



Department of Defense INSTRUCTION

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Incorporating Change 1, August 11, 2025

USD(P&R)

SUBJECT: DoD Civilian Personnel Management System: Defense Civilian Intelligence Personnel System (DCIPS) Performance-Based Compensation

References: See Enclosure 1

1. PURPOSE

a. Instruction. This Instruction is composed of several volumes, each containing its own purpose. The purpose of the overall Instruction, in accordance with the authority in DoD Directive (DoDD) 5124.02 (Reference (a)), is to establish and implement policy, establish procedures, provide guidelines and model programs, delegate authority, and assign responsibilities regarding civilian personnel management of intelligence positions and employees within the DoD.

b. Volume

(1) 2000 Volume Series. The 2000 Volume series of this Instruction, in accordance with the authority in Reference (a) and DoDDs 5143.01, 1400.25, and 1400.35 (References (b), (c), and (d)), establishes policy, assigns responsibilities, and provides guidance for DCIPS.

(2) This Volume. This Volume reissues Volume 2012 of this Instruction (Reference (e)) to establish the policies and responsibilities governing performance-based compensation for DCIPS in accordance with Intelligence Community (IC) Directive 654 (Reference (f)) to the extent practicable, and pursuant to sections 1601-1614 of title 10, United States Code (U.S.C.) (Reference (g)).

2. APPLICABILITY

a. This Volume applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities in the DoD that employ individuals under DCIPS (hereinafter referred to collectively as the "DoD Components with DCIPS positions").

b. This Volume does not apply to:

(1) Employees covered by the Federal Wage System or equivalent, non-appropriated fund employees, or foreign national employees employed under other than DCIPS authority.

(2) Members of the Defense Intelligence Senior Executive Service (DISES) or the Defense Intelligence Senior Level (DISL) or other experts (e.g., highly qualified experts who work at the DISES or DISL equivalent-level), unless specifically addressed in other Volumes of this Instruction.

3. DEFINITIONS. See Glossary.

4. POLICY. It is DoD policy that DCIPS shall:

a. Provide a basis for differentially linking employee performance-based salary increases and bonuses for those organizations operating under the DCIPS banded structure, and bonuses for those organizations operating under the DCIPS graded structure, to individual accomplishments, demonstrated competencies as measured by the performance criteria in Volume 2011 of this Instruction, and contributions to organizational mission and results, such that the greatest rewards go to those who make the greatest contributions, consistent with both performance and competitive pay administration principles.

b. Allow for individual compensation decisions to be made locally, using valid, merit-based criteria common to all the DoD Components with DCIPS positions and adapted to Component missions.

c. Establish a common pay pool process and structure as the mechanism by which the performance-based salary increase and bonus processes will be administered.

d. Provide for transparency in all decision processes.

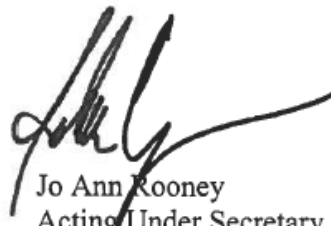
e. Provide for ongoing performance-related feedback between managers and employees.

f. Provide for continuous review and evaluation of decision processes and results to identify and examine any anomalies suggesting issues of fairness or adverse impact.

g. Provide for appropriate employee protections through fair and consistent application of the provisions of this Volume and provide avenues for employee redress.

h. Promote the merit system principles in chapter 23 of title 5, U.S.C. (Reference (h)), and prevent prohibited personnel practices.

5. RESPONSIBILITIES. See Enclosure 2.
6. PROCEDURES. Enclosure 3 provides an overview of DCIPS performance-based compensation procedures.
7. RELEASABILITY. UNLIMITED. This Volume is approved for public release and is available on the Internet from the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.
8. SUMMARY OF CHANGE 1. The changes to this issuance are administrative and update language to comply with Executive Order 14173 (Reference (k)).
9. EFFECTIVE DATE. This Volume is effective April 28, 2012, pursuant to section 1613 of Reference (g).



Jo Ann Rooney
Acting Under Secretary of Defense for
Personnel and Readiness

Enclosures

1. References
2. Responsibilities
3. DCIPS Performance-Based Compensation Procedures

Glossary

TABLE OF CONTENTS

ENCLOSURE 1: REFERENCES.....	5
ENCLOSURE 2: RESPONSIBILITIES.....	6
UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS (USD(P&R)).....	6
USD(I).....	6
HEADS OF THE DoD COMPONENTS WITH DCIPS POSITIONS	6
ENCLOSURE 3: DCIPS PERFORMANCE-BASED COMPENSATION PROCEDURES	8
GENERAL	8
PAY POOLS	8
AGGREGATE COMPONENT PERFORMANCE-BASED SALARY INCREASE AND BONUS BUDGETS.....	12
INDIVIDUAL PAY POOL BUDGETS.....	13
PERFORMANCE-BASED SALARY INCREASE AND BONUS ALGORITHMS AND GUIDANCE.....	14
REVIEW AND OVERSIGHT OF PERFORMANCE-BASED SALARY INCREASE AND BONUS DECISIONS	16
DEVELOPMENTAL PROGRAMS.....	17
COMMUNICATING PERFORMANCE-BASED COMPENSATION DECISIONS TO THE EMPLOYEE	17
EMPLOYEE CHALLENGES TO PAYOUT DECISIONS.....	17
GLOSSARY	18
PART I: ABBREVIATIONS AND ACRONYMS	18
PART II: DEFINITIONS.....	19

ENCLOSURE 1

REFERENCES

- (a) DoD Directive 5124.02, “Under Secretary of Defense for Personnel and Readiness (USD(P&R)),” June 23, 2008
- (b) DoD Directive 5143.01, “Under Secretary of Defense for Intelligence (USD(I)),” November 23, 2005
- (c) DoD Directive 1400.25, “DoD Civilian Personnel Management System,” November 25, 1996
- (d) DoD Directive 1400.35, “Defense Civilian Intelligence Personnel System (DCIPS),” September 24, 2007
- (e) DoD Instruction 1400.25, Volume 2012, “DoD Civilian Personnel Management System: Defense Civilian Intelligence Personnel System (DCIPS) Performance-Based Compensation,” September 15, 2009 (hereby cancelled)
- (f) Intelligence Community Directive Number 654, “Performance-Based Pay for the Intelligence Community Civilian Workforce,” April 28, 2008
- (g) Sections 1601-1614 of title 10, United States Code
- (h) Chapter 23 of title 5, United States Code
- (i) DoD Instruction 1400.36, “DoD Implementation of the Joint Intelligence Community Duty Assignment (JDA) Program,” June 2, 2008
- (j) Sections 4301-4335 of title 38, United States Code
- (k) Executive Order 14173, “Ending Illegal Discrimination and Restoring Merit-Based Opportunity,” January 21, 2025

ENCLOSURE 2

RESPONSIBILITIES

1. UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS (USD(P&R)). The USD(P&R), in conjunction with the Under Secretary of Defense for Intelligence (USD(I)), shall:

a. Develop and maintain DCIPS performance-based compensation policies and practices and monitor their effects on DoD-wide personnel readiness.

b. Ensure, through the USD(P&R)-appointed co-chair of the Defense Intelligence Human Resource Board (DIHRB), that the DIHRB considers business cases for DCIPS compensation policy or changes to existing policy, and advises the USD(I) of its positions and recommendations.

2. USD(I). The USD(I), in conjunction with the USD(P&R), shall:

a. Develop and prescribe policies governing DCIPS performance-based compensation practices within the DoD in accordance with References (d) and (g), and oversee compliance with these policies within the DoD Components with DCIPS positions.

b. Ensure, through the USD(I)-appointed co-chair of the DIHRB (Reference (d)), that the DIHRB considers business cases for DCIPS compensation policy or changes to existing policy, and advises the USD(I) of its positions and recommendations.

c. Review and approve or disapprove requests by the Heads of the DoD Components with DCIPS positions to exceed the aggregate performance budget for their Component, based on specific business cases.

d. Establish the floor payout for performance-based salary increases.

e. Establish a common and consistent method for setting the budget for permanent performance-based salary increases and bonuses for all DoD Components with DCIPS positions.

f. Establish the algorithm that will be used by all DCIPS pay pools to allocate performance-based salary increases and bonuses each year.

3. HEADS OF THE DoD COMPONENTS WITH DCIPS POSITIONS. The Heads of the DoD Components with DCIPS positions shall:

a. Establish guidance for administering DCIPS performance-based compensation policies and practices within their Components.

- b. Be accountable for compliance with policies established in this Volume and any subsequent DoD guidance.
- c. Establish and publish standard operating procedures (SOP) for pay pools within their Components. Provide these SOPs to the USD(I) for oversight purposes prior to use.
- d. For those organizations operating under the DCIPS pay banded structure, exercise the authority to set and adjust rates of pay for individual employees under the performance-based salary decision policies and procedures in this Volume.
- e. Establish and use pay pools to decide upon and distribute performance-based salary increases and bonuses among employees assigned to the pay pool. Individual salary increase and bonus decisions will be made such that they provide higher rewards for higher performance, recognize greater contribution to mission and organizational results, and contribute to overall salary fairness within the pay pool.
- f. Designate pay pool managers or pay pool panel members in writing as early in the performance evaluation period as is practical, or on assignment to a position with pay pool management responsibility, but generally not later than 90 days prior to the end of the evaluation period.
- g. Serve as the Pay Pool Performance Review Authority (PP PRA), in which capacity they:
 - (1) Shall provide final approval for pay pool recommendations.
 - (2) Shall perform a summary review prior to effecting results of all performance-based compensation decisions for pay pools for which the PP PRA is responsible to assess conformance to policy guidance and fairness across pay pools.
 - (3) May return a pay pool's payout decision results to the pay pool manager for remediation if the situation warrants, consistent with applicable law and the provisions of this Volume.
- h. Communicate aggregate pay pool results in accordance with USD(I) guidance.

ENCLOSURE 3

DCIPS PERFORMANCE-BASED COMPENSATION PROCEDURES

1. GENERAL. The DCIPS compensation system is designed to link annual performance-based salary increases and bonuses for those organizations operating under the DCIPS pay banded structure, and bonuses for those organizations operating under the DCIPS graded structure, to individual accomplishments, demonstrated competencies, and contributions to organizational results. Volume 2011 of the Instruction provides policies regarding setting and communicating performance expectations, monitoring performance, developing performance plans, addressing poor performance, and rating performance. Volume 2008 of the Instruction provides policies regarding awards and recognition available for recognizing employees through both monetary and non-monetary awards.

2. PAY POOLS

a. Pay Pool Structure. Pay pool structure is discretionary within the DoD Components with DCIPS positions and based on such considerations as:

- (1) Organizational structure and geographic distribution.
- (2) Number of employees and their occupational composition, work levels, and work categories.
- (3) Size and manageability of the pay pool.
- (4) “Line-of-sight” to the work of the pay pool members.

b. Pay Pool Management. Pay pool management may, at the discretion of the DoD Component with DCIPS positions, be conducted by a single “pay pool manager” who is in the supervisory chain of those employees assigned to the pay pool, or by a “panel” of managers who have line management responsibility for those assigned to the pay pool. If a Component elects to use pay pool panels, the panel will be chaired by a pay pool manager who may exercise decision authority on behalf of the pay pool panel. Pay pool managers or pay pool panel members need not be DCIPS members.

(1) Pay pool managers and pay pool panel members shall be designated in writing by the Head of the DoD Component with DCIPS positions as outlined in paragraph 3.f. of Enclosure 2 of this Volume.

(2) Pay pool managers and pay pool panel members will be trained in their responsibilities annually prior to commencement of the pay pool decision activities. Training shall, at a minimum, teach the respective roles and functions and the use of decision support tools. Training may be structured, at the discretion of the DoD Component with DCIPS positions, to differentiate initial pay pool training requirements from sustainment training requirements.

(3) Components shall provide a report to the USD(I) annually on completion of required pay pool training.

c. Assignment of Employees to Pay Pools. Employees will be assigned to pay pools as early in the evaluation period as is practicable, or on assignment to a new position, in conjunction with annual performance planning.

(1) Employees will be notified of their pay pool assignment as early as is practicable during the performance planning process, but in advance of commencement of pay pool deliberations. Employees should also be advised of their pay pool management.

(2) Employees who change pay pools within a DoD Component with DCIPS positions or who move to another DoD Component with DCIPS positions within 90 days of the annual evaluation close-out will be considered with the new pay pool to which they are assigned using the DCIPS evaluation of record from the previous DCIPS organization.

(3) Employees detailed to another DoD Component with DCIPS positions under a joint duty assignment (JDA) will be assigned to a pay pool in the gaining organization that will consider them for bonuses in accordance with DoD Instruction 1400.36 (Reference (i)) and paragraph 5.h. of this enclosure; employees of organizations operating under the DCIPS pay banded structure will also be assigned to a pay pool in the parent organization that will consider them for salary increases.

(4) DCIPS employees shall not be assigned to pay pools with non-DCIPS employees other than in accordance with Reference (i).

d. Pay Pool Administration

(1) Each pay pool must have SOPs. SOPs shall contain, at a minimum, requirements for initial and annual sustainment training for all pay pool managers and panel members, including procedures for conducting mock pay pool exercises as appropriate. Mock pay pools are mandatory in the first year that pay pools will be conducted, and optional in other years.

(2) Pay pools shall begin their annual deliberations as soon as is practical following the close of the evaluation period and the finalization of evaluations of record, but in sufficient time to complete pay pool deliberations and payout processing before the effective date of the payouts.

(3) Supervisors and managers shall ensure that evaluations of record are available for each employee eligible for consideration, as established in Volume 2011 of this Instruction, during the annual pay pool process.

(4) DoD Components with DCIPS positions shall institute processes for ensuring that all performance evaluations are completed and provided to the pay pools prior to initiation of pay pools.

(5) Employees who have not received an approved DCIPS performance evaluation of record shall not be considered for an annual performance-based salary increase or bonus except:

(a) Employees absent to perform service in the uniformed services and subject to the protections of sections 4301-4335 of title 38, U.S.C. (Reference (j)), will be considered for bonuses, and in organizations operating under the DCIPS pay banded structure will also be considered for performance-based salary increases and shall, at a minimum, retain their relative position in band relative to what would have occurred had they not been called to active duty.

(b) Employees will be considered for bonuses, and in organizations operating under the DCIPS pay banded structure will also be considered for performance-based salary increases and shall, at a minimum, retain their relative position within their pay band if they are on:

1. Workers' compensation.

2. Leave without pay.

3. Long-term training.

(c) Employees on other long-term absences or in other special circumstances for other than disciplinary reasons may be considered for bonuses, and for performance-based salary increases in organizations operating under the DCIPS pay banded structure, and shall retain their relative position within their pay band.

(d) New employees of organizations operating under the DCIPS pay banded structure who do not have 90 days in the rating period and therefore do not have an evaluation of record shall maintain their relative position in the band. Such employees shall receive the minimum (hereinafter referred to as the "floor") performance payout established by the USD(I) for the performance year. In cases where the floor payout is not sufficient to keep pace with the band increase, the employee shall receive an additional adjustment in order to maintain their relative position in the band.

e. Pay Pool Decision Process

(1) Preliminary performance-based salary increase and bonus recommendations will be made based on the outcome of USD(I)-approved compensation formulas.

(2) Preliminary base salary increase and bonus recommendations based on the evaluation of record may be adjusted by pay pool management based on guidance provided in SOPs established under the requirements of subparagraph 2.d.(1) of this enclosure. Considerations that may be included in SOPs are:

(a) DoD Component Head guidance on priorities for the performance year.

(b) Comparative evaluation of performance of like-situated employees within the pay pool.

(c) Adjustments for partial year performance in the pay pool.

(d) Other performance-based considerations included in the DoD Component SOP.

(3) Organizations operating within the DCIPS graded structure may, at the discretion of the Head of the DoD Component with DCIPS positions, grant base-pay increase monetary awards resulting in salary increases during the pay pool process in accordance with Volume 2008 of this Instruction.

(a) Granting base-pay increase monetary awards during the pay pool process does not preclude DoD Components with DCIPS positions from granting such awards at other times throughout the year.

(b) Granting base-pay increase monetary awards does not reduce the pay pool funding amount as described under section 4 of this enclosure, nor does it count toward the 50 percent bonus distribution limitation as described under section 5f of this enclosure.

(c) Components may, at their discretion, award individual employees with both a base-pay increase monetary award and a bonus during the pay pool process.

(4) Documentation will be used and retained (consistent with applicable records schedules) in support of the pay pool decision processes, to include:

(a) Evaluation of record information used for each employee.

(b) Consolidated worksheets for all employees in the pay pool, including decision justification for payouts that are outside the recommended range established in the annual DoD Component with DCIPS positions' guidance.

(c) Actual recommended payouts (i.e., performance-based salary increases and bonuses for organizations operating under the DCIPS pay banded structure; and bonuses and base-pay increase monetary awards, if applicable, for organizations operating under the DCIPS graded structure) for each employee.

(d) Certification of the applicable payments by the PP PRA who serves as the authorizing official.

(e) Guidance on the basis for, and range of, managerial discretion that may be exercised in the decision processes.

(f) Guidance for considering employees absent to perform uniformed service or on Workers' Compensation, leave without pay, long-term training, or other special situations, consistent with the guidance in this Volume and Volume 2011 of this Instruction.

(g) Guidance on documentation and feedback to employees required for performance decisions.

(h) Documentation related to any decision support tools used in addition to the approved common tools, (e.g., the Compensation Work Bench), and rules for their use.

(i) Budget available to the pay pool and guidance on budget management.

(j) Schedules and deadlines.

(k) Review and approval procedures for pay pool results to include:

1. Summary review by the PP PRA of all performance-based salary and bonus decisions for the purpose of identifying any potential issues with regard to merit and consistency.

2. Approval of decisions by the PP PRA.

3. Retention schedules for all pay pool documentation.

(5) Pay pool results shall be available and approved such that performance-based salary increase and bonus payments shall be made to employees to coincide with the annual Federal General Schedule (GS) pay increase, which is normally effective on the first day of the first pay period following January 1 of the new calendar year.

(6) Analyses of performance evaluations of record or pay pool results by demographic characteristics that identify protected classes of individuals are prohibited prior to conclusion of the pay pool processes. Analyses by organizational and position-related characteristics are permitted.

3. AGGREGATE COMPONENT PERFORMANCE-BASED SALARY INCREASE AND BONUS BUDGETS

a. The annual planned Defense Intelligence budget for DCIPS performance-based salary increases and bonuses for organizations operating under the DCIPS pay banded structure, and for bonuses for organizations operating under the DCIPS graded structure, will be established by September 30 of the performance year. The annual performance budget recommendation will be developed in accordance with the guidance in this section and will be approved by the USD(I) in consultation with the USD(P&R).

b. Subordinate activities, elements, and commands will fund performance-based salary increases and bonuses at the same level as the aggregate funding level set by the DoD Component with DCIPS positions.

c. Separate budget recommendations shall be established annually for permanent salary increases, where applicable, and bonuses. The permanent salary increase budget for those organizations operating under the DCIPS pay banded structure will be consistent with that which would have been available for step increases, quality step increases, and within-band promotions (but not including funds that are set aside to provide salary advancements for developmental increases).

d. The Heads of the DoD Components with DCIPS positions:

(1) May not exceed the aggregate performance budget for their Component, except on approval of the USD(I), that is based on a specific business case pursuant to paragraph 2.c. of Enclosure 2 of this Volume.

(2) May allocate their pay pool budget to individual pay pools in the manner that best supports the DoD Component mission, provided that, in organizations operating under the DCIPS pay banded structure, no eligible individual in the Component receives a performance-based salary increase lower than the floor payout for performance established by the USD(I) for the performance year.

(3) May hold aside a portion of their pay pool budget as a reserve for unanticipated pay pool requirements based on exceptional organizational performance, other mission-driven performance recognition requirements, and additional payouts resulting from changes resulting from approved requests for reconsideration providing such reserve does not result in any eligible employee in organizations operating under the DCIPS pay banded structure receiving a performance payment lower than the floor payout established by the USD(I) for the performance year.

(4) Will provide information to the USD(I) on the conduct and results of their pay pool activities, including any use of their authority to allocate funds to pay pools on other than a pro-rata proportional or fair-share basis.

(5) Will provide a report or out-brief to employees of their organization regarding pay pool processes and aggregate results.

4. INDIVIDUAL PAY POOL BUDGETS

a. The sum of individual pay pool budgets may not exceed the aggregate pay pool budget established for the DoD Component with DCIPS positions.

b. The sum of individual pay pool expenditures for permanent performance-based salary increases in DoD Components with DCIPS positions operating under the DCIPS pay banded structure may not exceed the aggregate amount budgeted for permanent salary increases at the DoD Component level, including any budget augmentation approved by the USD(I).

c. The sum of individual pay pool expenditures for bonuses in DoD Components with DCIPS positions operating under the DCIPS pay banded structure may exceed the aggregate amount budgeted at the DoD Component level for bonuses to the extent that the sum of the aggregated permanent performance-based salary increases and bonus payments does not exceed the Component's authorized performance-based compensation budget for permanent performance-based base salary increases and bonus payments combined.

d. The sum of individual pay pool expenditures in DoD Components with DCIPS positions operating under DCIPS graded structure may not exceed the aggregate amount budgeted at the Component level for bonuses.

e. The budget for each pay pool in the DoD Components with DCIPS positions will be set as of the date pay pool membership is frozen following the end of the performance evaluation period. To the maximum extent practicable, membership should not change following the establishment of the pay pool budget.

(1) The preliminary budget for the pay pool will be established according to a method determined by the USD(I) in consultation with the DoD Components with DCIPS positions. The USD(I) shall communicate the agreed-upon method to the DoD Components with DCIPS positions in a memorandum that identifies it as the sole method for determining the permanent salary increase budget and bonus budget for the pay pool and for adjusting the pay pool budget when employees are added to or removed from the pool.

(2) If, at the time decisions are made for the pay pool, an employee is added to or removed from the pay pool, the pay pool budget will be adjusted according to the method in the USD(I) memorandum described in subparagraph 4.e.(1) of this enclosure.

(3) The preliminary budget for bonuses for the pay pool will be established by multiplying the approved percentage times the total base salaries of the eligible employees assigned to the pay pool.

(4) If, at the time decisions are made for the pay pool, an employee is added to or removed from the pay pool, the pay pool budget for bonuses will be adjusted by the salary of the employee, times the bonus percentage allocated for the DoD Component with DCIPS positions. This amount will be summed for all employees added to or removed from the pool.

5. PERFORMANCE-BASED SALARY INCREASE AND BONUS ALGORITHMS AND GUIDANCE. The USD(I), on the recommendation of the DIHRB, will establish the algorithm that will be used by all DCIPS pay pools to allocate performance-based salary increases and bonuses for organizations operating under the DCIPS pay banded structure, and bonuses for organizations operating under the DCIPS graded structure. The algorithm will take into consideration the following factors:

a. Employees rated as unacceptable will be ineligible for any performance-based salary increase or bonus, and in organizations under the DCIPS pay banded structure, will not receive the performance payout floor established by the USD(I) for the performance year. However, their salaries will be included in the computation of pay pool budgets.

b. Employees rated as minimally successful will be ineligible for any performance-based salary increase or bonus, but will, in organizations operating under the DCIPS pay banded structure, receive the performance payout floor established by the USD(I) for the performance year. Salaries of employees rated as minimally successful will be included in the computation of pay pool budgets.

c. Employees in organizations operating under the DCIPS pay banded structure who are rated as successful or higher, and whose current salary falls within the range for their band level, will, under any algorithm approved by the USD(I), receive at least the floor adjustment approved for the performance year unless they reach the top salary limit of the band.

d. Algorithms approved by the USD(I) shall ensure that the performance-based salary increases are computed using the “midpoint principle” (i.e., the rate of salary increase shall decline as the ratio of the employee’s salary to the midpoint of the range increases). Algorithms shall incorporate the employee’s current weighted overall average rating for performance objectives and elements rounded to the nearest tenth of a point, in accordance with the procedures in Volume 2011 of this Instruction, and shall produce increases proportionally larger for higher performance. No performance-based salary increase recommendation or decision may result in a salary that exceeds the maximum for the band range.

e. For organizations operating under the DCIPS pay banded structure, variable control points that have been approved and established under Volume 2006 of this Instruction may be used in conjunction with the performance-based salary increase process to moderate pay progression through the work level.

f. The purpose of a bonus is to provide meaningful reward for the highest levels of performance and work accomplishments within the context of the work level. Algorithms shall separately compute initial recommended bonuses for employees based on the employee’s evaluation of record in accordance with the procedures in Volume 2011 of this Instruction. Employees whose performance was evaluated to be at the “successful” level or above, are eligible for bonus consideration. Bonus algorithms will compute recommended bonus amounts based on the midpoint of the work level to which the employee is assigned. The number of employees who receive bonuses generally shall not exceed 50 percent of the eligible population of a DoD Component with DCIPS positions.

g. Recommended performance-based salary increases and bonus recommendations generated by the algorithm shall serve as the starting point for making annual performance-based salary increase and bonus decisions in accordance with the guidance in SOPs for the DoD Components with DCIPS positions. No adjustment may be made that result in payouts exceeding either the permanent performance-based salary increase budget for the pay pool, or the aggregate pay pool budget for either bonuses or performance-based salary increases.

h. DCIPS processes for awarding bonuses to employees detailed on JDA include the following:

(1) Employees detailed on a JDA 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.

(2) Employees detailed on a JDA to another IC Component 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) in the gaining element. The home element may consider the employee for an award according to Volume 2008 of this Instruction for performance during the performance cycle prior to commencement of the JDA.

6. REVIEW AND OVERSIGHT OF PERFORMANCE-BASED SALARY INCREASES AND BONUS DECISIONS

a. On completion of pay pool action, the pay pool manager will submit the pay pool results to the PP PRA for the DoD Component with DCIPS positions for final review.

b. The PP PRA will conduct a summary review of the results of all the pay pools for which the PP PRA is responsible to identify potential anomalies such as lack of differentiation or inconsistencies in application of policy across pay pools.

c. The PP PRA, on review of the results, may approve all results as submitted, request additional justification for specific issues identified, return the pay pool results to the pay pool manager for remediation, or appoint a new pay pool manager to conduct a new decision review of the pay pool.

d. On completion of PP PRA review, the PP PRA will authorize the results of the pay pools for processing and payment in accordance with the timelines established by this Volume and SOPs for the DoD Components with DCIPS positions.

e. If any PP PRA action results in a delay in effecting the results for a pay pool, all such pay pool decisions will be retroactive to the effective date of other pay pool results for the DoD Component with DCIPS positions.

f. On completion and execution of all pay decisions for the performance year, each DoD Component with DCIPS positions will conduct a formal analysis of the decision process and develop an action plan for the next performance period and pay year that considers the results of that analysis. The results of the Component review will be forwarded to the USD(I) by March 31 of the year in which the review is conducted. Reviews will include:

(1) Statistical analysis of all performance decisions consistent with applicable guidance, to identify, examine, and remove unlawful barriers; to prevent unlawful discrimination; and to ensure pay decisions are based on performance.

(2) Analysis of performance differentiation by pay pool and organization to identify conformance to guidance.

(3) Other analysis or data requested by the USD(I).

g. Following the completion of the annual pay decision process by the DoD Components with DCIPS positions, the USD(I) staff will conduct, in consultation with Component compensation staffs, an analysis of the results of the pay pool decisions.

h. The DIHRB will review the results of the USD(I) staff analysis and make recommendations to the USD(I) on the budget and process for the upcoming performance year.

7. DEVELOPMENTAL PROGRAMS

a. Employees in approved developmental programs as defined in Volume 2005 of this Instruction may be considered for performance-based salary increases and bonuses, as appropriate, in accordance with this Volume.

b. Salary increases received under the developmental program may be considered in determining eligibility for additional increases or bonuses.

8. COMMUNICATING PERFORMANCE-BASED COMPENSATION DECISIONS TO THE EMPLOYEE

a. Rating officials are responsible for communicating performance-based compensation decisions (e.g., pay pool results) to their employees. Communication shall provide a breakdown of performance-based salary increases (including base-pay increase monetary awards awarded as part of the pay-pool process), any increases to local market supplements or any other supplemental pay, and any performance bonuses granted.

b. Such communication should occur in person with each employee unless circumstances preclude this (e.g., geographic separation).

c. Performance-based compensation decisions shall not be communicated to employees until the PP PRA has approved the payouts for the employee's pay pool.

9. EMPLOYEE CHALLENGES TO PAYOUT DECISIONS. Employees may not challenge an individual performance-based payout decision; however, employees may use the grievance system of the DoD Component with DCIPS positions to address specific concerns regarding failure to properly follow pay pool processes that may have affected their payout.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

DCIPS	Defense Civilian Intelligence Personnel System
DIHRB	Defense Intelligence Human Resource Board
DISES	Defense Intelligence Senior Executive Service
DISL	Defense Intelligence Senior Level
DoDD	DoD Directive
GS	General Schedule
IC	Intelligence Community
JDA	joint duty assignment
PP PRA	Pay Pool Performance Review Authority
SOP	standard operating procedure
U.S.C.	United States Code
USD(I)	Under Secretary of Defense for Intelligence
USD(P&R)	Under Secretary of Defense for Personnel and Readiness

PART II. DEFINITIONS

The following terms and their definitions apply to this Volume of this Instruction and serve as the basic employment and staffing taxonomy for the DoD Components with DCIPS positions.

authorizing official. A management official who has been delegated authority to certify payments resulting from pay pool deliberations. For the purposes of approving the results of the DoD Component pay decision process, the authorizing official will be the PP PRA.

DCIPS floor. See “performance payout floor.”

DoD Components with DCIPS positions. Defined in Volume 2001 of this Instruction.

eligible employee assigned to a pay pool. An employee who has received a DCIPS performance evaluation of record for the most recent performance evaluation period.

IC. A coalition of 17 agencies and organizations within the executive branch that work both independently and collaboratively to gather the intelligence necessary to conduct foreign relations and national security activities.

like-situated. Refers to employees of identical or similar work category, work level, DCIPS band or grade and occupational category.

line-of-sight. A term used to specify that those in the employee pay decision chain must have insight into the employee's performance and contributions through direct observation of the employee's work.

pay pool. An aggregation of employees within a DoD Component with DCIPS positions for the purpose of making annual performance-based compensation decisions. The organizing construct for a pay pool may include consideration of organization or region of assignment, occupation, or other organizing criterion involving a common mission focus.

pay pool manager. An individual typically in the chain of command for employees assigned to a pay pool, designated by the Head of the DoD Component with DCIPS positions to conduct the decision-making process for annual performance-based compensation decisions for employees assigned to the pay pool.

pay pool panel. A group of managers who typically share chain-of-command responsibility for employees assigned to a pay pool who are designated by the Head of the DoD Component with DCIPS positions to participate in the annual performance-based compensation decision-making process under the leadership of a pay pool manager for the employees assigned to the pay pool.

PP PRA. The Head of the DoD Component with DCIPS positions, in his or her capacity of providing oversight of pay pool processes. The PP PRA provides oversight of the pay pool processes of an entire DoD Component with DCIPS positions to ensure consistency in the application of principles and criteria, and approves payouts.

performance payout floor. For organizations operating under the DCIPS pay banded structure, the minimum performance increase in base salary that an employee performing at a "successful" level and otherwise eligible for a performance payout may receive during the annual performance decision process. This amount will be established annually by the USD(I) based on the recommendation of the DIHRB. Initially this amount will be equal to the annual Congressional General Pay Increase authorized for Federal GS employees. Employees rated minimally successful will receive a percentage of the payout floor.

uniformed services. The uniformed services are the Army; the Navy; the Air Force; the Marine Corps; the Coast Guard; the Commissioned Corps of the U.S. Public Health Service, Department of Health and Human Services (DHHS); and the Commissioned Corps of the National Oceanic and Atmospheric Administration (NOAA). Proposed issuances that apply to the Commissioned Corps of DHHS and NOAA must be coordinated with those organizations.