

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
D.C. Department of Human Resources**

District Personnel Manual Issuance System

This instruction should be filed
behind the divider for Part III of
DPM Chapter(s) 11B

DPM Instruction No. 11B-59

SUBJECT: Performance Allowances

Date: May 30, 2008

Note: This District Personnel Manual (DPM) instruction supersedes DPM Instruction No. 11B-51, *same subject*, dated April 29, 2005, for the main purpose of updating *D.C. Standard Form No. 11B-08, Request for Performance Allowance*.

The purpose of this instruction is to provide general information on the payment of performance allowances, including the approval process, under section 1144 of Chapter 11 of the D.C. personnel regulations, Classification and Compensation.

1. Questions and Answers

• ***Who may receive a Performance Allowance?***

Employees in the Career Service, Legal Service, or Management Supervisory Service (MSS) who meet the requirements concerning performance specified below.

Employees in the Excepted and Executive Services are not eligible to receive performance allowances.

• ***What is the Basis for Granting a Performance Allowance?***

The employee's exceptional service, but only when the performance rating assigned to the employee for the most recent rating period prior to the granting of the allowance is either "Substantially Exceeds Expectations" or better, "Exceeds Expectations" or better, or "Excellent" or better, as applicable.

• ***How frequently may a Performance Allowance be granted?***

A performance allowance may be granted only once in any 12-month period.

An employee who has received a monetary award for performance in accordance with the provisions of Chapter 19 of the D.C. personnel regulations, Incentive Awards, is ineligible to receive a performance allowance for the same rating period.

Note: DPM Instructions that are strictly procedural in nature have direct applicability only to agencies and employees under the personnel authority of the Mayor. Other personnel authorities or independent agencies may adopt any or all of these procedures or guidance materials for agencies and employees under their respective jurisdictions. [See DPM Chapter 2, Part II, Subpart 1, § 1.3]

Inquiries: Compensation and Classification Administration, DCHR (202) 442-9700

Distribution: Heads of Departments and Agencies, HR Advisors, and DPM Subscribers

Retain Until Superseded

- ***What is the Maximum Amount for a Performance Allowance?***

A performance allowance cannot exceed 10% of the maximum rate of pay (MRP) for the employee's grade (i.e., the MRP for an employee paid under a salary schedule with 10 steps would be the 10th step of the grade).

- ***How is a Performance Allowance Paid?***

A performance allowance is paid in equal installments over a period of 26 consecutive pay periods, except that a performance allowance will not be paid following an employee's separation when the separation occurs before the end of the period covered by the allowance payment.

- ***Is a Performance Allowance Considered Base Pay?***

A performance allowance is not considered base pay for any purpose and, for that reason, it is not to be used to compute retirement or other benefits, or in the calculation of other types of pay in an employee's regular position.

- ***Are Performance Allowances Subject to Taxes?***

Yes, performance allowances will be subject to the withholding of federal, District of Columbia or State income taxes, and social security taxes, if applicable.

2. Procedures for the Approval of a Performance Allowance

- a. Upon making a determination to grant a performance allowance to an employee, the employing agency will promptly complete *DCSF No. 11B-08, Request for Performance Allowance* (copy attached), and forward the original, signed and dated, to the:

D.C. Department of Human Resources
Compensation and Classification Administration
441 4th Street, N.W., Suite 320
Washington, D.C. 20001

- b. Upon receiving *DCSF No. 11B-08* from the employing agency, appropriate staff in the Compensation and Classification Administration (CCA), DCHR, will:
 - (1) Review the written justification submitted by the agency citing specific examples of the employee's exceptional service, and supporting documentation concerning the employee's official rating for the period of the proposed performance allowance;
 - (2) Verify/confirm that the employee in question has not received a monetary award under Chapter 19 of the regulations, Incentive Awards, for the same rating period of the proposed performance allowance; and

- (3) Approve or disapprove the agency's request, and notify the agency of the determination.
- c. If the determination is to approve the request, staff from the CCA will forward *DCSF No. 11B-08* to the Office of Pay and Retirement Services (OPRS) within the Office of the Chief Financial Officer.
- d. Upon receiving the form, appropriate staff within the OPRS will establish and maintain appropriate files and records on the performance allowance paid, including records on the beginning and ending dates of the 26-installment period for the payment of each performance allowance. The purpose of these files and records is to ensure that payments are promptly made each pay period and subsequently terminated at the end of the 26th pay period of the particular performance allowance, thus avoiding overpayments.

3. Payment of the Performance Allowance

- a. A performance allowance is paid in the same manner and at the same time intervals as basic pay is paid.
- b. The OPRS will contact the employing agency for any additional documentation needed to effect payment of the performance allowance. The employing agency will submit any such documentation directly to the OPRS.
- c. A performance allowance will not be paid for any period in which the employee is in a non-pay status (i.e., leave without pay (LWOP), absence without leave (AWOL), suspension).
- d. A performance allowance **is not** considered basic pay for any purpose and, for that reason, cannot be used to compute retirement or other benefits.

4. Examples

Example 1 –

Jane Work is a Management Supervisory Service (MSS) employee (non-union) paid under a MSS salary schedule ("MS" salary schedule) with open ranges. Ms. Work received an official rating of "*Significantly Exceeds Expectations*" (Level 5) at the end of the rating period for employees whose performance is rated using the Performance Management Program (PMP), and her employing agency wishes to grant her a performance allowance of **10% of her current salary:**

Ms. Work's Pay Plan, Grade, and Salary:	MS-15; \$102,885
MRP for Ms. Work's Grade (MS-15):	\$113,173 (10% of MRP for current salary)
Percentage of the Performance Allowance:	10%
Amount of the Performance Allowance:	\$11,317 (10% of \$113,173)
Amount of Each Installment:	\$435.27 (\$11,317.00 ÷ 26 pay periods)

Example 2 –

Jimmy District is a Career Service employee (non-union) paid under a Leader Wage Service Rate Schedule (“LW” rate schedule) with 10 steps. Mr. District received an official rating of “*Role Model*” at the end of the rating period for employees whose performance is evaluated using the Performance Evaluation System (PES), and his employing agency wishes to grant him a performance allowance of **7% of a step 10**:

Mr. District’s Pay Plan, Grade, and Step:	LW-10 step 4; \$52,478
MRP for Mr. District’s Grade (LW-10):	\$62,379 (Step 10 of LW-10)
Percentage of the Performance Allowance:	7%
Amount of the Performance Allowance:	\$4,366.53 (7% of \$62,379)
Amount of Each Installment:	\$167.94 (\$4,366.53 ÷ 26 pay periods)

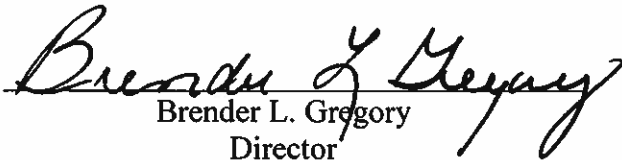
Example 3 –

Johnny Law is a line attorney (union) in the Office of the Attorney General for the District of Columbia (OAG) paid under the Legal Service union salary schedule (“LS” salary schedule) for the OAG. Mr. Law received an official rating of “*Substantially Exceeds Expectations*” at the end of the rating period for employees whose performance is evaluated using the Legal Service Performance Evaluation System (LS-PES), and the OAG wishes to grant him a performance allowance of **5% of a step 5**:

Mr. Law’s Pay Plan, Grade, and Step:	LS-14 step 3; \$ 98,855
Performance Allowance will be based on:	\$105,035 (Step 5 of LS-14)
Percentage of the Performance Allowance:	5%
Amount of the Performance Allowance:	\$5,251.75 (5% of \$105,035)
Amount of Each Installment:	\$201.99 (\$5,251.75 ÷ 26 pay periods)

5. References

- *Section 1144 (Performance Allowance) of Chapter 11 of the D.C. personnel regulations, Classification and Compensation.*
- *Chapter 19 of the D.C. personnel regulations, Incentive Awards.*


 Brender L. Gregory
 Director

Attachment:

DCSF No. 11B-08, Request for Performance Allowance (Rev. 5/08)

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
D.C. Department of Human Resources**

REQUEST FOR PERFORMANCE ALLOWANCE

Part I – Instructions (Agency)

1. Only employees who have received an official performance rating of "Role Model" or "Excellent" under the Performance Evaluation System (PES); "Significantly Exceeds Expectations" (Level 5) or "Exceeds Expectations" (Level 4) under the Performance Management Program (PMP); or "Meets Expectations" or "Substantially Exceeds Expectations" under the Performance Evaluation System (PES) for line attorneys in the Legal Service (PES-LS), are eligible to receive a Performance Allowance.
2. Complete items 1 through 7 below.
3. Submit this form, a copy of the employee's rating for the period of the proposed Performance Allowance, supporting documentation for the rating, and a written justification for the proposed Performance Allowance (Part II of this form), including the percentage and amount, to the D.C. Department of Human Resources (DCHR).

1. Department or Agency: _____

2. Name of Employee: _____

Agency CFO or Designee (Signature)

Date

Last

First

MI

3. Present Position Title, Series, Grade and Step, and Salary:

Position Title, Series, Grade and Step

\$ _____
Salary

4. Type of *Service for the Employee's Position:

- Career Legal Management Supervisory Service

[*An employee in the Excepted Service or Executive Service is not eligible to receive a Performance Allowance.]

5. Most Recent Official Rating:

PES: _____ (Specify Rating Period)

- Role Model Excellent

PMP:

- Exceeds Expectations
 Significantly Exceeds Expectations

PES-LS:

- Meets Expectations
 Substantially Exceeds Expectations

6. Has the employee received a *Monetary Award under Chapter 19 of the D.C. personnel regulations, Incentive Awards, for the same rating of the proposed Performance Allowance?

- Yes No

[*An employee who has received a monetary award under Chapter 19 of the regulations for the same rating of the proposed Performance Allowance is not eligible to receive a Performance Allowance.]

7. *Percentage of the Proposed Performance Allowance:

[*A performance allowance shall not exceed 10% of the *maximum rate of pay (MRP)* for the employee's grade. The *MRP* is the highest rate/step for the grade (i.e., for a salary schedule with 10 steps, the *MRP* is the 10th step).]

- Amount of the Proposed Performance Allowance: ___% of Step (or Salary) _____ = \$ _____.

DCHR CERTIFICATION

- Approved Disapproved* [*State reason: _____.]

Pertinent information verified by: _____
Signature of DCHR Official

_____ Date

Part II – Written Justification

In the space below, please describe the employee's performance contribution(s) and how such contribution(s) exceeded the satisfactory performance requirements of the position. Please cite specific examples of exceptional service: