

Human Resources Manual HHS Instructions 430-4 and 430-7

Issue Date: October 3, 2011

Material Transmitted:

Department of Health and Human Services Performance Management Appraisal Program dated August 4, 2011.

Material Superseded:

Department of Health and Human Services Performance Management Appraisal Program dated December 19, 2007

Background:

The previous Instruction has been deleted in its entirety as it has been superseded by the Department of Health and Human Services Performance Management Appraisal Program, dated August 4, 2011. The Department of Health and Human Services Performance Management Appraisal Program reinforces an effective, efficient performance appraisal process designed to improve individual, team, and organizational performance in the Department.



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U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Non-SES Performance Management Appraisal Program (PMAP)

Revised August 4, 2011

BACKGROUND

Title 5, United States Code, Chapter 43, requires that each agency establish one or more Performance Management Appraisal Programs (PMAP). The Department of Health and Human Services' (HHS) goal is to design and implement a performance management system which supports individual, team and organizational effectiveness.

The Office of Personnel Management (OPM) approved the Department to transition from a 4-tier to a 5-tier performance management system. This decision was based on information received from performance data and employee feedback from several Department-wide non-Senior Executive Service (SES) PMAP review sessions. The spring 2011 Department-wide employee survey results favoring the implementation of a 5-tier performance system was a key factor used in making the decision to change systems. The new performance management system has the same rating levels as the Department's Senior Executive Service (SES) performance management rating system. By aligning the SES and non-SES performance systems, HHS can clearly cascade performance goals and standards across the organization.

This PMAP is the framework of Department-wide policies and parameters established for planning, monitoring, developing, evaluating, and rewarding individual performance. The resulting performance information will be used in making personnel decisions.

This 5-tier PMAP establishes an effective, efficient performance appraisal process that will enable managers and supervisors to:

- Communicate organizational goals and objectives to employees;
- Link performance requirements to HHS and OPDIV/STAFFDIV¹ strategic planning initiatives;
- Promote individual and/or team accountability for accomplishing organizational goals;
- Effectively address the training needs of each employee;
- Monitor progress and provide formal employee feedback;
- Use appropriate measures of performance as the basis for recognizing and rewarding individual accomplishments;
- Use the results of the performance appraisal as a basis for appropriate personnel actions; and,
- Assess and improve individual and organizational performance.

This document supersedes current OPDIV/STAFFDIV performance management program guidance for non-SES managers, supervisors and employees. Any administrative actions already initiated when this system becomes effective shall continue to be processed consistent with the procedures and requirements of the system/program in effect when the action was initiated.

¹ For purposes of this document, the term OPDIV/STAFFDIV will be used to refer to both HHS Operating Divisions and Staff Divisions.

I. PURPOSE AND AUTHORITY

This guide establishes the Department of Health and Human Services policies and procedures for planning, monitoring, developing, appraising, and recognizing the performance of all non-SES managers, supervisors, and employees.

As an overarching policy, the PMAP is designed to facilitate the execution of basic management and supervisory responsibilities and communicate or clarify organizational goals and objectives. The purpose of performance management is to improve individual, team, and organizational effectiveness. The policies and procedures contained in this document provide a mechanism for communicating organizational goals and expected outcomes, identifying individual and/or team accountability, providing formal feedback, and documenting individual and team performance. It is one component of the ongoing process of performance management, which also includes frequent informal feedback sessions, recognition and awards, coaching, skills development, and appropriate corrective action.

Authorities:

- 5 U.S.C. Chapter 43 and Performance Appraisal 5 CFR, Part 430 5 U.S.C. 4303 and 4305 and 5 CFR 432.104 Unacceptable Performance
- 5 U.S.C. Chapter 45 and Awards 5 CFR, Part 451
- 5 U.S.C. 5335 and 5304, and Within-Grade Increases 5 CFR, Part 531, Subpart D
- 5 U.S.C. 5336 and Quality Step Increases 5 CFR, Part 531, Subpart E
- 5 U.S.C. 3502 and 5 CFR 351.504 Reduction-in-Force
- 5 U.S.C. 552a, 5 CFR 293.404 Records of Employee Performance and 5 CFR 293.405
- 5 CFR 432.104 Unacceptable Performance

II. COVERAGE AND DEFINITIONS

Coverage: This Performance Management Appraisal Program covers all HHS employees, non-SES managers, supervisors, and team leaders.² The following are *not* covered under this system:

1. A member of the Senior Executive Service;

² For purposes of coverage of this Guide, the term “team leader” encompasses only those employees who have official position descriptions identifying them as team leaders.

2. An employee appointed to the excepted service under Schedule A 213.3102(o) whose appointment is limited to 1 year or less;
3. A fellow appointed under Section 207(g) of the Public Health Service Act, as amended;
4. An expert or consultant;
5. A member of an advisory committee;
6. A person serving under an appointment in the excepted service having a time limit of less than 90 days;
7. A member of the HHS uniformed service, i.e., a PHS Commissioned Corps Officer;
8. A resident, intern, or other student employee who receives a stipend under section 5352 of 5 U.S.C.;
9. An employee on detail to a public international organization;
10. An employee in a position for which employment is not reasonably expected to exceed 90 calendar days in a consecutive 12-month period;
11. An employee outside the United States who is paid in accordance with local native prevailing wage rates for the area in which employed;
12. An Administrative Law Judge appointed under Section 3105 of Title 5, U.S. Code;
13. An individual appointed by the President; and,
14. An individual who (a) is serving in a position under a temporary appointment for less than one year (b) agrees to serve without a performance evaluation, and (c) will not be considered for a reappointment or for an increase in pay based in whole or in part on performance.

Definitions:

Appraisal - The process under which performance is reviewed and evaluated.

Appraisal Period - The established period of time for which an employee's performance will be reviewed and a rating of record prepared. The appraisal period covers the Calendar Year (January 1 through December 31). In HHS, the minimum appraisal period is 90 days. An employee must perform work under a performance plan in place for a minimum of 90 calendar days to receive a rating.

Critical Element - Work assignments or responsibilities of such importance that unacceptable performance on the element would result in a determination that an employee's overall performance is unacceptable. All elements in the performance plan are critical.

HHS-704B - The standard performance plan (located at <http://intranet.hhs.gov/forms/HHS/HHS-704B.pdf>) used to document all of the written performance elements that an employee is expected to accomplish during the appraisal period. See performance plan definition below.

Performance - An employee's accomplishment of assigned work as specified in the critical elements of the employee's position.

Performance Management Appraisal Program (PMAP) - The framework of Department-wide policies and parameters established for planning, monitoring, developing, evaluating, and rewarding individual performance. The resulting performance information will be used in making personnel decisions.

Performance Award - A performance-based, lump sum cash payment to an individual employee based on the employee's rating of record. A performance award does not increase base pay.

Performance Awards Budget - The amount of money allocated by the Department/OPDIV/STAFFDIV for distribution as performance awards to covered employees.

Performance Plan - All of the written performance elements and standards that an employee is expected to accomplish during the appraisal period. These objectives are linked to specific program and management outcomes and are linked to the Department's and OPDIV/STAFFDIV's strategic plans. These objectives are derived from the OPDIV/STAFFDIV Head's performance plan and are cascaded, as appropriate, to all employees. A performance plan must include all critical elements and their performance standards.

Performance Rating - The written appraisal of performance compared to the performance standards for each critical element on which there have been an opportunity to perform for the minimum period (i.e., 90 calendar days). A performance rating includes the assignment of a summary rating level.

Performance Standard - A statement of the performance threshold, requirement, or expectation for an element that must be met to be appraised at a particular level of performance. A performance standard may focus on, for example, factors such as quality, quantity, timeliness, and manner of performance.

Progress Review - Progress reviews are important for providing consistent performance feedback to employees and can be conducted at any time during the appraisal period. One formal progress review is required and is generally conducted midway through the appraisal period. Ratings are not assigned for progress reviews.

Quality Step Increase (QSI) - A permanent increase in basic pay, equivalent to one step within the grade.

Rating Official - The official who is responsible for informing the employee of the critical elements of his/her position, establishing performance requirements, providing feedback, appraising performance, and assigning the summary rating. The rating official is ordinarily the employee's immediate supervisor.

Rating of Record - The performance rating, which is prepared at the end of an appraisal period for performance throughout the entire appraisal period. In most cases, a summary rating (see definition below) will become the rating of record.

Reviewing Official - An official having review and approval authority above the rating official. Reviewing officials are ordinarily at a level higher than the rating official.

Strategic Planning Initiatives – The goals and objectives that drive HHS work and initiatives. For example, Department and agency goals, agency strategic plans, annual performance plans, organizational work plans, Presidential initiatives, and other future-focused related initiatives.

Summary Rating - Combining the written appraisals of each critical element (on which there has been an opportunity to perform for the minimum period, i.e., 90 calendar days) in order to assign a summary rating level. The rating official derives the summary rating from appraising the employee's performance during the appraisal period on each element.

Time Off Award - An award granted to an employee, which allows the employee to take time off from work, with pay and without charge to annual leave.

III. PERFORMANCE LEVELS

Level 5: Achieved Outstanding Results (AO)

Consistently superior; significantly exceeds Level 4 (AM) performance requirements. Despite major challenges such as changing priorities, insufficient resources, unanticipated resource shortages, or externally driven parameters, employee leadership is a model of excellence. Contributions impact well beyond the employee's level of responsibility. They demonstrate exceptional initiative in achieving results critical to Agency success and strategic goals. Products and skills create significant changes in their area of responsibility and authority. Indicators of performance at this level include outcomes that consistently exceed the AM level standards for critical elements described in the annual performance plan. Examples include:

- Innovations, improvements, and contributions to management, administrative, technical, or other functional areas that have influence outside the work unit;
- Increases office and/or individual productivity;
- Improves customer, stakeholder, and/or employee satisfaction, resulting in positive evaluations, accolades, and recognition; methodology is modeled outside the organization;
- Easily adapts when responding to changing priorities, unanticipated resource shortages, or other obstacles;
- Initiates significant collaborations, alliances, and coalitions;

- Leads workgroups or teams, such as those that design or influence improvements in program policies, processes, or other key activities;
- Anticipates the need for, and identifies, professional developmental activities that prepare staff and/or oneself to meet future workforce challenges; and/or
- Consistently demonstrates the highest level of ethics, integrity and accountability in achieving specific HHS, OPDIV/STAFFDIV, or program goals; makes recommendations that clarify and influence improvements in ethics activities.

Level 4: Achieved More than Expected Results (AM)

Consistently exceeds expectations of Level 3 (AE) performance requirements. The employee continually demonstrates successful collaborations within the work environment, overcoming significant organizational challenges such as coordination with external stakeholders or resource shortfalls. Employee works productively and strategically with others in non-routine matters, some of which may be complex and sensitive. The employee consistently demonstrates the highest level of integrity and accountability in achieving HHS program and management goals. Employee contributions have impact beyond their immediate level of responsibility. The employee meets all critical elements, as described in the annual performance plan. Examples include:

- Effectively plans, is well-organized, and completes work assignments that reflect requirements;
- Decisions and actions demonstrate organizational awareness. This includes knowledge of mission, function, policies, technological systems, and culture;
- Independently follows-up on actions and improvements that impact the immediate work unit; establishes and maintains strong relationships with employees and/or clients; understands their priorities; balances their interests with organizational demands and requirements; effectively communicates necessary actions to them and employee/customer satisfaction is conveyed; and/or
- When serving on teams and workgroups, contributes substantively and completely according to standards identified in the plan.

Level 3: Achieved Expected Results (AE)

Consistently meets performance requirements. Work is solid and dependable; customers are satisfied with program results. The employee successfully resolves operational challenges without higher-level intervention. The employee consistently demonstrates integrity and accountability in achieving HHS program and management goals. Employee conducts follow-up actions based on performance information available to him/her. Employee seizes opportunities to improve business results and include employee and customer perspectives. Examples include:

- Acquires new skills and knowledge to meet assignment requirements;

- Demonstrates ethics, integrity and accountability to achieve HHS and agency goals; and
- Resolves operational challenges and problems without assistance from higher-level staff.

Level 2: Partially Achieved Expected Results (PA)

Marginally acceptable; needs improvement; occasionally does not meet Level 3 (AE) performance requirements. The employee has difficulties in meeting expectations. Actions taken by the employee are sometimes inappropriate or marginally effective. They do not significantly contribute to any positive results achieved. This is the minimum level of acceptable performance for retention on the job. Improvement is necessary. Examples include:

- Occasionally fails to meet assigned deadlines;
- Work assignments occasionally require major revisions or often require minor revisions;
- Does not consistently apply technical knowledge to work assignments;
- Occasionally fails to adhere to required procedures, instructions, and/or formats on work assignments;
- Occasionally fails to adapt to changes in priorities, procedures or program direction; and/or
- Impact on program performance, productivity, morale, organizational effectiveness and/or customer satisfaction needs improvement.

Level 1: Achieved Unsatisfactory Results (UR)

Undeniably unacceptable performance; consistently does not meet Level 3 (AE) performance requirements. Repeat observations of performance indicate negative consequences in key outcomes (e.g., quality, timeliness, results, customer satisfaction, etc.) as described in the annual performance plan. The employee fails to meet expectations. Immediate improvement is essential for job retention. Examples include:

- Consistently fails to meet assigned deadlines;
- Work assignments often require major revisions;
- Fails to apply adequate technical knowledge to completion of work assignments;
- Frequently fails to adhere to required procedures, instructions and/or formats in completing work assignments; and/or
- Frequently fails to adapt to changes in priorities, procedures or program direction.

IV. PLANNING AND COMMUNICATING PERFORMANCE

An individual employee performance plan is established annually for each employee. The HHS Employee Performance Plan (located at <http://intranet.hhs.gov/forms/HHS/HHS-704B.pdf>) is the form used for all covered employees.

At the beginning of the appraisal period, the rating official and the employee shall discuss the organization's desired program and management outcomes as well as the individual performance objectives toward which the employee should be focusing his/her efforts. The employee will be held accountable for his/her performance during the upcoming appraisal period. The discussion should also focus on the development of performance metrics that are quantifiable and results-based for each individual performance objective. Performance objectives should clearly define expectations and differentiate within the performance levels. The performance metrics should define what is expected at the Achieved Expected Results Level.

In developing the performance plan, the rating official shall review and consider the HHS Strategic Plan, OPDIV/STAFFDIV objectives, and any other important goals and measures, such as those identified by customers/stakeholders. Each rating official will ensure that broad HHS and OPDIV/STAFFDIV goals have been explained and cascaded to subordinate staff throughout his/her portion of the organization. These cascaded goals will impact organizational activity as well as individual performance expectations.

Each employee should actively participate in developing his/her performance plan for the appraisal period. The final authority for establishing the performance plan rests with the rating official. Written performance plans are provided to the employee within 30 days of the beginning of the appraisal period, which runs from January 1 to December 31. If an employee enters a position after the start of the appraisal cycle, a performance plan must be established within 30 days of the date the employee enters on duty. This system does not require a second level review of the performance plan. However, at the discretion of the OPDIV/STAFFDIV Head, a second level review may be conducted. The supervisor and the employee will sign and keep a copy of the performance plan.

A tip for establishing the performance plan is to use the term **SMART**:

- **Specific:** Goals and expectations are clearly stated and direct.
- **Measurable:** Outcomes are being achieved in comparison to a standard.
- **Attainable:** Goals or results/outcomes must be achievable and realistic.
- **Relevant:** Goals have a bearing on the overall direction of the organization, including the HHS Strategic Plan.
- **Timely:** Results are measured in terms of deadlines, due dates, schedules, or cycles.

The HHS Employee Performance Plan

The HHS performance plan has two categories of critical elements: (1) Administrative Requirements and (2) Individual Performance Outcomes, which include specific individual management and program outcomes that will contribute to the success of the OPDIV/STAFFDIV's and Department's strategic plans. The Administrative Requirements (Part II.A. of the Performance Plan) will constitute one critical element. Each outcome/result in the Individual Performance Outcomes section (Part II.A. of the Performance Plan) will be a critical element. It is expected that there will be between three (3) and five (5) outcomes/results listed for each employee in the Performance Outcomes section.

Administrative Requirements:

The Administrative Requirements critical element describes successful performance in responsibilities that are common to most supervisory and non-supervisory employees. The areas listed below are covered by this critical element. Supervisors should determine which of these areas apply to each position under his/her supervision. Not every position will include responsibility for every one of these areas.

Performance Management - Performance management includes the process by which an employee is involved in improving organizational effectiveness in the accomplishment of agency mission and goals. For supervisors and team leaders, performance management encompasses planning work and setting expectations, continually monitoring performance, developing the capacity to perform, periodically evaluating and/or rating performance, rewarding excellent performance, and addressing poor performance.

Employee Development - Includes management and employee efforts to enhance individual or staff performance, as well as obtaining skills, knowledge, and abilities for projected assignments, and/or potential future career advancement.

Workforce Activity - Includes planning, organizing, assigning, and/or performing work; allocating resources (if supervisory); adjusting to change; and participating in improvements leading to attainment of organizational goals.

Customer Service - Includes responsiveness to customers as defined by Department and OPDIV/STAFFDIV expectations and standards.

Recovering Improper Payments - Applies only to staff having recovery responsibilities related to grants, procurement, and financial payments.

Individual Performance Outcomes

This critical element category identifies the key individual performance outcomes and specific end-results that contribute to the success of HHS and the OPDIV/STAFFDIV. These results-oriented

outcomes should be consistent with strategic planning initiatives, such as the HHS Strategic Plan and OPDIV/STAFFDIV program goals and objectives. Managers should limit the number of outcomes to the most important aspects of the employee's position, usually three to five.

Performance plans must include one or more outcomes outlined in the HHS Strategic Plan. This cascade approach should ensure that performance plans for all employees support the organizational goals of the agency. The "cascade" element should be identified in the following way under the appropriate outcome in the performance plan: "This element also relates to and supports objectives in the HHS Strategic Plan, specifically [cite the specific objective]."

Each objective should include at least one accompanying metric that is quantifiable and results-based, and each metric should contain a specific target result to be achieved. Metrics should address significant program outcomes and improvements such as: enhanced quality of services and healthcare, new knowledge and insight from research, increased level of performance, and/or improvements in customer satisfaction. All objectives must be achievable by the end of the rating period. If numeric information on performance will not be available by the end of the rating period, it must be clear how success will be measured. Data sources for all metrics must exist currently, or must be on schedule to be available in time to meet the reporting deadline. For metrics that are expressed as comparisons to past performance (e.g., "increase production by 10%"), baseline data must be available.

These requirements must be aligned and directly contribute to the Department's goals and priorities established by the HHS Strategic Plan, Annual Plan, approved budget, and/or OPDIV/STAFFDIV goals and objectives.

V. MONITORING PERFORMANCE

Progress Reviews

There should be continuous feedback between the employee and his/her supervisor. At a minimum, one formal progress review shall be held between the supervisor and the employee, at approximately midpoint in the rating cycle. While only one progress review is required, additional reviews are encouraged to maximize employee feedback. Ratings are not assigned for progress reviews. A written narrative is not required, unless performance is less than Achieved Expected Results. Along with providing an interim assessment of performance, this provides an opportunity for supervisors to discuss and document evolving priorities or other organizational changes impacting employee work assignments.

The supervisor will:

- Discuss, and, as appropriate, document areas needing improvement;

- Discuss with the employee and document any changes to performance goals that may be necessitated by such factors as new program requirements, changes in resource levels, etc;
- Consider any guidance provided by the Assistant Secretary for Administration (ASA) and/or the OPDIV/STAFFDIV Head;
- When appropriate, obtain employee performance feedback from other agency managers and staff. Examples may include: the employee was part of a workgroup headed by another agency manager or staff lead, or the employee was on a rotational assignment or a detail; and
- Provide written documentation if performance on any element is less than Achieved Expected Results, including specific deficiencies and steps needed to bring performance to Achieved Expected Results. This will include reference to unsuccessful efforts made during the performance period, if they occurred. (See Section VII for required action if the employee's performance is determined to be Achieved Unsatisfactory Results).

The supervisor and the employee will sign and retain a copy of the progress review. Section IV of the HHS-704B (performance plan) can be used to document the employee's progress.

Employee Assistance for Less than Achieved Expected Results (AE) Performance

If an employee is rated below the Achieved Expected Results level on any element, the supervisor will provide assistance. Assistance may include, but is not limited to, formal training, on-the-job training, counseling, mentoring, and closer supervision. Assistance may also be provided to employees with higher ratings who seek help to improve or enhance their performance.

VI. RATING PERFORMANCE AT THE END OF THE APPRAISAL PERIOD

At the conclusion of the appraisal cycle the OPDIV/STAFFDIV, in consultation with the ASA Office of Human Resources (OHR), will issue guidance and timelines for the completion of the annual employee evaluations and the submission of performance award nominations. Appraisal process guidance issued by the OPDIV/STAFFDIV will be consistent with all policies, procedures, and requirements set forth in these instructions and will not place limits on the number of ratings issued at any given level. The OPDIV/STAFFDIV appraisal process guidance will be communicated to all OPDIV/STAFFDIV staff.

Between January 1 and February 15 of each year, the rating official will meet with the employee to discuss the rating of record and, if applicable, any needed improvement assistance.

Summary Rating

The rating official provides his/her own assessment of the employee's performance during the rating period under the written performance plan and requirements. The rating official rates each element

performed for the minimum period (90 calendar days) unless the employee did not have a reasonable opportunity to perform a particular element for the minimum period. If the preceding is the case, the element will be marked “Not Applicable.”

A written narrative may be prepared, but is not required, for Achieved Expected Results, Achieved More Than Expected Results, and Achieved Outstanding Results ratings in support of the rating of record. For ratings below Achieved Expected Results, the rating official must prepare a written assessment of an employee’s overall performance. This should include identifying specific performance deficiencies. Section IV of the HHS-704B (performance plan) will be used for this purpose. If an employee’s performance is Achieved Unsatisfactory Results, the supervisor must, at a minimum, give written notice to the employee of his/her failure to demonstrate acceptable performance. In addition, the supervisor must give the employee an opportunity to demonstrate acceptable performance under a Performance Improvement Plan (PIP). Supervisors will consult with the servicing Human Resources Center or respective Labor and Employee Relations Office for assistance in dealing with unacceptable performance. See Section VII below for further information.

This system does not require a second level review of the rating. However, at the discretion of the OPDIV/STAFFDIV Head, the rating official may submit the rating to the reviewing official for concurrence prior to providing the rating to the employee. If the summary rating is Achieved Unsatisfactory Results, a second level review is required prior to issuing a final rating to the employee.

When the appraisal form is presented to the employee, the rating official will conduct a performance discussion. The employee will be asked to sign and date the appraisal form. The employee’s signature does not mean that the employee agrees with its content. In those instances where the employee declines to sign the appraisal form upon receipt of the rating of record, the rating official will indicate such in the appropriate section of the form. The employee will be provided with a copy of the complete final summary rating.

Method for Deriving Summary Ratings

Each employee’s performance will be appraised by the rating official, at least annually, based on a comparison of actual performance with the written critical elements and standards in the employee’s plan.

The guidance below will be followed in determining an overall summary rating:

A rating will be assigned to each critical element (Administrative Requirements and the individual critical elements under the Individual Performance Outcomes). This rating will be based upon the extent to which the employee’s performance met one of the rating level definitions (Achieved Outstanding Results, Achieved More Than Expected Results, Achieved Expected Results, Partially Achieved Expected Results, and Achieved Unsatisfactory Results).

The rating level definitions will be assigned a numerical score as follows:

Critical Element Ratings	Points Assigned
Level 5: Achieved Outstanding Results (AO)	5.00
Level 4: Achieved More than Expected Results (AM)	4.00
Level 3: Achieved Expected Results (AE)	3.00
Level 2: Partially Achieved Expected Results (PA)	2.00
Level 1: Achieved Unsatisfactory Results (UR)	1.00

After rating and assigning a score to each critical element, the rating official will total the points and divide by the number of critical elements, to arrive at an average score (up to one decimal place).

This score will be converted to a summary rating using the following point values:

Critical Element Ratings	Points Assigned
Level 5: Achieved Outstanding Results (AO)	4.50 to 5.00
Level 4: Achieved More than Expected Results (AM)	3.60 to 4.49
Level 3: Achieved Expected Results (AE)	3.00 to 3.59
Level 2: Partially Achieved Expected Results (PA)	2.00 to 2.99
Level 1: Achieved Unsatisfactory Results (UR)	1.00 to 1.99

Exceptions to the mathematical formula:

If an employee receives a Partially Achieved Expected Results rating on one or more critical elements, he/she cannot receive a summary rating of higher than Achieved Expected Results, regardless of the average point score. A summary rating of Achieved Unsatisfactory Results must be assigned to any employee who is rated Achieved Unsatisfactory Results on any critical element.

Rating of Record

A summary rating prepared at the end of the appraisal period will become the rating of record. A summary rating may also be prepared prior to the end of the appraisal cycle. For example, when the employee is reassigned to another position or when the supervisor leaves his/her position. This summary rating will be considered by the rating official in preparing an end-of-the-cycle rating of record. If there are less than 90 days prior to the end of the appraisal cycle, this summary rating will become the rating of record.

Extending the Appraisal Period

If an employee has performed for more than 45 days under a performance plan but less than 90 days prior to the end of the appraisal cycle, the rating period will be extended. For example, if a performance plan is established for an employee on November 1, there would be more than 45 days left in the appraisal cycle, which ends on December 31. In this case, the appraisal period would be extended until January 31, to allow for a full 90 day period on which to base the appraisal.

The rating period will not be extended if the employee has performed less than 45 days under a performance plan prior to the end of the appraisal cycle. For example, if a performance plan is established after November 15, there would be less than 45 days prior to the end of the appraisal cycle, December 31. In this case, the employee would not receive a rating for that cycle.

If the employee was issued a summary rating for another position within HHS, or under another supervisor within HHS earlier in the performance year, the summary rating will become the rating of record. This applies to the employee who has not worked under a performance plan in the new position for at least 90 days.

See Exhibit 2 of this Guide for additional information on ratings for non-standard situations.

Disagreement with the Rating

Employees are encouraged to discuss disagreements with the supervisor/rating official and the reviewing official (if required by the OPDIV/STAFFDIV Head) in an attempt to resolve the issue informally. If the employee disagrees with the rating of record, the rating official must advise the employee of his/her right to respond in writing to the rating. This response will be attached to the rating form, but it will not change the rating assigned by the rating official. An employee may also file a grievance through the HHS or OPDIV/STAFFDIV grievance procedures, as applicable. An employee may pursue EEO complaint procedures, if he/she believes the rating is based on prohibited discrimination. An employee has the option of requesting a second level review by their reviewing official. The reviewing official may make recommendations to the rating official to change or modify the employee's rating levels; however, the final determination rests with the rating official.

VII. USING PERFORMANCE RESULTS

Impact of Performance Outcomes and Results

Successful individual employee accomplishments and contributions enable organizations to meet their goals. These achievements will be considered when determining and assigning final ratings, conferring recognition and rewards, identifying potential training needs, and planning future assignments.

Actions Based on Achieved Outstanding Results, Achieved More than Expected Results, or Achieved Expected Results Performance

Performance awards are an integral part of the performance appraisal process. As such, they are linked to the rating of record, and submitted and considered for approval only at the conclusion of the rating period. Employees whose summary rating is Achieved Outstanding Results will receive a performance award payment up to 5% of salary, including locality payment or special rate supplement. This award is based on the salary as of the last day of the rating period (December 31),

subject to funds availability within the OPDIV/STAFFDIV³. OPDIV/STAFFDIVs may offer employees an option to convert a cash award into time-off equivalent, not to exceed an aggregate calendar year total of 40 hours time off. Any remaining cash balance will be paid out in cash. Employees receiving an Achieved Outstanding Results rating are also eligible for a Quality Step Increase (QSI). However, employees will not receive both a QSI and a cash award for the same performance. Only General Schedule (GS) employees are eligible to receive QSIs. HHS QSIs shall only be awarded based on an employee receiving the highest rating of record (Achieved Outstanding Results) for the previous rating cycle and not for mid-cycle performance accomplishments. Further, a QSI may not be granted to an employee who has received a QSI within the preceding 52 consecutive calendar weeks. QSI's are not automatic and awarded at management's discretion.

Employees whose performance is Achieved More than Expected Results may be eligible for a performance award, at the discretion of the OPDIV/STAFFDIV, up to 4% of salary. Also, employees whose performance is Achieved Expected Results may be eligible for a performance award, at the discretion of the OPDIV/STAFFDIV, up to 3% of salary. However, all employees rated Achieved Outstanding Results must be paid "in full" first. Employees may choose to convert the cash award amount of the performance award into time-off equivalent, not to exceed an aggregate calendar year total of 40 hours time off. Any remaining cash balance will be paid out in cash.

In order to receive a QSI, employees must receive a rating of Achieved Outstanding Results. Employees who receive Partially Achieved Expected Results or Achieved Unsatisfactory Results ratings are not eligible for performance rating-based cash awards or QSIs.

OPDIV/STAFFDIVs may also exercise existing authorities to provide employee recognition for short-term accomplishments using other award types, including, but not limited to, Special Act/Special Service Awards, and Time-Off Awards, as appropriate.

Actions Based on Partially Achieved Expected Results Performance

The Partially Achieved Expected Results level describes performance that is adequate for retention in the position. Supervisors are strongly encouraged to closely monitor an employee who is rated Partially Achieved Expected Results and to offer any assistance needed to bring the employee's performance to the Achieved Expected Results Level. Employees who receive a Partially Achieved Expected Results rating are not eligible to receive a within-grade increase. Supervisors should consult with the servicing Human Resources Center Labor and Employee Relations Office for assistance in dealing with Partially Achieved Expected Results performance.

Actions Based on Achieved Unsatisfactory Results Performance

If performance on any critical element is determined to be Achieved Unsatisfactory Results at any time during the rating period, the supervisor will provide assistance to help the employee improve performance to an acceptable (Partially Achieved Expected Results) level. The supervisor must, at a minimum, give written notice to the employee of his or her failure to demonstrate acceptable

³ The locality payment or special rate supplement as well as funds availability apply to both the Achieved More than Expected Results and Achieved Expected Results performance ratings.

performance and give the employee an opportunity to demonstrate acceptable performance under a Performance Improvement Plan (PIP). This written notification must include:

1. The specific element(s) on which the employee's performance is determined to be Achieved Unsatisfactory Results, including specific examples of how the employee's performance fails to meet this level of performance;
2. The performance requirement(s) that must be met;
3. The specific assistance that will be provided to help the employee improve performance;
4. The specific period of time the employee will be given to demonstrate acceptable performance; and
5. Notification that actions may be initiated to reassign, reduce in grade, or remove the employee if performance does not improve to the Partially Achieved Expected Results level.

Supervisors will consult with the servicing Human Resources Center Labor and Employee Relations Office for assistance in dealing with unacceptable performance.

VIII. TRAINING

Every rating official should be trained in the practical application of the PMAP to ensure its effective administration. Training on developing performance plans, conducting progress reviews, assigning ratings, and using appraisals as a key factor in making other management decisions, will be provided to managers and supervisors. Training will be designed to assure that the performance management process operates effectively. Information sessions will also be held for employees on key aspects of the performance management process. Rating officials are expected to explain the system to subordinate employees in a manner that should enable them to understand the specific aspects of their performance plan and the supervisor's performance expectations.

IX. RECORDKEEPING AND RECORD USES

As part of monitoring performance, supervisors may make notes on significant instances of performance so that the instances will not be forgotten. Such notes are not required by, and will not be under the control of, the Department or any of its OPDIV/STAFFDIVs. Such notes are not subject to the Privacy Act as long as they remain solely for the personal use of the supervisor, are not provided to any other person, are not used for any other purposes, and are retained or discarded at the supervisor's sole discretion.

The retention, maintenance, accessibility, and disposal of performance records, as well as supervisors' copies, will be in accordance with Office of Personnel Management regulations.

Performance records must be retained for five years and transferred with the employee's Official Personnel File when the employee transfers to a new organization in HHS or to another agency.

X. MONITORING AND EVALUATING THE PROGRAM

OHR has responsibility for the ongoing review of the operation of performance management (including performance awards) throughout the Department. Each OPDIV/STAFFDIV has the responsibility for monitoring and evaluating its own performance management program (including performance awards) within the framework of the HHS guidelines.

EXHIBIT I

HHS PERFORMANCE PLAN REFERENCE GUIDE

Performance Plan

All elements of the performance plan are critical and must support the organization’s goals and ultimately the HHS Strategic Plan. The elements must be related to the employee’s duties and responsibilities.

All employees will be rated on the Administrative Requirements critical element (Part II.A. of the plan). The supervisor, along with input from the employee will develop and establish specific outcomes to support Agency strategic initiatives to be included as critical elements in the Individual Performance Outcomes section (Part II.A. of the plan).

Each objective should include at least one accompanying metric that is quantifiable and results-based, and each metric should contain a specific target result to be achieved and clearly distinguish at the Achieved More than Expected Results performance level.

The performance plan should be signed and dated by the supervisor and the employee in Part I.A. prior to implementation.

Progress Review

Supervisors will conduct at least one progress review, at approximately the midpoint in the appraisal cycle. While only one progress review is required, additional reviews are encouraged to maximize employee feedback. The supervisor must provide written documentation if performance on any element is less than Achieved Expected Results. The supervisor and the employee should sign and date Part I.B. after a progress review is conducted. If the employee refuses to sign, the supervisor should annotate the form, “Employee declined to sign. Progress review conducted on [date].”

Performance Appraisal

The supervisor will assign a rating to each critical element (Administrative Requirements and the individual critical elements under the Program Work Plan). The rating level definitions will be assigned a numerical score as follows:

Critical Element Ratings	Points Assigned
Level 5: Achieved Outstanding Results (AO)	5.00
Level 4: Achieved More than Expected Results (AM)	4.00
Level 3: Achieved Expected Results (AE)	3.00
Level 2: Partially Achieved Expected Results (PA)	2.00
Level 1: Achieved Unsatisfactory Results (UR)	1.00

After rating and assigning a score to each critical element, the rating official will total the points and divide by the number of critical elements, to arrive at an average score (up to one decimal place). This score will be converted to a summary rating based on the following point values:

Critical Element Ratings	Points Assigned
Level 5: Achieved Outstanding Results (AO)	4.50 to 5.00
Level 4: Achieved More than Expected Results (AM)	3.60 to 4.49
Level 3: Achieved Expected Results (AE)	3.00 to 3.59
Level 2: Partially Achieved Expected Results (PA)	2.00 to 2.99
Level 1: Achieved Unsatisfactory Results (UR)	1.00 to 1.99

Exceptions to the mathematical formula:

If an employee receives Partially Achieved Expected Results on one or more critical elements, he/she cannot receive a summary rating of higher than Achieved Expected Results, regardless of the average point score. A summary rating of Achieved Unsatisfactory Results will be assigned to any employee who is rated Achieved Unsatisfactory Results on any critical element.

If required by the OPDIV/STAFFDIV Head, the supervisor will submit the rating to the reviewing official for concurrence. The supervisor will conduct a performance discussion with the employee. The supervisor and employee should sign and date Part I.C. The employee will be provided with a copy of the complete final rating of record. If the employee refuses to sign, the supervisor should annotate the form, "Employee declined to sign. Rating discussed and copy provided on [date]."

A copy will be provided to the employee and the original forwarded to the designated individual within the OPDIV/STAFFDIV.

EXHIBIT 2

GUIDE FOR NON-STANDARD SITUATIONS

Situation	Performance Plan	Action To Be Taken
For whatever reason, employee did not have a plan at any time during the entire appraisal period, or did not perform under a plan for 90 days, e.g., employee returning from long-term training.	Establish plan immediately.	If there are more than 45 days left in the appraisal cycle, extend the rating period. If there are less than 45 days, the employee will not receive a rating for that cycle.
Employee moves from one position (A) to another position (B) within 90 days of end of appraisal period.	Establish plan for new position under option (2).	(1) If employee was in position A for at least 90 days, rate employee prior to the position change. This rating will become the final rating of record for the appraisal period; or (2) If employee was not in position A for at least 90 days, or was not under a plan for 90 days in position A, extend the rating period to allow for 90 days in position B and rate the employee at that time if there are more than 45 days left in the appraisal cycle.
Within 90 days of the end of the appraisal period, employee is hired from outside the Government.	Establish plan.	If there are more than 45 days left in the appraisal cycle, extend the appraisal period until the 90 day minimum rating period is reached; then rate employee based on the plan for that period. If less than 45 days, the employee will not receive a rating until the next cycle.
Employee changes positions within HHS during the appraisal period.	Establish plan for new position.	If the plan has been in effect for at least 90 days at the time of each position change, rate the employee. The rating of record for the appraisal period must consider all ratings made during the entire appraisal period.
Employee is detailed or temporarily assigned to another position in HHS, and the time in that position is	Establish plan for detailed position or new position.	If a plan had been in place for at least 90 days, rate at time of position change. Also rate at end of temporary assignment (or detail) if it lasted at least 90 days. Consider all ratings made

expected to be at least 90 days by the end of the appraisal period.		during the appraisal period in preparing the annual summary rating.
Employee is detailed or assigned outside HHS and the time in the outside organization or agency is expected to be at least 90 days.	Make a reasonable effort to see that a plan is given to the employee while at the outside entity.	If a plan had been in effect for at least 90 days, rate at time of position change. Also, the rating official will make a reasonable effort to obtain performance information from that outside assignment, especially if employee was not on a HHS plan for at least 90 days during the appraisal period. At a minimum, the rating official will request a memorandum describing the assignments performed by the employee and an assessment of how well the employee performed the assignments. The HHS rating official will consider all ratings made during the appraisal period in preparing the rating of record.
Before the end of the appraisal period, the employee goes on a long-term training and does not return by the end of the appraisal period.	N/A.	If a plan had been in effect for at least 90 days, rate at time employee goes on training based on established plan.
Employee transfers from HHS to a new agency after serving under a plan for at least 90 days.	N/A.	Rate the employee and submit rating as required by OPDIV/STAFFDIV.