

SUBJECT: 2005 Performance-Based Cash Awards for Civil Service, Foreign Service and Non-Career Limited Foreign Service Employees, FS-01/GS-15 and below

NEW MATERIAL: The Office of Human Resources (M/HR) is pleased to announce that the Agency has approved and allocated funds to establish a bonus pool to provide performance-based cash awards to deserving Civil Service (CS) and Foreign Service (FS) employees, in grades GS-15/FS-01 and below. In addition, non-career limited FS employees, FS-01 and below, may also be considered for performance-based cash awards.

EFFECTIVE DATE: 08/16/2005

SUPERSEDES: IU4_0406 (2004 Performance-Based Cash Awards for Civil Service, Foreign Service and Non-Career Limited Foreign Service Employees, FS-01/GS-15 and below)

POLICY

USAID/General Notice
M/HR/EM
08/16/2005

Subject: 2005 Performance-Based Cash Awards for Civil Service, Foreign Service and Non-Career Limited Foreign Service Employees, FS-01/GS-15 and below

The Office of Human Resources (M/HR) is pleased to announce that the Agency has approved and allocated funds to establish a bonus pool to provide performance-based cash awards to deserving Civil Service (CS) and Foreign Service (FS) employees, in grades GS-15/FS-01 and below. In addition, non-career limited FS employees, FS-01 and below, may also be considered for performance-based cash awards.

Pool Managers are cautioned to read carefully the following annual policy guidance for administering this year's performance based cash awards program. There are significant changes to last year's guidance.

1. General Guidance and Eligibility

Performance-based cash awards are designed to reward employees who have demonstrated high-quality performance during the 12-month rating period, stood out

among their peers, and made significant contributions to the accomplishment of the Agency's mission as reflected in their annual performance rating of record.

All performance award determinations will be based on Civil Service employees' Annual Evaluation Form for the 2004 rating cycle which ended on December 31, 2004, and Foreign Service employees' Annual Evaluation Form for the 2004-2005 rating cycle which ended on March 31, 2005.

In order to be eligible for consideration for a performance-based cash award, employees must meet the following criteria:

- a. Civil Service employees must have received a summary performance rating of record for the 2004 rating cycle of "Exceptional," "Excellent" or "Fully Successful" (levels 5, 4, or 3).
- b. Foreign Service (career or career candidate) employees must have received a report card rating of "B" or better issued by the 2005 Foreign Service Performance Boards.
- c. Non-career limited FS employees may also be considered for performance awards in a separate agency-wide performance pool. To be eligible, they must have received an Annual Evaluation Form (or equivalent documentation) for the 2004-2005 rating cycle. Non-career limited FS employees are not reviewed by performance/promotion boards and do not receive report card ratings. A special performance review committee will be convened to review AEFs for all non-career limited FS employees, along with award nominations that address specific performance accomplishments submitted by their Rating Official and Division Chief or equivalent.

Bureaus that wish to consider an FS non-career limited employee for a performance award must provide Darren Shanks, M/HR/EM, a copy of the employee's AEF (or an equivalent written review of performance) for the last rating cycle and a supporting nomination from the employee's supervisor by no later than Friday, August 26, 2005.

- d. Rating officials who did not complete annual performance evaluations for their employees for the applicable rating cycles by the due date are not eligible for performance-based cash awards.

2. The "33 percent rule," which limited the number of performance-based awards to 33% of eligible employees in a performance pool, is replaced this year by a restriction to two-thirds of eligible employees. In addition, the following guidance applies:

- a. Pool Managers are expected to ensure a fair and equitable disbursement of funds available for distribution in their operating unit's performance pool. The size of the performance pool for each operating unit is a function of the numbers and grade levels of the eligible employees in the unit.

b. According to applicable government-wide guidance, performance bonuses are intended to reflect meaningful distinctions among employees based on the level of their performance and their contributions to the goals of the Agency. Each Bureau and Independent Office must be able to demonstrate congruence between the distribution of awards and performance levels as reflected in performance documents and ratings. This does not mean that all employees with the same performance rating, even those at the same grade, must receive the same performance bonus.

c. Generally, no employee with a lower performance rating may receive a greater bonus as a percentage of pay than an employee with a higher rating, and there must be meaningful distinctions between award amounts at different performance rating levels. Within rating levels, there may be meaningful distinctions in the levels of performance and the magnitude of contributions to the goals of the work unit and the Agency. Those distinctions may be reflected in the size of individual bonuses granted.

d. It is important for Pool Managers to recognize that contributions are relative to the position of the employee. For example, employees at higher grades are expected to make greater, or at least more visible, contributions than employees at lower grades. In determining whether an award is appropriate, and in determining the size of the appropriate award, the level of performance and the magnitude of contribution expected at each employee's grade must be considered.

e. When the pool sheets are issued, M/HR will provide additional guidelines for implementing this policy.

3. Instructions for Administering Awards Pool Sheets

M/HR/EM staff will issue an awards pool sheet to each Pool Manager, listing all employees in the operating unit who are eligible to be considered for performance-based cash awards. The date by which completed pool sheets must be returned will be issued along with the pool sheets.

The names of performance award recipients will be published in the awards booklet that is presented at the Agency's 2005 Annual Awards Ceremony in the fall.

Point of Contact: Any questions concerning this Notice may be directed to Darren Shanks, M/HR/EM, (202) 712-5685, or Sandra Amin, M/HR/EM, (202) 712-0969.

Notice 0852

| File Name | Notice Date | Effective Date | Editorial Revision Date | ADS CD No. | Remarks |
|--------------------------|-------------|----------------|-------------------------|------------|---|
| IU4_0512_082305_cd41.doc | 08/16/2005 | 08/16/2005 | | CD 41 | This IU will remain in effect for one year. |

IU4_0512_082305_w082405_cd41.doc