

U.S. NUCLEAR REGULATORY COMMISSION

DIRECTIVE TRANSMITTAL

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To: NRC Management Directives Custodians

Subject: Transmittal of Management Directive 10.148, "Senior Level Performance Appraisal System"

Purpose: Directive and Handbook 10.148 are being issued to provide the policy and procedures for a new performance appraisal system for Senior Level System (SLS) employees. This appraisal system parallels the three-rating-level system now in use for the Senior Executive Service.

Office of Origin: Office of Personnel

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Senior Level Performance Appraisal System

***Directive
10.148***

Contents

Policy	1
Objectives	1
Organizational Responsibilities and Delegations of Authority	2
The Chairman	2
The Commissioners	2
The Executive Director for Operations (EDO)	2
The Inspector General (IG)	3
The Director, Office of Personnel (OP)	3
Office Directors and Regional Administrators	4
Applicability	4
Handbook	4
References	4



U. S. Nuclear Regulatory Commission

Volume: 10 Personnel Management

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Positions, and Judges

OP

Senior Level Performance Appraisal System Directive 10.148

Policy (10.148-01)

- It is the policy of the U.S. Nuclear Regulatory Commission (NRC) to implement and maintain a performance appraisal system for its Senior Level System (SLS) employees, excluding administrative judges, that provides a record of management expectations and individual job accomplishments, combines both NRC and organizational project requirements into meaningful operational objectives, provides the broad NRC generic framework into which the SLS employee's annual work plan can be placed and measured, and forms the basis for other SLS personnel activities. (011)
- Authority from the Office of Personnel Management for the NRC Senior Level Performance Appraisal System is contained in Exhibit 1 of Handbook 10.148. (012)

Objectives (10.148-02)

- To communicate and clarify agency and organizational project plans, objectives, and requirements. (021)
- To identify individual accountability for accomplishing goals and objectives as expressed in the critical elements of SLS performance appraisals. (022)
- To evaluate and improve individual accomplishments of SLS employees. (023)
- To use the results of performance appraisals as a basis for adjusting base pay and for training, rewarding, reassigning, retaining, and removing SLS employees. (024)

Organizational Responsibilities and Delegations of Authority (10.148-03)

The Chairman (031)

- Approves performance appraisals for members of his immediate staff and for SLS members in the Office of Public Affairs and the Office of Congressional Affairs. (a)
- Approves performance-based increases to base pay and performance awards for members of his immediate staff and for SLS members in Commission-level offices. (b)
- Approves exceptions to performance award scales but awards are not to exceed 15 percent of base salary: (1) awards are not to exceed \$10,000 for all SLS employees in Commission-level offices and (2) awards may be above \$7,500 but are not to exceed \$10,000 for all other SLS employees. (c)
- Submits award recommendations in excess of \$10,000 up to \$25,000 for SLS employees to the Office of Personnel Management (OPM) for review and approval. (d)

The Commissioners (032)

Approve performance appraisals, performance-based increases to base pay, and performance awards (not to exceed \$10,000 or 10 percent of base pay) for members of their immediate staff.

The Executive Director for Operations (EDO) (033)

- Directs the administration of the NRC Senior Level Performance Appraisal System. (a)
- Approves performance appraisals, performance-based increases to base pay, and performance awards for SLS members in EDO staff offices. (b)

**The Executive Director for
Operations (EDO) (continued)
(033)**

- Reviews the periodic evaluations of the system and recommendations for changes and takes appropriate action to modify the system, as warranted. (c)
- Approves exceptions to performance award scales (not to exceed 15 percent of base salary) for SLS members in EDO staff offices for awards that are not to exceed \$7,500. (d)
- Appoints the Chair and members of the Senior Level Review Panel in consultation with the Chairman. (e)

**The Inspector General (IG)
(034)**

Approves performance appraisals, performance-based increases to base pay, and performance awards up to \$10,000 for SLS members in the Office of the Inspector General. Awards in excess of \$10,000 will be submitted to OPM for review and approval.

**The Director, Office of
Personnel (OP)
(035)**

- Administers the NRC Senior Level Performance Appraisal System on a day-to-day basis. (a)
- Maintains an Employee Performance File (EPF) for each SLS member. (b)
- Periodically evaluates the effectiveness of the system and reports the results to the EDO. (c)
- Provides necessary training on implementation of the system and on any significant changes that may occur. (d)

**Volume 10, Part 6 - Senior Executive Service, Senior Level
Positions, and Judges
Senior Level Performance Appraisal System
Directive 10.148**

**Office Directors and
Regional Administrators
(036)**

- Serve as supervising official, reviewing official, or approving authority, as indicated in "Approval and Awarding Authorities for the NRC Senior Level Performance Appraisal System," Exhibit 3 of Handbook 10.148. (a)
- Ensure that rating officials under their jurisdiction serve in their appropriate supervisory roles. (b)
- Certify in writing to the Office of Personnel by August 1 of each year that performance plans are in place for all SLS members. In instances in which delays in establishing performance plans occur, the certification must indicate the reason for the delay and the date that performance plans will be put in place. (c)

**Applicability
(10.148-04)**

This directive and handbook apply to and must be followed by all NRC SLS members with the exception of administrative judges, who are covered in Management Directive 10.153, "Administrative Judges - Compensation and Staffing."

**Handbook
(10.148-05)**

Handbook 10.148 contains specific procedures and detailed guidelines for establishing performance plans and appraising SLS members covered under these plans.

**References
(10.148-06)**

1. The Atomic Energy Act of 1954, as amended (42 U.S.C. 2011 et seq.).
2. The Energy Reorganization Act of 1974, as amended (42 U.S.C. 5801 et seq.).

**Volume 10, Part 6 – Senior Executive Service, Senior Level
Positions, and Judges
Senior Level Performance Appraisal System
Directive 10.148**

References

(10.148-06) (continued)

3. Office of Personnel Management, Federal Personnel Manual Bulletin No. 430-33, "Variation to Allow Different Summary Rating Levels," August 9, 1993 (see Exhibit 1 of Handbook 10.148).
4. "Performance Appraisal," 5 U.S.C. Chapter 43, Subchapter I.
5. "Performance Appraisal for General Schedule, Prevailing Rate, and Certain Other Employees," 5 CFR Part 430, Subpart B.
6. "Personnel Records," 5 CFR Part 293.
7. "Incentive Awards," 5 CFR Part 451.
8. NRC Management Directive 10.72, "Incentive Awards" (formerly MC 4154).
9. NRC Management Directive 10.103, "Non-SES Reduction in Force" (formerly MC 4170).
10. NRC Management Directive 10.145, "Senior Level System."
11. NRC Management Directive 10.73, "Time Off From Duty as an Incentive Award."
12. NRC Management Directive 10.101, "Employee Grievances" (formerly MC 4157).
13. NRC Management Directive 10.122, "Employee Health Services Program" (formerly MC 4161).
14. NRC Management Directive 10.99, "Discipline, Adverse Actions, and Separations" (formerly MC 4171).
15. NRC Management Directive 10.1, "Appointments, General Employment, Details, and Position Changes" (formerly MC 4108, Parts IV and VI).
16. Pub. L. 101-376, "Civil Service Due Process Amendments Act."
17. "Privacy Act Regulations," 10 CFR Part 9, Subpart B.

Senior Level Performance Appraisal System

***Handbook
10.148***

Contents

Part I

Overview of the Senior Level System (SLS) Performance

Appraisal Process	1
Purpose of This Handbook (A)	1
Purpose of the Senior Level Performance Appraisal System (B)	1
Applicability (C)	2
Key Components (D)	2
Training and Evaluation (E)	4

Part II

Performance Planning	5
Preliminary Planning (A)	5
Timing (B)	5
Developing Performance Plans (C)	6
Critical Elements (D)	6
Subelements (E)	7
Performance Standards (F)	7
Review of Performance Planning (G)	8
Midyear Progress Review (H)	9
Documenting Changes (I)	10

Part III

Performance Appraisal	11
Annual Appraisal Period (A)	11
Exceptions to the Annual Appraisal Period (B)	12
New SLS Members (1)	12
Terminating the Appraisal Period (2)	12
Other Ratings (C)	12
Changes in Positions During the Rating Period (1)	12
NRC Details and Temporary Reassignments (2)	13
Details Outside NRC (3)	13
Supervisor's Departure (4)	13
Absences (5)	14

Contents (continued)

Part III (continued)

Transfer of Rating (6)	14
Appraising Disabled Veterans (7)	14
Distribution of Ratings (D)	14
Evaluation by the Supervising Official (E)	14
NRC Form 533 (1)	14
Rating Subordinates (2)	15
Performance Plan and Elements and Standards (3)	15
Rating Subelements (4)	15
Rating Critical Elements (5)	16
Summary Performance Appraisal Rating (6)	18
Reviewing Official's Examination of Ratings of Record (F)	21
Senior Level Review Panel Procedures (G)	21
Assignment of the Final Rating by the Approving Authority (H)	23
Decisions by the Awarding Authority (I)	23
Informing the SLS Member (J)	24
Objectives (1)	24
Appraisal Discussion (2)	25
Comments by the SLS Member (3)	25
Employee's Signature (4)	25
Retention and Validity of Ratings (5)	26
Effects of the Rating (K)	26
General (1)	26
Base Pay Increases (2)	27
Pay Band Changes (3)	27
Performance Awards (4)	28
Other Awards (5)	29
Assistance to Improve Performance (6)	29

Part IV

Grievances and Less Than Fully Successful Performance	30
Grievances (A)	30
Minimally Satisfactory Performance (B)	30

Contents (continued)

Part IV (continued)

SLS Member Counseling (1)	30
Training (2)	31
Unsatisfactory Performance (C)	31
Performance Improvement Requirement Memorandum (PIRM) (1)	32
Use of NRC Form 533 (2)	33
Determination at the Conclusion of the Performance Improvement Period (D)	33

Part V

Reduction in Force (RIF) and Performance-Based Reassignments, Reductions in Pay Band, and Removals	34
Reduction in Force (RIF) (A)	34
Reassignment (B)	35
Reduction in Pay Band and Removal From the SLS (C)	35
General (1)	35
Advance Written Notice of Reduction in Pay Band or Removal From the SLS After the Performance Improvement Period (2)	36
Agency Disallowance of a Representative of the SLS Member (3)	38
Extension of the Advance Written Notice of Reduction in Pay Band or Removal From the SLS (4)	38
Deciding Official (5)	39
Consideration of the Reply (6)	39
Decision (7)	39
Purging Records (8)	40
Appeals (9)	40

Part VI

Records	41
Employee Performance File (EPF) (A)	41
Contents (B)	41
Maintenance (C)	41
Retention (D)	41

Contents (continued)

Part VI (continued)

Disposition of Records (E)	42
Access (F)	42

Exhibits

1. Authority From the Office of Personnel Management for the NRC Senior Level Performance Appraisal System	43
2. NRC Form 533, "Senior Level System (SLS) Performance Plan and Appraisal"	46
3. Approval and Awarding Authorities for the NRC Senior Level Performance Appraisal System	53
4. NRC Form 365, "Nomination and Authorization for Cash Award"	54

Part I

Overview of the Senior Level System (SLS) Performance Appraisal Process

Purpose of This Handbook (A)

This handbook contains the program requirements and procedures for administering the U.S. Nuclear Regulatory Commission's (NRC's) Senior Level Performance Appraisal System. This handbook clarifies the basic parameters of the system, establishes generic performance critical elements, and provides assistance to SLS members and supervising officials in carrying out their responsibilities regarding performance planning and appraisal. (1)

Authority from the Office of Personnel Management for the NRC Senior Level Performance Appraisal System is contained in Exhibit 1. (2)

Purpose of the Senior Level Performance Appraisal System (B)

The purpose of the Senior Level Performance Appraisal System is to provide a record of management expectations and individual job accomplishments that, in addition to establishing standards and communicating supervisory appraisals of performance, will ultimately serve as the basis for a variety of performance-based actions, including within-band performance-based pay increases, possible identification of changes in professional stature, removal, reassignment, awards, and training. (1)

The Senior Level Performance Appraisal System provides a comprehensive methodology—(2)

Purpose of the Senior Level Performance Appraisal System (B) (continued)

- To communicate and clarify NRC and office, region, or division organizational goals and objectives. (a)
- To identify individual accountability for the accomplishment of relevant portions of these goals and objectives through establishing written performance elements and standards. (b)
- To evaluate and improve individual accomplishments through performance monitoring and feedback during the appraisal period. (c)
- To use the results of performance appraisals as a basis for making decisions that are related to performance, such as those involving performance awards and retention in the SLS. (d)

Applicability (C)

All incumbent NRC SLS members, including distinguished engineers and scientists and visiting fellows serving on appointments of 1-year or more, are subject to the Senior Level Performance Appraisal System, with the exceptions noted below:

- SLS members serving on Limited Appointments who are Commissioner Assistants are not subject to review by the Senior Level Review Panel for purposes of awards, ratings, or performance-based within-band pay increases. (1)
- NRC administrative judges serving under the NRC Administrative Judge System are not covered by the Senior Level Performance Appraisal System. (2)

Key Components (D)

The SLS performance appraisal process includes two distinct phases: performance planning and performance appraisal. Although distinct, each phase is part of an ongoing process linked to the other phase. (1)

The appraisal process provides for the following: (2)

Key Components (D) (continued)

- One or more performance planning sessions in which the supervising official and the SLS member consult to prepare a performance plan for the upcoming rating period. During these planning sessions, the subelements and their respective performance standards are established for the three generic critical elements described on NRC Form 533, "Senior Level System (SLS) Performance Plan and Appraisal" (Exhibit 2), and in Part II of this handbook. These sessions may include a discussion of training or other developmental or mentoring activities, as well as activities that enhance or recognize professional stature. This plan is generally approved by the second-level supervisor, normally the office director or the regional administrator, or his or her designee. (a)
- A midyear progress review of the SLS member's progress toward achieving the elements and performance standards. This review also provides an opportunity to modify the performance plan as a result of changes in position requirements or resources, or project adjustments. The progress review is documented on NRC Form 533. (b)
- An initial discussion and appraisal of each critical element and subelement and initial rating and pay band and award recommendation, if appropriate, by the supervising official as described in Exhibit 3. (c)
- A review and recommendation by the second-level supervisor, normally the office director or the regional administrator, as described in Exhibit 3. (d)
- A review of performance appraisal information by the NRC Senior Level Review Panel, or the IG Senior Level Review Panel, as appropriate. The panel may conduct any necessary additional review. (e)
- A recommendation by the panel to the approving authority on ratings, pay band changes, reassignments and removals, and to the awarding authority on performance-based pay increases and performance awards. (f)
- A final rating of record by the approving authority after consideration of all available information and the panel recommendations. (g)

Key Components (D) (continued)

- Base pay increase and award determinations by the awarding authority after consideration of all available information and the recommendations of the panel. (h)
- Referral to the supervising official for initiation of appropriate action related to any final rating of minimally satisfactory or unsatisfactory. (i)

Training and Evaluation (E)

The NRC will provide appropriate training on the policy, procedures, or application of the Senior Level Performance Appraisal System to SLS Members and their supervisors. (1)

To improve the Senior Level Performance Appraisal System, NRC will periodically evaluate its effectiveness, as appropriate. (2)

Part II

Performance Planning

Preliminary Planning (A)

At or before the beginning of a rating period, the supervising official and the SLS member will discuss what is expected of the SLS member during the upcoming rating period, based on the requirements of the SLS member's position. The discussion should be structured so that there is a clear, mutual understanding of the project assignments, responsibilities, and performance objectives. (1)

The SLS member to be rated should actively participate in setting goals, understanding the critical elements, and defining the subelements and performance standards for the rating period. The supervising official's opinion will prevail, however, in any preliminary planning discussion with the SLS member on critical elements, subelements, and performance standards. (2)

The supervising official must ensure that the position description reflects the duties and responsibilities assigned to the SLS member. (3)

Timing (B)

Elements and standards must be communicated at or before the beginning of each appraisal or rating period. A written performance plan should be provided to the SLS member within 30 calendar days after the beginning of the rating period or within 30 calendar days after the effective date of the SLS member's entry into the position (including appointment, band change action, and reassignment). (1)

A written performance plan must also be provided within 30 calendar days after the beginning of an NRC detail or temporary assignment expected to last 120 days or more. (2)

Developing Performance Plans (C)

Performance plans must be based on the requirements of the employee's position. However, this does not preclude establishing performance criteria from sources other than the position description. When an employee is detailed or temporarily reassigned to another set of duties for 120 calendar days or more, a new performance plan must be established. This new plan may or may not have direct relationship to the SLS member's primary position description of record. (1)

Principal duties and responsibilities may be derived from a variety of sources, including office planning documents, statements of organization and functions, Commission papers, decisions, assignments, the NRC budget, NRC policy and planning guidance, and so forth. (2)

After identifying performance subelements applicable to the generic critical element categories through job analysis or other sources, the position description should be revised and updated as appropriate. (3)

Critical Elements (D)

Three mandatory generic critical elements are applicable to all SLS members in the NRC. These three elements will be used to measure the SLS member's performance during the rating period and are preprinted on NRC Form 533. See Exhibit 2. No other elements are required or permitted. (1)

The three mandatory generic critical elements are—(2)

- **Critical Element I—“Achievement of Project Assignments.”**
Achieves the project (critical) assignments specified in the subelements in accordance with Commissioner objectives, the NRC Five-Year Plan, or the Office Operating Plan. The project assignments tie the requirements of the position to organizational and agency-wide objectives. (a)
- **Critical Element II—“Provides Advice and Guidance.”**
Provides advice and guidance, including monitoring and collegial activities, commensurate with the professional stature expected of an SLS member in this position and at this pay band level. (b)

Critical Elements (D) (continued)

- **Critical Element III**—This element is to be described by the supervising official, and is to define a third area of responsibility unique to the position expectations associated with the SLS member. (c)

Subelements (E)

Each critical element provides for no less than one or more than three subelements. Because of the unique characteristics associated with the responsibilities assigned to individual SLS members, generic subelements and standards are not provided. (1)

Descriptions of subelements should be concise and reflective of the taskings critical to the performance of the position as defined by the critical elements. They should be described within the space provided on NRC Form 533. See Exhibit 2. (2)

Subelements should relate to both assignments and the professional stature appropriate to the position and its incumbent. (3)

Subelements may relate to either or both individual or ongoing projects, assignments, and activities. (4)

Performance Standards (F)

Performance standards for each of the subelements should describe only the “fully successful” level of performance. (1)

The development of standards for subelements must be based to a large extent on the NRC’s fiscal year program and reflect the priorities of the Commission and NRC offices. (2)

Each supervising official, in consultation with the SLS member, will identify the performance standards of the position and the results needed to accomplish the job in a fully successful manner. (3)

Performance standards should be as objective as possible and stated in clear, quantifiable terms that are both observable and measurable over a range of performance and related to the accomplishment of the mission. The standards may include, but are not limited to, quality and quantity of work, cost efficiency, and manner and timeliness of performance. (4)

Performance Standards (F) (continued)

SLS members should be held accountable only for performance results that are under their control. (5)

General traits of behavior and personal characteristics such as “intelligence,” “dependability,” or “cooperativeness,” and undefined levels of skill or knowledge such as “oral expression” do not provide an adequate basis for making an objective appraisal of the employee’s performance. (6)

The standards for subelements should be concise and described within the space provided on NRC Form 533. (7)

Review of Performance Planning (G)

The supervising official will transmit the performance plan to the reviewing official, normally the office director or the regional administrator, for review and approval. (1)

In the case of Commissioner Assistants serving in NRC limited appointments, the supervising official and the reviewing official are the same. After the plan is discussed by the Commissioner and the Commissioner Assistant, the plan will be signed and dated by both and will be considered an approved plan. (2)

Reviewing officials are not required for employees in positions reporting directly to the Commissioners, as noted above, and for other specific positions approved by the Director, Office of Personnel. (3)

Before the plan is forwarded to the reviewing official, the supervisor will give a copy of it to the employee for his or her comment. Normally, the employee will be given 5 workdays from date of receipt to provide comments to the supervisor, who will consider the employee’s comments. (4)

If the reviewing official does not agree with the plan, he or she should discuss it with the supervising official. In cases of differences between the supervising and reviewing officials, reviewing officials have authority to make final decisions and direct that changes be made. (5)

Review of Performance Planning (G) (continued)

Review of the performance plans will ensure that all critical elements, subelements, and standards are clearly understood, concisely stated, and consistent with mission requirements as specified in Commissioner objectives or the NRC Five-Year Plan and with planned resource allocations. (6)

After any differences are resolved, the supervising official and the reviewing official will sign Part I-1 of NRC Form 533. See Exhibit 2. (7)

Following review and approval by the reviewing official, the supervising official will furnish the original of NRC Form 533 to the SLS member for signature. The supervisor will discuss with and explain to the SLS member any changes directed by the reviewing official and request the SLS member to sign the form. (8)

The SLS member's signature only acknowledges receipt of the performance plan. The plan is effective when the employee receives the document. (9)

If an SLS member refuses to sign a completed NRC Form 533 acknowledging receipt of the performance plan, the supervising official should ask a third party to witness that the completed form is given to the employee. A brief statement to this effect should be made on the line that the employee would otherwise have signed, and both the third party and the supervising official should sign and date the statement. The supervising official will keep the original and provide the SLS member with a copy of the form. (10)

Midyear Progress Review (H)

During the rating period, the supervising official will conduct one midyear progress review and counseling session with the SLS member. This review will be conducted at the midpoint of, but no less than 120 days before the end of, the rating period and will be documented on Part I-4 of NRC Form 533. See Exhibit 2. (1)

Midyear Progress Review (H) (continued)

As a minimum, SLS members will be informed of their performance through a comparison of their performance with the elements and standards established for their positions. This review may be used to improve communications, provide guidance, improve performance, and avoid misunderstandings at the end of the rating period. The progress review may also be used as an opportunity to modify subelements and standards to reflect recent changes in the SLS member's position. (2)

Additional informal progress reviews may be conducted on the basis of need as determined by the supervising official or as requested by the SLS member. These additional reviews are not documented on NRC Form 533 unless they involve a change in any of the subelements and standards. (3)

By August 1 of each year, each office director and regional administrator who has SLS members or their staff will certify in writing to the Director, Office of Personnel, that performance plans are in place for all SLS members. In instances of delays in establishing performance plans, the certification will provide the date performance plans will be put in place. Certifications will include the names of SLS members for whom performance plans have not been established and a brief explanation of why a performance plan is not in place. (4)

Documenting Changes (I)

Any significant changes to the approved performance plan resulting from the midyear progress review, informal reviews, or any significant changes in the mission, structure, or resource allocations affecting the SLS member's position, or any changes to the performance plan resulting from a reasonable request by the SLS member must be recorded on the approved performance plan, reviewed by the reviewing official, when appropriate, and must receive the same distribution as the previous plan. (1)

The role of the SLS member in this modification procedure parallels his or her role when the plan was originally established. (2)

Changes become effective at the time the revisions are approved. (3)

Notwithstanding the preceding requirements, performance plans should not be revised within 120 calendar days of the end of the rating period. (4)

Part III

Performance Appraisal

Annual Appraisal Period (A)

The NRC rating period for SLS employees begins annually on July 1 and ends the following June 30. Each incumbent of an NRC SLS position must be appraised and rated on performance in accordance with the time schedules established by the Senior Level Review Panel, or the Commissioner in the case of a Commissioner Assistant, if the SLS member has served in an NRC SLS position for at least 120 days before the end of the rating period. (1)

Performance appraisal periods lasting longer than 1 year may be established or extended for individual SLS members in unusual situations, such as—(2)

- SLS members who are engaged in long-term scientific projects (a)
- SLS members who are ill or on extended leave (b)
- SLS members who are under a specific notice of reduction in force (RIF) (c)
- SLS members who are involved in pending determinations or appeals under any procedure, including an opportunity period under a Performance Improvement Requirement Memorandum (PIRM) (d)

Under these and other extraordinary conditions, office directors or regional administrators may request prior approval from the Director, Office of Personnel (OP), to establish an extended rating period for SLS members, specifying the reason for the extension. SLS members should be informed promptly about any deferred appraisal period applicable to them and any impact in terms of eligibility for performance-based pay increases or cash awards. (3)

Exceptions to the Annual Appraisal Period (B)

Two primary exceptions to the annual appraisal period are as follows:

New SLS Members (1)

If an SLS member has not served in an NRC SLS position for the required 120 calendar days before the end of the rating period, the appraisal period must be extended for the amount of time necessary to equal 120 calendar days. At that time, a rating of record must be prepared and submitted through appraisal channels to the Chair, Senior Level Review Panel.

Terminating the Appraisal Period (2)

A performance appraisal period may be terminated before the end of the rating period if it is determined that an adequate basis exists for appraising and rating an SLS member. The Chair, Senior Level Review Panel, will make decisions on a case-by-case basis, as required, on the need for these ratings.

Other Ratings (C)

Other ratings are required under the following conditions. Appraisals should be sent immediately through appraisal channels directly to the Chair, Senior Level Review Panel.

Changes in Positions During the Rating Period (1)

A summary rating will be prepared on NRC Form 533 within 30 days after an SLS member changes positions (including moving to a position at a different pay band level) during the rating period if the SLS member has served at least 120 calendar days in the former position. This summary rating will not be considered an initial rating but must be given due weight by the supervisor of the new position to which the SLS member is assigned when an initial rating is assigned and when the rating of record is derived. (a)

Due weight includes consideration of the portion of the rating period covered by the appraisal, the relevance of the critical element subelements of the prior position to the new position, and any other reasonable considerations. (b)

Other Ratings (C) (continued)

Changes in Positions During the Rating Period (1) (continued)

The supervising official will document in the narrative for the ratings on Part III-2(b) of NRC Form 533 how the summary rating was factored into the annual rating of record. See Exhibit 2. (c)

NRC Details and Temporary Reassignments (2)

Ratings on critical elements and subelements will be prepared on NRC Form 533 when SLS members are detailed or temporarily reassigned within NRC and when the detail or temporary reassignment lasts 120 calendar days or more. These ratings will be considered in deriving the SLS member's next rating of record and will be documented as described above.

Details Outside NRC (3)

When SLS members are detailed outside the agency, NRC will make reasonable efforts to obtain appraisal information from the outside organization. This information will be considered when deriving the SLS member's next rating of record and will be documented as described above. (a)

If the employee has not served in the NRC for the required 120 days during the appraisal period but has served 120 calendar days or more in another agency, a reasonable effort must be made to prepare an annual rating of record based on the performance plan and appraisal information obtained from that agency. (b)

Supervisor's Departure (4)

A summary rating will be prepared on NRC Form 533 immediately before separation or transfer of the SLS member's supervising official, when feasible, if the supervising official leaves within the last 120 days of the rating period and has supervised the SLS member for at least 120 calendar days. This rating may serve as the initial rating and will be submitted through appraisal channels to the Chair, Senior Level Review Panel.

Other Ratings (C) (continued)

Absences (5)

A summary rating will be prepared by the supervising official immediately before an extended period of absence of the SLS member, such as for training or leave, when the SLS member has performed in the position for at least 120 calendar days and is not expected to return before the end of the rating period. The rating will be submitted through appraisal channels to the Chair, Senior Level Review Panel.

Transfer of Rating (6)

If an SLS member moves to another agency, the current performance rating of record must be transferred in accordance with the rules governing disposition of records. In addition, a summary rating must be prepared, provided the SLS member has performed in the position for at least 120 calendar days.

Appraising Disabled Veterans (7)

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.

Distribution of Ratings (D)

By regulation, NRC may not prescribe a distribution of levels of ratings that interferes with the appraisal of actual performance against performance standards for SLS members covered by this performance appraisal system. Procedures for monitoring standards and ratings are discussed in Part II of this handbook.

Evaluation by the Supervising Official (E)

NRC Form 533 (1)

The supervising official of each SLS member will appraise the performance of the SLS member on NRC Form 533, as shown in Exhibit 2 of this handbook. Completion of Part II-A and Part III of this form constitutes the written initial rating.

Evaluation by the Supervising Official (E) (continued)

Rating Subordinates (2)

An appraisal for a particular period will be deemed to be the act of the supervisor during that period so that the supervising official can be evaluated by his or her supervisor on how he or she rates the performance of subordinates in the same period.

Performance Plan and Elements and Standards (3)

In preparing the evaluation, the supervising official will use the currently approved performance plan and performance elements and standards previously agreed to by the SLS member, the supervising official, and the reviewing official.

Rating Subelements (4)

Part III of NRC Form 533 is used for recording the ratings for the critical element subelements. (a)

Subelements are rated at one of the three levels of performance described below: (b)

- **Meets.** This rating describes performance in the subelement that meets the fully successful performance level. (i)
- **Exceeds.** This rating indicates an exceptional performance in the subelement that substantially exceeds the midpoint of the fully successful performance range. This rating is generally assigned to only those SLS members who clearly demonstrate a combination of work achievements and professional stature in the upper range of fully successful performance. (ii)
- **Does Not Meet.** This rating describes performance in the subelement that does not meet the fully successful performance level described in the performance standard. This rating is assigned to those SLS members in the minimally successful through unsatisfactory performance range. (iii)

Evaluation by the Supervising Official (E) (continued)

Rating Subelements (4) (continued)

The supervising official rates the performance of the SLS member in each subelement against the performance standard described and completes the appropriate subelement rating level box on NRC Form 533. (c)

Subelements rated “exceeds” or “does not meet” must be fully justified in the critical element narrative in Part III-2(b) on NRC Form 533. Ratings at either of these levels are used only for those SLS members whose performance clearly exceeds or does not meet expectations. The justification must specifically address performance in relation to exceeding or not meeting the described standard criteria. (d)

There is no agency-wide predetermined weighting of subelements. Subelements will be presumed to be weighted equally, unless a different weight was assigned when the performance plan was prepared and approved. Any variation in weighting must be clearly identified in writing in the performance plan. (e)

If expected work was not assigned or no opportunity existed in which to perform assignments required to meet the fully successful level of performance for a particular subelement, the supervising official may mark “NA” (not applicable) and explain the circumstances briefly in the narrative justification. Normally, these situations should be identified and the performance plan adjusted during the midyear progress review or a special review. The lack of a subelement rating in these cases will not be considered either for or against the SLS member in determining the critical element rating. (f)

Rating Critical Elements (5)

As indicated in Part II of this handbook, three critical elements apply to each SLS member. (a)

The critical element ratings will be derived from the subelement ratings. (b)

- Any combination of “meets” and “exceeds” subelement ratings will result in a critical element rating of fully successful. (i)

Evaluation by the Supervising Official (E) (continued)

Rating Critical Elements (5) (continued)

- A majority of “does not meet” subelement ratings (one of one, or two of three) will generally result in a rating below the fully successful level. In cases in which only two subelements are used and ratings are divided between “does not meet” and either “meets” or “exceeds,” the supervising official uses judgment in determining the rating for the critical element. The supervising official also uses judgment, documented in the narrative justification, in determining whether the “does not meet” subelement rating(s) translates into a critical element rating of minimally satisfactory or unsatisfactory. (ii)
- Any variation in subelement weighting that was communicated to and documented in the approved performance plan must be taken into consideration in reaching a final decision on the critical element rating. (iii)
- The rating for each critical element is marked in the appropriate box at the end of each critical element section in Part III-1, “Critical Element Evaluation,” on NRC Form 533. See Exhibit 2. (iv)

The critical element ratings and the summary performance rating are based on three levels of performance, as defined below: (c)

- **Fully Successful (FS).** Job performance ranges from “consistently meets” to “exceeds that expected” as described in the performance standards at the fully successful level. Exceptional performance within this range is documented through subelement ratings at the “exceeds” level. For the summary rating, the SLS member performed at an overall fully successful level. (i)
- **Minimally Satisfactory (M).** Job performance occasionally was less than that expected in the performance standards. For the summary rating, the SLS member performed at a minimally satisfactory level if he or she was rated minimally satisfactory in at least one critical element and received no lower rating in any other critical element. (ii)

Evaluation by the Supervising Official (E) (continued)

Rating Critical Elements (5) (continued)

- **Unsatisfactory (U).** Job performance was normally below that expected in the performance standards. For the summary rating, the SLS member performed at an unsatisfactory level if he or she was rated unsatisfactory in one or more critical elements. (iii)

Summary Performance Appraisal Rating (6)

The summary performance appraisal rating and supporting narrative justifications are documented in Part III, Sections 2 and 3, of NRC Form 533. See Exhibit 2. (a)

Section 2(a) of Part III summarizes the ratings for each of the critical elements. The summary rating for each of the critical elements noted in Part III-1 should be transferred to the appropriate block in Section 2(a). (b)

In Section 2(b) of Part III, a narrative justification must be provided for each of the critical element ratings. This justification should address achievements in meeting or exceeding the stated performance expectations for the appraisal period and should identify areas for improvement. The justification must also specifically explain any ratings of either “exceeds” or “does not meet” involving these achievements or areas for improvement. The justification must also indicate the impact any individual subelement rating of “exceeds” or “does not meet” had on the summary critical element rating. (c)

As the “exceeds” or “does not meet” subelement ratings are used only in cases in which the SLS member has shown truly exceptional performance or has clearly demonstrated poor performance, the written justification must provide ample support for the assigned subelement ratings to succeeding levels of review. In these cases, additional documentation may be attached to NRC Form 533. (d)

Summary critical element ratings of minimally satisfactory or unsatisfactory must be fully documented. The narrative must specifically explain performance that “does not meet” the described fully successful standards in terms of the extent of the deficiencies and

Evaluation by the Supervising Official (E) (continued)

Summary Performance Appraisal Rating (6) (continued)

the level of performance that resulted in assignment of either the minimally satisfactory or unsatisfactory rating. Additional documentation or attachments to NRC Form 533 that clearly support the critical element rating may be attached. (e)

Ratings of “meets” in all or most subelements and of “fully successful” in the critical elements normally should not have narrative justifications that exceed the space provided on the form. (f)

Both achievements and areas for improvement should be described for each critical element, regardless of the summary element or subelement ratings assigned. Achievements would highlight the SLS member’s most notable accomplishments during the rating period. Areas for improvement would highlight those procedures, skills, or practices assessed during the rating period that would benefit by improvement. (g)

When the subelement ratings and narrative justifications are recorded on NRC Form 553, in Part III, 2(a) and 2(b), the supervising official will then assign the final summary rating for the critical elements in Part III-3. This rating constitutes the initial performance appraisal rating. (h)

To receive an initial summary rating of “fully successful,” all critical elements must have been rated as fully successful, although individual subelements may have been rated as “does not meet.” (i)

To receive an initial summary rating of “minimally satisfactory,” at least one critical element must have been rated minimally satisfactory and no other critical element rated any lower. (j)

To receive an initial summary rating of “unsatisfactory,” one or more critical elements must have been rated unsatisfactory. (k)

Once Part III-3 of NRC Form 553 is completed, the initial summary rating should be transferred to Part II-A. The supervising official should then record any incentive pay and/or award recommendation.

Evaluation by the Supervising Official (E) (continued)

Summary Performance Appraisal Rating (6) (continued)

Any pay band change that is being recommended for the panel's review should also be recorded in Part II-A at this time. Pay band changes should only be recommended if the position has changed in nature sufficiently to meet the benchmark criteria for the next band. (l)

The supervising official may discuss with the SLS member the member's accomplishments, areas for improvement, and performance as they relate to the SLS member's critical elements before assigning the recommended initial summary rating and sending it to the reviewing official. During this discussion with the SLS member, the supervising official should not make any commitments as to how individual elements will be rated or discuss or show the summary rating to the SLS member. (m)

When the supervising (rating) official has assigned an initial rating, he or she will sign and date the form in the space provided in Part II-A and forward the form and any additional documentation to support the rating to the reviewing official. (n)

Summary ratings that are not ratings of record do not require a reviewing official's approval or signature. (o)

Appraisals for Commissioner Assistants should be forwarded directly to the Director, OP, for consultation and advice regarding conformance with any applicable technical and regulatory requirements, policies, or practices. Upon completion of the consultation process, the Commissioner should complete Parts II, D and E. The Commissioner should sign and date only Part II-E. This signature will serve for both the approving and awarding authority final decisions. After discussion with the employee, and signature by the employee, forward NRC Form 533 to the Director, OP, for implementation. (p)

Reviewing Official's Examination of Ratings of Record (F)*

The reviewing official is responsible for ensuring that all subordinate supervisors of SLS members produce consistent and equitable appraisals. If, upon review, the reviewing official determines that a rating is poorly prepared, shows inconsistencies, or otherwise fails to provide an accurate rating of the SLS member, the reviewing official will discuss and resolve these issues with the supervisor. (1)

The reviewing official cannot change the initial rating assigned by the supervising official but must record any areas of disagreement with the supervising official's recommendations in the comments portion of Part II-G of NRC Form 533, as well as his or her summary rating recommendations. The reasons for the disagreements must be based on an assessment of performance against the standards of the approved performance plan as documented on NRC Form 533. (2)

Following the examination of the rating, the reviewing official should complete Part II-B of NRC Form 533, including recommendations relating to base pay increases, awards, and pay band changes, sign and date the form, and forward it to the Chair, Senior Level Review Panel, via the Director, OP. (3)

Senior Level Review Panel Procedures (G)*

The Senior Level Review Panel reviews and evaluates the entire performance appraisal package for each SLS member to ensure subelements and standards are specific, rigorous, and fully reflective of the technical and professional responsibilities and stature expected of an SLS member. (1)

In consideration of a case, the panel may obtain additional records and statements and make any other necessary personal contacts with the supervising and reviewing officials or others to clarify existing information or to obtain additional data. (2)

The panel must specifically indicate on the NRC Form 533 whether or not it agrees with the summary rating in Part II-C(1). Any comments should be noted in Part II-G. (3)

*This section is not applicable to performance reviews for Commissioner Assistants.

Senior Level Review Panel Procedures (G)* (continued)

Recommendations to increase base pay within the pay band should normally be within the 3- to 5-percent range and cannot exceed the top of the pay band to which the position occupied by the SLS member is assigned. In Part II-C(2), the panel should indicate whether or not such an increase would exceed the top of the pay band. (4)

In Part II-C(2), the panel must indicate its recommendations for performance recognition. The options are—(5)

- Increase to base pay (a)
- Performance cash award (b)
- Combination of base pay increase and cash award (c)
- Nonmonetary form of recognition (d)
- No recognition (e)

Any recommendation to adjust base pay either above or below the normal 3- to 5-percent range must be clearly documented to explain any variances. (6)

Any recommendation to combine a base pay increase with a cash award should also include a description of the basis for the combination. (7)

Any recommendation for a nonmonetary form of recognition should include the document for appropriate review and signature, if approved, by the deciding official. (8)

Performance-based cash awards should be submitted on NRC Form 365, "Nomination and Authorization for Cash Award." See Exhibit 4. If the supervising official or the reviewing official have not included the form, the panel should include it. If the supervising official or the reviewing official have included the form, the panel should annotate it indicating endorsement, endorsement with changes noted, or recommendation of nonsupport. (9)

*This section is not applicable to performance reviews for Commissioner Assistants.

Senior Level Review Panel Procedures (G)* (continued)

If a position pay band change has been recommended by the supervising official or the reviewing official based on the impact of performance on the scope and complexity of duties and professional stature, the panel should review the proposed position description reflecting these duties to ensure they meet the level of the benchmark for the new band. Results of the panel's review should be recorded in Part II-C(2) of NRC Form 533. A recommendation to disapprove should be described in the Part II-G comments. (10)

When all recommendations have been described in Part II-C(2) and Part II-G, as appropriate, the form should be completed, signed, and dated by the panel Chair and forwarded for final action to the approving and awarding authorities via the Director, OP. (11)

Assignment of the Final Rating by the Approving Authority (H)

The approving authority will make a final determination on NRC Form 533, Part II-D, of the SLS member's summary rating (rating of record) after considering the recommendations of the Senior Level Review Panel. (1)

Information relating to any disagreement with the panel's recommendation will be recorded in the "Comments" section of Part II-G. (2)

The final decision concerning position pay band increases will also be recorded in Part II-D. (3)

Any decision resulting in a final summary rating of minimally satisfactory or unsatisfactory will be referred back to the supervising official for appropriate action under the provisions of Part IV and/or Part V of this directive. (4)

Decisions by the Awarding Authority (I)

After considering the recommendations of the panel, the awarding authority will make the final decisions about base pay increases and awards. (1)

*This section is not applicable to performance reviews for Commissioner Assistants.

Decisions by the Awarding Authority (I) (continued)

Part II-E of NRC Form 533 is used to record the final base pay and award decisions. (2)

Information relating to any decision that changes the recommendations of the panel should be recorded in the “Comments” section of Part II-G. (3)

There is a 1-year waiting period to effect base pay changes based on performance. (4)

The Director, OP, will coordinate any cash award decisions requiring approval by the Office of Personnel Management. (5)

Informing the SLS Member (J)

After the NRC Form 533 is reviewed and final decisions from the approving and awarding authorities are recorded, the Director, OP, will forward the forms to the supervising officials so that they may meet with their SLS members and discuss their annual performance appraisal and rating.

Objectives (1)

The purpose of the annual performance appraisal discussions are—

- To advise the SLS member of the supervisor’s overall assessment of performance during the appraisal period, as well as the assessments of the reviewing official, the Senior Level Review Panel, and approving and awarding authorities. (a)
- To inform the SLS member of how the rating may be used as a basis for personnel decisions. (b)
- To identify areas of achievement and to recognize and reinforce the positive contributions of the SLS member. (c)
- To identify areas of performance in need of improvement, to identify methods to facilitate that improvement, and to provide assistance, if needed. (d)

Informing the SLS Member (J) (continued)

Appraisal Discussion (2)

The supervisor will meet with the SLS member and discuss each individual element rating and the narrative justifications, the summary rating and overall narrative assessment, the decisions of the approving and awarding authorities regarding any applicable pay band changes, base pay increases, and awards, and any recommendations for training or professional development or other actions, as appropriate. (a)

The supervisor will also advise the SLS member of any personnel actions which may be initiated as a result of receiving a summary rating of less than fully successful. (b)

The annual review session should cover not only the supervisor's appraisal of the SLS member's performance and recognition, but also the member's concerns and suggestions. (c)

The review session is the supervisor's opportunity to help the SLS member recognize areas for improvement, to plan the member's future career development, to enlist the member's help in achieving organizational goals, and to obtain important feedback from the member. (d)

Comments by the SLS Member (3)

Space is provided in Part II-F for comments by the SLS member. These comments are optional and should be furnished to the supervisor by the fifth workday after the SLS member receives the appraisal. (a)

If the employee makes comments that reflect, in the supervisor's opinion, significant information and facts that change the supervisor's original assessment of the employee's performance, the supervisor must prepare a revised NRC Form 533 that reflects the changes and resubmit it through the appraisal review and approval channels. (b)

Employee's Signature (4)

After discussion with the supervisor, the employee is requested to sign and date the NRC Form 533. The employee's signature acknowledges receipt of the rating and indicates that the employee has been provided the opportunity to meet with the supervisor to discuss the

Informing the SLS Member (J) (continued)

Employee's Signature (4) (continued)

contents of the appraisal. The SLS member's signature carries no implication that the SLS member concurs in the appraisal or in the supervisor's comments. (a)

An annual performance rating is not final until all necessary reviews and signatures are secured. However, if the SLS member refuses to sign the NRC Form 533, it will become effective on the fifth workday after the appraisal is received by the SLS member. (b)

In the event an SLS member refuses to sign his or her appraisal, the supervisor will ask a third party to witness that the completed appraisal has been given to the SLS member. A brief statement to this effect should be made on the form in the "Comments" section in Part II-F that the SLS member would otherwise have used. Both the third party and the supervisor should sign and date the statement. (c)

Retention and Validity of Ratings (5)

A copy of the completed and approved NRC Form 533 should be given to each SLS member as soon as practical after the end of the appraisal period. The original will be forwarded to the Director, OP, with all other appropriate supporting documentation for retention in the Employee Performance File (EPF). (a)

The SLS member's most current rating of record is considered the valid rating of record for official purposes, and it constitutes the basis for personnel actions. (b)

NRC must comply with Office of Personnel Management (OPM) regulations, where applicable, governing ratings of record to be used for purposes of a reduction in force (RIF). (c)

Effects of the Rating (K)

General (1)

A summary rating of "fully successful" will provide the basis for the SLS member's retention in the SLS and will establish the SLS member's eligibility for consideration for performance-based pay increases and awards. (a)

Effects of the Rating (K) (continued)

General (1) (continued)

A rating of “exceeds” in every subelement indicates that the SLS member is among the very few whose performance far surpasses the high quality of performance normally expected of all NRC SLS members. Relatively few NRC SLS members would be expected to receive these subelement ratings. (b)

Base Pay Increases (2)

SLS members may be considered for a within-band pay increase based on performance if they have been in their position and have performance elements and standards approved for at least 120 days before the end of the appraisal period. Base pay adjustments are discussed in Management Directive (MD) 10.145, “Senior Level System.” (a)

Performance-based adjustments, not including awards, are normally within a 3- to 5-percent range but cannot exceed the top of the pay band assigned to the position occupied by the SLS member. (b)

NRC Form 533 provides for recommendations for increases to base pay by the supervising official, the reviewing official, the Senior Level Review Panel, and final decisions by the awarding official. (c)

SLS members are limited to one performance-based pay adjustment during each 12-month appraisal period (July 1 through June 30) as described in MD 10.145. (d)

SLS members are not automatically entitled to performance-based pay increases. (e)

Pay Band Changes (3)

An SLS member must have received a summary rating of “fully successful” to be considered for a noncompetitive move from one SLS pay band to a higher one. (a)

When the level of performance is established, procedures for pay band changes will follow those described in MD 10.145. (b)

Effects of the Rating (K) (continued)

Performance Awards (4)

Performance awards are lump-sum payments based on the SLS member's performance for the current appraisal period. (a)

An SLS member may receive a performance award in addition to or in lieu of a performance-based pay increase. (b)

NRC Form 533 provides space for award recommendations by the supervising official, the reviewing official, the Senior Level Review Panel, and a final decision by the awarding official. (c)

NRC Form 365, "Nomination and Authorization for Cash Award," will accompany the NRC Form 533 if a cash award is proposed. See Exhibit 4. (d)

The approving official for performance cash awards for SLS members is the awarding authority described in the table entitled "Approval and Awarding Authorities for the NRC Senior Level Performance Appraisal System" (see Exhibit 3). (e)

The amount of the award may be up to 15 percent of base salary. However, for dollar amounts exceeding \$2,000, detailed justification must be provided. Any agency cash award exceeding \$10,000 requires the approval of the Office of Personnel Management. (f)

No employee is automatically entitled to a cash award. (g)

The full amount of a performance award may be granted only once in the 52-week period July 1 through June 30. (h)

The Senior Level Review Panel is responsible for recommending awards that take into account equity across agency organizations and ensuring that comparable recognition is made for achievements of similar complexity and impact. (i)

Performance awards must be documented in the Official Personnel Folder (OPF) to reflect the nature of the award, including the amount of the award. (j)

Effects of the Rating (K) (continued)

Other Awards (5)

SLS members are also eligible for other performance-related awards such as a special act or service or a time-off award for superior performance. (a)

Although special act awards do require review and recommendation by the Senior Level Review Panel before a final decision by the awarding authority, they do not have to be submitted for review during the annual performance review. Time-off awards do not have to be reviewed by the Senior Level Review Panel. (b)

Total compensation, including pay awards, is subject to the aggregate pay limitations set at Executive Level I in effect for the calendar year. (c)

Assistance to Improve Performance (6)

Any SLS member with a rating of less than "fully successful" will be provided assistance to improve performance. This assistance may include, but is not limited to, formal training, counseling, and closer supervision. (a)

More specific information dealing with performance below the fully successful level is described in Part IV, "Grievances and Less Than Fully Successful Performance." (b)

Part IV

Grievances and Less Than Fully Successful Performance

Grievances (A)

Supervising officials have the authority to assign duties and responsibilities to SLS members and to set standards for their performance. Therefore, performance plans are not subject to formal appeal or to the agency grievance procedure under Management Directive (MD) 10.101, "Employee Grievances." However, an SLS member who disagrees with the supervising official's summary rating or rating of record may grieve it to the extent provided in MD 10.101. (1)

When a rating is changed as a result of a grievance, the revised rating must be placed in the Employee Performance File (EPF) in lieu of the contested rating and becomes the rating of record. (2)

Minimally Satisfactory Performance (B)

Supervising officials are required to take the following actions whenever an SLS member's performance is rated as "minimally satisfactory." Supervising officials should consult with the Chief, Policy and Labor Relations, OP, for guidance.

SLS Member Counseling (1)

Supervising officials should counsel SLS members whose performance is rated as "minimally satisfactory." The counseling should address in specific terms the ways in which the SLS member's performance is less than fully satisfactory. (a)

Minimally Satisfactory Performance (B) (continued)

SLS Member Counseling (1) (continued)

Supervising officials should counsel SLS members during the midyear progress review to make them aware of progress measured against performance standards. Counseling may consist of a comment, a short conversation, or several discussions focusing on work products and professional stature in relation to assigned projects. (b)

SLS members should be encouraged to discuss any reasons for performance problems. Generally, the responsibility for raising any medical condition lies with the SLS member. However, if the supervising official recognizes the possible existence of alcoholism, drug abuse, or emotional or personal problems, the supervising official should discuss the situation with Policy and Labor Relations, the appropriate agency counselor, and, if necessary, refer the SLS member for counseling. (c)

If an SLS member claims his or her poor performance is due to the excessive use of medication or alcohol, the supervising official should refer the employee for counseling. At that time, the supervising official should give the SLS member a choice between successful rehabilitation or future performance-based action if the SLS member refuses rehabilitation or if problems persist following treatment or rehabilitation. See MD 10.122, "Employee Health Services Program." (d)

Training (2)

Supervising officials should discuss with SLS members any training or professional development that might upgrade the SLS member's performance to fully successful performance. This development may include greater participation in peer group professional associations or increasing state-of-the-art skills and knowledge.

Unsatisfactory Performance (C)

In addition to the actions described above, supervising officials are required to provide SLS members an opportunity period in which to demonstrate acceptable performance whenever an SLS member's

Unsatisfactory Performance (C) (continued)

performance is deemed unsatisfactory in one or more critical elements.

Performance Improvement Requirement Memorandum (PIRM) (1)

At any time that the SLS member's performance is deemed unsatisfactory, the supervising official must take action. The law provides that employees, including SLS members, be given an opportunity to demonstrate acceptable performance. The supervising official will coordinate with Policy and Labor Relations, OP, and will provide the SLS member a performance improvement period of at least 60 calendar days in which to bring his or her performance up to at least the minimally satisfactory level. (a)

The supervising official will prepare a PIRM that—(b)

- Identifies the critical element in which the SLS member's performance was unsatisfactory. (i)
- Details the way in which the SLS member's performance is not meeting the standards of the current performance plan. (ii)
- Communicates new performance standards at the minimally satisfactory level for critical elements in which performance has been found to be unacceptable. These standards must be reviewed, approved, and documented on the SLS member's performance plan (NRC Form 533) as an addendum to that plan in accordance with Part II of this handbook. See Exhibit 2. (iii)
- Describes the ways in which the supervising official will assist the SLS member to improve performance. (iv)
- Informs the SLS member of the amount of time he or she will be allowed to bring performance up to at least the minimally satisfactory level. (v)
- States that failure to improve performance to the minimally successful level will result in the initiation of action to reassign, reduce the pay band level, or remove the SLS member from the SLS. (vi)

Unsatisfactory Performance (C) (continued)

Performance Improvement Requirement Memorandum (PIRM) (1) (continued)

- States that if the SLS member fails to sustain acceptable performance for 1 year from the beginning of the opportunity-to-improve period, the pay band for the SLS member can be reduced or the SLS member can be removed from the SLS without being given another chance to improve. (vii)

Use of NRC Form 533 (2)

The supervising official is required to complete an NRC Form 533 and issue a rating of record only when the opportunity period established by the PIRM concludes at the end of the appraisal period, when the rating of record is normally due, or other provisions of this handbook so dictate. See Exhibit 2.

Determination at the Conclusion of the Performance Improvement Period (D)

When the expiration of a performance improvement period does not coincide with the end of the appraisal period, the supervising official will determine whether the SLS member's performance has improved or remains unsatisfactory. (1)

If the SLS member's performance is "fully successful," the supervising official will issue a memorandum to so inform the SLS member. (2)

If the employee's performance is "minimally satisfactory," the supervising official, with the advice of Policy and Labor Relations, OP, will issue a memorandum to so inform the SLS member. (3)

If the SLS member's performance remains "unsatisfactory," the supervising official, with the advice of Policy and Labor Relations, OP, will initiate action to remove the SLS member from his or her position by reassignment, reduce his or her pay band level, or remove the SLS member from the SLS. (4)

If sufficient information is unavailable at the end of the PIRM period to adequately and fairly rate the SLS member's performance, the PIRM period may be extended. (5)

Part V

Reduction in Force (RIF) and Performance- Based Reassignments, Reductions in Pay Band, and Removals

Reduction in Force (RIF) (A)

No new ratings of record will be prepared for employees who have received a specific RIF notice until after the effective date of the RIF. (1)

Bumping and retreat rights are not applicable to NRC RIF procedures. (2)

Because of its unique expert status, each SLS position is considered to be in a separate competitive level. Therefore, performance ratings do not influence retention during a RIF. (3)

SLS members subject to a RIF may be considered for, but have no absolute right to, current vacant SLS positions for which they may qualify. (4)

SLS members may be considered noncompetitively for a position for which they qualify in the Senior Executive Service (SES) only if they have reinstatement eligibility to the SES. (5)

SLS members subject to a RIF are entitled to placement in a nonsupervisory GG-15 position in the NRC. This placement cannot displace a nonsupervisory GG-15 employee from the position. If placed in a nonsupervisory GG-15 position, the former SLS member would be entitled to retained pay in accordance with applicable NRC regulations. (6)

Reduction in Force (RIF) (A) (continued)

With the above noted provisions, an SLS RIF should be conducted using the procedures and practices described in Management Directive (MD) 10.103, "Non-SES Reduction in Force." (7)

Reassignment (B)

NRC management retains the right to reassign SLS members on the basis of agency needs. (1)

Reassignment to another SLS position in the same pay band would not normally be the appropriate action in a case in which the SLS member's performance continues to be "minimally successful" or "unsatisfactory," except under limited circumstances. Reassignment to a comparable position for which the SLS member would still meet the expert and professional stature requirements may provide the SLS member with a change in work environment or in the specific type of work projects being performed sufficient to improve his or her level of performance. (2)

The Office of Personnel may be consulted about the SLS member's eligibility for other positions and the availability of SLS vacancies in the NRC. (3)

The supervising official for the new position must inform the SLS member in writing of the critical elements and performance standards of the new position within 30 calendar days of the reassignment. (4)

Reduction in Pay Band and Removal From the SLS (C)

General (1)

Reduction in SLS pay band or removal from the SLS may be the appropriate action in a case in which the SLS member's performance in one or more critical elements continues to be unacceptable by the end of the performance improvement period. (a)

Reduction in Pay Band and Removal From the SLS (C) (continued)

General (1) (continued)

Reductions in pay band and removal from the SLS based on unacceptable performance in one or more critical elements will be accomplished in accordance with Office of Personnel Management (OPM) regulations contained in 5 CFR Part 432 and as supplemented by these instructions. For reduction in pay band or removal from the SLS based on unsatisfactory performance when it is found together with misconduct, see also MD 10.99, "Discipline, Adverse Actions, and Separations." (b)

These instructions do not apply to—(c)

- An SLS member's trial period; see MD 10.14, "Trial Period." (i)
- A reduction-in-force action; see MD 10.103, "Non-SES Reduction in Force." (ii)
- Termination of a temporary promotion; see MD 10.1. (iii)
- SLS members on limited appointments as Commissioner Assistants who serve at the pleasure of the Commissioner for whom they work. (iv)

If an SLS member's performance on the critical element remains at the unsatisfactory level during the performance improvement period, the supervising official must decide whether to initiate action to reduce the SLS member's pay band or to remove the SLS member from the SLS. (d)

Reduction in pay band may be appropriate if the SLS member is currently in either Band SL-2 or SL-3 and the member's demonstrated performance in his or her current position would appear to meet an acceptable level for performance and professional stature at the lower pay band. In addition, the supervising official must be satisfied that the SLS member's level of performance at the lower band level will still permit the organization to function effectively. (e)

Advance Written Notice of Reduction in Pay Band or Removal From the SLS After the Performance Improvement Period (2)

Under 5 U.S.C. Chapter 43 and OPM regulations, advance written notice must be given the SLS member regarding any action to reduce

Reduction in Pay Band and Removal From the SLS (C) (continued)

Advance Written Notice of Reduction in Pay Band or Removal From the SLS After the Performance Improvement Period (2) (continued)

the pay band or to remove him or her for unsatisfactory performance. (a)

The advance written notice will be prepared and signed by the proposing official. (b)

An "Advance Written Notice of Reduction in Pay Band or Removal From the SLS" may not be issued until it has been reviewed and concurred in by the Director, OP, and the Office of the General Counsel. (c)

The notice must—(d)

- Provide 30 calendar days advance written notice of the proposed action. (i)
- Identify specific instances of the unsatisfactory performance on which the proposed action is based that occurred during the 1-year period immediately preceding the date of the advance written notice. (ii)
- Identify the relevant critical element of the SLS member's position in each instance of unsatisfactory performance. (iii)
- Inform the SLS member of his or her right to be represented by an attorney or other representative and of the SLS member's obligation to notify the deciding official of the name of the representative, if any, within a reasonable period before any verbal reply. (iv)
- Inform the SLS member of the amount of time allowed for him or her to answer either verbally and/or in writing, and further inform the SLS member that—(v)
 - The SLS member must be provided with a reasonable amount of official time in which to prepare a verbal and/or written reply to the advance written notice. (a)

Reduction in Pay Band and Removal From the SLS (C) (continued)

Advance Written Notice of Reduction in Pay Band or Removal From the SLS After the Performance Improvement Period (2) (continued)

- The SLS member will provide his or her verbal and/or written reply to the deciding official within 14 calendar days from the receipt of the advance written notice; and that extensions of time may be granted if reasonable grounds exist. (b)
- If a verbal reply is to be made, a date, time, and place will be agreed upon. (c)
- A verbal reply will be heard by the deciding official. If the reply is a written reply, it will be sent to the deciding official. (d)
- Specify that the SLS member should address his or her response to the deciding official designated in the advance written notice. (vi)
- For proposals to remove the member from the SLS, specify that the member is entitled to placement in a GG-15 position with retained pay. The placement of an SLS member under this provision must not cause the separation or reduction in grade of any other employee. (vii)

Agency Disallowance of a Representative of the SLS Member (3)

The Director, OP, or his or her designee, after consultation with the proposing official of any advance written notice, may disallow as an SLS member's representative any individual whose activities as a representative would cause a conflict of interest or position. The decision of the Director, OP, in this regard is final.

Extension of the Advance Written Notice of Reduction in Pay Band or Removal From the SLS (4)

The deciding official for the advance written notice may extend the notice for a period not to exceed 30 calendar days and may further extend the notice period with prior approval from the Office of Personnel Management (OPM). (a)

Reduction in Pay Band and Removal From the SLS (C) (continued)

Extension of the Advance Written Notice of Reduction in Pay Band or Removal From the SLS (4) (continued)

This extension must be in writing and must be reviewed by the Director, OP or his or her designee. (b)

Deciding Official (5)

Unless the action was proposed by the head of the agency such as the Chairman or the EDO, as appropriate, the decision must be concurred in by an official at a higher level than the proposing official.

Consideration of the Reply (6)

The record of the action must show that the SLS member's verbal and/or written reply to the notice was considered by the deciding official before the deciding official made a decision on the proposal. NRC management may require a verbatim transcript of any verbal reply.

Decision (7)

The deciding official must provide the employee with a written decision to retain the pay band, reduce the pay band, or remove the SLS member from the SLS within 30 calendar days after the expiration of the notice period. The decision to reduce the SLS member's pay band or to remove the SLS member from the SLS may be based only on those instances of unsatisfactory performance cited in the advance written notice. (a)

This written decision, if adverse to the SLS member, must—(b)

- Specify those instances of unsatisfactory performance by the SLS member cited in the advance written notice on which the reduction in pay band or the removal from the SLS is based. (i)
- State the effective date of the reduction in pay band or removal from the SLS. (ii)
- In the case of removal, state the GG-15 position in which the member will be placed or advise the member that he or she will be

Reduction in Pay Band and Removal From the SLS (C) (continued)

Decision (7) (continued)

notified of the specific position, in writing, no later than 10 calendar days before the effective date of his or her removal from the SLS. (iii)

- State the individual's appeal rights. (iv)

Purging Records (8)

If the employee's pay band is not reduced or the employee is not removed from the SLS because his or her performance improved to at least the minimally satisfactory level during the advance written notice period, and the SLS member's performance continues to be at least minimally satisfactory for 1 year from the date of the advance written notice, any entry or other notation of the unsatisfactory performance for which the action was proposed must be removed from all NRC records. The Director, OP, will ensure these records are removed from the EPF.

Appeals (9)

SLS members with a veteran's preference who have completed 1 year of current continuous employment in the same or a similar position may either appeal to the Merit System Protection Board (MSPB) or use the NRC appeals process described in MD 10.100, "Appeals From Adverse Actions." (a)

However, if the MSPB accepts an SLS member's appeal on an action, an issue, or a charge, then an appeal concerning the same action, issue, or charge will not be accepted by NRC; or if previously accepted, processing will not be continued by NRC. (b)

SLS members who are not eligible for a veteran's preference but who have completed 2 years of current continuous service in the same or similar positions in an executive branch agency under other than a temporary appointment limited to 2 years or less, and who are not excluded by Public Law 101-376, "Civil Service Due Process Amendments Act," may either appeal to the MSPB or use the NRC appeals process described in MD 10.99. (c)

Part VI

Records

Employee Performance File (EPF) (A)

The records of the NRC Senior Level Performance Appraisal System are maintained in the EPF.

Contents (B)

The EPF will contain documents such as the original appraisal on the NRC Form 533, the original of any Performance Improvement Requirement Memorandum (PIRM) issued, and other official performance-related documents.

Maintenance (C)

The Director, OP, will maintain and purge, as appropriate, an EPF for each SLS member given an appraisal under the Senior Level Performance Appraisal System. The files will be maintained in accordance with the provisions of the Privacy Act of 1974, as amended, and NRC Privacy Act System of Records Notice NRC-22, "Personnel Performance Appraisals—NRC." The files will be maintained separately from the Official Personnel Folder (OPF) and will not contain any duplicate OPF material.

Retention (D)

Each document in the EPF will be retained by NRC for 4 years from its effective date, except when earlier removal is required by this handbook or by administrative or judicial proceedings. Normally, each document will be destroyed at the end of 4 years.

Disposition of Records (E)

When the OPF of an SLS member is sent to another agency or to the National Personnel Records Center, the Office of Personnel will include in the OPF all performance ratings of record for the previous 4 years, including the performance plan on which the most recent rating of record was based and any summary rating that resulted from a position change.

Access (F)

Access to EPF records is governed by the provisions of the Privacy Act of 1974 and NRC regulations specified in 10 CFR Part 9, Subpart B, "Privacy Act Regulations."

Volume 10, Part 6 - Senior Executive Service, Senior Level
Positions, and Judges
Senior Level Performance Appraisal System
Handbook 10.148 Exhibits

Exhibit 1

Authority From the Office of Personnel Management for
the NRC Senior Level Performance Appraisal System



United States
Office of
Personnel Management

Washington, D.C. 20415

AUG 11 1993

In Reply Refer To:

Your Reference:

Mr. Paul E. Bird
Director of Personnel
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Dear Mr. Bird:

This letter responds to your February 16, 1993, request for approval of a change in the Nuclear Regulatory Commission's (NRC) plan that allows the establishment of a performance planning and appraisal system for Senior Level employees that would parallel the system used for Senior Executive Service (SES) employees.

The modifications to the rating levels of Senior Level employees required a rule V variation. This variation was approved by Director King and published in the FPM Bulletin 430-33 on August 9, 1993 (see enclosure). This change permits the NRC to use the three summary rating levels mandated by law for the SES, unsatisfactory, minimally satisfactory, and fully successful, for rating Senior Level employees.

Please send us for approval any future changes which would impact legal or regulatory requirements. Also, we would appreciate receiving copies of other changes to your plan so that we may keep our files current.

Sincerely,

Margaret M. Higgins
Margaret M. Higgins, Chief
Performance Management
Operations Branch
Office of Labor Relations and
Workforce Performance

Enclosure

**Volume 10, Part 6 - Senior Executive Service, Senior Level
Positions, and Judges
Senior Level Performance Appraisal System
Handbook 10.148 Exhibits**

Exhibit 1 (continued)

**Office of Personnel Management
Federal Personnel Manual System
FPM Bulletin**

FPM Bulletin 430-33

Bulletin No. 430-33

Washington, DC 20415

**SUBJECT: Variation to Allow Different
Summary Rating Levels**

August 9, 1993

Heads of Departments and Independent Establishments:

1. Section 5.1 of civil service rule V requires the Office of Personnel Management to inform agencies about variations which it grants under that rule. This bulletin describes a variation that will allow the Nuclear Regulatory Commission (NRC) to adopt a performance management system for its senior level employees that uses the same summary rating levels mandated by law for the Senior Executive Service (SES).

2. This variation applies to approximately 40 NRC excepted service employees in its Senior Level Service, positions formerly at GS-16, 17, and 18. The NRC considers its senior level employees to be the technical career path equivalent of its SES members. Therefore, the agency wants to hold these employees to the same level of accountability and use the same type of appraisal system to evaluate them. The NRC appraisal systems would use the three summary rating levels mandated by law for the SES, unsatisfactory, minimally satisfactory, and fully successful, for both groups. Senior level employees are covered by the Performance Management System, which under OPM regulations allow the use of at least three summary rating levels, but not the same three the SES uses.

3. Variation is appropriate when it will avoid unnecessary hardships and practical difficulties, it is within the spirit of the regulation, and it protects and promotes the efficiency of the Government and the integrity of the competitive service. Those requirements are met in this case. The variation will allow the NRC to avoid the practical difficulties associated with using different appraisal systems for two groups of employees that the agency considers to be nearly equivalent. The spirit of

Inquiries: Performance Management and Incentive Awards Division, Office of Labor Relations and Workforce Performance, Personnel Systems and Oversight Group, (202) 506-2720

Code: 430, Performance Management

Distribution: Basic FPM

Bulletin Expires: July 20, 1994

OPM Form 654-A(WP) 6/82



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Exhibit 1 (continued)

FPM Bulletin No. 430- 33 (2)

regulation 430.204(h) is supported in that the agency is exercising the flexibility to use at least three summary rating levels. Competitive principles are not at issue here since this affects an excepted service agency. The efficiency of the Government is protected and promoted by permitting the NRC to design and implement a performance appraisal system that meets its individual culture and needs.

4. Section 5.1 of civil service rule V requires that like variations be granted in like circumstances. Therefore, if an agency believes it has a case which parallels the one described in this bulletin, a variation may be requested. Agencies are reminded, however, that variation is appropriate only when no other authority exists to remedy the hardship or practical difficulty. All requests for variation must be sent through the headquarters of the agency or department involved and must be transmitted to the Office of Personnel Management for final action. Agencies do not have authority to approve variations.


James E. King
Director

**Volume 10, Part 6 – Senior Executive Service, Senior Level
Positions, and Judges
Senior Level Performance Appraisal System
Handbook 10.148 Exhibits**

Exhibit 2

**NRC Form 533, “Senior Level System (SLS) Performance
Plan and Appraisal”**

NRC FORM 533 <small>(12-93)</small> <small>NRCMD 10.148</small>		U. S. NUCLEAR REGULATORY COMMISSION		RATING PERIOD	
SENIOR LEVEL SYSTEM (SLS) PERFORMANCE PLAN AND APPRAISAL			FROM		TO
			SLS MEMBER – TYPED NAME (LAST, FIRST, MIDDLE INITIAL)		
TITLE			SLS LEVEL		
PART I – PERFORMANCE PLANNING					
Establish/communicate performance plan elements and standards to the SLS member at the beginning of the appraisal period. Provide Part I information. Establish and review Part III elements/subelements and standards -- no more than three elements should be established. All elements are considered critical performance elements.					
1. APPROVALS FOR PERFORMANCE PLAN – ELEMENTS AND STANDARDS <i>(To be completed at the beginning of the rating period.)</i>					
SUPERVISING OFFICIAL – TYPED NAME, TITLE, AND ORGANIZATION		SIGNATURE		DATE	
2. REVIEW/APPROVAL OF PERFORMANCE PLAN (OFFICE DIRECTOR/REGIONAL ADMINISTRATOR OR DESIGNEE) <i>(Not applicable for Commissioner Assistants)</i>					
REVIEWING OFFICIAL. (Normally Second-level Supervisor) TYPED NAME, TITLE, AND ORGANIZATION		SIGNATURE		DATE	
3. ACKNOWLEDGEMENT OF PERFORMANCE PLAN BY SENIOR LEVEL SYSTEM MEMBER					
SLS MEMBER – TYPED NAME AND TITLE <i>(ACKNOWLEDGES RECEIPT OF THE PLAN)</i>		SIGNATURE		DATE	
4. MIDYEAR PROGRESS REVIEW <i>(TO BE COMPLETED AFTER THE REVIEW)</i>					
SIGNATURE – SUPERVISOR				DATE	
SIGNATURE – EMPLOYEE				DATE	

NRC FORM 533 (12-93)

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PAGE 1

**Volume 10, Part 6 – Senior Executive Service, Senior Level
Positions, and Judges
Senior Level Performance Appraisal System
Handbook 10.148 Exhibits**

Exhibit 2 (continued)

PART II – PERFORMANCE APPRAISAL SUMMARY (Continued)			
D. APPROVING AUTHORITY FINAL RATING AND POSITION ACTION DECISION			
SUMMARY	POSITION/PAY BAND CHANGED TO HIGHER LEVEL	SIGNATURE	DATE
<input type="checkbox"/> FS <input type="checkbox"/> M <input type="checkbox"/> U	<input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> PD ATTACHED	APPROVING AUTHORITY	
<small>Any decision resulting in a final rating of M or U will be referred back to the Supervising Official for appropriate action under the provisions of Part IV and/or Part V of Management Directive 10.148.</small>			
E. AWARDING AUTHORITY FINAL DECISION			
BASE PAY INCREASE (3 - 6 %)		AWARD	SIGNATURE
<input type="checkbox"/> NO <input type="checkbox"/> YES	% INCREASE	<input type="checkbox"/> NO <input type="checkbox"/> YES	AWARDING AUTHORITY
AMOUNT		AMOUNT	
F. SENIOR LEVEL SYSTEM MEMBER			
<small>This rating has been discussed with me by my supervisor (the Rating Official). My signature does not imply that I agree with the appraisal, rating, or award decisions. Any comments I wish to make are listed below. (When completed, return the original to your rating Official. A copy of the completed appraisal with all signatures will be provided to you.)</small>			
COMMENTS – SLS MEMBER (Optional) (Additional pages may be attached as required)			
SIGNATURE – SLS MEMBER			DATE
G. GENERAL COMMENTS (If applicable) For use by the Rating Official, Reviewing Official, Senior Level Review Panel, Approving Authority, and/or Awarding Authority, if desired. (Additional pages may be attached as required)			

Volume 10, Part 6 - Senior Executive Service, Senior Level
Positions, and Judges
Senior Level Performance Appraisal System
Handbook 10.148 Exhibits

Exhibit 2 (continued)

PART III - ELEMENTS AND STANDARDS							
1. CRITICAL ELEMENT EVALUATION							
<p>INSTRUCTIONS: The Supervising Official should assess the SLS member's achievement of the elements and subelements described against the stated performance standards. For each critical element in III-1, determine the level of achievement (Exceeds, Meets, Does Not Meet) for each subelement. Provide a summary rating for the element by checking the appropriate box. Transfer the III-1 summary ratings for each critical element to the summary evaluation boxes in III-2. Make an assessment and provide narrative evaluations for the summary evaluation of the critical elements in III-2(b). Based on the evaluation of the critical elements, make your final summary rating for the SLS member's performance during the rating period by checking the appropriate box in III-3. When completed, assign a summary rating in Part III-3 and transfer the rating to Part II-A.</p>							
<p>CRITICAL ELEMENT I - ACHIEVEMENT OF PROJECT ASSIGNMENTS Achieves project (critical work) assignments, as listed below, in accordance with Commissioner Objectives, the NRC Five-Year Plan, or the Office Operating Plan applicable to the SLS member's position. (List no more than three subelements.)</p>							
<p>SUBELEMENT A - (Briefly describe the specific responsibilities of the SLS member associated with this element.)</p>	<p>RATING FOR SUBELEMENT A</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td style="text-align: center;">EXCEEDS</td></tr> <tr><td style="text-align: center;">MEETS</td></tr> <tr><td style="text-align: center;">DOES NOT MEET</td></tr> </table>			EXCEEDS	MEETS	DOES NOT MEET	
EXCEEDS							
MEETS							
DOES NOT MEET							
<p>FULLY SUCCESSFUL PERFORMANCE STANDARD</p>							
<p>SUBELEMENT B - (Briefly describe the specific responsibilities of the SLS member associated with this element.)</p>	<p>RATING FOR SUBELEMENT B</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td style="text-align: center;">EXCEEDS</td></tr> <tr><td style="text-align: center;">MEETS</td></tr> <tr><td style="text-align: center;">DOES NOT MEET</td></tr> </table>			EXCEEDS	MEETS	DOES NOT MEET	
EXCEEDS							
MEETS							
DOES NOT MEET							
<p>FULLY SUCCESSFUL PERFORMANCE STANDARD</p>							
<p>SUBELEMENT C - (Briefly describe the specific responsibilities of the SLS member associated with this element.)</p>	<p>RATING FOR SUBELEMENT C</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td style="text-align: center;">EXCEEDS</td></tr> <tr><td style="text-align: center;">MEETS</td></tr> <tr><td style="text-align: center;">DOES NOT MEET</td></tr> </table>			EXCEEDS	MEETS	DOES NOT MEET	
EXCEEDS							
MEETS							
DOES NOT MEET							
<p>FULLY SUCCESSFUL PERFORMANCE STANDARD</p>							
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">RATING FOR CRITICAL ELEMENT:</td> <td style="width: 25%; text-align: center;"><input type="checkbox"/> FULLY SUCCESSFUL</td> <td style="width: 25%; text-align: center;"><input type="checkbox"/> MINIMALLY SATISFACTORY</td> <td style="width: 25%; text-align: center;"><input type="checkbox"/> UNSATISFACTORY</td> </tr> </table>				RATING FOR CRITICAL ELEMENT:	<input type="checkbox"/> FULLY SUCCESSFUL	<input type="checkbox"/> MINIMALLY SATISFACTORY	<input type="checkbox"/> UNSATISFACTORY
RATING FOR CRITICAL ELEMENT:	<input type="checkbox"/> FULLY SUCCESSFUL	<input type="checkbox"/> MINIMALLY SATISFACTORY	<input type="checkbox"/> UNSATISFACTORY				

NRC FORM 533 (12-83)

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PAGE 4

**Volume 10, Part 6 - Senior Executive Service, Senior Level
Positions, and Judges
Senior Level Performance Appraisal System
Handbook 10.148 Exhibits**

Exhibit 2 (continued)

PART III - ELEMENTS AND STANDARDS (Continued)			
1. CRITICAL ELEMENT EVALUATION (Continued)			
CRITICAL ELEMENT B - PROVIDES ADVICE AND GUIDANCE			
Provides advice and guidance, including monitoring and collegial activities, as listed below, commensurate with the professional stature expected of an SLS member in this position. <i>(List no more than three subelements.)</i>			
SUBELEMENT A - <i>(Briefly describe the specific responsibilities of the SLS member associated with this element.)</i>	RATING FOR SUBELEMENT A		
	EXCEEDS		
	MEETS		
	DOES NOT MEET		
FULLY SUCCESSFUL PERFORMANCE STANDARD			
SUBELEMENT B - <i>(Briefly describe the specific responsibilities of the SLS member associated with this element.)</i>	RATING FOR SUBELEMENT B		
	EXCEEDS		
	MEETS		
	DOES NOT MEET		
FULLY SUCCESSFUL PERFORMANCE STANDARD			
SUBELEMENT C - <i>(Briefly describe the specific responsibilities of the SLS member associated with this element.)</i>	RATING FOR SUBELEMENT C		
	EXCEEDS		
	MEETS		
	DOES NOT MEET		
FULLY SUCCESSFUL PERFORMANCE STANDARD			
RATING FOR CRITICAL ELEMENT:	FULLY SUCCESSFUL	MINIMALLY SATISFACTORY	UNSATISFACTORY

NRC FORM 633 (12-00)

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PAGE 8

Volume 10, Part 6 – Senior Executive Service, Senior Level
Positions, and Judges
Senior Level Performance Appraisal System
Handbook 10.148 Exhibits

Exhibit 2 (continued)

PART III – ELEMENTS AND STANDARDS (Continued)			
1. CRITICAL ELEMENT EVALUATION (Continued)			
CRITICAL ELEMENT II – (TO BE ADDED BY SUPERVISING OFFICIAL) MANDATORY			
<i>(List no more than three subelements.)</i>			
SUBELEMENT A – (Briefly describe the specific responsibilities of the SLS member associated with this element.)	RATING FOR SUBELEMENT A		
	EXCEEDS		
	MEETS		
			DOES NOT MEET
FULLY SUCCESSFUL PERFORMANCE STANDARD			
SUBELEMENT B – (Briefly describe the specific responsibilities of the SLS member associated with this element.)	RATING FOR SUBELEMENT B		
	EXCEEDS		
	MEETS		
			DOES NOT MEET
FULLY SUCCESSFUL PERFORMANCE STANDARD			
SUBELEMENT C – (Briefly describe the specific responsibilities of the SLS member associated with this element.)	RATING FOR SUBELEMENT C		
	EXCEEDS		
	MEETS		
			DOES NOT MEET
FULLY SUCCESSFUL PERFORMANCE STANDARD			
RATING FOR CRITICAL ELEMENT:	FULLY SUCCESSFUL	MINIMALLY SATISFACTORY	UNSATISFACTORY

NRC FORM 833 (12-83)

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PAGE 8

**Volume 10, Part 6 – Senior Executive Service, Senior Level
Positions, and Judges
Senior Level Performance Appraisal System
Handbook 10.148 Exhibits**

Exhibit 2 (continued)

PART III – ELEMENTS AND STANDARDS (Continued)			
2(a) SUMMARY EVALUATION <i>(Narrative Justification in 2(b) below)</i>			
ELEMENT	FULLY SUCCESSFUL	MINIMALLY SATISFACTORY	UNSATISFACTORY
PROJECT ASSIGNMENTS			
CONTACTS AND COMMITMENTS			
(TO BE ADDED BY SUPERVISING OFFICIAL)			
2(b) NARRATIVE JUSTIFICATIONS <i>(Describe achievements and areas for improvement for each of the three critical elements.) (Additional pages may be attached as required.)</i>			
ACHIEVEMENTS:			
AREAS FOR IMPROVEMENT:			
3. SUMMARY RATING FOR CRITICAL ELEMENTS			
<small>Refer to rating definitions at the beginning of Part II before assigning the summary rating.</small>			
FULLY SUCCESSFUL	MINIMALLY SATISFACTORY	UNSATISFACTORY	

NRC FORM 638 (12-93)

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PAGE 7

Exhibit 3
**Approval and Awarding Authorities for the NRC
Senior Level Performance Appraisal System**

SLS Category	Recommending Official	Reviewing Official	Panel Review	Approving Authority	Awarding Authority
Commissioner Assistants	Commissioner	Advice Only Director, OP	Not Applicable	Commissioner	Commissioner*
SLS in OPA, OCA	Immediate Supervisor	Office Director	Applicable	Chairman	Chairman*
SLS in Other Commission-Level Offices	Immediate Supervisor	Office Director	Applicable	Office Director	Chairman*
SLS in OIG	Immediate Supervisor	IG	Applicable IG Panel	IG	IG*
SLS in EDO Staff Offices	Immediate Supervisor	Office Director	Applicable	EDO	EDO*

***Award Limitations**

Chairman approves

- All performance-based pay increases for SLS members in Commission-level offices and his immediate staff
- Performance awards up to \$10,000 for immediate staff and SLS members in Commission-level offices
- Performance awards above \$7,500 but not to exceed \$10,000 for SLS employees in EDO staff offices

Commissioners approve all performance-based increases and awards up to \$10,000, but not to exceed 10 percent of base pay, for their immediate staff

IG approves all performance-based increases and awards up to \$10,000 for SLS members in OIG

EDO approves

- All performance-based pay increases for SLS members in EDO staff offices
- All awards not to exceed \$7,500 for SLS members in EDO staff offices

OPM approves

- All awards exceeding \$10,000

Performance awards cannot exceed 15 percent of base salary

Performance-based pay increases are normally in the 3 to 5 percent range except for Commissioner Assistants who are eligible for 6 percent increases. Pay increases cannot exceed the top of the pay band.

Abbreviations:

- EDO - Executive Director for Operations
- OCA - Office of Congressional Affairs
- OIG - Office of the Inspector General
- OP - Office of Personnel
- OPA - Office of Public Affairs
- SLS - Senior Level System

Volume 10, Part 6 - Senior Executive Service, Senior Level Positions, and Judges
 Senior Level Performance Appraisal System
 Handbook 10.148 Exhibits

Exhibit 4
 NRC Form 365, "Nomination and Authorization for Cash Award"

NRC FORM 365 (5/83) NRCMD 10.67 NRCMD 10.72 NRCMD 10.148		U. S. NUCLEAR REGULATORY COMMISSION			1. DATE OF NOMINATION	
NOMINATION AND AUTHORIZATION FOR CASH AWARD					2. SOCIAL SECURITY NUMBER	
3. CASH AWARD NOMINEES						
A. NAME OF EMPLOYEE (Payroll)		B. POSITION TITLE		C. ORGANIZATION	D. GRADE	E. BASIC ANNUAL SALARY
4. KIND OF CONTRIBUTION						
<input type="checkbox"/> SUGGESTION (Attach copy)		<input type="checkbox"/> INVENTION		<input type="checkbox"/> SPECIAL ACT OR SERVICE		<input type="checkbox"/> PERFORMANCE AWARD
				(NRCMD 10.72 APPLIES) Complete 5, 6, 7, and 8 below.		(NRCMD 10.67 APPLIES) Complete 7 and 8 below.
5. BENEFITS FROM SUGGESTIONS OR SPECIAL ACTS (Only)						
A. INTANGIBLE	(1) VALUE:	MODERATE LIMITED		SUBSTANTIAL EXTENDED		EXCEPTIONAL GENERAL
	(2) APPLICATION:					
B. TANGIBLE (Show cost figures on an annual basis)	(1)	FORMER METHOD		IMPROVED METHOD		SAVINGS
	(2)					
	(3)					
6. RECOMMENDED AMOUNT OF CASH AWARD (Provide itemized list of individual amounts making group total on the reverse.)						
		TANGIBLE BENEFITS		INTANGIBLE BENEFITS		TOTAL
A. INDIVIDUAL		\$		\$		\$
B. GROUP		\$		\$		\$
7. JUSTIFICATION OR EVALUATION (Suggestions or Special Acts - Narrative statement to support the information in 4 and 5 above. Give dates of job performance or achievement. For tangible benefits, give detailed computations to justify figures shown. Continue on reverse if necessary.)						
8. PERFORMANCE AWARD						
Attach performance appraisal. If the appraisal is more than 90 days old, a written justification MUST accompany the appraisal (may be provided on the reverse). Performance awards are based primarily on performance as evidenced by the performance appraisal. The following table contains the range of percentages to be used.						
A. NON-SLS PERFORMANCE APPRAISAL SUMMARY RATING		AMOUNT OF AWARD (Up to 15% of Base Pay)		To determine the percentage of base salary to be used, consider the difficulty of the job, caliber of performance plan, recent promotions, and relative cash values of award compared with other monetary recognition. Lower percentages of base salary would be appropriate in most instances.		
OUTSTANDING		\$		RECOMMENDED PERCENTAGE OF BASE	AMOUNT OF CASH AWARD	The availability of awards is subject to funding constraints.
EXCELLENT		\$		% X BASE PAY	\$	
B. SLS PERFORMANCE CASH AWARDS						
SLSR RECOMMENDED PERFORMANCE APPRAISAL SUMMARY RATING OF FULLY SUCCESSFUL		SLSR RECOMMENDED PERFORMANCE AWARD		Office Director/Regional Administrator SLS cash award nomination must be attached		
<input type="checkbox"/> IN LIEU OF		<input type="checkbox"/> IN ADDITION TO		RECOMMENDED PERCENTAGE OF BASE	AMOUNT OF CASH AWARD	The availability of awards is subject to funding constraints.
<input type="checkbox"/> AN INCREASE IN BASE PAY				% X BASE PAY	\$	
9. RECOMMENDATION AND CERTIFICATION						
A. SIGNATURE - SUBMITTING OFFICIAL (Recommending Supervisor, Recommending Pair, Suggestion Evaluator, SLSR, or Commissioner for SLS)						DATE
B. I approve the recommended cash award, subject to the certifications in C and D below.						
SIGNATURE - APPROVING OFFICIAL (Office Director, Regional Administrator, EDO, Chairman, or Awarding Authority for SLS) (See NRCMDs 10.67, 10.72, or 10.148, as appropriate.)						DATE
C. I hereby certify that the above proposal meets the requirements of NRC Management Directives 10.67, 10.72, or 10.148, as appropriate.						
SIGNATURE - CERTIFYING OFFICIAL (Office of Personnel)						DATE
D. I hereby certify that there are sufficient funds available to cover the approved award. I authorize the preparation of a public voucher and payment of cash as recommended in item 6 or 8 above.						
SIGNATURE - CERTIFYING OFFICIAL (Office of the Controller)						DATE

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Exhibit 4 (continued)

STATE THE NUMBER AND LETTER TO WHICH YOU ARE PROVIDING ADDITIONAL INFORMATION