



DEPARTMENT OF DEFENSE
OFFICE OF DEPENDENTS SCHOOLS
2461 EISENHOWER AVENUE
ALEXANDRIA, VIRGINIA 22331-1100

DEPARTMENT OF DEFENSE Dependents SCHOOLS
REGULATION SYSTEM TRANSMITTAL

MAR 16 1990

SUBJECT: DS Regulation 5430.9 - Change 1

INSTRUCTIONS FOR RECIPIENTS

The following pen-and-ink change to DS Regulation 5430.9, "Department of Defense Dependents Schools Performance Management System," December 5, 1988, has been authorized:

After the second sentence in Appendix I, Section I.G., insert:

This report shall also include statistics on the number of assigned ratings by longevity at current location. This information shall be broken down as follows:

	<u>Continuous Years at Current</u> <u>School or Office</u>			
	1-5	6-10	11-15	15+
<u>P.L. Employees (supervisory)</u>				
# of Exceptional				
Commendable				
Fully Successful				
Minimally Successful				
Unacceptable				
<u>P.L. Employees (non-supervisory)</u>				
# of Exceptional				
Commendable				
Fully Successful				
Minimally Successful				
Unacceptable				
<u>G.S. 1-6</u>				
# of Exceptional				
Commendable				
Fully Successful				
Minimally Successful				
Unacceptable				
<u>G.S. 7-12</u>				
# of Exceptional				
Commendable				
Fully Successful				
Minimally Successful				
Unacceptable				

John L. Stremplé
Director

DISTRIBUTION: X



DEPARTMENT OF DEFENSE
OFFICE OF DEPENDENTS SCHOOLS
2461 EISENHOWER AVENUE
ALEXANDRIA, VIRGINIA 22331-1100

PERSONNEL

DS REGULATION 5430.9

: 5 DEC 1988

DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS
PERFORMANCE MANAGEMENT SYSTEM

References: (a) part 430, Title 5, Code of Federal Regulations
(b) Chapter 43, Title 5, United States Code
(c) DS Regulation 5771.2, Employee Grievance Procedure,
March 17, 1977

A. PURPOSE

This regulation prescribes the plan and procedures governing performance evaluation and rating of Department of Defense Dependents Schools (DoDDS) employees, as required by Chapter 43, Title 5, United States Code, and has been approved by the Office of Personnel Management.

B. APPLICABILITY

This regulation is applicable to all DoDDS employees, except supervisors and management officials in grades GS 13, 14, and 15 covered by the DoDDS Performance Management and Recognition System; temporary employees in positions for which employment is not reasonably expected to exceed 120 days in a consecutive 12-month period; employees paid in accordance with local national prevailing wage rates for the overseas area in which employed; employees in the Senior Executive Service, and; employees of the Office of Dependents Schools (ODS).

c. CANCELLATION

DS Regulation 5430.9, DoDDS Performance Management System, June 20, 1988, is hereby superseded.

D. EFFECTIVE DATE AND IMPLEMENTATION

This regulation is effective 60 days after date of publication. It may not be amended or changed without prior written approval of the Director, DoDDS. Two copies of any implementing instructions shall be forwarded to the Director, DoDDS, for approval prior to publication.

A handwritten signature in black ink, appearing to read "John L. Stremple".

John L. Stremple
Director

APPENDIX

DISTRIBUTION: X

APPENDIX I

DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS
PERFORMANCE MANAGEMENT SYSTEM (PMS) PLAN

TABLE OF CONTENTS

I. General Information 2
A. Authorities
B. Statement of Purpose
c. Responsibilities
D. Definitions
E, Training
F. Records of Employee Performance
G. Program Evaluation
H. Relationship of Performance Appraisal and Other Actions

II. Performance Appraisal 7
A. Performance Appraisal System Requirements
B. Appraisal of Performance
c. Ratings

III. Performance Awards Plan for GS and Prevailing Rate
Employees * 12
A. Authority and Coverage
B. Policy
c. Funding and Payment (Reserved)

IV. Superior Accomplishment Awards 12
A. Eligibility
B. Description
c. Program Effectiveness
D. Recommendation and Approval
E. Credit for Promotion
F. Approval Levels

V. Within-grade Increases 13
A. Coverage
B. Earning Within-grade Increases
c. Notice of Determination
D. Requests for Reconsideration
E. Continuing Evaluation

VI. Quality Step Increases 15
A. Eligibility
B. Authority to Grant
co Rating Requirement
D. Restriction
E. Information

I. GENERAL INFORMATION.

A. AUTHORITIES

This document implements and supplements the provisions of the following laws and regulations:

1. Performance Appraisal: 5 USC, chapter 43, and 5 CFR, Part 430
2. Performance Awards: 5 USC, chapter 45, and 5 CFR, Part 430, subpart E
3. Within-grade Increases: 5 USC 5335 and 5304, and 5 CFR, Part 531, subpart D
4. Quality Step Increases: 5 USC 5336 and 5 CFR, Part 531, subpart E
5. Reduction in Force: 5 USC 3502 and 5 CFR 351.504
6. Records of Employee Performance: 5 USC 552a, and 5 CFR 293.404 and 293.405
7. Agency Superior Accomplishment Award: 5 USC Chapter 45 and 5 CFR 451, subpart A.

B. STATEMENT OF PURPOSE

Performance appraisal and the resulting ratings are integral parts of the DoDDS personnel management program. The performance appraisal process shall be used for improving performance to more efficiently accomplish the mission of DoDDS. The performance appraisal results shall be used to strengthen supervisor-employee relationships, improve individual performance by keeping employees aware of their supervisor's judgments on their work performance, recognize and reward those whose performance so warrants, and to help in the decision-making process for remedial or developmental training, reassignment, promotions, reduction-in-grade actions, retraining, and removing employees.

c. RESPONSIBILITIES

1. The regional directors are responsible for:
 - a. Ensuring that employees under their jurisdiction are informed of the provisions of this regulation.
 - b. Providing training to administrators and principals on appropriate use of the appraisal system.
 - c. Providing guidance to the principals in the establishment of performance standards and critical elements.

d. Ensuring that principals execute performance appraisal responsibilities required by this regulation.

2. The principals and other immediate supervisors are responsible for:

a. Establishing, through discussion with employees, performance standards, identifying critical and non-critical elements, and providing each employee with a written copy of the performance standards and critical and non-critical job elements at the beginning of the rating period.

b. Evaluating employee performance and revising performance standards through discussion with the affected employee as necessary during the rating period.

c. Rating employees through the application of the appraisal system once each year.

d. Ensuring that each employee is advised, through discussion and writing, of the assigned rating.

3. Employees are responsible for:

1. Cooperating with their supervisor in the development of job elements and performance standards.

2. Proposing to supervisors the need for revising performance standards as conditions change during the rating period.

3. Participating in the discussion and documentation required during the rating period.

D. DEFINITIONS

Consistent with the regulatory definitions found in 5 CFR, Parts 430, 531, and 451:

"Acceptable level of competence" means fully successful performance by an employee of the duties and responsibilities of his or her assigned position which warrants advancement of the employee's rate of basic pay to the next higher step of the GS grade of his or her position, subject to the requirements of 5 CFR, §531.404.

"Appraisal" means the act or process of reviewing and evaluating the performance of an employee against the described performance standard(s).

"Appraisal period" means the period of time during which an employee's performance will be reviewed.

"Appraisal system" means a performance appraisal system that provides for identification of critical and noncritical elements, establishment of performance standards, communication of elements and standards to employees, establishment of methods and procedures to appraise performance against established standards, and appropriate use of appraisal information in making personnel decisions.

"Contribution" (used in connection with Superior Accomplishment Awards) means an accomplishment achieved through an individual or group effort in the form of a suggestion, an invention, or a special act or service, in the public interest connected with or related to official employment, which contributes to the efficiency, economy, or other improvement of Government operations, or achieves a significant reduction in paperwork.

"Critical element" means a component of a position consisting of one or more duties and responsibilities which contributes toward accomplishing organizational-goals and objectives and which is of such importance that unacceptable performance on the element would result in unacceptable performance in the position.

"Intangible benefits" means benefits to the Government which cannot be measured in terms of dollar savings.

"Non-critical element" means a component of a position which does not meet the definition of a critical element, but is of sufficient importance to warrant written appraisal.

"Non-monetary award" means a medal, certificate, plaque, citation, badge, or other similar item that carries an honorary connotation.

"Performance" means the accomplishment of assigned work as specified in the critical and non-critical elements of the position.

"Performance appraisal": (See "Appraisal".)

"Performance appraisal system": (See "Appraisal system".)

"performance award" means a cash payment to an employee based on the employee's rating of record.

"Performance award budget" means the amount of money allocated for distribution as performance awards.

"Performance management plans" means the description of the agency's methods which integrate performance, pay, and awards systems with its basic management functions for the purpose of improving individual and organizational effectiveness in the accomplishment of agency mission and goals.

"Performance plan" means the aggregation of all of an employee's written critical and non-critical elements and performance standard(s).

"Performance standard" means a statement of the expectations or requirements established by management for a critical or non-critical element at a particular rating level. A performance standard may include, but is not limited to, factors such as quality, quantity, timeliness, and manner of performance.

"Progress review" means a review of progress toward achieving the performance standards and is not in itself a rating.

"Rating" (See "Summary rating").

"Rating of record" means the summary rating required at the time specified in the performance Management Plan or at such other times as the plan specifies for special circumstances.

"Special act or service" means a contribution or accomplishment in the public interest which is a non-recurring contribution either within or outside of job responsibilities, a scientific achievement, or an act of heroism.

"Summary rating" means the written record of the appraisal of each, critical and non-critical element and the assignment of a summary rating level.

"Superior accomplishment award" means a monetary or non-monetary award for a contribution resulting in tangible benefits or savings and/or intangible benefits to the Government.

"Tangible benefits" means benefits or savings to the Government that can be measured in dollar terms.

E. TRAINING

All individuals who are subject to the Performance Management System (PMS) will receive training and information about the relevant parts of it, to assure their effective implementation. This training and information will include an information packet describing the PMS system components; training information to follow up on that initial information; and periodic reminders to keep the program effective and motivating.

F. RECORDS OF EMPLOYEE PERFORMANCE

In accordance with 5 CFR 293.404 and 293.405, ratings of record and performance plans covering the most recent 3 years will be retained in the employee's Official Personnel Folder (OPF). Justifications and documentation of awards, including performance awards must be retained in the Employee Personnel Folder for up to 3 years. If an employee moves to another Federal agency or another organization serviced by a different personnel office at any time during the appraisal period, the performance ratings of record three years old or less will be transferred, along with the performance plan on which the most recent rating was based as required in 5 CFR 293.405(a). All performance appraisal documents will be available for review upon request of the employee concerned.

G. PROGRAM EVALUATION

Program evaluation will be conducted by the Office of Dependents Schools, Personnel Division, annually to determine the fairness, objectivity, and effectiveness of the appraisal system. An annual regional report will be developed by each region to include statistics of appeals filed, grievances filed, number of each rating given, number of awards given, etc. This

evaluation data will be used to refine, alter, or improve the system as recommended and found necessary.

H. RELATIONSHIP OF PERFORMANCE APPRAISAL AND OTHER ACTIONS

It is DoDDS policy to use information derived from the performance appraisal evaluation process as a basis for effecting a number of personnel decisions which impact on important program areas. These programs are discussed below.

1. Reassignment. Reassignments may serve one of two functions - remedial or developmental. In cases where performance appraisal identifies performance deficiencies, temporary or permanent reassignments may provide the employee with an opportunity to correct the noted deficiency, or they may simply provide a better match of position requirements and employee capabilities. Where performance appraisal results reveal interests in areas perhaps not fully utilized or developed in present position, reassignment may provide a significant opportunity for employee development and growth in areas beneficial to both DoDDS and the employee.

2. Employee Development (Training). Considerations in this area closely follow those described above for reassignments. Performance appraisal results may reveal deficiencies in knowledge, skills, or abilities which can be remedied by specific training. Conversely, generally good performance may indicate areas of employee capability and interest which can be further developed by, for example, long-term training, specific graduate-level courses, seminars, etc.

3. Remedial Action. Performance below standard on one critical element may be the basis for reduction-in-grade or removal of an employee. Such actions cannot take place, however, until after an employee has had an opportunity to demonstrate acceptable performance. When performance deficiencies are noted during the rating period, counseling must be initiated. Counseling should be used to inform the employee of performance deficiencies and to develop a course of action that will enable the employee to improve performance deficiencies prior to the end of the rating period.

4. Reduction-in-Force (RIF). Employees will be granted additional service credit for performance for RIF purposes based on the mathematical average (rounded in the case of a fraction to the next whole number) of the employees' last three annual performance ratings of record. This credit shall be computed as follows: employees who receive an overall rating of exceptional, commendable, fully successful, minimally successful, and unacceptable shall receive length-of-service credit of 20, 16, 12, 0, and 0 years, respectively. For example, if an employee's last 3 ratings of record were 2 commendable and 1 fully successful, he would receive 15 additional years of service [(16 + 16 + 12) divided by 3]. Service credit for employees who do not have three actual annual performance ratings of record during the 3-year period prior to the date of issuance of specific RIF notices shall be determined in accordance with applicable law and regulation.

5. Merit Promotion. Under CSRA provisions and OPM implementing regulations, performance appraisal results shall be used in merit promotion actions only to the extent that job elements of the positions involved are similar. This

consideration would also apply to cases of selection for reassignment, training, etc.

6. Awards and Recognition. The results of performance appraisals will be used to identify employees who covered by this regulation should be considered for job-related awards. While the formal appraisal provides the opportunity to review and assess how actual performance compares with standards set for the job, supervisors may recognize employees through awards at other times. If the supervisor determines that recognition is merited, the recommendation should be submitted as soon as possible so that the award will be timely in accordance with policy outlined in the Federal Personnel Manual.

II. PERFORMANCE APPRAISAL

A. PERFORMANCE APPRAISAL SYSTEM REQUIREMENTS

1. Each individual performance plan should include three to five critical elements.

2. The processes used in the development of performance standards, the critical and non-critical job elements, and the procedures to be followed in the evaluation of performance must consider the provisions of any applicable negotiated agreement.

3* Employees are encouraged to participate in establishing their performance plan. This participation may include discussing and developing the performance plan with the supervisor, providing the supervisor with a draft plan, or commenting on a draft plan developed by the supervisor. Regardless of the nature of employee participation or consultation, final authority for establishing performance plans rests with the supervising officials.

4. Performance plans are to be provided to employees in writing at the beginning of the appraisal period (normally within 30 calendar days). For those employees hired on a school-year basis, the performance plans normally will be provided to the employees in writing at the beginning of the appraisal period, but not later than 30 calendar days from the beginning of the school year.

To facilitate equitable treatment of employees, job performance elements and performance standards should be similar where practical and where both of the following factors exist for a particular category of positions:

a. The work performed is substantially similar in duties, responsibilities, and skills required.

b. There are no substantial variations in the working environment which would lead to differences in performance expectations.

5. Accomplishment of organizational objectives, will to the extent appropriate, be included in performance plans by incorporating objectives, goals, program plans, and work plans, or by similar measures related to program results.

6. A three-level system shall be used to rate individuals on critical and, as appropriate, non-critical elements. The three levels are exceeds, satisfies, and does not satisfy. performance standards must be written at the "satisfies" level for all critical and non-critical elements.

7. A five-level system shall be used in determining the individual summary rating. The five levels are exceptional, commendable, fully successful, minimally acceptable, and unacceptable. More weight must be given to critical elements than to non-critical elements. The table below describes the process to be used in determining the summary rating.

Process for Determining Summary Ratings "

<u>Summary Rating</u>	<u>Ratings of Performance Elements</u>
Exceptional	Performance exceeds the standard for all critical and non-critical job elements.
Commendable	Performance exceeds the standard for more than half of the critical and non-critical job elements and satisfies the standard for any remaining elements.
Fully Successful	Performance satisfies the standard in all elements.
Minimally Successful	Performance satisfies the standard for all critical elements, but fails to satisfy the standard for one or more non-critical elements.
Unacceptable	Performance fails to satisfy the standard for one or more critical elements.

8. Performance standards are to be based on the requirements of the position. All employee performance plans shall be in writing and shall be reviewed and approved at the beginning of the appraisal period by a person at a higher level in the organization than that of the appraising official.

Performance plans may be amended by the supervisor during the rating period provided the employee is made aware of any changes and the provisions of any applicable negotiated agreement are followed in making such a change. If substantive changes are made to elements or standards, the changes must be in effect for 120 days before the employee is rated on the new element or standard. Ratings will be based on a comparison of performance with the standards established for the appraisal period.

9. Performance appraisals provide management with information about employees' past performance to be used to make personnel decisions based on performance, provide employees with feedback on their strengths and weaknesses in performing their jobs, to indicate how they can improve their performance, and what they can do to enhance their careers. It is extremely important that any deficiencies, along with efforts to help the employee

improve, be documented as early as possible. Assistance shall be provided to employees to attempt to improve performance rated below the Fully Successful level. Such assistance may include but is not limited to formal training, on-the-job training, counseling, and closer supervision.

10. The following provisions apply for employees not serving in a probationary or trial period:

a. At the time that unacceptable performance on a critical element is identified, the employee must be informed in writing of the performance standards that must be reached in order for the employee to be retained in that position.

b. The employee must receive a reasonable opportunity to demonstrate acceptable performance, as required by 5 USC 4302(b)(6).

c. If, at the conclusion of this opportunity period, the employee's performance continues to be unacceptable, the employee must be reassigned, reduced in grade, or removed.

B. APPRAISAL OF PERFORMANCE

1. Appraisal Period

a. Each employee will be given a rating of record annually. The rating period will be from May 1 to April 30.

b. A summary rating must be prepared when an individual changes from a position that he or she held for 120 days or more during the rating period. That summary rating and any other summary ratings issued during the performance year must be considered in deriving the employee's rating of record.

c. The regular appraisal period is 1 year, the minimum appraisal period is 120 days.

2. Appraisal of each element

An individual must be appraised on each critical and non-critical element in his or her performance plan, unless there has been insufficient opportunity to demonstrate performance on the element.

3. Appraisal of performance on details

a. When an individual is detailed or temporarily promoted within DoDDS, and the detail or temporary promotion is expected to last 120 days or longer, the new supervisor shall provide written critical elements and performance standards to the individual as soon as possible, but no later than 30 calendar days after the beginning of the job change. Ratings on critical elements must be prepared for these details and temporary promotions and must be considered in deriving an individual's next rating of record. The rating of record should be prepared by the employee's permanent supervisor.

b. When individuals are detailed outside of DoDDS, management must make a reasonable effort to obtain appraisal information from the outside organization, which shall be considered in deriving the individual's next rating of record.

(1) If an individual has served in DoDDS for 120 days during the appraisal period, he or she must be rated at the end of the appraisal period. The rating shall take into consideration appraisal information obtained from the borrowing organization.

(2) If an individual has not served in DoDDS for 120 days, but has served for 120 days in the agency to which detailed, management must make a reasonable effort to prepare a rating based on a performance plan-obtained from the other agency.

4. Progress review

A progress review shall be held for each individual at least once during the appraisal period. This review will consist of a comparison between the individual's current level of performance and the performance elements and standards established for his or her position. Formal ratings (element and/or summary) will not be given as a result of the review.

5. Appraising disabled veterans

As provided in Executive Order 5396, the performance appraisal and resulting rating of a disabled veteran may not be lowered because the veteran has been-absent-from work to seek medical-treatment.

c. RATINGS

1. A written rating of record must be given to each employee as soon as practicable after the end of the appraisal period.

2. Ratings of record and performance-based personnel actions shall be reviewed and approved by a person at a higher level in the organization than that of the appraising official. Ratings of record may not be communicated to employees prior to approval by the final reviewer. This does not preclude communication about appraisal of performance between a supervisor and an employee prior to the determination of the rating of record. Ratings of record must be approved by the official with the responsibility for managing the performance awards budget.

3. Bargaining unit employees who are dissatisfied with their performance ratings may seek resolution under negotiated agreements. Non-bargaining" unit employees may present dissatisfaction with ratings through the-agency grievance system described in reference (c).

4. No one may prescribe a distribution of levels of ratings for employees covered by this plan. However, approving officials must review standards and ratings for difficulty and strictness of application to ensure that only those employees whose performance exceeds normal expectations are rated at levels above "Fully Successful".

5. When a rating of record cannot be prepared for a covered employee at the end of the rating period, the appraisal period shall be extended for the amount of time necessary to meet the minimum appraisal period, at which time a rating of record shall be prepared. A rating based on performance must be postponed until an employee who was appointed, reassigned, promoted, or demoted has been on duty in the position for at least 120 consecutive days. A rating may also be postponed when:

- a. The supervisor has been on duty for less than 120 consecutive days;
- b. A warning of minimally acceptable or unacceptable performance has been issued;
- c. An adverse action is pending;
- d. The employee's performance is temporarily minimally acceptable or unacceptable because of illness; or"
- e. When the performance is expected to become fully successful in the near future because the employee is expected to recover or has entered a rehabilitation program.

A rating should not, however, be postponed for more than 120 days unless special circumstances exist.

6. If an employee moves to another Federal agency or another organization serviced by a different personnel office at any time during the appraisal period, the performance ratings of record three years old or less will be transferred, along with the performance plan on which the most recent rating was based as required in 5 CFR 293.405(a). A summary rating must be prepared at the time of transfer. When an organization gains a new member, the transferred summary rating must be taken into consideration when deriving the next rating of record.

7. Performance appraisal "advisory committees
(reserved)

8. Reduction-in-Force (RIF)

. For RIF purposes, ratings considered to be ratings of record are (1) the rating given at the end of the appraisal cycle (normally on an annual basis) and (2) the improved rating following an opportunity to demonstrate acceptable performance as provided in 5 USC 4302 (b)(6).

b. An employee will not be assigned a new rating of record for the sole purpose of affecting his or her retention standing.

c. To provide adequate time to properly determine employee retention standing immediately prior to a RIF, a general RIF notice will specify the date after which no new ratings of record will be given that could be used to determine retention standing.

III. PERFORMANCE AWARDS PLAN FOR GS AND PREVAILING RATE EMPLOYEES

A. AUTHORITY AND COVERAGE

This plan applies to employees as defined under 5 USC 2105, but does not include employees under the performance Management and Recognition System, nor employees in the Senior Executive Service, both of whom are eligible for performance awards under other plans.

B. POLICY

1. A performance award shall be based on the employee's rating of record for the current appraisal period for which performance awards are being paid.

2. Each decision to grant a performance award must be approved by a higher level supervisor, except in cases where the employee reports directly to the Director, DoDDS, and also by the performance awards budget manager. These reviewing officials should be the same ones as those responsible for making the performance appraisal decisions. A record of the award shall be filed in the employee's OPF.

3. A performance award shall be given due weight when rating and ranking an employee for a promotion.

C. FUNDING AND PAYMENT

(Reserved)

IV. SUPERIOR ACCOMPLISHMENT AWARDS

A. ELIGIBILITY

All employees covered by this plan are eligible for superior accomplishment awards.

B. DESCRIPTION

1. Superior accomplishment awards mean awards, other than performance awards, for contributions resulting in tangible benefits or savings and/or intangible benefits to the overnment.

2. Superior accomplishment awards may be monetary or non-monetary.

3. The value of superior accomplishment awards should be commensurate with that of the contribution to the government.

4. Superior accomplishment awards shall not be used as a substitute for other personnel actions or as a substitute for pay.

c. PROGRAM EFFECTIVENESS

Active and positive administration of this awards program is necessary if its benefits to the Government, DoDDS, and to employees are to be maximized. To that end:

1. All persons with supervisory responsibility will be encouraged to identify employee contributions and recommend awards for them; and

2. Adequate funds will be made available to grant appropriate awards and to provide staffing and support services. " - "

D. RECOMMENDATION AND APPROVAL

1. Awards must be justified in writing.

2. All awards must be approved at a management level higher than that of the individual recommending it.

a. Regional directors may approve cash awards in amounts up to \$2,500.

b. Cash awards in excess of \$2,500, but not more than \$10,000 must be approved by the Director, DoDDS.

c. Awards will rarely exceed \$10,000, but when a contribution has been highly exceptional and unusually outstanding, an award in excess of \$10,000 up to \$25,000, must be submitted through the Director, DoDDS to the Assistant Secretary of Defense (Force Management and Personnel) for processing and submission to the U.S. Office of Personnel Management for approval. A presidential monetary award in excess of \$25,000 may be requested through the same channels.

E. CREDIT FOR PROMOTION

Due weight shall be given to superior accomplishment awards when considering an employee for promotion. A record of the award shall be filed in an employee's OPF.

v. WITHIN-GRADE INCREASES

A. COVERAGE

All GS employees covered by this plan are covered by this section.

B. EARNING WITHIN-GRADE INCREASES

1. In order to earn a within-grade increase, an employee's performance must be at an acceptable level of competence, i.e., the employee's most recent rating of record must be at level 3 ("Fully Successful") or higher.

Also, the employee must have completed the required waiting period for advancement to the next higher step of the grade of his or her position, and not have received an equivalent increase during the waiting period.

2. An acceptable level of competence determination shall be based on a current rating of record. When a within-grade increase decision is not consistent with the employee's most recent rating of record, a more current rating or record must be prepared.

3. If an employee has been reduced in grade because of "Unacceptable" performance and has served in one position at the lower-grade for at least the minimum appraisal period established by this plan, a rating of record at the lower grade shall be used as the basis for an acceptable level of competence determination.

4. An acceptable level of competence determination must be delayed when either of the following applies:

a. An employee was not informed of the specific requirements for performance at an acceptable level of competence at least 120 days before the end of the waiting period, nor given a performance rating in any position within 90 days before the end of that period,

b. An employee is reduced in grade because of unacceptable performance to a position in which he or she is eligible for a within-grade increase or will become eligible within 120 days.

5. When an acceptable level of competence determination has been delayed under these circumstances:

a. The employee shall be informed that his or her determination is postponed and that the rating period has been extended to a date 120 days after the employee was first told of the specific requirements for performance at an acceptable level of competence.

b. An acceptable level of competence determination shall be made upon completion of the 120 day appraisal period based on the employee's rating of record.

c. If the employee's performance is determined to be at an acceptable level of competence, the within-grade increase will be granted retroactively.

6. An acceptable level of competence determination shall be waived and a within-grade increase granted when an employee has not served in any position for the minimum appraisal period under an applicable agency performance appraisal system during the final 52 calendar weeks of the waiting period for one or more of the following reasons:

a. because of absences that are creditable service in the computation of a waiting period or periods under 5 CFR 531.406.

b. because of paid leave.

c. because the employee received service credit under the back pay provisions of 5 CFR, Part 550, Subpart H;

d. because of details to another agency or employer for which no rating has been prepared.

e. because of long-term training.

7. In such a situation, there shall be a presumption that the employee would have performed at an acceptable level of competence had the employee performed the duties of his or her position of record for the minimum appraisal period under the applicable agency performance appraisal system.

C. NOTICE OF DETERMINATION

1. A level of competence determination shall be communicated to an employee in writing as soon as possible after completion of the waiting period or other period upon which it was based.

2. When it is determined that an employee's performance is not at an acceptable level of competence, the negative determination shall be communicated to the employee in writing and shall:

a. Set forth the reasons for any negative determination and the respects in which the employee must improve his or her performance in order to be granted a within-grade increase.

b. Inform the employee of his or her right to request that the determination be reconsidered.

D. REQUESTS FOR RECONSIDERATION

When it has been determined that an employee is not performing at an acceptable level of competence, and is thus not awarded a within-grade increase, the employee will be afforded access to the procedures established under 5 USC 5335 (e) and 5 CFR 531.410 for reconsideration and appeal of a negative determination.

E. CONTINUING EVALUATION

When a within-grade increase has been withheld, management will make a new acceptable level of competence determination every 90 to 180 days until it has been found that the employee's performance is at a level which deserves the pay increase. Information on delay and waiver of within-grade increases can be found at 5 CFR 531.409 (c) and (d).

VI. QUALITY STEP INCREASES

A. ELIGIBILITY. All GS employees are eligible for quality step increases (QSI's).

B. AUTHORITY TO GRANT. Normally, QSI's will be initiated by the employee's immediate supervisor. They must be approved by the same supervisory and budget officials who review and approve the employee's performance rating.

C. RATING REQUIREMENT. No employee may be granted a quality-step increase unless his or her current rating of record is at level 5, "Exceptional".

D. RESTRICTION. A QSI may not be granted to an employee who has already received a QSI within the preceding 52 weeks.

E. INFORMATION. Employees shall be informed on an annual basis of the number of quality step increases granted in DoDDS by grade level.