

ALARACT 074/2024

DTG: R 111350 SEP 24

UNCLAS

SUBJ/ALARACT 074/2024 – CIVILIAN SENIOR EXECUTIVE FISCAL YEAR 2024
PERFORMANCE CLOSEOUT TIMELINES AND RECLAMA PROCESS

THIS ALARACT MESSAGE HAS BEEN TRANSMITTED BY JSP ON BEHALF OF
HQDA, DUSA

1. (U) REFERENCES:

1.A. (U) DEPUTY UNDER SECRETARY OF THE ARMY MEMORANDUM, SUBJECT:
FISCAL YEAR (FY) 2024 CIVILIAN SENIOR EXECUTIVE PERFORMANCE
MANAGEMENT CLOSEOUT GUIDANCE, DATED 27 AUGUST 2024
(ATTACHMENT 1)

1.B. (U) UNDER SECRETARY OF DEFENSE MEMORANDUM, SUBJECT: FY 2024
CLOSEOUT GUIDANCE FOR SENIOR EXECUTIVE SERVICE AND SENIOR
PROFESSIONAL PERFORMANCE APPRAISAL CYCLE AND PAY, DATED 16
AUGUST 2024 (ATTACHMENT 2)

1.C. (U) FY 2024 CIVILIAN SENIOR EXECUTIVE (CSE) PERFORMANCE CLOSEOUT
TIMELINE (ATTACHMENT 3)

2. (U) THE RATING PERIOD FOR CSES ENDS ON 30 SEPTEMBER 2024 AND
FINALIZED APPRAISALS ARE DUE ON 7 OCTOBER 2024. THE CIVILIAN SENIOR
LEADER MANAGEMENT OFFICE (CSLMO) WOULD LIKE TO INFORM RATING
OFFICIALS OF CSES OF THE TIMELINES ASSOCIATED WITH THE CLOSEOUT
PROCESS AND OF THE RECLAMA PROCESS FOR FY 2024 CSE PERFORMANCE
APPRAISALS.

3. (U) PAY POOL PANELS ARE TASKED WITH CONSIDERING THE EXTENT TO
WHICH A CIVILIAN SENIOR EXECUTIVE'S PERFORMANCE OBJECTIVES AND
ASSOCIATED PERFORMANCE RESULTS CONTRIBUTED TO THE PROGRESS OF
ARMY/DEPARTMENT OF DEFENSE STRATEGIC GOALS AND PRIORITIES. PAY
POOL PANELS WILL BE ESTABLISHED IN ACCORDANCE WITH TIER AND/OR
POSITION TYPE, NOT ALONG COMMAND/ORGANIZATION LINES.

3.A. (U) PAY POOL PANELS FOR FY 2024 WILL CONVENE ACCORDING TO THE
FOLLOWING SCHEDULE:

3.A.1. (U) SENIOR EXECUTIVE SERVICE (SES) TIER 1A, ON 21 OCTOBER 2024.

3.A.2. (U) SES TIER 1B, ON 22 OCTOBER 2024.

3.A.3. (U) SES TIER 2A, ON 28 OCTOBER 2024.

3.A.4. (U) SES TIER 2B, ON 29 OCTOBER 2024.

3.A.5. (U) SES TIER 3, ON 12 NOVEMBER 2024.

3.A.6. (U) DEFENSE INTELLIGENCE SENIOR LEVEL (DISL)/SENIOR LEVEL (SL)/SCIENTIFIC PROFESSIONAL (ST), ON 4 NOVEMBER 2024.

3.B. (U) PAY POOL PANELS WILL REVIEW CSE INITIAL SUMMARY RATINGS SUBMITTED BY RATING OFFICIALS AND MAY RECOMMEND CHANGES TO SCORES ON THE PERFORMANCE ELEMENTS.

3.C. (U) SHOULD A PAY POOL PANEL RECOMMEND LOWERING THE SCORE OF A PERFORMANCE ELEMENT(S) WHICH RESULTS IN A LOWER RATING LEVEL, THE EXECUTIVE'S RATING OFFICIAL WILL BE GIVEN THE OPPORTUNITY TO SUBMIT A RECLAMA. THE CSLMO WILL NOTIFY THE EXECUTIVE'S RATING OFFICIAL OF THE CHANGE(S) IMMEDIATELY FOLLOWING THE CONCLUSION OF THE PANEL. SPECIFIC DATES ARE LISTED IN PARAGRAPH 3.D. THE RATING OFFICIAL WILL HAVE 48 HOURS FROM THE TIME OF NOTIFICATION TO SUBMIT CLARIFYING, SUBSTANTIVE COMMENTS IN RESPONSE TO THE LOWERED PERFORMANCE ELEMENT(S) THAT RESULTED IN A LOWER RATING LEVEL. NO NEW INFORMATION WILL BE ACCEPTED. NO TIME EXTENSIONS WILL BE GRANTED. COMMENTS MUST BE SUBMITTED ON CSLMO PROVIDED FORM.

3.D. (U) THE PAY POOL PANELS WILL RE-CONVENE TO CONSIDER RECLAMAS ACCORDING TO THE FOLLOWING SCHEDULE:

3.D.1. (U) SES TIER 1A AND SES TIER 1B, ON 25 OCTOBER 2024.

3.D.2. (U) SES TIER 2A AND SES TIER 2B, ON 1 NOVEMBER 2024.

3.D.3. (U) SES TIER 3, ON 15 NOVEMBER 2024.

3.D.4. (U) DISL/SL/ST, ON 7 NOVEMBER 2024.

4. (U) POINT OF CONTACT FOR THIS ACTION IS MS. BARBARA M. SMITH AT COMMERCIAL (703) 693-1126, OR EMAIL AT BARBARA.M.SMITH.CIV@ARMY.MIL.

5. (U) THIS ALARACT EXPIRES 31 JANUARY 2025.

ATTACHMENTS:

1. (U) FY 2024 CIVILIAN SENIOR EXECUTIVE PERFORMANCE MANAGEMENT CLOSEOUT GUIDANCE
2. (U) FY 2024 CLOSEOUT GUIDANCE FOR SENIOR EXECUTIVE SERVICE AND SENIOR PROFESSIONAL PERFORMANCE APPRAISAL CYCLE AND PAY
3. (U) FY 2024 CIVILIAN SENIOR EXECUTIVE (CSE) PERFORMANCE CLOSEOUT TIMELINE



DEPARTMENT OF THE ARMY
DEPUTY UNDER SECRETARY OF THE ARMY
101 ARMY PENTAGON
WASHINGTON, DC 20310-0101

DUSA-SES

AUG 27 2024

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Fiscal Year (FY) 2024 Civilian Senior Executive Performance Management Closeout Guidance

1. The performance rating cycle for Army Civilian Senior Executives (CSEs) ends on 30 September 2024. The timely completion of appraisals through the Executive Performance and Appraisal Tool (EPAT) is critical to the boarding and approval process that must occur prior to finalizing performance actions. An annual rating is required for every CSE who is on board as of 30 September 2024 and has worked under an approved performance plan for a minimum of 90 days.
2. Each year, the Department of Defense (DoD) issues executive performance closeout guidance based on the Office of Personnel Management (OPM) and the Office of Management and Budget (OMB) annual guidance. DoD issued their FY 2024 closeout guidance to Senior Pentagon Leadership, Combatants Commands, Defense Agencies and Field Activity Directors on 16 August 2024. Their guidance has been incorporated into the Department of Army close out guidance. Enclosure 1 provides key guidance that must be followed in closing out the FY 2024 CSE performance cycle. **Suspense date for completion of FY 2024 appraisals is 7 October 2024.** Enclosure 2 provides the timeline for the closeout process.
3. **Key Points for the FY 2024 CSE Performance Management Closeout Cycle:**
 - a. **Organizational Accomplishments:** Organizational performance must be considered in reviewing and rating CSEs. Individual performance objectives and resulting accomplishments must directly be linked to organizational performance. Such factors as results achieved consistent with Army and DoD goals and priorities are imperative to organizational and CSE success. Rating Officials, Pay Pool Panels (PPPs), and Performance Review Board (PRB) members must consider the extent to which a CSE's performance objectives/results contribute to the progress of organizational/Army/DoD strategic goals and priorities when making recommendations on performance actions. DoD will request a detailed explanation of how organizational performance supports a component's specific rating results should the majority of the CSE performance results be at the exceptional level. This information will then have to be included as a part of the validation package. If needed, we will request additional information from each Command/Organization/Activity indicating how strategic

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objectives were exceeded in FY 2024 and how rating levels of CSEs within the organization were a direct reflection of organization performance. If required, our performance results will not be validated without this information.

b. Bonus Awards and Performance-Based Pay Increase Limitations: Pay pool funding factors are determined each cycle for the entire DoD by the Secretary of Defense (OSD). Unless additional guidance is provided by the Office of Management and Budget and the Office of Personnel Management, pay pool funding for Senior Executive Service (SES) and Senior Professionals (SP) bonuses shall be a maximum of 10 percent of aggregate career SES and SP salaries respectively as of 30 September 2024. Please note that SP performance-based bonuses cannot exceed \$25,000 per 5 USC 4502(f). With this level of funding for bonuses, a CSE receiving a rating level of 3, 4, or 5 should receive a bonus. The Presidential Adjustment to Executive Pay (PAEP) for 2025 is anticipated to be 2% (including Locality Pay), if approved. Funding for SES and SP increases will not be limited to a specific percent of aggregate salaries of career SES and SP. Pay increases for Non-career and Limited-term SESs, who are authorized to receive a pay increase, will be determined based on performance rating levels. All will be subject to specific ranges as directed by DOD in their closeout guidance. This year, for the very highest performers, we have the added flexibility of setting performance-based pay adjustments above a position's designated tier ceiling for level 5 performers and awarding performance-based bonuses in the amount of up to 20% to executives who truly demonstrate exceptional performance, serve as inspirational role model leaders and consistently exceed established targets for individual and organizational goals, and receive a perfect score of 500. The use of these additional flexibilities would have to be approved by the Under Secretary of the Army.

c. Meaningful Distinction in Performance: The Department of the Army is committed to ensuring that meaningful distinctions in performance are made under the Government-wide Performance System by utilizing the full range of rating levels. A Level 3 rating reflects accomplishments of the **high level of performance that is expected** by our executive cadre. This rating level delivers high-quality results and significant accomplishments which contributes positively toward the achievement of strategic goals and meaningful outcomes. Higher levels of performance must be specifically documented by both the Executive and the Rater. **Raters must ensure that Level 4 and 5 ratings are reserved for those CSEs who have achieved exemplary results distinctly exceeding the Level 3 rating. Rater and Reviewer comments must clearly articulate how the Executive has demonstrated performance results above the Level 3, those who have truly exceeded mission critical success.** Those who are rated at these highest levels are those who truly demonstrate exceptional performance, foster a climate that sustains excellence and optimizes results in their organization, agency, department, or Government-wide.

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Component's performance-based pay results and performance-based bonus results will be reviewed by DOD in sum total to ensure that meaningful distinctions are made. Achieving meaningful distinctions in our overall Performance results will positively impact DOD's validation of our results.

d. Scoring Performance Results: The scoring process for determining the Initial Summary Rating for Senior Executives (SES) and Defense Intelligence Senior Executives Service (DISES) members ranges between 0 – 500.

Summary Level Ranges

475-500 = Level 5, Outstanding
400-474 = Level 4, Exceeds Fully Successful
300-399 = Level 3, Fully Successful
200-299 = Level 2, Minimally Satisfactory
0-199 = Level 1, Unsatisfactory

e. The "Basic Senior-Level and Scientific and Professional Performance Appraisal System": As directed by DOD, for the FY 2024 rating period, SL/ST/DISL Executives continued to use the new "Basic Senior-Level and Scientific and Professional Performance Appraisal System" established by OPM. This appraisal system provides for a consistent and streamlined framework to communicate expectations and evaluate the performance of renowned scientists, engineers, and technical/program experts serving in critical positions throughout Army and DOD. The Performance Elements and associated weights are provided below along with the Summary Level scoring ranges for the SL/DISL/ST Performance system.

Basic Senior-Level and Scientific and Professional Performance Appraisal System – Performance Elements

Program/Project Management - 15%
Interpersonal Leadership/Responsibilities - 15%
Leading Innovation - 20%
Business Results - 40%
Position Specific - 10%

Senior Levels (SL), Defense Intelligence Senior Levels (DISL), and Scientific Professionals (ST) scoring ranges between 1 – 500.

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Summary Level Ranges

475-500 = Level 5, Outstanding
400-474 = Level 4, Exceeds Fully Successful
300-399 = Level 3, Fully Successful
200-299 = Level 2, Minimally Satisfactory
0-199 = Level 1, Unacceptable

d. Higher Level Review: CSEs have only one opportunity to request a Higher Level Review. The Higher Level Review request must be made at the time the Initial Summary Rating is given to the Executive by the Rater. If requested, the Higher Level Review must be requested within 7 work days from the date of receipt of the Initial Summary Rating. The CSE should provide a justification for changing the rating of one or more of the performance elements that, if approved, would change the initial summary rating (See attached guidance, Enclosure 1, para 4. Step 6 and 7).

e. Army Pay Pool Panel/Reclama Process: To continue the promotion of centralized management of CSEs within Army and to create consistency in the Pay Pool review process, Pay Pool Panels will be established in accordance with Tier and/or Position type, and not along Command/organization lines. During the Pay Pool process, if a CSE's rating level is lowered as a result of the PPP's review, CSLMO will inform the Rater of the change and identify which Performance Element(s) was lowered. The Rater will be given the opportunity to provide a reclama, focusing on element(s) that was changed. The Rater will have **48 hours** from the notification in which to submit a write-up to the Pay Pool Panel. No extensions will be granted. No new information will be accepted, but rather the Rater will use this opportunity to clarify what is already in the appraisal. The reclama statement would have to be significant in order for score and rating level to change. A form will be provided to document the rebuttal. Additional information is provided in the attached Guidance at Enclosure 1, paragraph 5.

4. Highly Qualified Experts:

a. Annual Ratings Required: The Army requires Highly Qualified Experts (HQEs) be rated annually. The rating period for HQEs begins on 1 October and ends on 30 September. Please be reminded that HQEs have one level of performance, "In Good Standing". These evaluations will be due to CSLMO on **31 October 2024**.

b. HQE Position Certification: Each year, organizations and commands are required to certify in writing as to the continued appropriateness of their HQE positions. The certification shall confirm the following: funds are available for the current fiscal year for the position; the organization/command has a plan for resourcing the position for the ensuing years; the HQE's position description is up-to-date; and that

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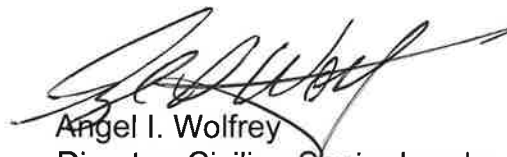
SUBJECT: Fiscal Year (FY) 2024 Civilian Senior Executive Performance Management Closeout Guidance

the emergent or short-term need continues to exist for the specific problem to be solved or specific functions to be performed by the HQE. For each HQE for which you are submitting a performance appraisal, you must also submit written certification revalidating the need for the HQE.

5. As you work toward closing out the FY 2024 CSE performance cycle, you should also begin to consider nominations for the upcoming FY 2025 Presidential Rank Awards (PRAs). Once again, the CSLMO will issue advance guidance for submission of FY 2025 PRA nominations in October 2024. The advance guidance will be based primarily on the FY 2024 nominations process. CSLMO will begin the review and board process for the PRAs in advance of the Department of Defense call for nominations. The PRA is the most prestigious recognition afforded to career CSEs for sustained extraordinary accomplishment over a career of Federal service. The advance guidance will provide specific eligibility and award requirements.

6. I appreciate your support of the CSE performance management system as we continue to promote a culture in which the performance and contributions of CSEs are accurately and fully recognized and rewarded. If you have questions regarding the enclosed guidance and/or timeline, please contact Ms. Barbara Smith at barbara.m.smith.civ@army.mil or (703) 693-1126.

Encl



Angel I. Wolfrey
Director, Civilian Senior Leader
Management Office

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Closeout Guidance

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FY 2024 CIVILIAN SENIOR EXECUTIVES PERFORMANCE CLOSEOUT GUIDANCE

The Fiscal Year (FY) 2024 Civilian Senior Executives (CSE) performance appraisal cycle ends on 30 September 2024. The Civilian Senior Leader Management Office (CSLMO) anticipates submitting all final performance decisions on CSEs to the Department of Defense (DoD) by 7 January 2025. The following guidance has been developed in accordance with DoD policy and requirements on CSE performance.

REFERENCES:

- DoD Instruction 1400.25, Volume 920, Senior Executive Service Performance Management System and Compensation Policy, dated 29 March 2017, Incorporating Change 1, Effective 20 October 2020.
- DoD Executive Performance Training Modules.
- DoD Instruction 1400.25, Volume 922, DoD Civilian Personnel Management System: Employment of Highly Qualified Experts, dated 3 April 2013, Incorporating Change 1, Effective January 18, 2017.

POLICY GUIDANCE:

1. Certification. The DoD Senior Executive Service (SES) performance management system (the Government-wide Performance System) received its last full certification from the Office of Personnel Management (OPM)/Office of Management and Budget (OMB) on 16 June 2017 for the period 2016-2018. As a results of the President's Management Agenda, OPM enacted changes to the certification process. In 2018, OPM required continued certification be based on performance results data sent to OPM annually. OPM once again granted DoD full certification of our Senior-Level and Scientific and Professional Performance Appraisal System. The new certification period begins on the date after our current certification expires (July 1, 2024), and continues for 24 months, expiring on June 30, 2025. Certification provides Army's CSEs access to higher rates of pay (equal to the rate for Executive Level II) and a higher annual aggregate limitation on pay (equal to the salary of the Vice President). Full certification depends on DoD meeting established certification criteria, the most important of which is making meaningful distinctions based on performance.

2. Organizational Accomplishments. Organizational performance must be considered in reviewing and rating CSEs. Individual performance objectives and resulting accomplishments must be linked to organizational performance. Such factors as results achieved consistent with Army and DoD goals and priorities are imperative to organizational and CSE success. Rating Officials, Pay Pool Panels (PPPs), and the Performance Review Board (PRB) must consider the extent to which a CSE's performance objectives/results contribute to progress on Army/DoD strategic goals and priorities when making recommendations on performance actions. In addition to the importance that organizational performance plays in CSE performance results, DoD will request a detailed explanation of how organizational performance supports a component's specific rating results should the majority of the results be at the exceptional level (Level 5). This information will then have to be included as a part of our validation package. If needed, we will request additional information from each Command/Organization/Activity indicating how strategic objectives were exceeded in FY 2024 and how rating levels of CSEs within the organization were a direct reflection of organization performance. If required, our performance results will not be validated without this information.

3. Rating Officials. Rating Officials must give careful consideration in assigning performance ratings. Rating levels of 4 and 5 must be substantially supportable both in the Executive's write-up and in the Rater's comments. The PRB will hold rating officials accountable for rating CSEs fairly and making meaningful distinctions in performance. Rating officials should consider a CSE's scope, level of responsibility, complexity of assignment and mission impact when recommending a performance rating. Rating all CSEs equally or at the highest levels devalues the recognition that an organization's highest achievers deserve and weakens a pay-for-performance culture. Failure to make meaningful distinctions in performance jeopardizes DoD/Army's certification and CSEs' access to higher rates of pay and a higher aggregate limitation on pay.

4. Performance Appraisal Process:

Step 1. Using the Executive Performance and Appraisal Tool (EPAT), CSEs will submit a self-evaluation describing their accomplishments during the rating period. This narrative assessment is completed at the Performance Element level, addressing overall accomplishments within the space provided. CSEs should ensure their narrative input is well written, concise as to accommodate the space limitations within EPAT, clearly articulates outcomes (based on metrics) and results that are relevant to their performance requirements, and that each Performance Requirement is addressed. In reference to the prepopulated mandatory Performance Requirements, (for example "Whistleblower") annotate the following statement at the very least "acknowledgement/support." The CSE's self-evaluation should be structured so the PPP and PRB are able to identify the results achieved for each specific performance requirement.

For Senior Professionals and Senior Level Executives, accomplishments for the competency-based Performance Elements are addressed similar to the way that they would write to any critical element/performance requirement under the previous system. While the definitions of the competencies may not speak specifically to the work that they do for the selected competencies, they will write to how they exhibited them in their own day-to-day duties. Critical elements that are competency based should not be looked at any different than how they approached critical elements under the old system. For example, for the performance element of "Customer Care", Senior Professionals will write to how they demonstrated effective interactions with internal and external customers; care for customers; etc. They will write to the competence that would specifically encapsulate how they worked during the rating period to meet this element and relate it back to a organization/program goals. The same would apply to Rating Officials.

Both the Senior Executives and the Senior Professional will also have one additional block to address "Member Overall Appraisal Comments". This is an added opportunity to address their results and impact on a broader level.

Step 2. The Rating Official also provides a narrative assessment at the Performance Element level based upon a review of individual and organizational performance against the established Performance Elements and Requirements. This narrative assessment must be outcome-based with appropriate metrics/measures linked to organizational goals/outcomes. The quality of the Performance Requirements and the assessments of those requirements are critical to ensure a fair rating and define and distinguish between levels of performance. For example, raters must ensure that for a Level 4 or Level 5 rating, the Performance document clearly supports the exceptional level of work.

Step 3. The rating official will assign a recommended performance score for each performance element on a scale of 1 - 5.

For SES and DISES, the following applies:

Performance Rating Levels	Performance Standard	Rating Ranges
Outstanding (Level 5)	The executive demonstrates exceptional performance, fostering a climate that sustains excellence and optimizes results in the executive's organization, agency, department or government-wide. This represents the highest level of executive performance, as evidenced by the extraordinary impact on the achievement of the organization's mission. The executive is an inspirational leader and is considered a role model by agency leadership, peers, and employees. The executive continually contributes materially to or spearheads agency efforts that address or accomplish important agency goals, consistently achieves expectations at the highest level of quality possible, and consistently handles challenges, exceeds targets, and completes assignments ahead of schedule at every step along the way.	475-500
Exceeds Fully Successful (Level 4)	The executive demonstrates a very high level of performance beyond that required for successful performance in the executive's position and scope of responsibilities. The executive is a proven, highly effective leader who builds trust and instills confidence in agency leadership, peers, and employees. The executive consistently exceeds established performance expectations, timelines, or targets, as applicable.	400-474
Fully Successful (Level 3)	The executive demonstrates the high level of performance expected and the executive's actions and leadership contribute positively toward the achievement of strategic goals and meaningful results. The executive is an effective, solid, and dependable leader who delivers high-quality results based on measures of quality, quantity, efficiency, and/or effectiveness within agreed upon timelines. The executive meets and often exceeds challenging performance expectations established for the position.	300-399
Minimally Satisfactory (Level 2)	The executive's contributions to the organization are acceptable in the short term but do not appreciably advance the organization towards achievement of its goals and objectives. While the executive generally meets established performance expectations, timelines and targets, there are occasional lapses that impair operations and/or cause concern from management. While showing basic ability to accomplish work through others, the executive may demonstrate limited ability to inspire subordinates to give their best efforts or to marshal those efforts effectively to address problems characteristic of the organization and its work.	200-299
Unsatisfactory (Level 1)	In repeated instances, the executive demonstrates performance deficiencies that detract from mission goals and objectives. The executive generally is viewed as ineffectual by agency leadership, peers, or employees. The executive does not meet established performance expectations/timelines/targets and fails to produce – or produces unacceptable – work products, services, or outcomes.	0-199 Any CE Rated Level 1 = Level 1

For SL, DISL and ST the following applies:

Performance Rating Level	Performance Standard	Score
Outstanding (Level 5)	The Senior Professional demonstrates exceptional performance, directly contributes toward sustaining organizational excellence, and enhances the ability to achieve results in the Senior Professional's organization, agency, department or Governmentwide. This level represents the highest level of Senior Professional performance, as evidenced by the extraordinary impact on the achievement of the organization's mission. The Senior Professional continually contributes materially to or spearheads agency	475-500

	efforts that address or accomplish important agency goals. The Senior Professional consistently exceeds expectations at the highest level of quality possible, and consistently handles challenges, exceeds targets, and completes high-quality assignments ahead of schedule.	
Exceeds Fully Successful (Level 4)	Level 4: The Senior Professional demonstrates a very high level of performance beyond that required for successful performance in the Senior Professional's position. The Senior Professional often exceeds established performance expectations, timelines, or targets, as applicable. The Senior Professional is consistently highly-effective and delivers high-quality results.	400-474
Fully Successful (Level 3)	Level 3: The Senior Professional demonstrates the high level of performance expected of Senior Professionals and the Senior Professional's actions contribute positively toward the achievement of project/program goals and meaningful results. The Senior Professional is effective, dependable and delivers project/program results based on indicators of quality, or measures of quantity, efficiency, and/or effectiveness within agreed upon timelines. The Senior Professional meets and occasionally exceeds challenging performance expectations established for the position.	300 - 399
Minimally Satisfactory (Level 2)	Level 2: The Senior Professional's contributions to the organization are acceptable in the short term, but do not appreciably advance the project/program or organization toward achievement of its goals and objectives. While the Senior Professional generally meets established performance expectations, timelines and targets, there are occasional lapses that impair operations and/or cause concern from management. While showing basic ability to accomplish assigned project/program(s), the Senior Professional may demonstrate limited ability to address problems characteristic of the project/program or organization and its work.	200 - 299
Unacceptable (Level 1)	Level 1: In repeated instances, the Senior Professional demonstrates performance deficiencies that detract from project/program goals and objectives or the agency mission. The Senior Professional generally is viewed as ineffectual by agency leadership or peers. The Senior Professional does not meet established performance expectations/timelines/targets and fails to produce – or produces unacceptable – work products, services, or outcomes.	0 – 199 Any CE rated Level 1 = Level 1 (Unacceptable)
X - Not Rated	Self-Explanatory	

After the Rating Official has completed his/her assessment of the individual Performance Elements, the Rating Official will be directed to the next step in EPAT summarizing the scores for each of the Performance Elements and providing the Initial Summary Rating (ISR). On this screen, there is an additional text box provided for the Rating Official to make comments about the CSE's overall performance.

Step 4. If there is a Reviewer designated, the recommended appraisal, to include a recommended ISR, will then be sent to the Reviewer for review. The Reviewer will see both the CSE's and the Rating Official's assessment. The Reviewer will provide comments on the overall appraisal. He/She will not score the individual portions of the plan. The Reviewer will submit his/her review.

Step 5. In order to ensure that organizational accomplishments are captured, the command or organization may be required to complete an Army Organizational Performance Justification form. This form documents how and what strategic objectives were achieved and/or surpassed in FY 2024. The form also documents how rating levels of the CSE within the organization are directly reflected in the organization's performance. The form will be provided by CSLMO if needed if overall results require it. If needed, the performance results will not be validated without this information.

Step 6. Whether the appraisal is completed at the Rating Official stage or at the Reviewer stage, the appraisal is sent back to the CSE, who acknowledges the recommended appraisal. EPAT requires that the CSE acknowledge the recommended appraisal whether he or she concurs with it or not. If the CSE is not satisfied with the appraisal, the CSE will check the block that states "I am requesting a Higher Level Review (HLR)". The CSE must request a Higher Level Review within 7 work days after receiving the ISR.

Step 7. If requested, a HLR official will be designated by the CSLMO to review the request. The HLR Official must complete the review within 7 workdays after receipt of the request. The HLR Official cannot change the recommended rating. The HLR official's findings will be provided to the PPP, PRB and the Under Secretary of the Army for final decision. **NOTE: If a CSE requests a HLR at this stage of the appraisal, contact CSLMO for additional coordination.**

5. Pay Pool Panels. Army's PPPs are structured by Tiers. This structure ensures comparability in executive positions and compensation management across the Department. Each PPP will review ISRs to ensure that appraisals support the recommended ratings. The Panel will review results across the Pay Pool to ensure that meaningful distinctions in performance have been made.

PPPs will be organized as follows:

- **Tier 1 Pay Pool Panel** – CSLMO will assemble a PPP/PRB to review Tier 1 SES/DISES appraisals. Due to the large number of Executives in Tier 1 positions, this PPP will be divided into two Sub Pay Pools.
- **Tier 2 Pay Pool Panel** - CSLMO will assemble a PPP/PRB to review Tier 2 SES/DISES appraisals. Due to the large number of Executives in Tier 2 positions, this PPP will be divided into two Sub Pay Pools.
- **Tier 3 Pay Pool Panel** - CSLMO will assemble a PPP/PRB to review Tier 3 SES/DISES appraisals.
- **SL/ST/DISL Pay Pool Panel** - CSLMO will assemble a PPP/PRB to review SL/ST/DISL appraisals.

During the Pay Pool process, if a CSE's rating level is lowered as a result of the PPP review, CSLMO will inform the rater of the change. The rater will be given the opportunity to provide a reclama to the Pay Pool Panel within 48 hours of the notification. This reclama should provide clarifying information. No new information will be considered. No extensions will be granted. A form will be provided to the rater to document the rebuttal. The PPP will consider the information provided by the rater during their continued deliberations.

Pay Pool Funding. Pay pool funding factors are determined each cycle for the entire DoD by the Secretary of Defense (OSD). Unless additional guidance is provided by the Office of Management and Budget and the Office of Personnel Management, pay pool funding for SES and SP bonuses shall be a maximum of 10 percent of aggregate career SES and SP salaries respectively. With this level of funding for bonuses, a CSE receiving a rating level of 3, 4, or 5 should receive a bonus. If a Presidential Adjustment to Executive Pay (PAEP) is granted in January 2025, funding for SES and SP will not be limited to a specific percent of aggregate salaries of career SES and SP. Pay increases for Non-career and Limited-term SESs, who are authorized to receive a pay increase, will be determined based on performance rating levels. All will be subject to specific ranges as directed by DOD.

6. Performance Review Board (PRB). The PRB will review all Army-wide performance recommendations to ensure meaningful distinctions in performance and payout decisions (if applicable) are made relative to individual and organizational performance. The PRB will review all HLR documents submitted by the CSEs and HLR officials and make final recommendations to the Under Secretary of the Army.

7. **Under Secretary of the Army Approval.** The Under Secretary of the Army will consider the PRB's recommendations (including any HLR information), make final decisions, and certify the results.
8. **Timeline.** See Enclosure 2 for the FY 2024 Civilian Senior Executives Performance Closeout process timeline.
9. The POCs regarding this guidance or the CSE performance management process are Barbara Smith, barbara.m.smith.civ@army.mil, 703 693-1126 or Angel Wolfrey at angel.i.wolfrey.civ@army.mil, 703 693-1121.

FY 2024 Civilian Senior Executive (CSE) Performance Closeout Timeline

01 Oct 23	FY 2024 CSE Performance Rating Cycle begins/ends 30 Sept 2024
13 Feb 24	FY 2024 Performance Plans approved and acknowledge by the CSE
24 May 24	Mid-Point Progress Review completed for all CSE
2 July 24	Cut-off Date to have Performance Plans in Place to meet 90 Days.
30 Sep 24	FY 2024 CSE Performance Rating Cycle ends
7 Oct 24	All CSE appraisals must be completed in EPAT. (Executives submit accomplishments/input to rating officials (unless organization/command advised you of an earlier suspense date). Rating officials complete the Initial Summary Rating. As applicable, Reviewers complete review. Rating officials discuss ratings with CSEs.)
Oct 24 – Nov 24 (Tent)	Pay Pool Panels Convene (Tentative Schedule) Tier 1 Pay Pool Panel – 21,22 October – 25 October 2024 Tier 2 Pay Pool Panel – 28, 29 October – 1 November 2024 Tier 3 Pay Pool Panel – 13 November and 15 November 2024 DISL/SL/ST Pay Pool Panel – 4 and 7 November 2024
26 Nov 24 (Tent)	Army-wide Performance Review Board (PRB) convenes
4 Dec 24 (Tent)	CSLMO presents PRB recommendations to Under Secretary. Under Secretary reviews PRB recommendations and makes FINAL decisions
7 Jan 25 (Tent)	CSLMO forwards Under Secretary of the Army's approved rating & payout results to OSD
Jan 25	DoD validates Army results



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

AUG 16 2024

**MEMORANDUM FOR SENIOR PENTAGON LEADERSHIP
COMMANDERS OF THE COMBATANT COMMANDS
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS**

SUBJECT: Fiscal Year 2024 Closeout Guidance for Senior Executive Service and Senior Professional Performance Appraisal Cycle and Pay

This memorandum provides DoD Fiscal Year (FY) 2024 closeout guidance for the Senior Executive Service (SES) and Senior Professional (SP) workforces.

Components with Defense Intelligence SES and Defense Intelligence Senior Level employees follow these requirements unless the Under Secretary of Defense for Intelligence and Security, who serves as the validating official for their closeout results, deems changes necessary. Nonappropriated fund (NAF) executives also follow these requirements, where applicable.

Evaluating for Performance-Based Payouts

The FY 2024 performance appraisal period closes September 30, 2024. Rating officials and members of pay pools (PPs) and performance review boards (PRBs) will ensure performance evaluations and ratings, regardless of level, are linked to the successful achievement of both individual and organizational performance goals.

The Department's Performance Improvement Officer and Director of Administration and Management will distribute the Department's Annual Performance Report (APR) for FY 2024 with the President's FY 2025 budget. The FY 2024 APR will highlight the Department's FY 2024 achievements that directly contributed to the realization of core Department priorities. A summary assessment of the Department's FY 2024 Performance will be published in the FY 2024 Agency Financial Report (AFR), issued by the Under Secretary of Defense (Comptroller). Rating officials, PP, and PRB members may utilize, as appropriate, Pulse, DoD Performance Improvement Officer Strategic Management Plan Implementation Progress Reports, and the summary included in the FY 2024 AFR, along with other relevant performance reports, to assess the performance of the Department's executive workforce. Additionally, rating officials and PRBs must assess SES members' achievements of the Secretary of Defense's audit priority goals included in the Results Driven critical element of their performance plans, as applicable.

Performance-based payouts will be based on results that demonstrate success in meeting specific goals and outcomes, aligned to both DoD-wide and Component-specific performance, as applicable. Additionally, rating officials, pay pools, and PRB members will rigorously, objectively, and consistently apply rating level definitions and make meaningful distinctions, as appropriate. Forced distributions and quotas are not permissible.

When making rating determinations and performance-based payout recommendations and decisions, the achievement of the high expectations that we have established for our SES, SP, and equivalent members in the Department, which is a significant accomplishment, ultimately leads to a Level 3 (Fully Successful/Achieved Expected Results) rating. Documented accomplishments that reflect a significant distinction between the challenging standard that was set, and the results achieved lead to a Level 4 (Exceeds Fully Successful/Exceeds Expected Results) rating. The Level 5 (Outstanding/Exceptional Results) rating and corresponding performance pay adjustments and bonuses occur for only those who truly demonstrate exceptional performance, foster a climate that sustains excellence, and optimize results in their organization, agency, department, or Government-wide. All recommendations must adhere to Federal merit system principles and remain free from any prohibited personnel practices.

Making Performance-Based Payouts

Pay Pool Funding

Pay pool funding for SES and SP performance-based bonuses is a maximum of 10 percent of the aggregate career SES and SP salaries, respectively, as of September 30, 2024. There is no limit on funding for SES and SP performance-based pay adjustments; however, Components must adhere to the ranges in Table 1 when applying pay adjustments.

Annual Performance-Based Compensation

Components will use annual performance-based compensation (the sum total of the performance-based pay adjustment and performance-based bonus) as the basis for demonstrating pay differentiation and will ensure meaningful distinctions are reflected between rating levels. As appropriate, Components will also ensure meaningful distinctions are made within a single performance level. Total performance payout adjustments should not cause the total performance payout of a lower-level rating to exceed that of a higher-level rating. To meet the requirements of meaningful distinction, Components must at minimum make a 0.1 percent difference between rating levels.

Appointing authorities must comprehensively review performance distributions for consistency across multiple PPs while keeping in mind that quotas and forced distributions in ratings are not allowed.

Pay Increases and Bonus Ranges

Performance-based payouts will be made within the ranges established in Table 1. If a Presidential adjustment to executive pay is granted for Calendar Year (CY) 2025, SES and SP pay may be adjusted individually based on assigned performance ratings and in accordance with 5 CFR §§ 534.404 and 534.507.

Meaningful Distinctions

When making determinations for performance-based adjustments, appointing authorities will award the highest amounts to those executives with the highest achievement and contributions to individual and organizational results. Appointing authorities may award performance-based pay adjustments that would bring an executive's pay above his/her position's designated tier ceiling and award performance-based bonuses in the amount of 15-20 percent to only executives who truly demonstrate exceptional performance and exceed established targets for individual and organizational goals.

Appointing authorities may award the maximum performance-based bonus (20 percent) to only SES and SP who receive a perfect score in recognition of their extraordinary impact on the achievement of the organization's mission and sustained, exceptional achievements in meeting individual and organizational results.

Table 1. FY 2024 DoD Performance-Based Pay Increase and Bonus Ranges

Rating Level	Performance-Based Bonus Ranges (10%)		Performance-Based Pay Adjustments	Annual Performance-Based Compensation May Not Exceed:
	SES	SP		
5	0 or 5.0 – 20.0%	0 – 20.0% ¹	1.0 – 11.2%	26.7%
4	0 or 5.0 – 14.0%	0 – 14.0%	1.0 – 8.0%	19.7%
3	0 or 5.0 – 8.0%	0 – 8.0%	0.0 – 4.7%	12.7%

Rating Distribution Justification Form

Components must complete the appropriate "Ratings Distribution Justification Form" when the modal rating for their SES, SP, or equivalent workforce is Level 5, or a bimodal rating of Levels 4 and 5. Forms must be signed by the appointing authority and returned with the validation package. This form is not applicable to NAF executives.

Individual Contribution Awards

Components may spend up to one percent of the aggregate salaries of career SES and SP onboard at the end of FY 2024 on individual contribution awards (e.g., special act or incentive awards) that will be paid throughout FY 2025.

SP Pay Policy

Part 534, subpart E, of title 5, CFR, provides the rules for setting and adjusting the rates of basic pay for the SP and equivalent workforce. If the rate of basic pay for an SP or equivalent

¹ 5 U.S.C. § 4502 limits SP performance-based awards to \$25,000.

is increased to the top 10 percent of the pay range, it must be approved by the appointing authority. SP performance-based bonuses cannot exceed \$25,000 pursuant to 5 U.S.C. § 4502(f).

Political Appointees

The Further Consolidations Appropriations Act, 2024 (Public Law 118–47, March 23, 2024), continues the pay freeze during CY 2024 for certain political appointees. Appraisals should be completed for applicable political appointees to ensure eligibility for pay increases should they be authorized for CY 2025.

Validation and Technical Review

In accordance with the Table 2 timeline, Components must submit their initial determinations on performance appraisals, signed by appointing authorities, to the Office of the Deputy Assistant Secretary of Defense for Civilian Personnel Policy for technical review and validation.

Table 2. DoD Timeline for FY 2024 Performance Appraisal Closeout Activities

Activity	Dates
Performance cycle ends.	September 30, 2024
Components close out their performance cycle and raters determine recommended performance appraisals.	October 1 - December 6, 2024
Components allow opportunity for a higher-level review.	
Pay pool panels and/or PRBs convene. Upon completion, Components will aggregate the ratings and performance-based payout decisions.	
Components submit combined recommended ratings and performance-based payout recommendations to the Defense Executive Resources Management Office for technical review.	No later than (NLT) December 13, 2024
Component appointing authorities make final determinations on performance appraisals.	NLT January 7, 2025
Components process approved performance-based payouts. *Payout Processing Note: The Defense Finance Accounting Service requires awards listings NLT January 16, 2025, for them to be reviewed and paid by the pay period ending January 25, 2025. Lists provided after this date, or actions that may require corrections, may result in a delayed effective date and payments made the following pay period.	NLT January 16, 2025*

I am confident that the Department will continue to meet the high standards we have set for ourselves. I am proud of our continued commitment to successfully execute our performance management system, ensuring that performance is aligned with individual and organizational results, as well as in making meaningful distinctions in performance, while avoiding forced distributions or quotas. I appreciate your continued support and rigor.

Questions regarding this correspondence may be directed to Ms. Kimberly C. Markee, Defense Executive Resources Management Office, at kimberly.c.markee.civ@mail.mil.

A handwritten signature in black ink, appearing to read 'Ashish Vazirani', with a stylized flourish at the end.

Ashish S. Vazirani
Performing the Duties of the Under Secretary of
Defense for Personnel and Readiness

FY 2024 Civilian Senior Executive (CSE) Performance Closeout Timeline

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