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Defense Intelligence Agency Business Rules for the 2016 Performance-Based Bonus Pools

Approved by the [redacted] Office of Human Resources, August 2016
(b)(3):10 USC 424
Issued by the Office of Human Resources

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I. Purpose

This document is designed to provide guidance for awarding performance-based bonuses for GG-level civilian employees during the 2016 Fiscal Year (October 1, 2015 – September 30, 2016) at the Defense Intelligence Agency (DIA). More specifically, these business rules provide detailed execution-related instructions that are not identified in the overarching performance-based bonus policy documents (DIAI 1416.001 *Performance-Based Bonuses* and DODI 1400.25 Volume 2012 DoD *Civilian Personnel Management System: Defense Civilian Intelligence Personnel System (DCIPS) Performance-Based Compensation*).

II. Process Overview

DIA uses an annual performance-based bonus pool process to recognize performance at the end of the appraisal cycle for GG employees. This process does not apply to Defense Intelligence Senior Executive Service (DISES) or Defense Intelligence Senior Level (DISL) employees. Final ratings of record will be used as the basis for determining bonuses during bonus deliberations.

The Under Secretary of Defense for Intelligence (USD(I)) mandates the use of the Defense Civilian Intelligence Personnel System (DCIPS) algorithm to determine employee bonuses. This bonus algorithm was developed by USD(I) for general application across DCIPS components and provides initial bonus recommendations based on individual ratings, the performance-based bonus pool's distribution of ratings, and the employee's work level.

DIA will use the [REDACTED] to run the DCIPS algorithm and conduct deliberations. GEMS is an Access database application that is the system of record for the bonus pool process. Performance-based bonus pool panels convene to review the initial DCIPS algorithm results, adjust recommended bonuses, and recommend Quality Step Increases (QSIs) in accordance with the rules outlined in this document. Some business rules reflect legal or policy requirements while others are based on Agency procedural decisions.

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III. Bonus Deliberation Timeline

| Dates | Activities |
|--|---|
| Nov. 14, 2016 | Read-ahead reports available to performance-based Bonus Pool Managers |
| Nov. 16 – Dec. 7, 2016 | Performance-based bonus pool deliberations |
| Dec. 19, 2016 – Jan. 6, 2017 | Office of Human Resources (OHR) and Director, DIA (DR) results approval |
| Jan. 13, 2017 | Notification reports released to performance-based Bonus Pool Managers |
| Jan. 13, 2017 – Jan. 27, 2017 | Supervisors communicate bonus results to all employees |
| Jan. 27, 2017 (target date) | Bonuses paid (effective date of Jan. 17, 2017)* |
| Jan. 27, 2017 (target date) | QSI's paid (effective date Jan. 8, 2017) |
| * Payouts for individuals on Joint Duty Assignments (JDAs) may require additional time to process. | |

IV. Performance-Based Bonus Pool Budgets

The DIA performance-based bonus and QSI budget is determined annually and based on policy from Office of Personnel Management (OPM), Office of Management and Budget (OMB), and/or USD(I). Once received, the DIA Chief Financial Officer (CFO) coordinates final approval of the Agency's budget.

The budget for each bonus pool is based exclusively on the population within that pool. Specifically, a percentage of each eligible employee's salary contributes to the overall budget for a given bonus pool (based on the guidance noted above). Similarly, QSI allocations are based on bonus pool size (i.e. larger pools receive more QSIs and vice versa). Therefore, the budget and QSI allocations for each bonus pool are **not impacted** by performance management appraisal ratings. Instead, the DCIPS algorithm generates bonus amounts using employee ratings **after** the budget and QSI number are determined.

V. Performance-Based Bonus Pool Organization

A. Performance-based Bonus Pool Structure

New for 2016: DIA is implementing a grade-based bonus pool process. First, bonus pools will be organized by Directorate/Center/Special Office/Combatant Command (CCMD), as they have been in previous years. Second, each of these bonus pools will be split into two grade-based categories: 1) GG-13 and below employees, and 2) GG-14 and GG-15 employees. The reason for this change is intended to ensure a more equitable distribution of bonuses across grade levels.

Prior to the end of the current performance cycle, the structure is reviewed and approved by the [] Office of Human Resources [] OHR. As a result, any changes to the bonus pool structure require approval from the [] OHR. The 2016 bonus pool structure is located in Appendix B.

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B. Employee Assignment

Due to the new grade-based process, employees will be aligned to a bonus pool based on their assignment *and* grade-level. Employees are considered in the performance-based bonus pool of the Directorate/Center/Special Office/Combatant Command (CCMD) where they are officially assigned on September 30, 2016 in DIA's official repository of workforce data [redacted] Secondly, the employee grade-level recorded in [redacted] on September 30, 2016 is the final factor for confirming assignments.

(b)(3):10 USC 424

DIA employees on an **internal rotation** to a different assignment that is not their "home office" will also be considered in the bonus pool of their assignment in [redacted] on September 30, 2016. As a result, these employees should be considered in the bonus pool of their rotational assignment, not their "home office." Similarly, employees assigned to an [redacted] should be considered in the [redacted] bonus pool, not their "home office." For individuals on a **Joint Duty Assignment** (JDA) to DIA or from DIA, refer to Section VII, Part A. - Category 3 to determine eligibility and assignment. (b)(3):10 USC 424

(b)(3):10 USC 424

(b)(3):10 USC 424

DIA offices are responsible for ensuring that all Personnel Action Requests (PAR) are processed in myHR before the end of the performance cycle so that employees are appropriately aligned to their current assignment and grade-level, prior to the bonus pool deliberation process. Employee bonus pool assignment changes should only be requested if an employee's current office or grade is incorrectly recorded in [redacted] (i.e. a PAR was not initiated or completed before September 30, 2016).

(b)(3):10 USC 424

If bonus pool changes are requested, the Staff Director and/or [redacted] of the requesting organization must receive concurrence from the gaining organization and provide proof of agreement between both parties (e.g. email message, memorandum, etc.) to the [redacted]. [redacted] Once received, the Bonus Pool team will review the request and make a final determination on whether the assignment will be updated.

(b)(3):10 USC 424

(b)(3):10 USC 424

VI. Roles and Responsibilities for 2016 Performance-Based Bonus Pools

A. Roles

This section describes the roles and responsibilities for all stakeholders within the bonus pool process from the employee to the Director, DIA (DR).

1. Employees

Employees should communicate regularly with supervisors to help ensure that end-of-year appraisals are completed and submitted on time. Additionally, employees should review their

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(b)(3):10 USC 424

current office assignment in [] and engage their Staff Director and/or Rater and Reviewer to initiate corrections as needed.

2. Raters and Reviewers

Raters and reviewers are responsible for the timely completion of appraisals for employees within their supervision. Additionally, raters and reviewers should ensure that their employees' current assignment in [] is correct and assist them with engaging their Staff Director to make adjustments as needed. (b)(3):10 USC 424

3. Staff Directors

Staff Directors play a key role for determining and finalizing employee bonus pool assignments. After the performance management cycle ends, the [] (OHR []) sends each Staff Director a list of employees within their organization to be included for bonus consideration. (b)(3):10 USC 424

The Staff Director shall:

- Review the bonus pool assignment list for accuracy and identify any employees that are incorrectly assigned or missing.
- Coordinate any and all assignment changes with the gaining or losing organization (engage the Bonus Pool Support team if an employee is missing and their assigned organization is unknown).
- Provide proof of concurrence to the Bonus Pool Support team for any assignment changes that have been approved by both the gaining and losing bonus pool (e.g. email message).
- Provide additional support to the Bonus Pool Manager as needed and/or tasked (e.g. communicate key dates/milestones to employees, act as liaison between the Bonus Pool Manager and Bonus Pool Support team, track completion of Non-Disclosure Agreements (NDAs) and required bonus pool training by panel members, etc.).

4. Performance-based Bonus Pool Managers

Performance-based Bonus Pool Managers are responsible for reviewing the DCIPS algorithm-generated bonus amounts, appraisal data (i.e. ratings), and other information for employees (e.g. JDAs, Special Act Awards) within each grade-based bonus pool and determining performance-based bonuses. Normally, the Director/Deputy Director/Center Chief/Special Office Chief/[] serves as the performance-based Bonus Pool Manager but may delegate this authority to another DISES, DISL, O-6 level or higher, or GG-15 employee. Since GG-15 employees are considered for a performance-based bonus or QSI based on their assignment at the end of the performance cycle (September 30, 2016), their panel appointment must be for a different performance-based bonus pool than their "home office."

(b)(3):10 USC 424

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The performance-based Bonus Pool Manager shall:

- Review all appraisal scores for accuracy before deliberation and pay particular attention to 3.0 ratings, which may be the result of incomplete appraisals. Take action on any incorrect or incomplete appraisals as necessary.
- Understand and adhere to the business rules and other policies referenced in Appendix A.
- Complete all required training as mandated by OHR.
- Adhere to membership requirements on the bonus pool panel. There is no predetermined minimum or maximum number of panel members required; however, the panel members must reflect diversity in both gender and race/national origin. The panel must be comprised of at least 20 percent female and 20 percent minority, which in most cases will equate to one female and one minority (the same person cannot meet both requirements). All panel members must be current on their Equal Employment Opportunity (EEO) supervisory training (refer to Section VII, Part C. for more details). If the diversity requirement cannot be met internally, the Bonus Pool Manager is encouraged to solicit a panelist from another Directorate or Office within the Agency. If the panel still has trouble meeting this requirement, a waiver request must be submitted in writing to the [redacted] EO and must include a description of the effort made to meet the requirement. Waivers will be granted on a case-by-case basis. (b)(3):10 USC 424
- Work with Director/Deputy Director/Center Chief/Special Office Chief/CCMD internal resources to coordinate scheduling and room logistics for panel deliberations.
- Preside over the panel's deliberations and recommend bonus amounts, subject to final review by [redacted] OHR and the DR. (b)(3):10 USC 424
- Confirm all employee assignments and ensure approval from the gaining or losing office has been provided to the Bonus Pool Support team in the event a correction was requested.
- Ensure panel members adhere to Agency policies and bonus pool business rules.
- Be mindful of conflicts of interest. Panel members should not participate in the review of bonuses or QSIs for family members or close friends.
- Maintain confidentiality throughout the process.

5. Performance-based Bonus Pool Panel Members

All panel members must be at the DISES, DISL, or O-6 level or higher and may be drawn from within the Directorate/Center/Special Office/CCMD or outside subject to approval from OHR [redacted] (b)(3):10 USC 424
However, if necessary, the Director/Deputy Director/Center Chief/Special Office Chief [redacted] (b)(3):10 USC 424 may approve GG-15 employees to serve as panel members for office-level performance-based bonus pools. If GG-15 employees are appointed to serve as a panel member, their appointment must be different from the performance-based bonus pool in which they are being considered for

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a bonus or QSI. There is not a predetermined minimum or maximum number of panel members required; however, the panel must have enough members to meet the diversity requirement stated above.

Performance-based Bonus Pool Panel Members shall:

- Understand and adhere to the business rules and other policies referenced in Appendix A that govern the panel's authority.
- Support the Bonus Pool Manager in reviewing all appraisal scores before deliberation occurs; pay particular attention to 3.0 ratings, which may be the result of incomplete appraisals. Take action on any incorrect or incomplete appraisals as necessary.
- Support the Bonus Pool Manager in confirming all employee assignments. Ensure approval from the gaining or losing office has been provided to the Bonus Pool Support team.
- Complete all required training as mandated by OHR.
- Be current on Equal Employment Opportunity (EEO) supervisory training (refer to Section VII, Part C. for more details).
- Review performance-based bonuses generated by the DCIPS algorithm.
- Consider situations identified by the panel where adjustments to the bonuses generated by the DCIPS algorithm might be warranted.
- Consider whether bonus adjustments identified/recommended by office chiefs or other managers authorized to make recommendations are warranted.
- Be mindful of conflicts of interest. Panel members should not participate in the review of bonuses or QSIs for family members or close friends.
- Maintain confidentiality throughout the process.

6. Additional Reviewers

The performance-based Bonus Pool Manager may ask Office Chiefs or other managers who are not panel members to review the bonuses generated by the DCIPS algorithm for employees under their supervision before the start of official performance-based bonus pool panel deliberations. This course of action should only be taken if the Bonus Pool Manager cannot gather information from appraisal data, award justifications, and/or panel member feedback to make a well-informed bonus decision.

To ensure maximum control over the results generated by the DCIPS algorithm, additional reviewers who are not DISES, DISLs, or O-6s will not be provided with an electronic or hard copy of the results. The data provided in (b)(3): may not be further reproduced or copied into other documents or email.

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The performance-based Bonus Pool Manager may invite additional reviewers who are not DISES, DISLs, or O-6s to share their input in person, via phone, or by Tandberg with the performance-based Bonus Pool Manager, panel members, or additional reviewers who have authorized access and only when necessary as stated above. Additional reviewers may confirm that the bonuses are appropriate as is, or recommend adjustments based on a business rule. Additional reviewers will present recommended adjustments to the panel for consideration. Administrative Assistants, or others who serve in related roles, are not permitted to attend the performance-based bonus pool deliberation process.

7. Human Resources Subject Matter Experts

Each performance-based Bonus Pool will be supported by one or more HR Subject Matter Experts (SMEs) who will provide guidance on processes, policy, and business rules. The HR SMEs will be identified by OHR in advance and participate in all panel deliberations.

HR SMEs shall:

- Attend training sessions conducted by OHR.
- Prepare for Bonus Pool deliberations by reviewing read-ahead reports.
- Complete all training that is required by Bonus Pool Managers/panel members.
- Act as business rule expert during panel deliberations.
- Escalate issues as necessary to EO during panel deliberations.
- Maintain confidentiality throughout the process.

8. [REDACTED] (b)(3):10 USC 424

(b)(3):10 USC 424 [REDACTED] operators will act on behalf of the bonus panel and HR Subject Matter Expert to enter all deliberation decisions into [REDACTED] in real-time.

[REDACTED] Operators shall: (b)(3):10 USC 424 (b)(3):10 USC 424

- (b)(3):10 USC 424
- Attend [REDACTED] Operator training hosted by OHR and complete all other training that is required by Bonus Pool Managers/Panel Members.
 - Be familiar with the bonus pool business rules and assist the HR SME if needed.
 - Review read-ahead reports to prepare for deliberations.

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9. Office of Human Resources, [REDACTED] (b)(3):10 USC 424

(b)(3):10 USC 424 The OHR [REDACTED] (OHR [REDACTED]), will prepare all data and supporting documents used for the performance-based bonus pool process. The team will provide on-call support to address data concerns, technical issues, and business rule questions during all panel deliberations via the Bonus Pool Support team inbox at [REDACTED] and by phone at [REDACTED] (b)(3):10 USC 424

(b)(3):10 USC 424 After deliberations, OHR [REDACTED] will conduct a quality control review of all panel deliberation results, prepare final reports, perform the analysis of bonus results, and obtain final approval from the [REDACTED]

[REDACTED], OHR [REDACTED] will submit approved bonuses for processing in January 2017.

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10. ☐ Office of Human Resources

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424 ☐ OHR manages the performance-based bonus pool process across the Agency.

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424 Major responsibilities for ☐ OHR include:

- Approve the business rules, bonus pool structure, Bonus Pool Managers, and Bonus Pool Panel Members.
- Providing guidance to Directorates, Centers, Special Offices, and CCMDs on the proper and consistent application of policies and procedures.
- Monitoring the performance-based bonus pool process to ensure requirements are carried out in a timely manner and in accordance with policy and procedures.
- Reviewing analyses of panel determinations for bonuses across Directorates/Centers/Special Offices/CCMDs, occupations, and employee groups to identify potential inconsistencies or other situations where recommendations may not be appropriate. If needed, return recommendations to the performance-based Bonus Pool Manager(s) for potential changes.
- Make recommendations as to bonuses that should be eliminated or placed on hold as a result of investigations and/or disciplinary actions.

11. Director, Defense Intelligence Agency

The Director, DIA maintains oversight throughout the entire process and is the final authority to approve all performance-based bonuses and QSIs.

B. Responsibilities

The following are principles that all involved individuals (government, military, and contractor personnel) must adhere to throughout the preparation and execution of the performance-based bonus pool process.

1. Confidentiality

Participants in the performance-based bonus pool process—the performance-based Bonus Pool Manager, Panel Members, additional reviewers, HR personnel, and contractors—must protect the confidentiality of materials reviewed and decisions made during the performance-based bonus pool process. All individuals participating in the performance-based bonus pool process must sign a Non-disclosure Agreement (NDA). Anyone in violation of confidentiality protections are subject to potential disciplinary measures.

2. Merit Principles

Activities and decisions will be based strictly on merit and in accordance with Agency policy and guidance without regard to race, sex, age, national origin, disability, religion, or any other non-merit-based characteristics. Panels may not consider non-performance-related incentives and

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other compensation to determine employee bonuses. Examples include paid overtime and differentials, as well as recruitment, retention, relocation, and deployment incentives.

3. Documentation of Decisions

The decision to adjust bonuses generated by the DCIPS algorithm will be documented in the [redacted] tool by using the appropriate business rule justification (see Section VII, Part D. for more details). Official [redacted] documentation will be retained by OHR for five years.

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4. Release and Communication of Decisions

Recommendations from the performance-based bonus pool panels are pre-decisional and cannot be shared with employees until they have been approved and released by [redacted] OHR and the DR. Once bonuses receive final approval, OHR will provide the final list of bonuses and QSIs to each Bonus Pool Manager. The performance-based Bonus Pool Manager will communicate these bonuses to each supervisor, and supervisors must communicate the bonus pool results to all listed employees. When possible, this communication should take place verbally and be personalized for each employee. Employees must receive communication regarding the completion of the bonus process, regardless of whether or not they received a bonus. OHR will provide the necessary supporting materials to assist managers in the discussion.

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Note: The bonus recipient list(s) may not be forwarded to employees or published for the workforce.

VII. Performance-based Bonus Pool Administration

A. Performance-based Bonus Pool Conditions

The tables on the following pages demonstrate special situations that apply when determining performance-based bonus employee eligibility.

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Category 1: Recent Hires

Refers to:

- DIA employees who's Entrance on Duty (EOD) dates are within the performance cycle of October 1, 2015 to September 30, 2016.

This situation does not include employees who transferred to DIA from other DCIPS components (see Category 4)

If an employee's EOD date is...**Then the employee is...**

| | |
|---|--|
| Greater than 180 days from the end of the performance cycle | Eligible for bonus consideration |
| 90-180 days from the end of the performance cycle | Eligible for bonus consideration with bonus recommendations pro-rated at 50% |
| Less than 90 days from the end of the performance cycle | Ineligible for bonus consideration |

Category 2: Part-Time Employees

Refers to:

- DIA employees who are on a part-time work schedule (less than 40 hours per week)

If an employee...**Then the employee is...**

| | |
|---|---|
| Is on a part-time schedule at any time during the performance cycle | Eligible for bonus consideration with bonus recommendations pro-rated based on the employee's work schedule |
|---|---|

Category 3: Joint Duty Assignments (JDAs)¹

Refers to:

- DIA employees serving JDAs at other Intelligence Community (IC) components or Federal agencies
- Non-DIA employees serving JDAs at DIA

If an employee...**Then the employee is...**

| | |
|---|--|
| Returned to his/her home agency prior to July 1, 2016 | Considered at the home agency for bonuses or awards under the rules in effect for that organization |
| Is still on duty at the gaining agency as of July 1, 2016 | Considered at the gaining agency for bonuses or awards under the rules in effect for that organization |

Exception: If a DIA employee is serving on a JDA at an organization that does not have an award and/or bonus program, then the employee may be considered for a performance-based bonus at DIA; the employee would be assigned to the DIA performance-based bonus pool based on their office assignment prior to departing for their JDA, and their appraisal from the gaining Agency will be factored into their overall rating. Exception to this category rule may also occur based on the terms and conditions agreed upon in the Memorandum of Understanding (MOU) by the gaining and home Agency.

¹ OHR will coordinate with the other IC components to verify in which component the employee will be considered (for both JDAs and DCIPS Transfers).

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| Category 4: DCIPS Transfers¹ | |
|--|--|
| Refers to: | |
| <ul style="list-style-type: none"> Employees who transferred <u>to</u> DIA <u>from</u> other DCIPS components during the performance cycle and before bonus panel deliberations Employees who transferred <u>from</u> DIA <u>to</u> other DCIPS components during the performance cycle and before bonus panel deliberations | |
| If an employee transferred to DIA... | Then the employee is... |
| Less than 90 days before the end of the performance cycle (September 30, 2016) | Eligible for bonus consideration at DIA using the rating of record <u>from the employee's previous agency</u> |
| At or greater than 90 days before the end of the performance cycle (September 30, 2016) | Eligible for bonus consideration using the rating of record <u>from DIA</u> |
| If an employee transferred to a DCIPS component... | Then the employee is... |
| After DIA bonus deliberations | Considered for a performance-based bonus at DIA |
| Prior to DIA bonus deliberations | Ineligible for bonus consideration at DIA. Employee will be considered at his/her new component using the rating of record received at DIA |

| Category 5a: Attrition/Separation – New employment to a non-DCIPS organization | |
|---|---|
| Refers to: | |
| <ul style="list-style-type: none"> DIA employees who leave DIA to a <u>non-DCIPS</u> organization prior to the bonus payout. | |
| If an employee separates from DIA... | Then the employee is... |
| Before the end of the performance cycle (September 30, 2016) | Ineligible to receive a performance-based bonus |
| On or after the end of the performance cycle (September 30, 2016) | Eligible to receive a performance-based bonus |

| Category 5b: Attrition/Separation – Retirement, death, or separation due to adjustment in force | |
|---|---|
| Refers to: | |
| <ul style="list-style-type: none"> DIA employees who leave DIA due to retirement, death, or separation due to adjustment in force prior to the bonus payout. | |
| If an employee separates from DIA... | Then the employee is... |
| Before the end of the performance cycle (September 30, 2016) | Ineligible to receive a performance-based bonus |
| On or after the end of the performance cycle (September 30, 2016) | Eligible to receive a performance-based bonus |

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| Category 5c: Attrition/Separation – Involuntary termination | |
|--|---|
| Refers to: | |
| <ul style="list-style-type: none"> DIA employees who are involuntarily terminated from DIA. | |
| If an employee is... | Then the employee is... |
| Involuntarily terminated from DIA | Ineligible to receive a performance-based bonus |

| Category 6: Promotions to DISES/DISL positions | |
|--|---|
| Refers to: | |
| <ul style="list-style-type: none"> DIA employees who are promoted to DISES/DISL positions prior to performance-based bonus pool deliberations | |
| If an employee is promoted to a DISES/DISL role... | Then the employee is... |
| On or after July 1, 2016 | Eligible for bonus consideration, using his/her pre-promotion grade/work level and salary. The DR will give final approval of any recommended bonus |
| Before July 1, 2016 | Ineligible for bonus consideration within the GG level |

| Category 7: Extended Leave of Absence (LOA) During Performance Cycle | |
|--|---|
| Refers to: | |
| <ul style="list-style-type: none"> DIA employees who have been on the following types of leave of absence during the performance cycle: <ul style="list-style-type: none"> Leave Without Pay (LWOP) Military Leave Without Pay (MLWOP)* Long-Term Training (LTT) Worker's Compensation (WC)* Other approved, non-disciplinary extended Leave of Absence (LOA) <p>Employees who are currently (or have been) on extended leave of absence have been provided ratings in accordance with DIAI <i>Civilian Performance Management</i>, 1404.001 and <i>Performance-Based Bonuses</i>, 1416.001</p> | |
| If an employee... | Then the employee is... |
| Is (or has been) on an extended leave of absence during the performance cycle and received a rating during the performance cycle | <p>Eligible for bonus consideration. Bonus recommendations will be pro-rated based on active time with the Agency. Pro-ration will be applied consistently for all employees across the Agency</p> <p>*Employees on MLWOP or WC will not have their bonus recommendation pro-rated based on their time away from the Agency</p> |
| Has been on an extended leave of absence for the entire performance cycle | <p>Eligible for bonus consideration – the bonus will be pro-rated to zero</p> <p>*Employees on MLWOP or WC will not have their bonus recommendation pro-rated based on their time away from the Agency</p> |

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Category 8: Trainees/Students/Interns

Student trainees are not eligible for bonus consideration

Category 9: Employees Subject to Additional Considerations

| If an employee... | Then the employee... |
|--|--|
| Has a pending or proposed conduct-based action which has not yet resulted in a confirmed decision prior to DR approval of bonus pool results | Will have the performance-based bonus held in abeyance pending the final outcome of the conduct-based action* |
| Is under formal investigation, specifically excluding those in the Equal Employment Opportunity process prior to DR approval of bonus pool results | Will have the performance-based bonus or QSI held in abeyance pending the outcome of the matter which will be subject to final approval by the DR* |
| Had a formal disciplinary action within the last 12 months prior to DR approval of bonus pool results | Will not receive a performance-based bonus or QSI |

* Organizations are responsible for maintaining a list of employees who have bonus amounts withheld. This document should be reviewed periodically to ensure payments are re-instated if necessary.

B. Performance-based Bonus Eligibility by Rating of Record

Ratings of record for employees are finalized during the Performance Review Authority (PRA) process. A performance-based bonus pool panel does not have the authority to change an employee's rating of record.

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As stated in DCIPS policy, performance evaluations must be completed and received by OHR ☐ prior to the initiation of performance-based bonus pools. Employees who have not received an approved DCIPS performance evaluation of record (prior to the initiation of performance-based bonus pools) shall not be considered for a QSI or performance-based bonus, aside from exceptions already defined in the 'Performance-Based Bonus Pool Conditions' section above. The table below shows employee eligibility to receive a performance-based bonus on rating of record:

| If the employee's rating is: | The employee is: |
|--|---|
| Outstanding (4.6 – 5.0) | Eligible to receive a performance-based bonus* |
| Excellent (3.6 – 4.5) | |
| Successful (2.6 – 3.5) | |
| Minimally Successful (2.0 – 2.5) | Not eligible to receive a performance-based bonus |
| Unacceptable (< 2.0 total or 1 on any performance objective) | |

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***Employees *eligible* to receive a bonus are *not guaranteed* to receive a performance-based bonus.**

The top 35 percent of eligible employees in each bonus pool, by rating of record, should receive a performance-based bonus. The 35 percent award rate is applied to each individual bonus pool (including each grade-specific bonus pool), and cannot be applied collectively across office bonus pools within a Directorate or CCMD.

Each bonus pool will have a rating “threshold”, which is the minimum rating of record needed to receive a performance-based bonus. A panel may recommend a bonus to an employee *below* the threshold if:

- The bonus pool threshold of 35 percent is not exceeded.
- The panel believes the employee merits special recognition in accordance with the business rules.
- Doing so will not remove a bonus for an employee above the threshold, who would otherwise be recommended by the panel to receive one.

Panels should strive to recommend bonuses to as many employees as possible without exceeding 35 percent of eligible employees for each performance-based bonus pool.²

C. Additional Eligibility Requirement for Supervisors

All supervisors must complete their required EEO training between **October 1, 2015 and September 30, 2016** to receive a performance-based bonus or QSI. If proof of EEO training cannot be confirmed via a course completion certificate, supervisors will be ***ineligible*** to receive a performance-based bonus or QSI. Supervisors can meet this requirement by completing the online AGILE course *DIA Equal Employment Opportunity and Diversity Course* (DIA-CMP-2093); or attending one of the following courses: *EEO and the Manager's Role* (DIA-HRS-3002), *Anti-Harassment* (DIA-HRS-3003), *Diversity and Inclusion* (DIA-HRS-3004), or *Hidden Bias* (DIA-HRS-3005). All of these courses can be found in AGILE.

In extenuating circumstances (i.e. where AGILE is unavailable) a copy of the localized version of the training (e.g. PowerPoint) must be provided along with a training certificate from that agency or a memorandum from the employee's supervisor confirming course completion on a specific date.

D. Adjustments to DCIPS Algorithm-Generated Bonuses

The DCIPS algorithm within the tool factors in the available bonus budget, employees' ratings of record, performance-based bonus pool rating distribution, and employees' grade when providing

² For small Bonus Pools (less than 20 employees) the 35% threshold may be exceeded, but will be determined on a case-by-case basis.

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initial bonus recommendations. The [] tool is configured to identify the ratings of the top 35 percent in each performance-based bonus pool. In the process, a rating threshold is determined and the algorithm applies a performance-based bonus amount to those at, or above, the rating threshold. The initial results from [] are the recommended amounts prior to performance-based bonus pool deliberations.

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It is expected that panels accept the recommended amounts "as is" unless there is a compelling reason to adjust the bonus recommendations. If a bonus panel elects to change a bonus, the panel must cite the appropriate business rule justifying the adjustment and document the rule in the [] tool. In addition, if the panel applies a business rule to adjust an employee's DCIPS algorithm-generated bonus, then the panel must identify other employees with similar circumstances and make consistent and equitable adjustments. By default, 10 percent of the bonus pool budget will be reserved for adjustments at the beginning of each deliberation. Once all decisions have been finalized and there is money remaining, these funds will be released back into the pool and distributed among all existing bonuses (using the same DCIPS algorithm as before).

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Panels have the option of adjusting existing bonus or awarding bonuses to employees that fall below the ratings threshold for their performance-based bonus pool.

- Adjustments to DCIPS algorithm-generated bonuses are limited to an increase of \$1,000 or a decrease of no more than the amount already awarded to an employee during the year (i.e. the Special Act Award total amount).
- Adjustments cannot reduce a bonus lower than \$750 (the minimum allowable bonus).
- Recommended bonuses to employees below the rating threshold may not exceed the amount generated by the DCIPS algorithm for employees in the same GG grade at the threshold rating. If there is no employee in the same GG grade at the threshold rating, then the GEMS operator will determine an equivalent maximum bonus.

1. Adjustments for Unrecognized Outstanding Contributions or Achievements

Panels can adjust DCIPS algorithm-generated bonuses for employees whose documented accomplishments were not captured in their performance appraisals and thus not factored into the employees' final ratings of record used in []. This type of adjustment may recognize either **1) exceptional achievement to mission-critical projects** (note: deployment is not a sufficient citation of exceptional achievement), or **2) performance of duties at a higher level of responsibility than the employee's regularly assigned duties**.

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2. Adjustments to Special Act Award Recipients

In accordance with USD(I) policy, employees are prohibited from receiving multiple rewards recognizing performance for a single act during the performance cycle. Special Act Awards (SAA) are intended to recognize one-time accomplishments and contributions. In some instances, SAAs

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have been awarded to employees for these accomplishments and employees may not be rewarded for that same performance during the performance-based bonus pool process.

OHR will provide the list of SAA recipients to the performance-based Bonus Pool Manager prior to panel deliberations. If the panel determines that an award justification for a SAA recipient is duplicative of performance covered in an employee's appraisal, the panel may adjust the DCIPS algorithm-generated bonus based on the duplicative recognition of accomplishments. These instances are examined on a case-by-case basis.

E. Pro-rating DCIPS Algorithm-Generated Bonuses

As described in Category 7, bonus recommendations will be pro-rated for any employee who had an extended leave of absence during the performance cycle. Pro-rated time for review purpose is based on active time with the Agency during the performance cycle, and will be applied consistently across the Agency. Additionally, bonus recommendations will be pro-rated to zero if the employee has been on an extended leave of absence for the entire performance cycle. Employees on MLWOP or WC during the performance cycle will not have their bonus recommendation pro-rated based on their time away from the Agency.

Quality Step Increases

During the 2016 performance-based bonus pool process, employees may be awarded a Quality Step Increase (QSI) to recognize the continued performance of duties and responsibilities at a substantially higher level of achievement than is ordinarily expected for their position. Each performance-based bonus pool panel will recommend employees to receive a QSI from their list of eligible employees, and the DR has final review and approval authority for all QSIs. QSI rules and eligibility:

- Panels may NOT award both a QSI and a performance-based bonus to an eligible employee. Panels must override the DCIPS algorithm-generated bonus for any employee selected to receive a QSI.
- QSIs will be allocated to each performance-based bonus pool in proportion to the size of each organization. Due to the new grade-based structure, the bonus pool panel will determine how to split the QSI allocations between each grade-based pool.
- To be eligible for a QSI, an employee must be rated "Outstanding" in the current performance cycle (i.e. an overall rating of 4.6 or above).
- All eligible supervisors must complete required EEO training between **October 1, 2015 and September 30, 2016** as identified earlier in Section VII, Part C in order to be eligible for a QSI.
- Employees on retained pay are not eligible for QSI awards.
- Employees whose base of pay exceeds Step 10 of their Grade, and are otherwise not on Retained Pay, are only eligible for a QSI if the full value of the QSI can be awarded.

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Appendix A: References

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- b. DIAI 1416.001, Performance-Based Bonuses, July 11, 2014

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- c. DIAI 1422.003, Part-time Employment and Job Sharing Program, February 7, 2012

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- d. DIAI 1404.001, Civilian Performance Management, March 7, 2014

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- e. DoDI 1400.25, Volume 2006, DoD Civilian Personnel Management System: Defense Civilian

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- f. DoDI 1400.25, Volume 2008, DoD Civilian Personnel Management System: (DCIPS) - Awards & Recognition, October 4, 2015

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- g. DoDI 1400.25, Volume 2009, DoD Civilian Personnel Management System: Defense Civilian Intelligence Personnel System (DCIPS) Performance – Disciplinary, Performance-based, and Adverse Action Procedures, March 21, 2013

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- h. DoDI 1400.25, Volume 2012, DoD Civilian Personnel Management System: Defense Civilian Intelligence Personnel System (DCIPS) Performance -based Compensation, April 28, 2012

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- i. ICD 654, Performance-based Pay for the Intelligence Community Civilian Workforce, April 28, 2008

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- j. HC 2012-07, Info Release, Civilian Supervisory EEO Training Requirement for Bonus Eligibility, July 24, 2012

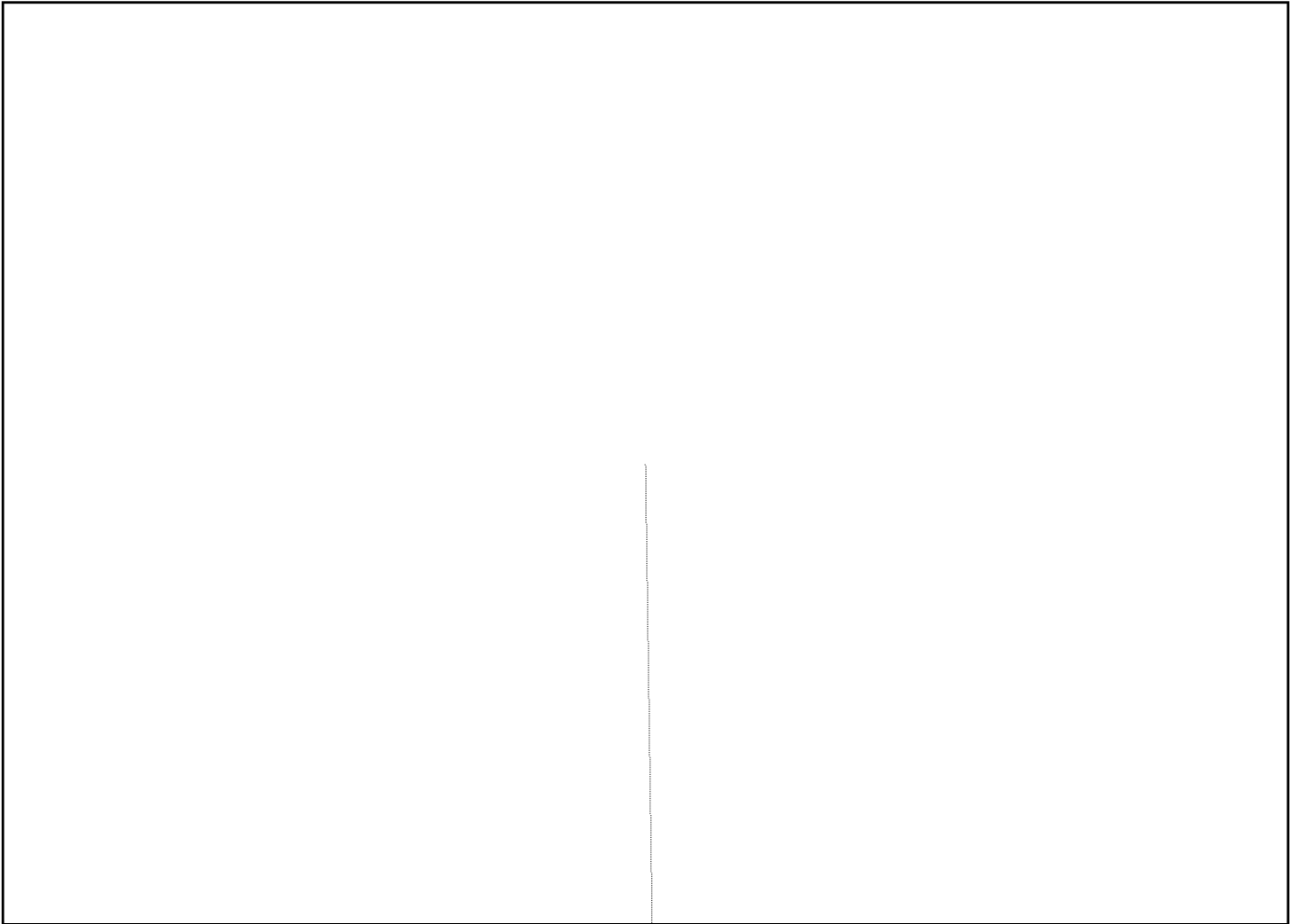
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Appendix B: 2016 Performance-Based Bonus Pool Structure



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RECOMMENDATION: ☐ OHR approval of the 2016 Bonus Pool Business Rules

Approve ☐

Disapprove _____

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