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# Senior Foreign Service Performance Pay

A Mandatory Reference for ADS Chapter 463

New Edition Date: 09/16/2024  
Responsible Office: HCTM/CPE  
File Name: 463mal\_091624

## **A. Overview**

Performance pay for the Senior Foreign Service (SFS) is made up of three elements: (1) the annual performance-based SFS salary increase, (2) performance pay awards (bonuses), and (3) nominations for Presidential Rank awards. All three elements are governed by the [FS Act of 1980, as amended](#).

The SFS is made up of three classes: Career Minister, Minister Counselor, and Counselor. The Executive Pay Schedule assigns pay caps for each of these levels and sets a minimum pay level for SFS.

Prior to the first pay period of each calendar year, HCTM presents a proposed SFS performance pay policy memorandum for the year to the USAID Administrator, or their designee, for approval. Once approved, the elements of the annual SFS performance pay policy are made publicly available on the HCTM website.

## **B. Approval of Performance-Based Annual Salary Increases for the Senior Foreign Service**

Base salary levels for the SFS are based on the [Executive Pay Schedule](#) and are adjusted annually according to relative performance. Each year, the SFS Performance Board (hereafter, “the Board”) reviews and assigns scores to current year SFS performance files. HCTM uses the scores as a basis for proposing, through the annual SFS performance pay policy memorandum, the SFS salary increases for the following calendar year. The USAID Administrator, or their designee, by approving the memo, authorizes the SFS salary increase to go into effect the first pay period of the calendar year.

Each year, HCTM proposes salary increases, via the SFS performance pay policy memorandum, for officers promoted into or within the SFS for review and approval by the USAID Administrator, or their designee.

## **C. Annual SFS Salary Increases**

SFS officers are eligible to receive annual performance-based adjustments to their base salaries based on recommendations by the Board. Officers serving in SFS positions appointed by the President or who entered the SFS under other modalities (e.g., from SES or from outside government), after having their initial SFS salary set, are eligible to receive the same annual SFS salary adjustments which would have been received if they had been continuously paid under the SFS salary schedule.

Annual increases in SFS salary levels are based on performance in the current rating period and are affected as follows:

- a. HCTM proposes annual increases to be paid based on Board scoring of the current year Performance Evaluation File. Salary increases are assigned to tiers reflecting different levels of performance based on Board scoring.
- b. Performance tiers for purposes of determining the annual salary increase are designated as follows:
  - i. Tier 1: Top-scoring (recommended for a performance pay bonus)
  - ii. Tier 2: Exceeds Standards of Class (not recommended for a performance pay bonus)
  - iii. Tier 3: Meets Standards of Class
  - iv. Tier 4: Does Not Meet Standards of Class
- c. SFS officers whose Board scoring indicates they do not meet the standards of their class in the current year or who did not fulfill their work objectives or who were, or will be, referred to the Performance Standards Board (PSB) during the previous calendar year due to administration of a Performance Improvement Plan (PIP) will be placed into Tier 4 and will not receive an annual increase.
- d. There may be SFS officers who were not reviewed by the Board. For example, there may be officers whose promotions into the SFS were delayed and who were not able to submit an Annual Evaluation Form (AEF), or who were in language training, or who received a retirement waiver and who did not retire. SFS Officers who do not have a current AEF must be determined to have met the standards of their class and will be placed in Tier 3 for salary increase determination, unless there is a letter in the file documenting that the absence of the AEF was not deemed justified by HCTM, in which case they will be placed into Tier 4.
- e. The proposed rates of increase for each tier are determined using the following references: the President's Executive Order for government-wide salary increases, including the salary caps applied to the SFS at each rank; the State Department policies for annual SFS salary increases for that period; the range of annual salary increases awarded to USAID SES employees for that year; and general approaches taken with past SFS salary increase policies. These policies are used to assure compatibility in administration across foreign affairs agencies to the extent practicable. Budgetary considerations may factor into Agency decisions on SFS pay increases.
- f. The SFS Performance pay policy memorandum is reviewed and approved by the USAID Administrator or their designee, through circulation of an

Action Memorandum initiated by HCTM, and cleared by the Office of the General Counsel (GC), the Bureau for Management (M), and the Executive Secretariat (ES).

- g.** SFS salary increases are effective on the first day of Pay Period #1 for the year for which they are proposed. HCTM takes steps to timely circulate the memorandum in advance of this date. If approval is delayed, however, the increases will be retroactive to Pay Period #1.

HCTM submits the names of SFS officers for vetting prior to receiving an annual salary increase. Eligibility for SFS salary increases will be denied or deferred under the following circumstances: (1) if the USAID Chief Human Capital Officer (CHCO) determines, upon consultation with GC regarding the results of vetting, that such increase is (or where an inquiry is pending, may be) inconsistent with the national interest or efficiency of the Service, for reasons based on issues of loyalty, security, misconduct, suitability, or malfeasance; or (2) if there are documented indications that information available to the officer's rating officer or in the officer's evaluation file has been significantly inaccurate or incomplete.

The CHCO must inform the officer in writing of the decision to initiate, pursue, or monitor an inquiry, investigation, or proceeding for a deferral of their eligibility for a salary level increase if not inimical to the inquiry or investigation. Upon completion of the review and resolution of the issue(s), the CHCO will either a) determine that there is no basis for denying the increase and request that action be taken to effect the increase as of the date it would have been effective if not deferred; or, b) deny the increase and defer the officer's eligibility for an increase until the following calendar year. Upon completion of the additional one-year waiting period, the officer will be eligible to receive an increase if the officer meets the requirements cited in the sections above.

If the officer's annual salary increase is deferred due to an adverse finding from vetting that cannot be resolved, such that the conclusion of the investigation or related review determines the infraction(s) is inconsistent with the national interest or efficiency of the Service, the CHCO must defer the officer's eligibility for an increase by at least one year, and may consider a longer period of deferment depending on the specifics of the case.

#### **D. Performance Pay Awards - General**

Performance pay awards for the SFS include both Annual Performance Pay Bonuses (hereafter "bonuses") and Presidential Rank Awards (PRAs). Both categories of SFS performance pay awards must take into account the criteria, directives and procedures described in the [FS Act of 1980, As Amended](#) including [Article 405 \(22 U.S.C. § 3965\)](#). Precepts for performance pay are located in the [ADS 463mak](#).

The FSA provides that the number of SFS officers receiving bonuses and/or PRAs cannot sum to more than 33 percent of the total SFS cadre, as counted on the last day of the rating period. HCTM prepares an annual memo that notes the specific calculation to be used in that year to net out PRA recipients and make any other required adjustments from the 33 percent calculation and determine the estimated number of bonuses that can be given by that year's SFS Performance Board, mirroring the calculation the State Department uses for its SFS. HCTM must retain this memo as part of the promotion board files for that year.

The Board reviews officers eligible for performance pay awards as a group. Officers are compared and assessed solely on merit with absolute fairness and justice. In particular, no officer will be advantaged or disadvantaged, directly or indirectly, for reasons of race, color, national origin, sex (including pregnancy, gender identity, sexual orientation, or transgender status), age, religion, genetic information, physical or mental disability, marital status, veteran status, status as a parent, geographic or educational affiliation within the United States, political affiliation, or paths or methods of entry into the Foreign Service (FS). Retaliation for opposing unlawful discrimination or for engaging in a protected EEO activity is also prohibited.

Non-career officers and officers who are appointed to any position in the Executive Branch by the President with the advice and consent of the Senate, or by the President alone, are not eligible to receive performance pay except for those SFS officers on Presidential appointments who elect to retain the salary and benefits of their SFS class (in accordance with Section 302(b) of the [FS Act of 1980, as amended](#)). Officers serving under non-career SFS appointments with reemployment rights under Section 310 of the [FS Act of 1980, as amended](#) as career SES appointees are eligible for consideration for SFS bonuses and PRA nominations, if their performance is documented in an AEF reviewed by the Board.

### **1) Performance Pay - Bonuses**

Bonuses are conferred by the Agency based on performance during the most recent rating period:

- (a)** Annual bonuses are calculated as a percentage of the SFS base salary for the calendar year in which the bonus is recommended by the Board, as approved by the Administrator, or their designee, in the Annual SFS Performance Pay Plan.
- (b)** As provided in Section 405 of the [FS Act of 1980, as amended](#), individual awards must not exceed 20 percent of basic salary.
- (c)** Proposed bonus amounts are calculated with reference to the State Department annual policies for its SFS bonuses, and to the bonus percentages conferred by USAID to its top 33 percent SES bonus recipients for the same rating period or year.

(d) Bonus amounts are subject to availability of funding.

(e) The proposed range of bonuses as a percentage of salary are presented in the annual SFS performance pay memo for that year, and approved by the USAID Administrator, or their designee, per [ADS 103, Delegations of Authority](#).

To be eligible for a bonus, an officer must have been a member of the SFS on the last day of the rating period and must have been evaluated by the C/Board based on an AEF submitted for that rating period for C/Board review. The C/Board must be advised in writing of the number of bonuses the C/Board will recommend when the C/Board convenes, by category (e.g., high and low).

The C/Board must review the files of all eligible SFS officers as a group. The Board must review and score each officer's performance for the most recently completed rating period, applying the [precepts](#) for bonuses. The Board uses their scoring to rank those recommended in order of merit. The C/Board recommends bonuses within the number authorized using the rank-ordering from the bonus scoresheet. Bonus decisions are solely based on this scoring.

The Board must base its bonus decisions only on material that is part of an officer's performance evaluation file (PEF). C/Board members must neither seek nor receive any information on officers other than that included in their PEF. For further information on the operations of the C/Board, see [ADS 463](#).

Based on their scoring, the Board must prepare and submit a rank ordered list of SFS officers recommended for bonuses, reflecting the numbers provided to them by HCTM. The Board members must sign this list, and the list must be added as an attachment to the C/Board's final report.

HCTM submits the names of SFS officers for vetting prior to their receiving a performance pay bonus. Eligibility for SFS performance pay bonuses will be denied or deferred under the following circumstances: (1) if the USAID CHCO determines, upon consultation with GC regarding the results of vetting, that such award is (or where an inquiry is pending, may be) inconsistent with the national interest or efficiency of the Service, for reasons based on issues of loyalty, security, misconduct, suitability, or malfeasance; or (2) if there are documented indications that information available to the officer's rating officer or in the officer's evaluation file has been significantly inaccurate or incomplete.

The CHCO must inform the officer in writing of the decision to initiate, pursue, or monitor an inquiry, investigation, or proceeding for a deferral of their eligibility for a performance pay bonus if not inimical to the inquiry or investigation. Upon completion of the review and resolution of the issue(s), the CHCO will either a) determine that there is no basis for denying the performance pay bonus and

request that action be taken to effect the award as of the date it would have been effective if not deferred; or, b) deny the performance pay bonus.

If decided against the officer and/or the results are such that HCTM determines granting the award is inconsistent with the national interest or efficiency of the Service, the CHCO must void the officer's status on the list of C/Board recommendations and cancel the performance pay bonus award.

If the officer's bonus is denied due to an adverse finding from vetting that cannot be resolved, such that the conclusion of the investigation or related review determines the infraction(s) is inconsistent with the national interest or efficiency of the Service, the CHCO must defer the officer's eligibility for a bonus by at least one year, and may consider a longer period of deferment depending on the specifics of the case.

## **2) Performance Pay - Presidential Rank Awards**

Section 405 of the [FS Act of 1980, as amended](#), provides that PRAs may be conferred to SFS officers via a program administered through the Department of State, for which USAID is a participating foreign affairs agency. PRAs include the Distinguished Service Award for sustained extraordinary accomplishment which carries a payment of 35 percent of base salary and the Meritorious Service Award for sustained superior accomplishment which carries a payment of up to 20 percent of base salary.

PRAs will be conferred on no more than six percent of the members of the SFS, calculated based on the total number of SFS as of the last day of the performance cycle. No more than one percent of SFS officers may receive the Distinguished PRA. The number of the SFS receiving PRAs must be included within the overall annual limit that no more than 33 percent of SFS may receive a bonus and/or a PRA.

Eligibility is based on the following criteria:

- (a)** Officers must have demonstrated sustained outstanding accomplishment as a SFS officer (or equivalent) for three years as of March 31st of the most recently concluded performance cycle. The accomplishments must be documented in the AEFs for each of the three most recent rating periods.
- (b)** Evidence of such sustained accomplishment must be found in: 1) Significant contributions to the national interest in the area of foreign affairs; 2) Managerial accomplishments in cooperative efforts with other foreign affairs agencies, federal agencies, government entities, and/or the private sector; and 3) Achievements of Agency-wide importance in policy, technical, program, and/or human resource terms.



- (c) Nominations for Presidential Awards will recognize the most capable, deserving, and accomplished officers of the Service who warrant this singular honor due to exceptional contributions and because their integrity and worthiness of public trust are beyond question.
- (d) Officers having held a recently terminated Presidential appointment made under Section 302(b) of the [FS Act of 1980, as amended](#) do not have to be rated for the last rating period, but must have been a member of the SFS on the last day of the rating period and have performance reports in their evaluation file covering three or more years in SFS classes (or their career equivalent) as of the end of the most recent rating period in order to be eligible for a Presidential Award.

Presidential Awards are conferred by the President based on recommendations of an Interagency Selection Board (IASB) overseen by the Department of State, whose procedures are described in [3 FAH-1 H-2870](#). The IASB normally includes one member nominated by USAID and reviews all SFS officers nominated by the foreign affairs agencies. The IASB may adjust USAID's nomination list to remove nominees, to change the specific award to be granted, and to add USAID alternate nominees to the list sent forward to the Secretary of State and the President.

The C/Board makes Agency nominations for Presidential Awards. The C/Board makes its nominations by applying [precepts](#) that reflect program requirements and criteria indicated in the FSA, as amended, and other performance criteria related to accomplishments, skills and complexity of their work, as stated in the precepts.

HCTM must advise the C/Board in advance of the authorized number of nominations for the Distinguished and Meritorious Service awards. The C/Board must review the records of all eligible officers together and without regard to its recommendations for bonuses. The C/Board must nominate and rank in order of merit up to, but not more than, the authorized number of nominees for each award, plus a number of alternates as directed by HCTM. The number of alternate nominations will reflect State Department guidance (e.g., 3 FAH-1 H-2870) regarding submission of alternate candidates for IASB consideration and/or a need to have additional nominations in case a nominee is subsequently determined to be ineligible for the award.

The rank-ordered list of nominees and alternates must be included in the Board's report to HCTM. HCTM must submit the list of PRA nominees, including any alternates, to the appropriate offices for vetting. In light of the interagency regulatory requirement that the Agency certify "... that the record and character of each member of the SFS recommended merit a high degree of public confidence and trust and warrant recognition by the President should the member of the SFS be selected for an award," any adverse vetting results may, after conferring with GC and the vetting offices, result in disqualification and removal of a nominee's name



from the list. If a candidate is removed from the list prior to submission of the nomination to the IASB, an alternate will move up.

When vetting is completed, HCTM will contact the nominees and alternates, with instructions on preparing their nomination essay.

HCTM must submit its report of nominations, with the nomination essays, to the Administrator, who will review these recommendations. On concluding this review, the Administrator must forward approved nominations, with justification statements, to the IASB for consideration in accordance with agreed interagency procedures.

A member of the SFS is eligible to receive only one Presidential Rank Award within a three-year period. Eligibility will be determined by counting from the year of IASB nomination. For example, a SFS nominated by the IASB in 2020 for a Distinguished PRA who receives the award would be eligible to receive a PRA via nomination by the 2023 IASB.

The period between initial PRA nomination by the C/Board until Presidential approval is lengthy, and may take as long as two years. For this reason, initial vetting must be repeated prior to finalization of the PRA. Once approved by the IASB, PRA nominees may be vetted again, using the same criteria as applied to their initial vetting as nominees. Any adverse vetting results which cannot be resolved may, after conferring with GC and the vetting offices, result in holding the award until resolution of the covered action. If the action is decided in the officer's favor and HCTM determines such is not inconsistent with the award criteria, the national interest, or efficiency of the Service, any previously designated award will be honored and paid. If decided against the officer and/or the results are such that HCTM determines granting the award is inconsistent with the award criteria, the national interest or efficiency of the Service, the CHCO must notify the nominee that the award will not be finalized if not inimical to any inquiry or investigation.

Awards, which are calculated as a percentage of annual salary, are determined using the basic salary rates in effect for the calendar year in which the award is received. The total amount of basic salary plus performance pay received in any calendar year is subject to the limitation specified in Section 405(b)(4) of the [FS Act of 1980, as amended](#). However, any amount which is not payable due to such limitation will be paid in a lump sum at the beginning of the following calendar year.

Officers may be nominated for both a bonus and a PRA. An officer, however, will not receive the payments associated with both awards for the same competition year. When a SFS officer is nominated by the C/Board for both a bonus and a PRA, the bonus amount will be paid in accordance with the C/Board's rank order and in the amount indicated. Payment will be made without regard to possible subsequent conferral of the PRA. Should the PRA subsequently be approved for a SFS officer who received a bonus for the same performance period, the amount of the bonus

will be subtracted from the payment of the PRA. Both awards, however, will remain listed in the Agency's personnel records.

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