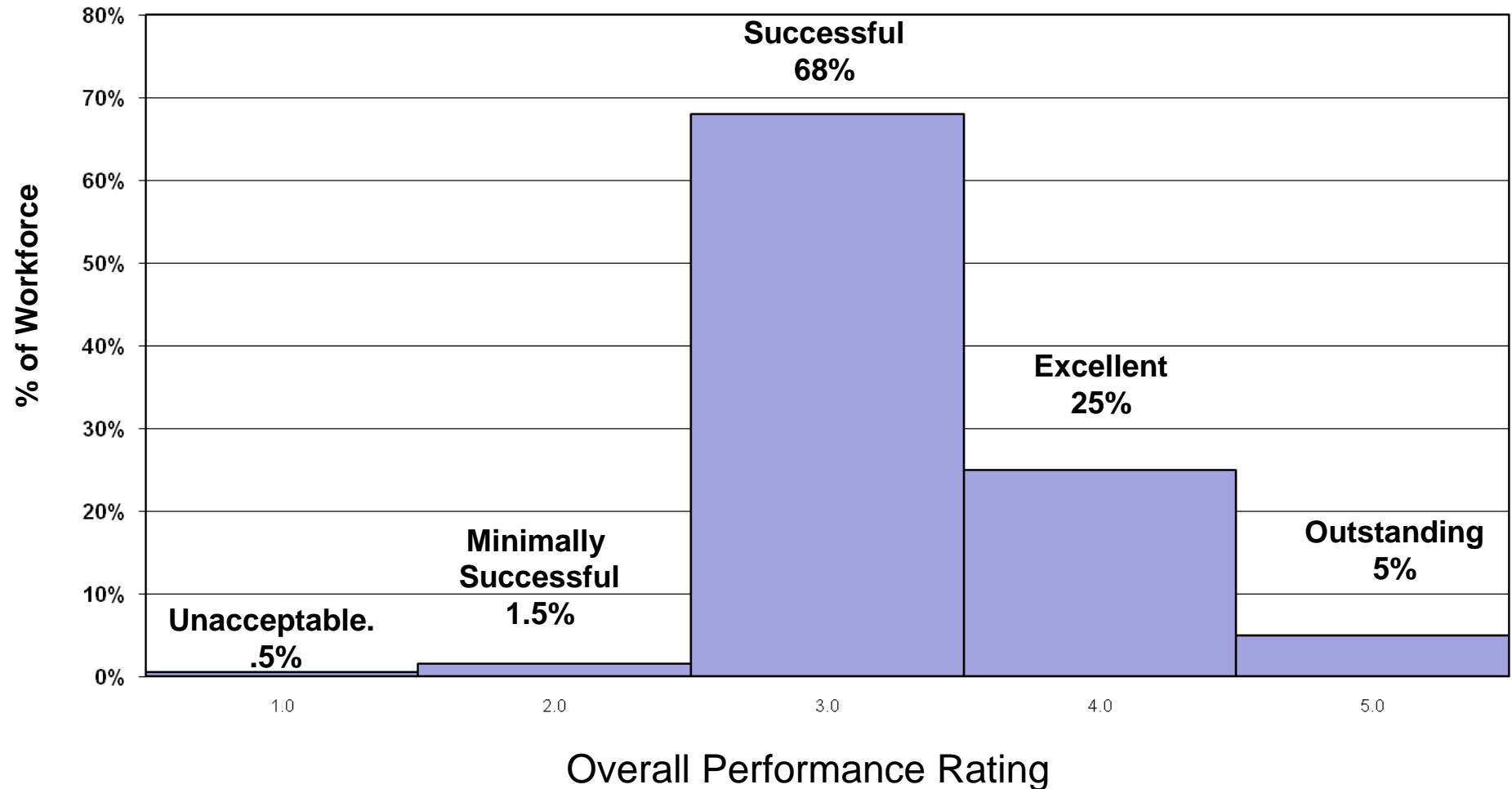
Sample Aggregate Report for Employees

Overall Results by Special Characteristics –FY19 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 |

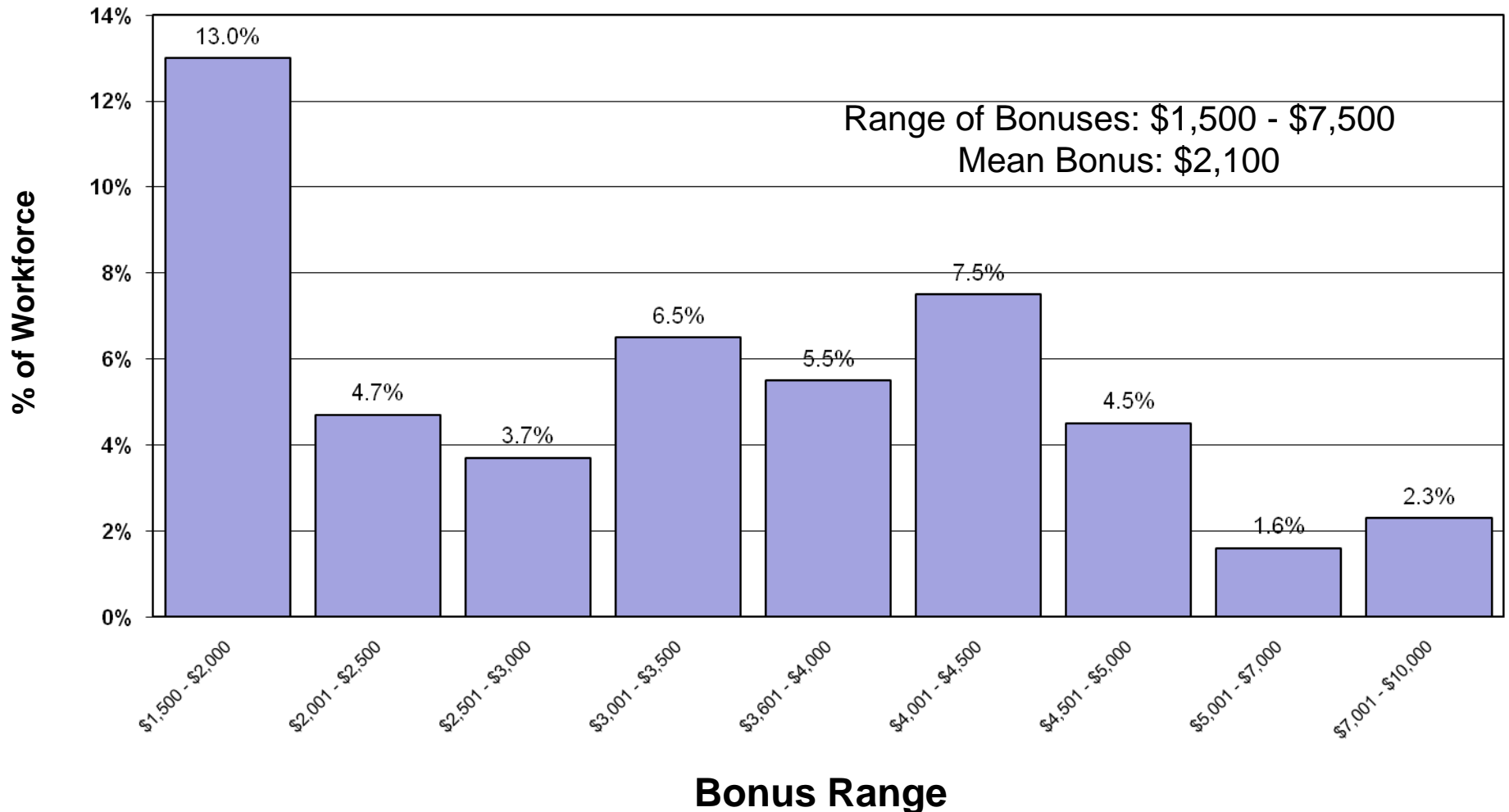
Sample Aggregate Report for Employees

Overall Performance Ratings – FY19 Performance Cycle



Sample Aggregate Report for Employees

Bonus Amounts Awarded – FY19 Performance Cycle



Sample Aggregate Report for Employees

Average Bonus Amount by Bonus Factor –FY19 Performance Cycle

