



COMDTINST M12430.6B
AUG 10 1998

COMMANDANT INSTRUCTION M12430.6B

Subj: EXCELLENCE, ACHIEVEMENT, AND RECOGNITION SYSTEM (EARS)

Ref: (a) Public Law 98-615

(b) Title 5, U. S. Code, Chapters 43, 45, 53, 55, and 71

(c) Title 5, Code of Federal Regulations (CFR), Parts 293, 430,
451, 530, 531, 536, 540, and 550

(d) Departmental Personnel Manual Letter 430-4

1. PURPOSE. This Instruction establishes the Excellence, Achievement, and Recognition System (EARS) to manage the performance of the Coast Guard's civilian employees paid from Appropriated Funds and employed in the General Schedule (GS/GM) or Federal Wage System (FWS) pay plans.
2. ACTION. Area and district commanders, commanders of maintenance and logistics commands, commanding officers of Headquarters units, assistant commandants for directorates, chief counsel, and chiefs of special staff offices at Headquarters shall ensure compliance with the provisions of this directive.
3. DIRECTIVES AFFECTED. Commandant Instruction M12430.6A will be canceled once all Performance Management System employees have been placed on EARS, on or shortly after 1 April 1999.
4. COVERAGE. The EARS shall apply to all GS/GM and FWS employees. The following employees are excluded:
 - a. Senior Executive Service employees;
 - b. Administrative Judges appointed under 5 U.S.C. 3105;

- c. Nonappropriated Fund activity employees; and
 - d. Employees covered by the Coast Guard Academy faculty performance appraisal system.
5. BACKGROUND. Using a highly inclusive, team approach, human resource team members and customers, including managers, supervisors, employees, and union representatives from Headquarters and the field in a variety of GS/GM and FWS occupations, developed EARS. The Performance Management System Design Team relied heavily on input from more than 300 civilian and military participants in focus groups held in 7 locations throughout the Coast Guard. The Team also considered results from the Coast Guard Workforce Cultural Audit and information gained by benchmarking other agencies.
 6. EFFECTIVE DATE. a. The EARS is effective 1 April 1999. The end of the first rating period is 31 March 2000. b. To enable all employees to begin new performance plans under EARS, effective 1 April 1999, Performance Management System (PMS) employees normally rated from August through July of the following year will have a final PMS appraisal period beginning 1 August 1998 and concluding 31 March 1999.
 7. FORMS AVAILABILITY. The EARS performance appraisal forms (see enclosure (1)) and the nomination forms for performance-related awards (see enclosure (2)) will be available through the Department of Transportation, M-432, and electronically on Coast Guard Standard Workstations.

/s/ Thomas F. Fisher
Acting Director of
Personal Management

TABLE OF CONTENTS

| <u>Chapter</u> | <u>Page</u> |
|---|-------------|
| 1. Definitions | 1-1 |
| 2. Responsibilities | 2-1 |
| 2.A. Performance Management | 2-1 |
| 2.A.1. Employees | 2-1 |
| 2.A.2. Rating Officials | 2-1 |
| 2.A.3. Approving Officials | 2-2 |
| 2.A.4. Performance Incentive Pay Officials (PIPO's) | 2-2 |
| 2.A.5. Coast Guard Personnel Command, Civilian Personnel Management Division | 2-2 |
| 2.A.6. Commandant (G-WPC) | 2-3 |
| 2.A.7. Commandant (G-WR) | 2-3 |
| 2.A.8. Area and District Commanders | 2-3 |
| 3. Performance Appraisal Process | 3-1 |
| 3.A. Developing the Performance Plan | 3-1 |
| 3.B. Core Competencies | 3-1 |
| 3.C. Progress Reviews | 3-2 |
| 3.D. Minimum Rating Period and When to Rate | 3-3 |
| 3.E. The Rating Process | 3-4 |
| 3.E.1. Obtaining Employee Input | 3-4 |
| 3.E.2. Rating the Core Competencies | 3-4 |
| 3.E.3. Rating Official Recommends Rating of Record | 3-5 |
| 3.E.4. Approving Official Determines Rating of Record | 3-5 |
| 3.E.5. Discussing with Employee | 3-5 |
| 3.E.6. Submitting the Appraisal to the Command Staff Advisor . | 3-5 |
| 3.F. Resolving Disagreements Over the Rating | 3-6 |
| 3.G. Linkage with Other Personnel Decisions or Actions | 3-6 |
| 3.G.1. Probationary Periods | 3-6 |
| 3.G.2. Merit Promotion | 3-6 |
| 3.G.3. Training | 3-6 |
| 3.G.4. Reduction in Force | 3-6 |
| 3.G.5. Removing, Reassigning, or Reducing in Grade | 3-6 |
| 4. Performance-Related Compensation | 4-1 |
| 4.A. Performance Awards | 4-1 |
| 4.A.1. Eligibility | 4-1 |
| 4.A.2. Nomination | 4-1 |
| 4.A.3. Approval by Performance Incentive Pay Official | 4-1 |

| <u>Chapter</u> | <u>Page</u> |
|---|-------------|
| 4.A.4. Amount of Award | 4-1 |
| 4.A.5. Effective Date | 4-2 |
| 4.A.6. Grievances | 4-2 |
| 4.B. Quality Step Increases | 4-2 |
| 4.B.1. Purpose | 4-2 |
| 4.B.2. Eligibility | 4-2 |
| 4.B.3. Approval by the PIPO | 4-2 |
| 4.B.4. Nominations | 4-2 |
| 4.B.5. Effective Date | 4-2 |
| 4.B.6. Relationship to Performance Awards | 4-2 |
| 4.B.7. Grievances | 4-2 |
| 4.C. Within-Grade Increase | 4-2 |
| 4.C.1. Relationship to Performance | 4-2 |
| 4.C.2. Eligibility | 4-3 |
| 4.C.3. Making an Acceptable Level of Competence Determination | 4-3 |
| 4.C.4. Determining Performance is Not at an Acceptable Level. | 4-4 |
| 4.C.5. Continuing Evaluation After Withholding a WGI | 4-5 |
| 5. Program Management | 5-1 |
| 5.A. Program Evaluation | 5-1 |
| 5.B. Records Maintenance | 5-1 |
| Encl: (1) Performance Plan and Evaluation | |
| (2) Nomination Form for a Performance-Related Award | |

CHAPTER 1. DEFINITIONS

- A. Acceptable Level of Competence. Performance rated at the "Meets" or "Exceeds" level and which accordingly warrants a Within-Grade Increase, assuming all eligibility requirements are met.
- B. Appraisal Period. Also called the appraisal or rating cycle, this is the portion of the year, at least 90 calendar days, on which an employee's performance is reviewed and a rating of record prepared. In the Coast Guard this period is from 1 April to 31 March of the next year.
- C. Appraisal System. A performance appraisal system established under Title 5 U.S.C. Chapter 43, which describes how agencies will identify performance standards and core competencies and communicate them to employees; compare employees' performance to performance standards through periodic appraisals; inform employees about their performance; and make related personnel decisions based on performance appraisal results.
- D. Approving Official. The official, generally the employee's second-level supervisor, who approves the rating of record.
- E. Core Competencies (CC's). Organizational values that apply broadly to all or many jobs. Using Core Competencies helps link individual performance with organizational goals in such areas as timeliness, quality, customer service, and leadership. Each CC has a generic standard that provides examples of performance at the "Meets" level.
- F. Employee Performance Folder (EPF). A folder, separately maintained within the official personnel folder (OPF), containing the employee's last three ratings of record during the last 4 years.
- G. Interim Rating. A written evaluation of an employee's performance the rating official prepares whenever an employee (1) completes a detail or temporary promotion of 90 or more days on an approved performance plan; (2) after being on an approved performance plan for at least 90 days, moves to a new position inside or outside the Coast Guard; or (3) has been on an approved performance plan for at least 90 days under the supervision of a rating official who, having supervised the employee for at least 90 days, then leaves his or her position. The interim rating evaluates performance against each CC in an employee's performance plan and also includes a complete narrative statement of performance, i.e., a copy of Part II of the Performance Plan and Evaluation and narrative input for Part V. No summary rating is assigned.
- H. Level of Performance. The rating - Exceeds, Meets, or Fails to Meet the performance standard - received for performing any assigned CC.

- I. Performance Award. An award in the form of a one-time cash payment paid after the conclusion of the appraisal period to reward employees for performance shown in the rating of record.
- J. Performance Award Pool. The aggregate dollars which may be spent on performance awards for employees within a "pool" of Coast Guard commands or organizations.
- K. Performance Improvement Period (PIP). A reasonable period-at least 30 days - for an employee whose performance is rated unacceptable ("Fails to Meet") to demonstrate acceptable performance.
- L. Performance Incentive Pay Official (PIPO). The senior official who manages a defined organizational component and is responsible for approving quality step increases and performance awards.
- M. Performance Plan. The CC's and associated standards identified in Part IIa of the employee's appraisal form and, optionally, any workplan documented in Part IIb.
- N. Performance Standard. A statement of the performance requirements at the "Meets" level. The Coast Guard uses "generic" performance standards.
- O. Progress Review. Formal, documented discussions between employee and supervisor about the employee's performance during the appraisal period excluding any initial discussion at or near the start of the review period to establish the performance plan or at the end, during the presentation of the rating of record.
- P. Quality Step Increase (QSI). An increase in a General Schedule (GS/GM) rate of basic pay from one step of the grade of the employee's position to the next higher step of the grade, that may be given to recognize certain employees whose rating of record is "Exceeds" and meets the criteria prescribed for QSIs in this Instruction.
- Q. Rating Official. Normally, the employee's first-level supervisor who proposes the employee's final rating of record.
- R. Rating of Record. The annual rating required at the end of the appraisal period (31 March) unless a more current rating is completed to support a within-grade increase determination or a performance-based action; if so, the more current rating becomes the rating of record. Summarized by a single level of performance (Exceeds, Meets, Fails to Meet), the rating of record is the official rating for pay, performance award, and retention purposes.
- S. Summary Rating. A single performance level (Exceeds, Meets, or Fails to Meet) assigned in Part V of the appraisal form when summarizing the employee's overall performance.

- T. Supervisor of Record. The supervisor of the employee's official position of record, versus any position to which the employee is detailed or temporarily assigned.
- U. Within-Grade Increase (WGI). A periodic increase in an employee's basic pay rate from one step of the employee's grade to the grade's next higher step, given when the employee has met the requirements for such an increase. Also known as a "Step" increase.
- V. Work Plan. An optional plan, covering all or part of the appraisal period, and including task and other work statements.

CHAPTER 2. RESPONSIBILITIES

A. Performance Management. Performance management requires joint planning and communications between rating officials and their employees. The following responsibilities apply:

1. Employees shall, as appropriate:

- a. Review their position descriptions (PD's) to ensure they accurately describe major duties and responsibilities;
- b. Jointly with their supervisors develop and discuss the employee's performance plan; and
- c. Participate in discussions and documentation of performance during progress reviews; at the end of the appraisal period the employee has the option to prepare a statement of accomplishments for inclusion in the rating of record.

2. Rating officials (normally immediate supervisors) shall:

- a. Periodically review employees' PD's to ensure they accurately describe major duties and responsibilities;
- b. Jointly with their employees develop and discuss the employee's performance plan (final specification of the plan remains a supervisory right and responsibility);
- c. Coordinate developing performance plans with approving officials to ensure performance expectations are consistent with organizational objectives and will facilitate equitable treatment of all employees;
- d. Following the procedures set by this Instruction, initiate and conduct progress reviews to discuss performance, clarify work assignments, or make adjustments due to changes in organizational goals;
- e. Take into consideration any interim ratings for an employee in arriving at the rating of record;
- f. Propose the final rating of record;
- g. Recommend performance awards or quality step increases as appropriate;
- h. If leaving the position before 31 March, submit an interim rating for all employees supervised 90 days or more, for the consideration of the incoming rating official who later will prepare the rating of record;

- i. Discuss appraisals with approving officials and resolve differences before discussing with employees;
 - j. Discuss the rating of record with the employee and give him or her a copy; and
 - k. In consultation with the Command Staff Advisor (CSA) take appropriate action whenever an employee's performance falls below the "Meets" level.
3. Approving officials (normally second-level supervisors) shall:
- a. Administer EARS within their respective organizations, ensuring timeliness throughout;
 - b. At the beginning of each appraisal cycle, review and approve the performance plans (Part II of the appraisal form) their subordinate rating officials prepared, for consistency, fairness, objectivity, completeness, etc., making sure plans reflect the larger organization's overall needs or goals;
 - c. Review and approve significant changes to the performance plan during the rating period;
 - d. Approve ratings of record; and
 - e. Assess subordinate rating officials' performance in executing this Instruction's provisions.
4. Performance Incentive Pay Officials (PIPO's) shall:
- a. Establish an effective quality control system, e.g., review board, etc., for his or her performance award pool; and
 - b. Serve as final approval authority for all performance awards and quality step increases within his or her performance award pool.
5. The Coast Guard Personnel Command, Civilian Personnel Management Division (CGPC-cpm), shall:
- a. Advise and assist supervisors and managers who need or request assistance on the performance appraisal process;
 - b. Ensure all affected supervisors and managers are given timely notice of deadlines, timeframes, and schedules;
 - c. Keep adequate records to respond to reports requirements or requests; and

- d. On receiving management decisions, process in a timely manner all performance-related compensation actions, including within-grade increases, quality step increases, and performance awards.
- 6. Commandant (G-WPC) develops and evaluates Coast Guard EARS policies and performance, pay, and award programs, including establishing performance award pools, in accordance with Office of Personnel Management (OPM) and DOT regulations and guidance.
- 7. Commandant (G-WR) establishes and manages award payment budgets, including performance award pool allocations, for quality step increases and performance awards for all affected civilian employees.
- 8. Area and district commanders, commanders of maintenance and logistics commands, commanding officers of Headquarters units, assistant commandants for directorates, and the chief counsel serve as both rating and approving official for employees whom they directly supervise.

CHAPTER 3. PERFORMANCE APPRAISAL PROCESS

- A. Developing the Performance Plan. At the beginning of each appraisal cycle, a written performance plan (Part II of the appraisal form) shall be developed for each employee. The plan shall be based on organizational objectives and the requirements of the employee's position and shall include the identification of applicable Core Competencies as documented in Part IIa of the appraisal form. Optionally, it may include a Work Plan (appraisal form Part IIb) clarifying standards and/or specifying such matters as associated tasks, timetables, and resources.
1. Both employee and supervisor should review the PD to ensure accuracy and completeness.
 2. While approval of the performance plan is a supervisory responsibility, joint employee-supervisor participation in the plan's development and maintenance is expected.
 3. Before becoming final, the approving official shall review and approve the plan for consistency with plans established for similar positions and conformity with organizational goals. The approving official has final authority over the plan's content.
 4. The rating and approving officials shall sign and date the plan to indicate its approval. The employee signs and dates the plan to indicate its receipt.
 5. The rating official and employee will normally develop the employee's performance plan by 30 April annually. If the employee is reassigned, promoted, demoted, etc., to a new position during the appraisal period, the rating official and the employee should develop a new performance plan within 30 days.
 6. Significant changes to the performance plan can occur at any time up to 90 days before the rating cycle ends. The rating official must appropriately document (e.g., annotate) such changes. They must be approved by the approving official and a copy furnished to the employee. The employee should initial the revised plan to indicate its receipt.
- B. Core Competencies (CC's).
1. Core competencies are broad categories of performance attributes such as customer service, quality, timeliness, etc., that support organizational values and have general applicability to many jobs. Part IIa of the appraisal form includes generic standards against which the supervisor measures the employee's performance to determine whether it "Meets" the performance standards. These generic performance standards are guidelines; the supervisor may adapt them to meet organizational needs.

2. Additions to the nine CC's listed below are not permitted. Within the performance plan the supervisor must specify (i.e., checkmark) at least four applicable CC's, including any that are Mandatory. When considering overall performance, the supervisor weighs each CC equally except if an employee "Fails to Meet" the performance standard for any single CC, his or her overall rating is "Fails to Meet." The nine CC's are: a. Applied Job Knowledge and Skills (Mandatory for all employees) b. Supervisory Leadership (Mandatory for supervisors) c. Teamwork d. Customer Service e. Communication f. Quality of Work g. Timeliness and Quantity of Work h. Safety i. Funds Management.

C. Progress Reviews.

1. During the full-year appraisal period (1 April to 31 March) the rating official and employee shall conduct at least two documented progress reviews to discuss performance to date and whether to change the performance plan. Progress reviews should normally be made at regularly spaced intervals. Neither the initial discussion to establish a performance plan nor the presentation of the approved rating is a progress review. If the appraisal is for the minimum 90-day period only, no progress review is required. If the appraisal period lasts between 91 and 180 days, only one documented review is required. The rating official and employee shall document the progress review by signing and dating the appraisal form's Part III. As necessary, they may complete multiple copies of Part III when documenting three or more progress reviews.
2. Rating officials are strongly encouraged to provide ongoing feedback to employees in addition to the required progress reviews. For example, feedback might be appropriate when an employee completes a short-term assignment or a 60-day detail to another position.

D. Minimum Rating Period and When to Rate.

1. The annual appraisal period is 1 April to 31 March of the next year. The minimum appraisal period upon which to prepare a rating is 90 calendar days.
2. Ratings of record are required for all employees who, as of 31 March, are in covered positions and have been on an approved performance plan for at least 90 days during the performance cycle.
3. If a new employee has not worked at least 90 days under an approved performance plan as of 31 March, the appraisal period shall be extended for the amount of time necessary to meet the 90 day minimum appraisal period, at which time a rating of record shall be prepared.
4. Whenever an employee who has performed on an approved performance plan for at least 90 days, is: (a) reassigned or promoted to a new position either inside or outside the Coast Guard, or (b) returns from a detail or temporary assignment of 90 or more days to his or her original position, the losing Coast Guard organization must prepare an interim rating. Gaining Coast Guard organizations should consider such interim ratings when developing the next rating of record.
5. When vacating his or her position, a rating official shall prepare an interim rating for any employee supervised for 90 or more days on an approved performance plan during the appraisal period.
6. If more than one supervisor has rated an employee during the appraisal period, the supervisor of record at the end of that period, no matter how long assigned as supervisor, shall provide a single, integrated rating of record for the employee, taking into account previous interim ratings. If there is no supervisor of record, the second-level supervisor shall prepare the rating of record.
7. If an employee is detailed or temporarily assigned outside the Coast Guard for 90 or more days, the supervisor of record must make a reasonable effort to obtain appraisal information from the outside organization to prepare a rating of record.
8. Ratings of record are required for employees on military furlough, if they have performed on an approved performance plan for at least 90 days during the rating cycle.
9. The table below summarizes major events within the appraisal period:

| Action: | When Taken: |
|--------------------------------|--|
| Establish performance plan | Normally: By 1 May annually, and within 30 days when an employee enters the work unit or moves to a new position (by reassignment, promotion, demotion, etc.). |
| Conduct progress reviews | At least twice, evenly spaced during the one year appraisal period. At least once if the appraisal period lasts 91-180 days. No review is necessary for shorter periods. |
| Prepare interim rating(s) for: | |
| (1) An employee | (1) Whenever an employee who has been on an approved performance plan for at least 90 days during the appraisal period leaves a supervisor's work unit (employees temporarily detailed elsewhere have not "left" their positions of record). |
| (2) All employees in work unit | (2) Whenever a rating official leaves a work unit after having supervised employees for 90 or more days on an approved performance plan during the appraisal period. |
| Prepare rating of record | At the end of the appraisal period (31 March, unless extended to provide at least 90 days under the performance plan), with consideration of any interim ratings made during the period. |

E. The Rating Process. At the end of the appraisal cycle, the rating official assesses the employee's performance compared to each CC the employee has performed for at least 90 days and prepares a recommended rating of record.

1. Obtaining Employee Input. As the first step in preparing a final rating, the supervisor shall give the employee an opportunity to provide a written statement of accomplishments (appraisal form Part IV) in fulfilling the plan. The statement may be made in any appropriate format (e.g., narrative, bullet, or list), may include discussion or elaboration of associated factors, resources available, scheduling, and other matters, and should be limited to the space provided in Part IV.
2. Rating the Core Competencies. After considering any employee input, the supervisor shall use one of the levels described below to rate the employee's performance for each applicable CC against the appropriate performance standard:
 - a. "Exceeds" the Performance Standard. Superior performance, accomplished with little supervision, that so clearly exceeds the criteria for "Meets" as to be truly noteworthy. Performance at this level adds an unusual degree of value to the organization and significantly contributes to mission accomplishment.
 - b. "Meets" the Performance Standard. Good, sound performance, accomplished with normal supervision, that is generally consistent with the CC's performance standard. "Meets" encompasses a broad range of performance including at the upper end performance of high organizational value and commendable mission accomplishment.

- c. "Fails to Meet" the Performance Standard. The performance fails to meet the performance standard's criteria. Requires unusually close supervision or correcting work substantially.
3. Rating Official Recommends Rating of Record. After the rating official rates all individual CC's, he or she shall prepare in the appraisal form's Part V a narrative statement describing overall performance. The statement need not discuss all applicable CC's, but should highlight outcomes and results the employee's performance achieved. It should be limited to the space provided in Part V. Before sending the recommended rating of record to the approving official, the rating official shall propose an overall summary rating based on these criteria:
 - a. "Exceeds" the Performance Standard. No more than one CC is rated as "Meets" and no CC is rated "Fails to Meet." This is superior, truly noteworthy performance, accomplished with little supervision. Performance at this level adds an unusual degree of value to the organization and significantly contributes to mission accomplishment.
 - b. "Meets" the Performance Standard. Two or more CC's are rated "Meets" and none are rated "Fails to Meet." This is good, sound performance, accomplished with normal supervision. "Meets" encompasses the broad range of performance including at the upper end performance of high organizational value and commendable mission accomplishment.
 - c. "Fails to Meet" the Performance Standard. One or more CC's is rated "Fails to Meet."
4. Approving Official Determines Rating of Record. The approving official and rating official should discuss any disagreements about the recommended rating trying to reach agreement in all cases. If they cannot agree, the approving official may change the rating and must separately document the performance-based reason for the change. The approving official should approve the rating of record before the rating official discusses it with the employee.
5. Discussing with Employee. After the approving official approves the rating, the rating official shall discuss the rating with the employee and give the employee a copy. The employee will sign and date the appraisal form in Part V to indicate the discussion occurred and a copy was provided. The employee's signature does not indicate agreement with the rating, and the rating is official even if the employee does not sign it. The supervisor, in this case, should annotate the Signature Block "Employee Refuses to Sign."
6. Submitting the Appraisal to the Command Staff Advisor (CSA). Original performance appraisals (not copies), complete with all required signatures, should be forwarded through the chain of command to be received by the CSA following

local instructions. In all cases, performance appraisals should be received by the CSA within 30 calendar days after the end of the employee's rating period.

- F. Resolving Disagreements Over the Rating. When possible, the employee and rating official should informally resolve any disagreements about the rating of record. If they cannot, this applies:
1. The employee has a right to file a grievance in accordance with "Disciplinary, Performance and Adverse Actions, Appeals, and Grievances," COMDTINST 12750.4(series).
 2. Bargaining unit employees covered by a negotiated agreement which includes a grievance procedure applicable to complaints over performance ratings must use that procedure.
 3. The employee should be prepared to provide material related to his or her own work product demonstrating his or her performance warrants a higher rating.
- G. Linkage With Other Personnel Decisions or Actions. Performance appraisals are used as a basis for making within-grade increase, quality step increase, and performance award decisions. Performance ratings also affect these actions:
1. Probationary Periods. Employees new to Federal service or first appointed to a supervisory position undergo a probationary period. An employee's performance is one factor management considers when deciding whether to retain or separate the employee before the end of the probation. A rating of record is not required when making such decisions.
 2. Merit Promotion. The performance appraisal may serve as one factor when considering employees under competitive promotion procedures. Past performance indicates future performance only to the extent the applicant's performance objectives and standards and the duties and tasks upon which they are based apply to the position being filled. Employees with a "Fails to Meet" rating of record are not eligible for career ladder promotion.
 3. Training. Appraisals may identify persons whose further training may benefit the Coast Guard. Especially high performance may enable an individual to use further training to maximum effect. Conversely, observed performance not meeting standards may necessitate additional guidance, counseling, and appropriate training to improve knowledge, skills, and abilities.
 4. Reduction in Force (RIF). Performance ratings of record are used in RIF in accordance with provisions of 5 CFR 351 and Coast Guard directives.
 5. Removing, Reassigning, or Reducing in Grade. Office of Personnel Management regulations prescribe procedures for taking personnel actions as a result of

unsatisfactory performance equivalent to a rating of "Fails to Meet." This can occur at any time during the appraisal period. Management may reassign, reduce in grade, or remove an employee, but only after giving the employee a reasonable opportunity to demonstrate acceptable performance ("Meets") during a Performance Improvement Period (PIP). If after the PIP, the employee's performance has not improved to at least the "Meets" level, management must reassign, reduce in grade, or remove the employee. COMDTINST M12750.4 contains guidance.

CHAPTER 4. PERFORMANCE-RELATED COMPENSATION

- A. Performance Awards. Agencies may grant performance awards as one-time cash payments outside basic pay to motivate employees by recognizing and rewarding those who attain high levels of performance of value to the organization.
1. Eligibility. An employee who occupies a position covered by an approved performance plan on the last day of the current appraisal period, including any extension needed to meet the minimum 90 day requirement, is eligible for a performance award. An employee shall not be granted a performance award if: a. The employee was not in a pay status for at least 90 days; or b. The employee's performance is rated "Fails to Meet."
 2. Nomination. Performance awards are not automatic even if the rating of record is "Exceeds," but must be justified on the basis of this Chapter's criteria.
 - a. As part of the end-of annual-cycle rating process, the immediate supervisor or higher-level official consistent with procedures the Performance Incentive Pay Official (PIPO) has established may nominate an employee for a performance award using the optional Nomination Form for a Performance-Related Award (enclosure (2)). A copy of the employee's performance appraisal must be attached and must clearly demonstrate the award is justified. Alternatively, the PIPO may modify or eliminate the use of this form.
 - b. The second-level supervisor or higher official if the PIPO stipulates should review the nomination to ensure the performance warrants a performance award rather than a quality step increase (QSI). Accepted nominations are referred to the PIPO for approval following the PIPO's procedures. Management should consult their CSA prior to making final performance award or QSI decisions, to ensure all applicable requirements are met.
 3. Approval by Performance Incentive Pay Official (PIPO). Only the PIPO or his or her designee who is at least one level above the immediate supervisor can approve performance awards and QSI's (see paragraph B.). Area and district commanders, commanders of maintenance and logistics commands, commanding officers of Headquarters units, assistant commandants for directorates, chief counsel, the Director of Finance and Procurement, and the Chief of Staff at Headquarters shall serve as PIPO's and may both initiate and approve performance awards and QSI's for employees who report directly to them.
 4. Amount of Award. Performance awards should be granted at a dollar level sufficient for most employees to regard them as meaningful. An employee rated "Exceeds" approved for a performance award will receive a larger award than any employee rated "Meets" in the same pay grade and performance award pool who also receives a performance award.

5. Effective Date. Performance awards will be made effective within two pay periods after CGPC-cpm's receipt of the PIPO's determinations.
6. Grievances. Approval or disapproval of a performance award may not be grieved. determinations.

B. Quality Step Increases.

1. Purpose. The QSI is designed to appropriately motivate and recognize excellent performance by granting step increases sooner than normal. The QSI is in addition to the within-grade increase (WGI, see paragraph C. below) and is not considered an "equivalent increase" in compensation. This means an employee who receives a QSI does not begin a new waiting period to meet time requirements for a regular WGI; however, if the QSI places the employee at step 4 or 7, the waiting period will be extended 52 weeks.
2. Eligibility. The QSI may be granted only to GS/GM employees (a) not at their grade's top step, (b) who are rated "Exceeds," (c) whose sustained, high-quality performance significantly enhances mission accomplishment, and (d) who have not received a QSI within the preceding 52 weeks. An employee may receive a QSI or a performance award but not both for the same rated performance.
3. Approval by the PIPO. Only the PIPO or the PIPO's designee who is at least one level above the immediate supervisor can approve QSI's.
4. Nominations. Quality step increases are not automatic even if the rating of record is "Exceeds," but must be justified on the basis of this Chapter's criteria. Nominations may be forwarded to the PIPO using the optional form provided in enclosure (2) following the procedures in paragraph A.2. above.
5. Effective Date. The QSI will normally be made effective within two pay periods after CGPC-cpm's receipt of the PIPO's approval.
6. Relationship to Performance Awards. A QSI is a change in base pay providing cumulative benefits. As such, it usually is considered higher recognition than a performance award.
7. Grievances. Approved or disapproved QSI's may not be grieved.

C. Within-Grade Increase.

1. Relationship to Performance. Each WGI must be based on a current rating of record. Individuals without a current rating of record shall be treated in accordance with paragraph 3 below.

2. Eligibility. An employee paid below the top step of his or her grade shall earn advancement in pay to that grade's next higher step on meeting these three requirements established by law:
 - a. The employee must perform at an acceptable level of competence, i.e., his or her most recent rating of record must be either "Meets" or "Exceeds."
 - (1) If the decision to grant or deny a WGI is inconsistent with the employee's most recent rating of record, the rating official must prepare a new rating of record.
 - (2) The rating of record used to determine acceptable level of competence for a WGI must not have been assigned before the most recently completed appraisal period.
 - b. The employee must have completed the required waiting period for advancement to the next higher step of his or her grade.
 - c. The employee must not have received an equivalent increase during the waiting period.
3. Making an Acceptable Level of Competence Determination. Approval of a final rating of record constitutes making a determination of whether the employee is or is not performing at an acceptable level of competence. If the employee does not have a current rating of record, or the current rating of record does not accurately reflect whether or not the employee is performing at an acceptable level of competence, the rating official must prepare a new rating of record following Chapter 3's procedures. The CGPC-cpm shall establish procedures to ensure supervisors are given adequate notice before a WGI is due to allow the supervisor to act appropriately on the basis of the employee's performance. A rating official must delay deciding whether an employee is performing at an acceptable level of competence if either:
 - a. An employee has not had at least 90 days to demonstrate acceptable performance because he or she has not been informed of the specific requirements for performance at an acceptable level of competence in his or her current position, and has not been given a performance rating in any position within 90 days before the waiting period ends; or
 - b. Due to unacceptable performance, an employee is reduced in grade to a position where he or she is eligible for a WGI or will become eligible within 90 days.

4. Determining Performance Is Not at an Acceptable Level. If a supervisor determines an employee's work is not at an acceptable level of competence, that supervisor shall contact the Command Staff Advisor for assistance.
 - a. GS/GM Employees.
 - (1) Notifying. If the rating and approving officials decide a GS/GM employee's work is not acceptable, the supervisor shall counsel and notify the employee in writing as soon as possible including in the notice:
 - (a) The basis for the negative determination and the specific performance improvements required for the employee to earn a WGI; and
 - (b) A statement of the employee's right to secure reconsideration of the negative determination by filing a written request within 15 working days after receiving the notice of the negative determination. The employee's request must set forth the reasons why the determination should be reconsidered.
 - (2) Reconsideration Official. The GS/GM employee shall address any request for reconsideration to the next supervisor in the administrative chain of command over the employee, usually the third-level supervisor, who was not involved in making the negative determination.
 - (3) Employee Entitlements. The GS/GM employee is entitled to:
 - (a) A personal representative. The Coast Guard may disallow as personal representatives persons whose activities as a representative would cause conflict of interest, employees whose release from official duties or responsibilities would cause the Coast Guard unreasonable costs, or employees whose priority work assignment precludes their release from official duties.
 - (b) A reasonable amount of time, up to 8 duty hours at the work site, to prepare the response to a negative determination.
 - (c) A prompt, written notice of the reconsideration decision, including the reasons for it, given to the employee through supervisory channels within 30 working days after the reconsideration deciding official received the request for reconsideration.
 - (d) The right to appeal the negative decision, when appropriate, to the Merit Systems Protection Board. An employee covered by a negotiated grievance procedure may appeal a negative determination only under the terms of the negotiated agreement.

- c. FWS Employees. If the rating and approving officials decide a FWS employee's work is not acceptable, the supervisor shall counsel and notify the employee in writing as soon as possible including in the notice:
 - (1) The basis for the negative determination and the specific performance improvements required for the employee to earn a WGI; and
 - (2) A statement that FWS employees may file a grievance over the negative determination. Bargaining unit employees covered by a negotiated agreement which includes a grievance procedure applicable to complaints over WGI denials must use that procedure. Others may use the agency's administrative grievance procedure.

- 5. Continuing Evaluation After Withholding a WGI. A rating official who withholds a WGI will initiate a Performance Improvement Period (PIP) if one is not already in place. Once the employee is placed on a PIP, the rating official may prepare a new rating of record for the employee and grant the WGI if he or she determines the employee has demonstrated sustained acceptable performance for at least 30 days. The rating official must determine whether an employee's performance is acceptable within 52 weeks after the WGI's original eligibility date. For as long as the rating official continues to deny the WGI, he or she will hold a documented progress review at frequent intervals, e.g., every 90 days.

CHAPTER 5. PROGRAM MANAGEMENT

A. Program Evaluation.

1. Given the critical role EARS plays in managing Coast Guard human resources, program evaluation is vital. Approving officials must evaluate the degree to which subordinate supervisors or managers carry out their performance appraisal responsibilities. Approving officials are in the best position to evaluate or assess organizational consistency, fairness, objectivity, and the ratings' reliability and validity.
2. As part of the evaluation process, Commandant (G-WPC) shall review EARS effectiveness as appropriate.

B. Records Maintenance. Generally performance ratings or documents supporting them are not permanent records; the employee performance folder maintained by CGPC-cpm contains only the three most recent ratings of record within the last four years. Performance records superseded through an administrative or judicial review are to be destroyed. Automated records retained in DOT personnel systems shall be maintained according to Departmental guidance.

**U.S. COAST GUARD
PERFORMANCE PLAN AND EVALUATION**

| | | | |
|---|--------------------------------|--|----|
| PURPOSE: To document job expectations and assess performance. Ratings may impact a variety of personnel actions concerning promotions, rewards, pay and retention. | | | |
| Part I. IDENTIFYING INFORMATION | | | |
| Employee Name | Social Security Number | Appraisal Period | |
| | | From | To |
| Title, Series, and Grade | Organization Unit and Location | | |
| Part II. PERFORMANCE PLAN | | | |
| <p>Instructions to Supervisors: Identify applicable Core Competencies by checking the boxes provided in Part IIa. A Work Plan, Part IIb, is optional, but may be included to clarify performance standards and/or identify tasks and projects to be completed during the rating cycle. Forward the completed Performance Plan to the second level supervisor for approval. Discuss Performance Plan with employee and provide him/her with a copy of the Plan. Maintain original to document progress reviews and final ratings.</p> | | | |
| Rating Official Signature | | Date | |
| Approving Official Signature | | Date | |
| Employee Signature (Certifies that Performance Plan has been discussed) | | Date of Discussion | |
| Part III. PROGRESS REVIEWS | | | |
| <p>Instructions to Supervisors: A minimum of two progress reviews is required during the full-year rating cycle; one review is required if the appraisal period is 91-180 days. The purpose of these reviews is to provide two-way communication with employee concerning his/her performance measured against the standards provided in selected Core Competencies, and to review the performance plan and indicate changes if required.</p> | | | |
| Part IV. EMPLOYEE INPUT FOR PERFORMANCE RATING (OPTIONAL) | | | |
| Employees may use the space provided to list their accomplishments during the rating cycle as input to their final rating. | | | |
| <p>Part V. RATING (CHECK TYPE OF RATING) <input type="checkbox"/> Annual Rating <input type="checkbox"/> Interim Rating</p> | | | |
| Narrative in Part V. | | | |
| <input type="checkbox"/> | Exceeds | Not more than one core competency rated Meets and none rated Fails to Meet. | |
| <input type="checkbox"/> | Meets | Two or more core competencies rated Meets and none rated Fails to Meet. | |
| <input type="checkbox"/> | Fails to Meet | One core competency rated as Fails to Meet results in a final rating of Fails to Meet. | |
| Rating Official Signature | | Date | |
| Approving Official Signature | | Date | |
| Employee Signature (I have reviewed the completed document and it has been discussed with me. This does not necessarily mean that I agree with the information in it or that I forfeit any rights of review.) | | Date of Discussion | |

PERFORMANCE PLAN AND EVALUATION

| Part Ila. CORE COMPETENCIES | |
|---|--|
| CORE COMPETENCIES | PERFORMANCE STANDARDS |
| <ol style="list-style-type: none"> 1. Check applicable core competencies. 2. Minimum of four core competencies is required. 3. At end of rating cycle, check applicable rating as measured against the performance standard. | <p>Performance Standards are defined at the "Meets" level.</p> |
| <p>Mandatory – All Employees/Supervisors</p> <p><input type="checkbox"/> Applied Job Knowledge and Skills</p> <p>Rating</p> <p><input type="checkbox"/> Exceeds</p> <p><input type="checkbox"/> Meets</p> <p><input type="checkbox"/> Fails to Meet</p> | <ul style="list-style-type: none"> ▪ Maintains knowledge in current procedures, policies, and/or practices. ▪ Demonstrates quality, thoroughness and accountability in work activities. ▪ Uses sound judgment and rationale in making decisions or problem solving. ▪ Communicates effectively to accomplish work assignments. |
| <p>Mandatory – All GS and WG Supervisors</p> <p><input type="checkbox"/> Supervisory Leadership</p> <p>Rating</p> <p><input type="checkbox"/> Exceeds</p> <p><input type="checkbox"/> Meets</p> <p><input type="checkbox"/> Fails to Meet</p> | <ul style="list-style-type: none"> ▪ Creates a positive work environment by encouraging mutual respect, communication, innovation, learning and supporting EEO and diversity. Manages conflict constructively. ▪ Supports organizational goals by effectively planning, evaluating, and continuously improving services and products. ▪ Effectively administers performance management responsibilities including timely completion of performance plans and ratings, provision of meaningful feedback and coaching, and taking appropriate steps to deal with performance and conduct issues. ▪ Effectively uses a variety of rewards and recognition (monetary, honorary, and creative recognition) throughout the year. ▪ Supports employee development by providing appropriate guidance, coaching and feedback. Assigns work and/or optimize employees' skills and abilities, and promotes opportunities for career growth. ▪ Maintains appropriate balance between concerns for people and concerns for mission. |
| <p>Optional – Employees/Supervisors</p> <p><input type="checkbox"/> Teamwork</p> <p>Rating</p> <p><input type="checkbox"/> Exceeds</p> <p><input type="checkbox"/> Meets</p> <p><input type="checkbox"/> Fails to Meet</p> | <p>A. Team Leader (Includes GS and WG Team Leaders)</p> <ul style="list-style-type: none"> ▪ Skillfully organizes and facilitates teams to accomplish mutual goals. ▪ Creates an environment of open communication, mutual respect, innovation and shared vision. ▪ Effectively coordinates work and/or projects, keeping team members informed and focused on organization goals. ▪ Actively involves team members in decisions and problem solving. ▪ Effectively communicates information on performance, work status, changes, issues and results. <p>B. Team Player</p> <ul style="list-style-type: none"> ▪ Uses effective interpersonal skills in working with others. ▪ Interacts with others to collectively resolve problems, accomplish mutual goals, and fosters an atmosphere of trust. ▪ Shares information and ideas to improve quality of services and products. |

PERFORMANCE PLAN AND EVALUATION

| Part IIa. CORE COMPETENCIES (CONTINUED) | |
|---|--|
| CORE COMPETENCIES | PERFORMANCE STANDARDS |
| Optional – Employees/Supervisors <input type="checkbox"/> Customer Service Rating <input type="checkbox"/> Exceeds <input type="checkbox"/> Meets <input type="checkbox"/> Fails to Meet | <ul style="list-style-type: none"> ▪ Asks questions to clarify customer requirements. ▪ Takes a variety of actions to meet customers' needs as required until needs are met. ▪ Responds to customers with an appropriate level of urgency. ▪ Builds confidence in customers that their needs are given the highest priority. ▪ Uses feedback to assess customer satisfaction and improve products and services. |
| Optional – Employees/Supervisors <input type="checkbox"/> Communication Rating <input type="checkbox"/> Exceeds <input type="checkbox"/> Meets <input type="checkbox"/> Fails to Meet | <ul style="list-style-type: none"> ▪ Communicates constructively and effectively with others. ▪ Keeps supervisor (and others, if relevant) informed of work status and related issues. ▪ Provides information and suggestions in a timely and effective manner. |
| Optional – Employees/Supervisors <input type="checkbox"/> Quality of Work Rating <input type="checkbox"/> Exceeds <input type="checkbox"/> Meets <input type="checkbox"/> Fails to Meet | <ul style="list-style-type: none"> ▪ Delivers quality products and services. ▪ Work is accurate, thorough, and complete. ▪ Continuously improves products and services. |
| Optional – Employees/Supervisors <input type="checkbox"/> Timeliness and Quantity of Work Rating <input type="checkbox"/> Exceeds <input type="checkbox"/> Meets <input type="checkbox"/> Fails to Meet | <ul style="list-style-type: none"> ▪ Plans and organizes work to ensure timeliness and productivity goals are met. ▪ Successfully adapts to changing priorities or customer requirements. |
| Optional – Employees/Supervisors <input type="checkbox"/> Safety Rating <input type="checkbox"/> Exceeds <input type="checkbox"/> Meets <input type="checkbox"/> Fails to Meet | <ul style="list-style-type: none"> ▪ Understands, supports and adheres to applicable work place safety requirements. ▪ Reports safety violations promptly and appropriately. |
| Optional – Employees/Supervisors <input type="checkbox"/> Funds Management Rating <input type="checkbox"/> Exceeds <input type="checkbox"/> Meets <input type="checkbox"/> Fails to Meet | <ul style="list-style-type: none"> ▪ Manages financial resources effectively to support program or policy implementation. ▪ Assures organizational long and short term resource planning reflects changing needs and priorities. |

PERFORMANCE PLAN AND EVALUATION

Part IIb. WORKPLAN (Optional)

Rating official – Optional Form which can be used to clarify performance standards and/or identify tasks or projects to be completed during the rating cycle.

PERFORMANCE PLAN AND EVALUATION

| Part III. PROGRESS REVIEWS | | |
|---|--------------------|--------------------|
| Two progress reviews and discussions are required during the full-year rating cycle; one review is required if the appraisal period is 91-180 days. The purpose of these reviews is to foster 2-way communication between supervisors and employees in discussing performance expectations and results. | | |
| First Discussion Rating Official Signature | Employee Signature | Date of Discussion |
| Rating Official, key points made, if desired. | | |
| Employee comments, if desired. | | |
| Second Discussion Rating Official Signature | Employee Signature | Date of Discussion |
| Rating Official, key points made, if desired. | | |
| Employee comments, if desired. | | |

PERFORMANCE PLAN AND EVALUATION

Part IV. EMPLOYEE INPUT FOR FINAL RATING (Optional)

Accomplishments: Comments are optional, should be completed before final rating, and limited to this space.

Part V. FINAL RATING

Rating Official – Comments are required regardless of Rating and limited to this space. The comments need not discuss all applicable core competencies, but should highlight actual outcomes and results achieved.

Nomination Form for a Performance-Related Award

(Quality Step Increase or Performance Award)

Note: Attach this nomination ON TOP OF the rating of record upon which the nomination is based.

Justification. The award must be justified based on the attached performance evaluation. The quality step increase (QSI) recognizes sustained, high quality performance which significantly enhances mission accomplishment. The performance award recognizes high levels of performance.

Eligibility.

An employee may receive a QSI or a performance award for the same rated performance, but not both.

Quality Step Increase. The QSI may be granted only to GS/GM employees who meet the following conditions:

Currently at Step 9 or lower.

Rating of record is "Exceeds."

Have not received a QSI within the preceding 52 weeks.

Performance Award. To be eligible, the employee must have been rated either "Exceeds" or "Meets" for the appraisal period.

Part I: Identifying Information

Employee Name _____

Nominated for (Choose One Only):

Quality Step Increase ____

Performance Award ____ Amount _____

Part II Approvals

Nominated by _____
(Name, Title, Signature & Date)

Note: Nominations may be made by the employee's immediate supervisor or a higher-level official, as determined by local procedures set by the Performance Incentive Pay Official.

Reviewed and ___ Endorsed ___ Not Endorsed by _____
(Name, Title, Signature & Date)

Note: This review may be made by the employee's second-level supervisor or a higher-level official, as determined by local procedures set by the Performance Incentive Pay Official.

___ Approved ___ Not Approved by _____
(Name, Title, Signature & Date)

Note: All quality step increases and performance awards require approval of the Performance Incentive Pay Official or his or her designee.