A DCIPS pay pool is a group of employees who share in the distribution of a predetermined budget for performance-based recognition. As a DCIPS employee, you will be assigned to a pay pool within your Component early within the performance evaluation period, in the first phase of the pay pool process.
The structure of your pay pool is up to your Component. Generally though, a pay pool has between 25 and 75 members. The criteria used when establishing pay pools may include, but are not limited to:

- Organizational structure
- Geographic distribution
- Occupational category
- Work level, and/or work category
- Line-of-sight between pay pool panel members and the employees assigned to the pay pool.
The pay pool process step of “pay” governs the Reward Phase of the performance management process. When the performance evaluation period is complete and the final Performance Evaluations of Record are recorded, the pay pool process step of “pay” can commence. The performance management and pay pool processes are separate but interdependent.
Performance-based payout is the official term for the decisions the pay pool panel makes. The payouts may be performance-based salary increases and bonuses, if you are an employee assigned to pay pools in an organization operating under the banded structure, or bonuses if you are an employee assigned to pay pools in an organization operating under the graded structure.

At Component discretion, base-pay increase monetary awards may be included in the pay pool process for those operating under the graded structure.
DCIPS uses the pay pool process to link individual accomplishments as documented in Performance Evaluations of Record to performance-based payouts. By design, the pay pool process recognizes higher performance with greater rewards.
The pay pool panel may be a single “pay pool manager” or a “panel” of managers charged with determining pay pool payouts in a meaningful and equitable manner. Prior to the pay pool process commencing, you should be provided information about your pay pool. In the event this information is not shared with you, ask your Rating Official.
A unique role in the pay pool process is the PP PRA. This refers to the Pay Pool Performance Review Authority. The PP PRA is the Head of your DoD Component and he or she provides oversight of the pay pool process.

Specifically, the PP PRA will perform a summary review of all pay pool payout recommendations to ensure they conform to policy and equity across pay pools and will provide final approval for payout recommendations.
The annual planned funding levels for performance-based payouts are established by September 30 of the performance year and approved by the USD(I).

(Read slide for information.)
Once funding has been determined, the Head of your Component has the flexibility to allocate the pay pool budget to individual pay pools in the manner that best supports Component mission.
All performance evaluations are completed and provided to the pay pools prior to initiation of pay pools. Pay pools generally don’t begin their deliberations until at least 45 days after the close of the performance evaluation period. Generally pay pools don’t begin until the 15th of November. The payout recommendations must be approved by the PP PRA. Once pay pool results are approved, payouts are distributed in early January, generally the first pay period of the new calendar year.
An important point to clarify pertaining to the pay pool process timeline is that DCIPS Performance Evaluations of Record are finalized prior to the pay pool process. This helps to reinforce the prohibition on quotas or forced distributions.
This chart identifies what types of payouts you may be eligible for based on the evaluation received and your pay structure.

For those organizations operating under the DCIPS banded structure, the performance payout “floor” is the minimum performance increase in base salary that an employee performing at the Successful or above levels and otherwise eligible for a performance payout may receive during the annual pay pool process.
Not every employee in your Component will get a bonus, and even though you may receive a bonus one year, this doesn’t mean you will get a bonus in future years.

Your performance-based payouts are based on your performance for the current performance evaluation period, annual pay pool funding, and Departmental and Component-specific guidance. As such, it is important that you stay in communication with your Rating Official to ensure expectations for your performance are clear and that you are working on the most important tasks.
In this presentation, we’ve identified what DCIPS pay pools are, what performance-based payouts are, who the pay pool panel and PP PRA are, how pay pools receive funding, the pay pool process timeline, and the types of payouts for which you may be eligible.
We recommend reviewing all available DCIPS 101 files to gain a better understanding of the different components.