

MEMORANDUM FOR       Heads of Operating Units and Secretarial Officers  
Principal Human Resources Managers  
Servicing Human Resources Managers

FROM:                   Deborah A. Jefferson  
Director for Human Resources  
Management

SUBJECT:               End-of-Year Guidance for Senior Employees

As you are aware, the Office of Personnel Management (OPM) and the Office of Management and Budget (OMB) issued new interim regulations allowing agencies to implement a pay-for-performance system for Senior Executive Service (SES) employees. These regulations are designed to assist federal agencies in assuring that their senior employee performance management systems make meaningful distinctions based on relative performance, thereby strengthening the link between performance and pay.

At the same time, OPM issued proposed regulations to implement pay administration features of the new SES pay-for-performance system. The regulations provide for a single, open-range payband for the SES. A significant feature of this compensation system is that it awards the highest pay to agencies' highest performing employees. It allows agencies to pay its highest performing SES members up to the rate for level II of the Executive Schedule and apply a higher aggregate compensation limitation, up to the Vice President's salary, for both senior executives and senior professionals, i.e., employees in senior-level (SL) and scientific and professional (ST) positions.

As a condition for applying the new pay administration features, agencies must obtain OPM certification and OMB concurrence that their performance management systems make meaningful distinctions based on relative performance. The Department will request provisional certification under the implementing guidance for our SES performance management system. Upon approval of that system, which we anticipate receiving approximately 30 days after our submission, we will seek provisional certification for a senior professional (ST/SL) performance management system, so that 2004 bonus and performance-based pay adjustments may be made in accordance with the new flexibilities. Some key features of the Department's new performance management system include:

- a five level summary rating system;
- executives with a fully successful or higher rating being eligible for performance-based pay level adjustments and bonus awards;

- bureaus instituting a process for ensuring the senior employee's rating (as well as subordinate employees' performance expectations and ratings for those with supervisory responsibilities) appropriately reflect the employee's performance measures and any other relevant factors;
- ceilings being established for performance-based pay level adjustments. The fully successful rating level is capped at 2 percent; commendable is capped at 4 percent and outstanding is capped at 6 percent. Requests for exceptions above the 6 percent cap may be made only for "walk on water" cases;
- the bonus pool amount for FY 04 being raised to 7 percent of aggregate salaries. A fully successful rating level may receive up to 8 percent of salary; the commendable rating level up to 14 percent of salary; and the outstanding rating level up to 20 percent of salary.

Please see the attached time line for information on specific end-of-the year activities and associated due dates. Organizational assessment data will be transmitted to bureaus on October 15, 2004. No rating recommendations should be finalized prior to receipt of bureau organizational assessments. Bureau recommendations must be submitted to me no later than November 8, 2004.

The organizational assessments will include a report on each bureau's overall performance related to its Government Performance and Results Act (GPRA) goals, annual performance plans and targets, and other appropriate indicators. To assist in completing these reports, each bureau must submit a one-paragraph organizational self assessment to Otto J. Wolff, CFO/ASA, no later than October 5, 2004. The paragraph should address bureau performance related to GPRA measures, programs assessed by the OMB PART process, and status with the President's Management Agenda (PMA) scorecards. To ensure the organizational assessments are complete, each bureau will need to ensure that all end-of-year actual data for its bureaus GPRA measures have been provided to the Office of Budget by October 5, 2004.

The Deputy Secretary will perform the Senior Official Assessment role required by the interim regulations. In that regard he must certify:

- that the Department's appraisal process makes meaningful distinctions based on relative performance;
- that results take into account, as appropriate, the agency's assessment of its performance against program performance measures; and
- that pay adjustments, cash awards, and levels of pay this year will accurately reflect and recognize both individual and organizational performance.

Clearly, the role of bureau Performance Review Boards (PRBs) must be strengthened and due diligence achieved in their reviews. PRBs should be looking at linkage to strategic goals, alignment, and performance distinctions in executive's subordinate ratings as well. We strongly recommend that you designate an official at the bureau level to ensure that the above assessment criteria are met, especially in cases for outstanding ratings and for pay level adjustment above

Level III of the Executive Schedule.

The Department's performance management systems will hold senior employees accountable for their individual and organizational performance and support the development of a strong performance culture and the attainment of the agency's mission, goals and objectives. The following nine certification criteria constitute the broad principles that will guide the Department in the strategic use of its senior employee performance appraisal systems:

<b>Alignment</b>	Performance expectations linked to agency's mission
<b>Consultation</b>	Expectations are communicated between rating official and employee
<b>Results</b>	Performance focuses on tangible outputs, outcomes or other deliverables
<b>Balance</b>	Performance expectations include measures or indicators of results; customer/stakeholder feedback; quality, timeliness and cost effectiveness; and competencies/behaviors necessary to distinguish outstanding performance
<b>Assessments</b>	Agency provides assessments of major program and functional areas to senior employee rating and reviewing officials and PRB members
<b>Oversight</b>	Rigorous oversight of the appraisal process provided by designated official
<b>Accountability</b>	Senior employee ratings (as well as subordinate employees' expectations and ratings for those with supervisory responsibilities) reflect performance expectations and relevant program performance measures
<b>Performance Differentiation</b>	Appraisal system includes a rating level that reflects outstanding and appraisal process results in meaningful distinctions
<b>Pay Differentiation</b>	Individual pay rates and pay adjustments reflect meaningful distinctions among executives based on relative contribution to agency performance

Attached is additional information on end-of-the year activities occurring in the months ahead.

The documents attached are:

- A. Timetable for End-of-Year SES Activities
- B. Guidelines for Operating Unit Performance Review Boards
- C. Criteria for Review of Performance Appraisals/Ratings
- D. SES Bonus Policy and Procedures

E. Pay Rate Adjustments and Other Salary Adjustments

F. Adverse Action Procedures for Career SES Members Who Fail to Meet Performance Requirements

G. Presidential Rank Awards

Please remind rating/approving officials and executives that bonus, performance-based pay adjustment, and other salary recommendations are not final until approved by the Secretary. No feedback may be given verbally or in writing regarding salary or bonus recommendations until they are approved by the Secretary. Bureau recommendations are not binding and, therefore, should not be released.

Please ensure that your staff carefully follows all prescribed guidelines. If you have questions, please call either Mary King, Acting Director, Office of Executive Resources at (202) 482-3321 or Terri Lucente, Human Resources Specialist, at (202) 482-1630.

Attachments

## Attachment A

### Timetable for End-of-Year Senior Employee Activities

<b>September 17, 2004</b>	End-of-Year Guidance issued
<b>September 30, 2004</b>	End of FY 2004 Senior Employee performance cycle
<b>October 5, 2004</b>	Bureaus provide Departmental CFO/ASA with bureau organizational assessment data based on GPRA, PART and scorecard measures
<b>October 15, 2004</b>	Organizational assessment guidance issued to bureaus as required in interim OPM regulations. SES bonus software populated via download from the National Finance Center (NFC) and forwarded to the Operating Units (OUs)
<b>November 1, 2004</b>	Bureaus recommend ratings and performance-based pay increase/bonus amounts to bureau PRBs
<b>November 8, 2004</b>	<p>OUs complete bonus and performance-based pay adjustment review process, including the PRB deliberations, and submit final recommendations to Director for Human Resources Management (OHRM)</p> <p>Secretarial Officers submit recommendations for bonuses and, performance-based pay adjustments (with appraisals and narratives), and Presidential Rank Award nominations to the Director, OHRM, for the Departmental Executive Resources Board (DERB) review</p> <p>Principal Human Resource Managers forward performance ratings of executives requesting higher level review to the Director, OHRM.</p>
<b>November 15, 2004</b>	The Departmental Performance Review Board (DPRB) will perform the higher level review for executives who exercise this option and for which no level exists in the OU. DPRB completes review of performance ratings of executives requesting higher level review and forwards recommendations to the Secretarial Officers for consideration
<b>December 1-2, 2004</b>	DERB meets and finalizes recommendations on bonuses and performance-based pay adjustments for the Director, OHRM
<b>December 8, 2004</b>	Final decisions made by Deputy Secretary
<b>December 9, 2004</b>	Bureaus notified by Director, OHRM, of final decisions
<b>December 10, 2004</b>	Director, OHRM, electronically transmits approved information to NFC
<b>December 23, 2004</b>	2004 SES Bonus awards paid by NFC
<b>January 2005</b>	Performance-based pay adjustments processed

## **Attachment B**

### **Guidelines for Operating Unit Performance Review Boards (PRBs)**

This attachment highlights the process PRBs must follow to meet Civil Service Reform Act and Departmental requirements. These guidelines should be supplemented by specific OU requirements defined in individual charters.

The role of bureau PRBs must be strengthened with the implementation of the new interim regulations governing performance management systems. Due diligence must be achieved in any review process to ensure we are making meaningful distinctions based on relative performance, thereby strengthening the link between performance and pay. PRBs must look at linkage to strategic goals, alignment, and performance distinctions in executive's subordinate ratings as well.

PRBs review initial summary ratings and recommendations, and make recommendations to appointing authorities for:

1. Final annual summary ratings;
2. Retention, reassignment, transfer;
3. SES bonuses;
4. Performance-based pay adjustments for ES, SL, ST, or AD positions;
5. Presidential Rank Awards; and
6. Performance awards greater than \$5000 for GS or equivalent employees.

In their review process, PRBs must consider the OPM criteria (Attachment C). Particular attention should be given to Alignment, Consultation, Results, Balance, Accountability, Performance Differentiation and Pay Differentiation.

### **Recommendations to Secretarial Officers and Heads of Operating Units**

- ▶ Written recommendations regarding senior employee appraisals and ratings must be made to the appropriate Secretarial Officer and/or Head of the Operating Unit. The PRB's recommendations are not binding. When the PRB does not concur with the initial summary rating, or when there is a record of disagreement with the rating by the employee or the reviewing official, the PRB's recommendations must include a written justification
- ▶ All bonus recommendations must comply with the requirements and deadlines

established by the Department (See Attachments A and D)

- ▶ Only career senior executives are eligible to receive bonuses. The PRB must make recommendations to the Secretarial Officer and/or Head of the Operating Unit as to which senior executives should receive a bonus award and the amount. Consideration for a bonus award should be based only on the rating for the current appraisal period, Fiscal Year 2004.
- ▶ The PRB's recommendations regarding bonus recipients and amounts must be listed in priority order.

### **Restrictions**

Although additional restrictions may be listed in the charters, at a minimum, members shall not participate in a performance appraisal review when they are:

- ▶ One of the senior executives being reviewed;
- ▶ The rater of the senior executive whose performance is being reviewed; or
- ▶ The direct subordinate of the senior executive whose performance is being reviewed.

In order to participate in Board deliberations, each member must have a current performance rating of fully successful or higher.

Each PRB must have at least one member who is not under the jurisdiction of the Secretarial Officer or Head of the Operating Unit.

## Attachment C

### Criteria for Review of Performance Appraisals and Ratings

Performance appraisals, initial summary ratings, senior employees' written responses, if any, and recommended bonuses and pay adjustments are to be reviewed and compared to criteria identified in PRB charters and assessed for conformance to OPM criteria.

#### OPM Criteria

- ▶ **Alignment** - Performance expectations are linked to or derived from the agency's mission, strategic goals, program/policy objectives, and/or annual performance plan.
- ▶ **Consultation** - Performance expectations are based on senior employees' involvement and input and were communicated to the employee at the beginning of the appraisal period and appropriate times thereafter.
- ▶ **Results** - Performance expectations for senior employees apply to their respective areas of responsibility; reflect expected agency or organizational performance; clearly describe performance that is measurable, demonstrable, or observable; and focus on tangible outputs, outcomes, milestones, or other deliverables.
- ▶ **Balance** - Performance expectations for senior employees include appropriate measures or indicators of results; customer/stakeholder feedback; quality, quantity, timeliness, and cost effectiveness as applicable; and competencies or behaviors that contribute to and are necessary to distinguish outstanding performance.
- ▶ **Assessment and Guidelines** - The agency head, or designee, provides assessments of performance of the agency overall, as well as each of its major program and functional areas, such as GPRA goals and other program performance measures and indicators, and evaluation guidelines issued and based, in part, upon those assessments provided to senior employees, senior employee rating and reviewing officials, and PRB members. Assessments and guidelines are to be provided at the conclusion of the appraisal period but before ratings are recommended.
- ▶ **Oversight** - Rigorous oversight of the appraisal process is provided by the agency head, or designee who certifies that 1) the senior employee appraisal process makes meaningful distinctions based on relative performance; 2) results of the process take into account, as appropriate, the agency's assessment of its performance against program performance measures, and 3) pay adjustments, cash awards, and levels of pay accurately reflect and recognize both individual and organizational performance.
- ▶ **Accountability** - The senior employee's rating (as well as subordinate employees' performance expectations and ratings for those with supervisory responsibilities)

appropriately reflect the employee's performance measures, and any other relevant factors.

- ▶ **Performance Differentiation** - 1) the appraisal system includes a rating level that reflects outstanding performance and provides for clear differentiation of outstanding performance, as defined in the regulations; and 2) the appraisal process results in meaningful distinctions in relative performance based on senior employees' actual performance against rigorous performance expectations. "Relative performance" in this context does not require ranking senior employees against each other. Indeed, such ranking is prohibited for the purpose of determining performance ratings. Rather it is defined as the performance of a senior employee with respect to the performance of other senior employees, including their contribution to agency performance, where appropriate, as determined by the application of a certified appraisal system.
- ▶ **Pay Differentiation** - Individual pay rates and pay adjustments, as well as their overall distribution, reflect meaningful distinctions among executives based on their relative contribution to agency performance. Agencies must ensure transparency in the process for making decisions. The highest performing senior employees should receive the largest pay adjustments and/or highest pay levels (including both basic pay and performance awards), particularly above the rate for level III of the Executive Schedule. In this regard, **it is expected that there will be few recommendations for a pay increase from Executive Level III to Executive Level II.**

#### **Other Factors**

- ▶ **Balanced measures** Refers to an approach to performance measurement that balances organizational results with the perspectives of other distinct groups, such as customers, stakeholders, and employees. The Balanced Measure approach includes: 1) the Employee perspective which focuses attention on the performance of the key internal processes that drive the organization. This perspective directs attention to the basis of all future successes - the organizations' people and infrastructure; 2) the Customer perspective which considers the organizations' performance through the eyes of a customer, so that the organization retains a careful focus on customer needs and satisfaction; and 3) the Business perspective which considers *outcomes*, or social/political impacts which define the role of the agency/department within the government and American society, and the *business processes* needed for organization efficiency and effectiveness.
- ▶ **Effect of Minimally Acceptable or Unsatisfactory Rating for a Critical Element** Minimally acceptable or unsatisfactory performance ratings for individual critical elements must not result in an overall rating of Fully Successful or higher.

## Attachment D

### SES Bonus Policy and Procedures

- ▶ Bonuses are limited to a funding distribution equal to 7 percent of the Department's aggregate payroll for career executives on board as of September 30, 2004.
- ▶ Bonus amounts are computed as a percentage of base salary.
- ▶ Minimum and maximum bonus percentages are as follows:
  - Outstanding 5 - 20 percent
  - Commendable 5 - 14 percent
  - Fully Successful 5 - 8 percent
- ▶ The Department will provide OUs with bonus pool amounts.
- ▶ 2004 Distinguished Rank Award recipients are not eligible for a bonus because the Rank Award constitutes 35 percent of base pay.
- ▶ Meritorious Rank Award winners may receive performance awards in the same calendar year up to the amount that combined with the Rank Award does not exceed 35 percent of pay.
- ▶ In order to be considered for a bonus, an SES member must receive a final summary performance rating of fully successful or higher.
- ▶ The Deputy Secretary is responsible for certifying that the SES appraisal process makes meaningful distinctions based on relative performance; that results of that process take into account, as appropriate, the agency's assessment of its performance against program performance measures; and that pay adjustments, cash awards, and levels of pay accurately reflect and recognize individual and organizational performance. His decisions will be based on recommendations furnished by the DERB.
- ▶ Following individual PRB reviews and recommendations, Secretarial Officers may submit as many proposed recommendations for performance-based pay adjustments and bonuses as they consider to be justified under the new certification guidance. The nominees must be listed in priority order.
- ▶ Justifications must reflect individual responsibility and performance in the accomplishment of organizational objectives, including the two mandatory critical elements (Leadership/Management and Customer/Client Service Responsiveness) that are required for all senior executives. **The narrative justification must be written by the supervisor, not by the executive being recommended.**
- ▶ In accordance with the Department's timetable (See Attachment A), **for each nominee, submit a copy of the completed performance appraisal attached to a one-page**

**summary of the basis for the nomination, which includes: the nominee's name, title, organization, and a statement certifying that the nominee is not under consideration for a Presidential Rank Award, which will be paid out during the same calendar year.**

- ▶ Recommendations must be received by the due date. Bonus recommendations must be forwarded to the Department by the bureau's top Secretarial Officer or the Head of the OU. Requests for approval of bonuses from units within the Economics and Statistics Administration and Technology Administration must be forwarded to the Department by the respective Under Secretary.
- ▶ The members of the DERB review the annual summary ratings and the required narrative justifications submitted by the Secretarial Officers in support of the bonus recommendations.
- ▶ During its deliberations, the DERB may request that the Secretarial Officer make personal presentations to justify Presidential Rank Award Nominations, performance-based pay adjustments, or bonus recommendations.
- ▶ Secretarial decisions on all performance-based pay adjustments and bonuses will be made as indicated in the timetable. Secretarial Officers shall not make any announcements regarding pay adjustments, bonus awards, or Presidential Rank Awards until the Director, OHRM, has confirmed Departmental or Presidential approval has been received.
- ▶ All SES bonus payments will be electronically transmitted to the NFC and will be received in the same manner as the executive's payroll check; i.e., either through electronic transmission to a financial institution or via mail to the designated address.

## Attachment E

### SES Performance-Based Pay Adjustments

A. The following guidelines are to be used when recommending an SES performance-based pay adjustment:

- ▶ A senior executive who receives an annual summary rating of outstanding performance must be considered for an annual pay increase, subject to the limitation of the maximum rate of base pay in 5 CFR 534.403(a)(2).
- ▶ The senior executive's current performance rating is at least Fully Successful (Level 3) or equivalent, and the senior executive has had performance ratings of at least fully successful or equivalent for the past 2 years.
- ▶ For each performance element in the senior executive's current performance plan, he/she received an element rating of at least 3 (or equivalent) or higher.
- ▶ The senior executive has not had an SES performance-based pay increase or decrease during the past 12 months.
- ▶ SES performance-based pay adjustments recommended during the performance bonus/rating cycle will not be considered unless the senior executive has been at his/her level for one full year prior to January 1.

B. All recommendations for performance-based upward pay adjustments must be submitted to the Director, OHRM and include:

- ▶ A one-page narrative justification written by the supervisor, not by the senior executive being recommended;
- ▶ OPM Form 1390;
- ▶ A copy of senior executive's current performance appraisal and rating;
- ▶ PRB approval of the recommendation; and
- ▶ A priority designation.

C. Decisions concerning SES performance-related downward pay adjustments are limited to no more than 10 percent of base pay and will be made at the discretion of the Secretarial Officer, with prior consultation with the Director, OHRM and approval of the DERB.

## **Other Salary Adjustments**

Salary adjustments for Senior Level (SL), Scientific and Professional (ST), or Administratively Determined (AD) executives must also be submitted for approval of the DERB, using the OPM Form 1390 as the approval document, along with a one-page narrative justification written by the supervisor, not by the senior executive being recommended.

## Attachment F

### Adverse Action Procedures for Career SES Members Who Fail to Meet Performance Requirements

**Coverage** Career SES members who have completed the probationary period, if required, and who are not re-employed annuitants.

#### A. Removal Due to Failure to Meet Annual Performance Requirements

- ▶ One unsatisfactory rating requires reassignment or transfer within the SES, or removal from the SES.
  - ▶ Two unsatisfactory ratings within any period of 5 consecutive years requires removal from the SES.
  - ▶ Two less than fully successful ratings in any period of 3 consecutive years require removal from the SES.
1. Notice in writing is required at least 30 days before the effective date of the removal action. The notice shall include:
    - ▶ The basis for the action
    - ▶ The executive's placement rights
    - ▶ The executive's right to an informal Merit System Protection Board (MSPB) hearing
    - ▶ The effective date of removal
    - ▶ (If applicable) the appointee's eligibility for immediate discontinued service retirement in lieu of placement rights
  2. Fallback position to a GS-15 will be identified.
  3. Informal hearing before MSPB is available at the employee's request at least 15 days before the effective date of removal.
  4. Removal for less than fully successful performance cannot be made effective within 120 days after the appointment of a new Secretary of Commerce or the appointment of the career appointee's most immediate supervisor who is a noncareer appointee and has the authority to remove the career appointee (i.e., the Secretarial Officer). This restriction does not apply when the career appointee has received a final rating of Unsatisfactory under the Department's performance appraisal system before the appointment of a new agency head or Appointing Authority.

**Presidential Rank Award Program Instructions**

To recognize prolonged high quality accomplishment, the President awards the rank of Distinguished Executive, Distinguished Senior Professional, Meritorious Executive, and Meritorious Senior Professional each year to a select number of SES career executives and senior career professionals.

**Distinguished Executive and Distinguished Senior Professional** - Recognizes sustained extraordinary accomplishment and includes 35 percent of base pay.

**Meritorious Executive and Meritorious Senior Professional** - Recognizes sustained accomplishment and includes 20 percent of base pay.

The Department submits its nominations to OPM which administers the Presidential Rank Award Review Boards, composed of private citizens. There will be separate Review Boards for the SES nominations and the Senior Professional nominations. Each Board has three members who individually evaluate and rate the accomplishments described in the justification statement. Each member makes an independent judgment on the cases presented.

The Review Boards for the Distinguished Rank Awards meet in Washington, DC, usually in March or April. OPM conducts inquiries on all Distinguished nominees that the Review Boards recommend for approval, and pays the costs of these inquiries. Distinguished nominees who do not score high enough to be recommended for approval are referred to Meritorious Review Boards, if eligible. Review Boards for Meritorious Rank Awards meet in various locations across the country.

**Submission Requirements**

Nominations must be signed by the Head of the Operating Unit and the appropriate Secretarial Officer before submission to the Department. When more than one nomination for the same rank is submitted, you are no longer required to list them in priority order.

Each nomination must contain the following original documentation (and 4 copies), arranged in the order listed below:

- ▶ OPM Form 1390, Executive Personnel Transaction, signed by the Secretarial Officer or Head of the Operating Unit.
- ▶ Completed copy of the Presidential Rank Award Program Nomination Form. Each nomination form must be complete and legible.
- ▶ A brief paragraph (on a separate page) summarizing, in approximately 150 words, the major accomplishments which are cited in the justification statement. Each justification statement should address the nominee's career accomplishments in terms of the selection

criteria in a concise manner. The Presidential Rank Award Review Board members will evaluate the nomination against the same criteria. **This justification statement may not exceed three pages in length; longer justifications will be returned. Please spell out acronyms and abbreviations. DO NOT USE ANY STAPLES OR PAPER CLIPS IN THE NOMINATION FOLDER.** The summary heading should indicate the individual's name, title, and OU (Attachment G1).

- ▶ A summary data sheet listing rank nominees showing name, previous years' performance ratings, years of service with the Department, and previous recognition, including rank awards for which nominee was not approved (Attachment G2).
- ▶ The appropriation code number to be used for payment of the award.
- ▶ Work phone and fax number for each nominee.

If you have questions concerning the Presidential Rank Awards Program or the nomination procedures, please call Terri Lucente, Human Resources Specialist, at (202) 482-1630.

**Attachment G1**

[Full Name]  
[Nominee's Title]  
[Operating Unit]  
Department of Commerce

John Adams has successfully increased productivity, reduced costs, and improved the quality of budgetary, administrative, and management functions for the Office of Aviation. As Director of Budget, Finance, and Administration, he established a national finance center which saves over 500 staff hours annually. He developed a centralized accounting system which eliminated much of the duplication performed by departments and agencies. The Office's Strategic Planning Objectives System was instituted under Mr. Adams' leadership. He has successfully guided the application of new and improved audit techniques with emphasis on the greater use of modern analytical concepts such as graphic and computational analysis, statistical sampling, improvement curves, and computer support systems. During the past 2 years, he has streamlined his staff by more than 10 percent without impairing the quality and quantity of essential services. He designed and restructured the basic fund allocation and fund tracking system in the Office of Aviation, which provided control over the use of funds throughout the Agency. As a consequence of these efforts, the Office of Aviation has returned to taxpayers a 4 year average ratio of net savings to total operating costs of \$3 for each \$1 expended.

[Name of Operating Unit]

**DISTINGUISHED NOMINATIONS**

NAME & RATE	RATING YEAR 04	PRIOR RATINGS			YEARS OF SERVICE	PREVIOUS RECOGNITION*
		01	02	03		
1. John Adams,	O	O	C	O	17	'03 - 15% Bonus '02 - Meritorious Rank
2. Shirley Smith,	C	O	O	O	12	'03 - 10% Bonus '01 - Dist/Nominee/NS

**MERITORIOUS NOMINATIONS**

NAME & RATE	RATING YEAR 04	PRIOR RATINGS			YEARS OF SERVICE	PREVIOUS RECOGNITION*
		01	02	03		
1. Jane Brown,	O	O	O	O	19	'03 - 20% Bonus '01 - 15% Bonus '89 - Gold Medal '82 - Merit/Nominee
2. Frank Johnson,	C	C	O	O	4	'03 - 9% Bonus

\* When an executive received an SES bonus in the past, give the year and percent of the bonus as illustrated. **Do not** give the dollar amount.