



PERSONNEL AND  
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE  
4000 DEFENSE PENTAGON  
WASHINGTON DC 20301-4000

JUL 7 2011

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
DEPUTY CHIEF MANAGEMENT OFFICER  
COMMANDERS OF THE COMBATANT COMMANDS  
ASSISTANT SECRETARIES OF DEFENSE  
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
DIRECTOR, COST ASSESSMENT AND PROGRAM  
EVALUATION  
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTOR, NET ASSESSMENT  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTORS OF THE DOD FIELD ACTIVITIES

Subject: Executive and Senior Professional Pay and Performance Management System –  
Close-out Guidance for the Fiscal Year (FY) FY2011 Performance Appraisal Period

This memorandum and its attachments provide the 2011 close-out guidance for the Senior Executive Service (SES) and Senior Professional (SP) workforce. Overall guidance is contained in the "Executive and Senior Professional Pay and Performance System." Subchapter 920 (SC 920), dated April 18, 2008, and the DoD Tier Policy dated April 28, 2008. A copy of these polices may be found on the Department's SES and SP web site at:  
<http://www.epms.osd.mil/sespm/>.

The FY2011 performance appraisal period ends on September 30, 2011. The Governmentwide freeze on pay will continue to be in effect thru 2012, therefore, the only monetary performance-based recognition available for the FY2011 appraisal period will be in the form of bonuses. Non-monetary recognition tools, such as a letter of commendation, certificates, service medals, plaque, or other item of nominal cash value, public recognition ceremonies, and time-off awards, should be considered as tools to recognize and reward sustained superior accomplishments and achievements. Ratings officials may use their discretion in making non-monetary recognitions of performance.

An annual rating is required for every SES/SL/ST member (career, non-career, or limited term appointee) who is an SES/SL/ST member as of the end of the appraisal period and has worked under an approved performance plan for a minimum of 90 days. When a senior executive changes jobs or transfers to another agency after completing the minimum appraisal period (90 days), the supervisor must appraise the executives performance, in writing, before the



executive departs to the gaining agency. The gaining supervisor must consider the rating and appraisals when developing the Initial Summary Rating at the end of the appraisal period. This ensures the employee has the opportunity to be recognized and/or compensated for his/her performance. The Department's Tier Policy will continue to be used as a means of ensuring comparability in executive position and compensation management across the Department. The Tier Policy recognizes that some positions have higher-level responsibilities than other positions in the SES workforce by imposing pay caps for each Tier level.

For the foreseeable future, given the scarcity of resources, reductions in budget, and fiscal constraints, Ratings Officials must be mindful of the fact that resources available for recognizing performance will be substantially reduced. The Secretary of Defense's efficiency targets set the bar for all Components as performance ratings are considered. Rating officials must give careful consideration in assigning ratings and considering performance awards. Those executives being considered for ratings at Level 4 level must demonstrate real and proven results that have created meaningful change or realized additional savings beyond targets in order to merit a Level 4 rating. Consequently, Level 5 ratings should be reserved for extraordinary results that significantly advance the Department's mission or program objectives and are demonstrative of significant efficiencies or cost savings.

For the FY2011 performance appraisal period, the Deputy Secretary of Defense has determined the Performance Bonus Budget and overall Pay Pool Funding Factor for members of the SES and SP workforce for the coming appraisal period shall be a maximum of 5.0% of aggregate salaries. The Pay Pool Funding Factor cap for all Tiers is 5.0%. The organization's Performance Bonus Budget establishes the funding available for performance awards. Finally, while the Performance Bonus Budget may be funded up to a maximum of 5.0% of aggregate salaries, the total amount of performance awards paid may not exceed 10% of the total aggregate basic pay of the career executives in the Pay Pool.

For FY2011, in order to provide a consistent approach for recognizing performance, and to address anomalies created by variations in pay pool compositions across the Department, we are providing alternative guidance for FY2011 Pay Pool funding. In prior years, these variations in pay pool compositions created significant variance in share values, and thus differences in bonus amounts for similar performance across the Department. Therefore, for FY2011, Components may elect to set payouts without the use of shares and without calculating share values. If components opt to set payouts without use of shares and share values, then they must make meaningful distinctions in performance and performance-based awards. Regardless, bonuses should adhere to the suggestions below. With the exception of this year's direction for determining monetary performance-based awards, all other provisions of the Department's performance management policy (SC 920) remain in effect. These are the suggested bonus ranges for all SES Tiers across the Department. Please remember, no executive or senior professional is entitled to a performance-based payout.

Level	Bonus Range	
	Minimum	Range, if bonus authorized
Level 3	0%	5% - 8% of salary
Level 4	0%	5% - 11% of salary
Level 5	0%	5% - 14% of salary

Bonus amounts above 14% of salary are reserved for the most extraordinary contributions which are demonstrated by a sustained record throughout the performance period of achieving major program goals, exceeding customer expectations, attaining high-quality outcomes, producing cost-effective results, demonstrated by exceptional results. To ensure consistency across the Department, awards above 14% of salary require approval of the Component Head and my concurrence prior to execution. Such requests should be identified as part of the Pay Pool Validation package submitted to me for approval.

Individual performance-based awards for the SP workforce are restricted to a maximum of 20% of basic pay; however, awards above 14% of salary require approval of the Component Head and my concurrence prior to execution. Such requests should be identified as part of the Pay Pool Validation package submitted to me for approval. In addition, any SP performance-based awards over \$25,000 must be approved by the White House. While performance-based awards are not guaranteed to all executives regardless of rating level, the amount of funding available for performance-based awards is based upon the total aggregate basic pay of executives in the Pay Pool. Organizations may choose to recognize executives with monetary or non-monetary awards at any rating level, and to supplement performance-based awards for executives who have been temporarily performing the duties of a position at a Tier level above their position of record. The duties must have been performed for a minimum of 90 days by the end of the performance appraisal period. Funds from the Performance Bonus Budget can be used to recognize this contribution through a Total Performance Payout Adjustment. The Total Performance Payout Adjustment must be approved by the Authorizing Official and be made in accordance with SC 920.

Rating Officials are reminded rigorous assessments of performance is critical to the Department's requirements for using results as a basis for making and using proper and meaningful distinctions in performance. Rating Officials are reminded performance bonuses are only one of the tools available to recognize, motivate and reward significant individual achievements or contributions. Given the significant reduction in funding for monetary awards, you are encouraged to use maximum flexibility to strategically apply monetary and non-monetary recognition tools across all ratings levels.

The memorandum titled "Direction for Department of Defense (DoD) Organizational Assessment (OA) for the Fiscal Year (FY) FY2011" was released by the Deputy Secretary of Defense on November 17, 2010. Executive and Senior Professional Performance Requirements must link to the DoD Organizational Assessment or Component strategic plans that define supporting execution priorities. The Department's OA identified 5 enterprise-wide Strategic Goals that are listed below:

- Strategic Goal 1: Prevail in Today's Wars
- Strategic Goal 2: Prevent and Deter Conflict
- Strategic Goal 3: Prepare to Defeat Adversaries and Succeed in a  
Wide Range of Contingencies
- Strategic Goal 4: Preserve and Enhance the All-Volunteer Force
- Strategic Goal 5: Implement Reform Agenda

The results of the Department's FY2011 Organizational Assessment (OA), which will be released at the end of the Fiscal Year, must be used by Rating Officials, Pay Pool Panels, Performance Review Boards (PRBs) and Authorizing Officials to determine individual performance ratings and payout decisions. The Department's OA process and its communication of the results allow Rating Officials, Pay Pools and PRBs to determine the extent to which an executive or senior professional's performance impacted organizational results and ensure the performance rating reflects the impact and progress on the Department or Component strategic goals. All award determinations must be based upon results achieved under individual performance objectives that demonstrate successful execution of programs, activities or initiatives which support DoD-wide goals and aligned component execution priorities.

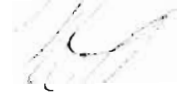
In order to aid in the execution of your successful executive and senior professional Pay Pools and PRBs, this memorandum provides the following information tools:

- Attachment 1: Key close-out responsibilities and DoD timeline.
- Attachment 2: FY2011 Performance Validation Checklist.
- Attachment 3: Template and instructions for recording rating and payout information. (Will be provided to each DoD Senior Executive Management Office (SEMO) as an excel spreadsheet with key fields (e.g., executive's name, tier, current salary, and other pertinent information) populated via DCPDS for each servicing executive and senior professional on the rolls as of September 30, 2011.
- Attachment 4: PowerPoint template for describing rating results. (Will be provided to each SEMO as a PowerPoint template populated with the prior years' data and set up for FY2011 data population to provide analysis of the rating and payout distribution of executive and senior professionals,).
- Attachment 5: OPM Federal Employee Viewpoint Survey Summary.

In performing your close-out responsibilities, I ask that you review the results of relevant materials, including but not limited to the 2010 OPM Federal Employee Viewpoint survey, DoD and Component-specific analysis, and address areas in need of improvement.

Driving greater discipline and rigor in Executive and Senior Professional performance evaluation and assessment is critical to effective implementation of our pay for performance system. Please bear in mind the Department is committed to an appraisal system that makes meaningful distinctions in performance and rewards individuals accordingly. Supervisors must be held accountable for assessing performance fairly and ensuring meaningful distinctions in performance based upon individual and organizational performance. As you know, such distinctions and supervisor accountability are essential aspects to a meaningful performance management system.

I recognize this will be especially challenging in the current environment. However, I am confident we will continue to meet the high standards we have set for ourselves and I appreciate your continued support in this regard. In the event you have any questions or are in need of additional information, please contact Mary Lamary at (703) 696-4802 or [mary.lamary@cpms.osd.mil](mailto:mary.lamary@cpms.osd.mil).



Jo Ann Rooney  
Principal Deputy

Attachments:  
As stated

## **Fiscal Year 2011 Executive and Senior Professional Performance Key Close-out Responsibilities and DoD Timeline**

Below is a quick summary of the key performance management policy requirements. They are not intended to substitute for the policies in the tier policy and Subchapter 920. These key requirements must be understood and applied in the context of the existing policies for Executives and Senior Professionals.

### **Key General Performance Rating and Pay Pool Deliberations Business Rules**

- The Rating Official, Pay Pool Panel Members, and Performance Review Board (PRB) must consider individual performance based upon:
  - Organizational performance (consider the DoD Organizational Assessment, Component Assessments, Strategic Plan Assessments, and other pertinent organizational assessment information).
  - Individual executive or senior professional performance results.
  - Solicitation and receipt of customer and employee feedback.
  
- In the event changes are recommended to an executive or senior professional's Initial Summary Rating (ISR) by the Pay Pool Manager or Pay Pool Panel, SC 920 requires that the Pay Pool Manager advise the Rating Official, who then has the opportunity to defend or substantiate the proposed ISR. In addition to notifying the Rating Official, the Pay Pool Manager must notify the executive or senior professional and given the opportunity to request a higher level review. Such request must be made within seven days of receiving notice of the recommended change. The provisions of SC 920 regarding Higher Level Review are then to be followed.
  
- Meaningful distinctions in performance must be made based upon individual and organizational performance. Rigorous assessments of executive and senior professional performance will drive these distinctions and support appropriate award decisions.
  
- Any element rated unsatisfactory (i.e., receives fewer than 51 points) results in an Unsatisfactory Performance Rating.
  
- Second Level Review of the Initial Summary Rating is optional.
  
- An executive may not grieve the Performance Plan, Appraisal, Performance Rating Level, Performance Score, Adjustment in Basic Pay, non-receipt of a Performance Bonus, or the Amount of a Bonus.

- Executives who change jobs to a position in the same or different DoD Component with a different Pay Pool within 90 days of the end of the performance cycle may be assessed and assigned an ISR by the Rating Official of record prior to movement. The ISR may be further evaluated and considered by the gaining Pay Pool and PRB. The gaining Authorizing Official may assign an Annual Summary rating and payout based upon the executive or senior professional's performance outcomes prior to movement.
- Rating officials who change jobs within 90 days of the end of the performance cycle must assess and provide a recommended ISR for all of their executives or senior professionals who have been on a performance plan for a minimum of 90 days. The incoming Rating Official may provide additional narrative to the recommended ISR at the end of the performance appraisal period. If provided, the additional narrative by the incoming rating official must be documented in a Word document no more than 3 pages in length attached to the DD2899 or DD2898.
- Rating officials who change jobs within 90 days of the end of the performance cycle should provide a written narrative summarizing performance to date for their executives or senior professionals who have been on a performance plan for less than 90 days.
- Executives who change jobs to a position outside of the Department after the end of the performance rating period, such executives are not entitled to a pay increase but may be considered for a performance bonus. It would not be appropriate to deny a bonus payout solely on the basis that the executive left the organization after the end of the performance period.
- It is inappropriate to deny or reduce a performance payout to Presidential Rank Award (PRA) winners solely on the basis of receiving one of these awards. The decision to grant a performance payout must be based upon accomplishments during the applicable performance period.
- A Pay Pool Panel Member and Performance Review Board Member may not participate in deliberations involving their own appraisal and performance payout.
- Quotas or forced distribution ratings and payout decisions are not authorized.
- Payout distributions may be prorated if the executive or senior professional was hired after the beginning of the performance period.
- When additional funds are available after recommending the total bonus payout, the Rating Official, Pay Pool Manager and Performance Review Board

Chairperson may recommend an executive or senior official receive a portion of the additional funds for documented reasons such as:

- In recognition of team accomplishment (increase);
  - Extraordinary accomplishment beyond the bonus percentage value calculated (increase); and
  - Recent significant in-hire basic pay increase (e.g. last 12-15 months) (decrease).
    - Recommendations must be made in a judicious and prudent manner and documented in writing. The Authorizing Official is the only authority to grant such an adjustment.
- 
- Bonus payments may be made effective the last pay period in December 2011.
  - All performance rating and payout data must be input into DCPDS by the end of the first pay period in February 2012.



## Key Rating Official Guidance

### ► Estimated Window for Completion: September 30 - October 31, 2011

- Interim ratings should be considered when assessing overall performance accomplishments.
- Extend the performance appraisal period for an executive who has not met the minimum 90-day requirement. The executive's performance appraisal period may be extended for a period of not more than 15 months.
- Encourage employee input through a self-assessment.
- Appraise performance consistent with Subchapter 920 and Merit Principles (5 U.S.C. §2301).
- Assign a performance score for each Performance Element.
- Assign a recommended performance rating and bonus percentage, if applicable, based upon overall performance score;
  - Consider the executive's and senior professional's scope, level of responsibility, complexity of assignment and mission impact of an executive or senior professional when recommending a performance rating and bonus percentage.
  - Below are the benchmark definitions for each performance rating level to help guide and inform rating decisions:

Performance Rating Level	Benchmark Definition
<b>Level 5:</b> <b>Exceptional Results</b>	<b>Exceptional Results</b> is performance that far exceeds what is expected in the attainment of the Performance Requirement, as evidenced by exceptional accomplishments or contributions to the mission.
<b>Level 4:</b> <b>Exceeds Expected Results</b>	<b>Exceeds Expected Results</b> is performance that surpasses what is expected in the attainment of the Performance Requirements and/or results in the achievement of unexpected outcomes that contribute to the mission.
<b>Level 3:</b> <b>Achieved Expectations</b>	<b>Achieved Expectations</b> is performance that fully meets the attainment of the Performance Requirements as defined by the Performance Plan.
<b>Level 2:</b> <b>Minimally Satisfactory</b>	<b>Minimally Satisfactory</b> is performance that partially meets or demonstrates some progress toward the attainment of the Performance Requirements described in the Performance Plan.
<b>Level 1:</b> <b>Unsatisfactory</b>	<b>Unsatisfactory</b> is performance that fails to meet the Performance Requirements for any element in the Performance Plan.
<b>X- Not Rated</b>	Self explanatory

- Conduct an end-of-year performance review with each executive and senior professional;
  - Provide the executive on senior professional with a preliminary performance assessment pending final review and approval by the Authorizing Official;
  - Discuss the overall performance, the tentative Performance Rating, Performance Score, and recommended bonus percentage range; and
  - Do not discuss bonus value or performance payout information.
- When necessary, provide the Pay Pool Manager clarification or justification of an initial summary performance rating of an executive or senior professional.

### **Key Higher Level Review Guidance**

**► Estimated Window for Completion: Within 7 work days following receipt of Executive's and Senior Professional's Request for Reconsideration**

- Higher Level Review of Initial Summary Rating requires an independent review:
  - The Executive may respond, in writing, after receipt of Initial Summary Rating and prior to review by the Pay Pool and/or Performance Review Board;
  - The Executive must request review within seven work days of receiving the proposed Initial Summary Rating;
  - The Higher Level Reviewer (as defined in SC 920) must conduct review within seven work days;
  - The Higher Level Reviewer does not change the initial summary rating;
  - The Higher Level Reviewer's findings are provided to the executive, Rating Official, Pay Pool, Performance Review Board, and Authorizing Official; and
  - Authorizing Official's decision is final.

### **Key Pay Pool Guidance**

**► Estimated Window for Completion: November 1- 30, 2011**

- In the performance appraisal review process, the Pay Pool is responsible for ensuring performance standards are applied consistently across the organization.
- The Pay Pool will also manage, control, and distribute performance bonus recommend actions for the Authorizing Official's approval.
- The Pay Pool Manager will report proposed changes to the executive's or senior professional's Performance Rating, Recommended Bonus Percentage, and Performance Score to the Rating Official and executive/senior professional prior to finalizing Pay Pool deliberations.

- The Pay Pool Manager will consider additional evidence provided by the Rating Official in support of the initial recommended rating;
- The executive or senior professional must be given the opportunity to request a higher level review. Such a request must be made within seven days of receiving notice of the recommended change. The guidance provided above in the Key Higher Level Review Guidance section should then be followed.
- The Pay Pool Manger report final recommendations to the Performance Review Board.

### **Key Performance Review Board Guidance**

▶ **Estimated Window for Completion: November 1- 30, 2011**

- Review recommendations of the Rating Official, Pay Pool manager(s) as they relate to mission accomplishments and individual and organizational performance. Also review the written review by the higher-level reviewing official, as required, and the executive's written response (if any), and conduct any further review needed, to ensure
  - Performance Requirements are applied;
  - Organizational performance assessments and pay decision processes are executed consistently, fairly, and in compliance with established DoD and organizational policies and procedures; and
  - Meaningful distinctions in executive performance and payout decisions are made relative to individual and organizational performance.
- Report recommendations to the Authorizing Official.

### **Key Authorizing Official Guidance**

▶ **Estimated Window for Completion: December 1- 5, 2011**

- Establish the composition of the Performance Review Board (PRB) and select a Chairperson.
- Consider rating and payout recommendations received from the rating official, pay pool manager, and PRB.
- Determine the final rating, and payout distributions based upon documented reasons.
- Certify results by completing the SES Performance Validation checklist and submitting required evidence to the USD (P&R) by close of business, December 7, 2011.

**SES/SL/ST FY2011 Validation Checklist**  
**(Authorizing Official must submit this form with the Validation Package)**

Yes/No	Requirement	Comments/Notes
<input type="checkbox"/> Yes <input type="checkbox"/> No	Completed DoD SES and SL/ST Performance Appraisal and Payout Data Report – Updated Version	<ul style="list-style-type: none"> <li>• Out of cycle pay increases must be entered and identified in the Report.</li> <li>• For those Components using unique personal identifiers in lieu of the executive's name, the identifier must be the same from year to year.</li> <li>• NOTE: The 2010/2011 OPM Performance Appraisal System certification and Annual Reporting Data Form must be submitted in Jan/Feb. after Data are input into DCPDS and Component verification is complete.</li> <li>• Complete a quality review of data input into DCPDS.</li> </ul>
<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Completed DoD SES and SL/ST Data Analysis Requirements (use the PowerPoint chart submission template only):</p> <p>Provide the charts depicting the distribution of performance ratings overall, basic pay increases, bonuses, shares, etc for performance cycles 2007-08, 2008-09, 2009-10, 2010-2011.</p>	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Provide a copy of the Organizational Assessment tool used by the rating official, pay pool, and Performance Review Boards (PRB) to inform rating and payout decisions.	
<input type="checkbox"/> Yes <input type="checkbox"/> No (Applies to all requirements in this section)	<p>Signed Memo from the Authorizing Official must include validation of the following items in the memorandum:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The appraisal and award process comported with Subchapter 920 and section 430.310 of title 5. Code of Federal Regulations.</li> <li><input type="checkbox"/> The performance payout formula elements and values. i.e., Presidential Adjustment to Executive Pay (PAEP%), Pay Progression Budget%, and Bonus% by Pay Pool and Tier (if applicable).</li> </ul>	

**SES/SL/ST FY2011 Validation Checklist**  
**(Authorizing Official must submit this form with the Validation Package)**

- Organizational assessments were used to inform individual rating decisions and describe how the results were used to inform rating decisions.
- Ratings, pay adjustments, and bonuses reflect and recognize individual performance and contribution to the Component/DoD mission.
- Results demonstrate that meaningful distinctions in performance were made.
- How results of the 2010-11 appraisal cycle will be communicated to executives.
- Training was provided to executives and supervisors on the system to ensure effective implementation of the DoD performance management policy. Provide evidence (training materials or description of the training, the forum in which training was provided; and the number of executives and senior professionals who received the training).
- Guidelines to executives, rating and reviewing officials and PRB about how organizational performance should be considered when deciding ratings and payouts. Provide a copy of the PRB and Pay Pool guidance and/or instructions. Provide a copy of the communication of organizational assessments and results of organizational assessment.
- Identify the pay pool funding factor for each pay pool (collectively and by tier if applicable). Provide it as a breakout to include the PAEP + Pay Progression Budget + Performance Bonus Budget.
- If applicable, the number of adjustments to performance payouts and the circumstances under which these adjustments were made.
- The number of and basis for each out of cycle pay adjustment.
- The number of instances and circumstances for exceeding tier salary caps.
- The number of instances and circumstances for exceeding a 6% individual basic pay increase.
- The number of and basis for increases above Component Tier Structure ceilings.

- Evidence of the communication must be submitted to DASD(CPP) by Feb 2012

## INSTRUCTIONS

### SES Data for Performance Appraisal System Certification, System Standards and Metrics, and Annual Report

#### Reminders —

Please enter data into the attached template. Please note that there are two worksheets (tabs) in the template: General Information and Annual Reporting Data.

So data can be analyzed in a timely manner, ensure that:

- The SES member's name or unique identifier is consistent from year to year,
- The actual compensation received as pay adjustments by the member is the data reported,
- The full amount of any awards granted to the member is the data reported, and
- All comments are included in the "Explanatory Comments" column, not in the data fields.

Please contact your Art Walker at [Arthur.walker@opm.gov](mailto:Arthur.walker@opm.gov) if you have any questions about this template.

The descriptions below explain the information to be entered within each field of the template.

#### GENERAL INFORMATION

**Agency or Component(s)** — Name of agency or component(s) covered by appraisal system being certified.

**Point of Contact Name, Phone Number, and Email** — Name of agency point of contact, phone number, and email address to clarify any questions about the agency's data.

**Date** — The date this report is submitted to OPM.

**These data represent compensation and awards based on the ratings for, or granted during, the following appraisal period: Start: End:** — The start and end dates of the appraisal period for the ratings reported.

**Summary Rating Pattern (D, F, G, or H)** — The summary rating pattern used:

- Pattern D for rating levels 1, 2, 3 (Note: OPM will not certify appraisal systems using this pattern.)
- Pattern F for rating levels 1, 2, 3, 5
- Pattern G for rating levels 1, 2, 3, 4
- Pattern H for rating levels 1, 2, 3, 4, 5

**Performance Award Pool Amount (\$) and (%)** — Enter the total dollar amount of the performance awards pool and the percentage of aggregate base pay on which the awards pool was calculated. The total amount of the performance award pool paid during a fiscal year by an agency may not exceed the greater of –

- Ten percent of the aggregate rates of basic pay for career SES in the agency during the preceding fiscal year; or
- Twenty percent of the average annual rates of basic pay for career SES in the agency during the preceding fiscal year.

**Performance Award Pool Payout** — Enter the percentage of the awards pool that was actually awarded in performance awards.

**Date of Performance-Based Pay Adjustments** — The date that most of the "annual" pay adjustments from the column labeled "Performance-Based Pay Adjustment" were made. These adjustments start the clock on the 12-month rule and typically are paid the first pay period in January.

**Total Members** — The total number of SES members, including career, non-career, and limited.

**Total Members Paid Above Level III of the Executive Schedule** — The total number of SES members (including career, non-career, and limited) with final rates of basic pay, after pay adjustments, above level III of the Executive Schedule.

**Total Members Eligible to be Rated** — The total number of SES members eligible to be rated.

**Total Members Not Rated** — The total number of SES members who did not receive a rating for the appraisal period, e.g., those who have not been under an appraisal period for the minimum period.

### **ANNUAL REPORTING DATA**

**SES Members** — The last name and first initial, last name and first name, or other unique identifier for each SES member. Agencies must ensure that the same name or identifier is used for the same employee in subsequent years to allow for longitudinal analysis. (e.g., Smith, J should be reported as Smith, J for each report; Smith, John cannot be substituted. If Jackson, V is identified as 857 then she should be reported as 857 each year.)

**Tier** — If the agency uses pay tiers, the pay tier assignment of each SES member (i.e., control points within the broad SES pay range). The pay tiers are to be reported as ordinal numbers with number 1 designating the highest.

- 1 - Highest pay range or maximum pay rate
- 2 - Middle range
- 3 - Lowest pay range or maximum pay rate

**Appt. Type** — The appointment type for each SES member using one of the following indicators:

- C - Career,
- N - Non-Career, or
- L - Limited.

**New Appt.** — Place an X in this column to indicate SES members newly appointed to the agency or component who have not received a performance rating or pay adjustment based on the appraisal period reported.

**Rating** — The member's summary rating for the appraisal period reported. The summary rating will be one of the following:

- 5-Outstanding or equivalent,
- 4-Exceeds Fully Successful or equivalent,
- 3-Fully Successful or equivalent,
- 2-Minimally Successful or equivalent,
- 1-Unacceptable or equivalent, or
- X-Not Rated.

**Compensation** —

- **Additional Pay Adjustments and Exceptions to 12-Month Rule (\$)**: The dollar amount of a member's pay adjustment if an additional adjustment (other than the annual adjustment or MRP) was given during the rating period reported. An explanation of the basis for the adjustment must be included in the comments column.
- **Additional Pay Adjustments and Exceptions to 12-Month Rule (%)**: The amount of the pay adjustment expressed as a percent.
- **Rate of Basic Pay Prior to Performance-Based Pay Adjustments**: The member's rate of pay at the end of the appraisal period being reported. Unless additional pay adjustments occurred during the rating period, this amount should match the previous year amount for rate of basic pay after performance-based pay adjustments.

- **Performance-Based Pay Adjustment (\$):** The dollar amount of a member's pay adjustment based on the performance rating reported and paid under the authority of 5 CFR 534.404(b)(1) and (g), excluding any amount provided independently under the authority of 5 CFR 534.404(b)(4) to maintain relative position (MRP) within the rate range at the same time the rate range is adjusted.
  - Use negative numbers when executive pay was reduced.
  - Put a zero when no pay adjustment was given based on agency pay policy.
  - Leave blank when no pay adjustment was given because the executive retired, left the agency, or could not be rated (include explanatory comment).
- **Performance-Based Pay Adjustment (%):** The amount of the performance-based pay adjustment expressed as a percent.
- **Pay Adjustment to Maintain Relative Position (MRP) (\$):** The dollar amount of any increase in the rate of basic pay of the SES member made solely for the purpose of maintaining all or some portion of the member's relative position in the SES rate range at the time the rate range is adjusted as authorized under 5 CFR 534.404(b)(4) (this is the amount excluded above).
  - Put a zero when no pay adjustment was given, including when an executive is already paid above EX-III and does not meet the requirements for granting one;
  - Leave blank when the agency does not use this authority or when no pay adjustment was given because the executive retired, left the agency, or could not be rated (include explanatory comment).
- **Pay Adjustment to Maintain Relative Position (%):** The amount of the MRP pay adjustment expressed as a percent.
- **Rate of Basic Pay After Pay Adjustments:** The member's rate of pay after all adjustments based on the rating for the appraisal period being reported. (Rate of Basic Pay After Pay Adjustments equals the Rate of Basic Pay Before Performance-Based Pay Adjustments plus any rating-based adjustments reported.)

**Awards —**

- **Performance (\$):** The dollar amount for a performance award given based on the rating for the appraisal period reported.
  - Put a zero when no performance award was given.
  - Leave blank when no performance award was given because the executive retired, left the agency, or could not be rated (include explanatory comment).
- **Performance (%):** The amount of a performance award given based on the rating for the appraisal period reported expressed as a percent.
- **Cash (\$):** The total dollar amount for individual or group cash awards given during the period reported. If multiple cash awards were given, include an explanation and the number and amount of separate awards in the comments column.
- **Cash (%):** The total amount of individual or group cash awards given during the period reported expressed as a percent. If multiple cash awards were given, include an explanation and the number and percentage of separate awards in the comments column.
- **Presidential Rank (\$):** The dollar amount of a Presidential Rank award granted during the period reported. Report the full amount of the Rank award.
- **Presidential Rank (%):** The amount of the Presidential Rank award granted during the period reported expressed as a percent (i.e., 20% or 35%).

**Excess of Aggregate Limit (\$)**— Enter the total dollar amount that was delivered in January of the current year because it was in excess of the aggregate limitation on compensation for the period being reported, as established by 5 U.S.C. 5307 (basic pay, relocation, retention, recruitment incentives, cash awards, and lump sum payments). When a member would receive total payments subject to the limitation that would exceed that limitation, he/she would be paid up to the allowable limit in the calendar year payments are authorized and would receive the remainder at the beginning of the next calendar year. Since the annual data report is due in March of each year, report the excess amount from the report period now deliverable in January.

- **Example:** if the VP salary was \$215,700 and an executive under a certified system earned \$250,000 in various covered payments during the year plus had received \$25,000 at the



beginning of the year that could not be paid the year before, the amount reported would be \$59,300 ( $250,000 + 25,000 = 275,000 - 215,700 = 59,300$ ).

**Blank Pay Adjustment/Awards —**

- R – Retired
- L – Left Agency
- I – Ineligible for MRP

**Explanatory Comments —** Explain special circumstances affecting the SES members' ratings, pay or awards. Also explain additional pay adjustments and exceptions to the 12-month rule. Include the exact exception reason and note legal citation. Any time either of the compensation columns (performance-based pay adjustment or MRP) or the performance award column contains a zero or a blank, list the reason in this section (e.g., agency policy—usually for a zero, or no longer with the agency—usually for a blank based on retired, separated, or transferred employees). All comments should appear in this column, no comments should appear in other data fields.