



Director of Administration and Management
**ADMINISTRATIVE
INSTRUCTION**

NUMBER 63

November 9, 2012

Change 1, Effective September 22, 2015

HRD, WHS

SUBJECT: Performance Appraisal System for General Schedule, Federal Wage System, and Certain Other Employees

References: See Enclosure 1

1. **PURPOSE.** This administrative instruction (AI):

a. Reissues AI 63 (Reference (a)) in accordance with the authority in DoD Directive 5110.04 (Reference (b)).

b. Implements Volume 430 of DoD Instruction 1400.25 (Reference (c)) and assigns responsibilities and outlines procedures for the performance appraisal system for covered employees.

c. Implements the guidance provided in paragraph E4.4. of AI 29 (Reference (d)) to allow the use of Time Off Awards (TOAs) as an instrument to reward performance.

2. **APPLICABILITY.** This AI:

a. Applies to General Schedule (GS), Federal Wage System (FWS), and certain other employees, including Schedule C employees assigned to the OSD, the Chairman of the Joint Chiefs of Staff and Joint Staff, and other activities for which operational support is provided by the Washington Headquarters Services (WHS) Human Resources Directorate (HRD), (referred to collectively in this AI as the "WHS-Serviced Components"). Employees of the Pentagon Force Protection Agency (PFPA) for whom pay is administratively determined (AD) are also covered.

b. Does **not** apply to:

(1) Employees outside the United States paid in accordance with local national prevailing wage rates for the area in which employed.

(2) Individuals in the Senior Executive Service (SES), Senior Level, or Scientific and Technical positions.

(3) Individuals occupying excepted service positions for which employment is not reasonably expected to exceed 90 days in a consecutive 12-month period.

(4) Individuals who:

(a) Are serving in positions under a temporary appointment for less than 1 year.

(b) Agree to serve without a performance evaluation.

(c) Will not be considered for a reappointment or for an increase in pay based in whole or in part on performance.

(5) U.S. citizen excepted service employees of the North Atlantic Treaty Organization international staff.

(6) Employees of the Defense Civilian Intelligence Personnel System covered by Volume 2011 of DoD Instruction 1400.25 (Reference (~~de~~)).

(7) Individuals excluded from coverage under other applicable law.

3. POLICY. In accordance with Reference (c), it is DoD policy that:

a. The objective of performance management is to improve individual, team, and organizational performance.

b. Performance management programs are used to:

(1) Communicate and clarify organizational goals to employees;

(2) Identify individual and, where applicable, team accountability for accomplishing organizational goals.

(3) Identify and address developmental needs for individuals and teams.

(4) Assess and improve individual, team, and organizational performance.

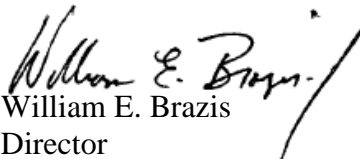
(5) Use appropriate measures of performance as the basis for recognizing and rewarding accomplishments.

(6) Use the results of performance appraisal as a basis for appropriate personnel actions, consistent with merit system principles, pursuant to section 2301 of Title 5, United States Code (Reference (~~ef~~)).

4. RESPONSIBILITIES. See Enclosure 2.
5. PROCEDURES. See Enclosures 3, 4, and 5.
6. RELEASABILITY. **Unlimited**. This AI is approved for public release and is available on the Internet from the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.
7. EFFECTIVE DATE. This AI ÷

~~a. Is~~ effective November 9, 2012.

~~b. Must be reissued, cancelled, or certified current within 5 years of its publication in accordance with DoD Instruction 5025.01 (Reference (f)). If not, it will expire effective November 9, 2022 and be removed from the DoD Issuances Website.~~


William E. Brazis
Director
Washington Headquarters Services

Enclosures

1. References
2. Responsibilities
3. Procedures and Requirements for Performance Appraisal
4. Rating and Rewarding Accomplishments Based on Performance
5. Using the Results of Performance Appraisal as a Basis for Appropriate Personnel Actions

Glossary

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ENCLOSURE 1

REFERENCES

- (a) Administrative Instruction 63, "Performance Appraisal Program for General Schedule, Federal Wage System, and Certain Other Employees," ~~July 1, 1999, as amended (hereby cancelled)~~ *November 9, 2012*
- (b) DoD Directive 5110.04 "Washington Headquarters Services (WHS)," ~~October 19, 2001~~ *March 27, 2013*
- (c) DoD Instruction 1400.25, Volume 430, "DoD Civilian Personnel Management System: Performance Management," ~~December 1996, as amended~~ *August 5, 2014*
- (d) *Administrative Instruction 29, "Incentive and Honorary Awards Programs," July 1, 1999, as amended*
- (~~e~~) DoD Instruction 1400.25, Volume 2011, "DoD Civilian Personnel Management System: Defense Civilian Intelligence Personnel System (DCIPS) Performance Management," August 14, 2009, as amended
- (~~e~~f) Title 5, United States Code
- (~~f~~) ~~DoD Instruction 5025.01 "DoD Directives Program," September 26, 2012~~
- (~~g~~) ~~Administrative Instruction 29, "Incentive and Honorary Awards Program," July 1, 1999, as amended~~
- (~~h~~g) Title 5, Code of Federal Regulations
- (~~i~~h) Executive Order 5396, "Special Leaves of Absence to be Given Disabled Veterans in Need of Medical Treatment," July 17, 1930
- (~~j~~i) DoD Instruction 1400.25, ~~Subchapter~~ *Volume* 451, "DoD Civilian Personnel Management System: Awards," ~~December 1996~~ *November 4, 2013*
- (~~k~~j) Administrative Instruction 33, "Merit Promotion," December 24, 2008
- (~~k~~) Administrative Instruction 37, "Employee Grievances," October 27, 2006

ENCLOSURE 2

RESPONSIBILITIES

1. DIRECTOR, WHS. Under the authority, direction, and control of the Director of Administration and Management, the Director, WHS:

a. Ensures the development, implementation, application, and evaluation of a performance appraisal program, which complies with the DoD Performance Appraisal System pursuant to Reference (c).

b. Establishes the annual awards budget ceiling for the WHS-Serviced Components for payment of performance awards under this AI.

c. Approves monetary awards that would grant more than a gross cumulative total of \$7,500 to a covered employee in a fiscal year (including performance awards and the value of the single-year increase in basic pay as a result of a quality step increase (QSI) under this AI) and monetary awards described in ~~AI-29~~ (Reference (gd)).

2. DIRECTOR, HRD. Under the authority, direction, and control of the Director, WHS, the Director, HRD:

a. Advises and assists rating, reviewing, and approving officials in carrying out their performance management responsibilities.

b. Provides training and orientation on the performance appraisal system for employees and rating, reviewing, and approving officials.

c. Allocates awards budget on a fiscal year basis. Allocations may change during a fiscal year as a result of augmentation or reduction in resources.

d. Reviews performance ratings and performance-based recognition for compliance with applicable laws, rules, regulations, policy, and provisions of this AI.

e. Processes approved summary ratings and performance-based recognition.

f. Updates and maintains employee performance files in accordance with part 293 of Title 5, Code of Federal Regulations (Reference (hg)).

3. WHS-SERVICED COMPONENT HEADS. The WHS-Serviced Component heads:

a. Ensure that total expenditures for performance awards under this AI and incentive awards issued in accordance with Reference (gd) do not exceed the total awards budget allocation.

b. Ensure that TOAs given for performance recognition combined with TOAs for incentive awards issued in accordance with Reference (d), do not exceed the total hours allowed for a leave year.

bc. Approve or disapprove, within the awards budget allocation, nominations for monetary recognition (including performance awards and the value of the single-year increase in basic pay as a result of a QSI under this AI and incentive awards in accordance with Reference (~~gd~~)), for covered employees that would grant a gross cumulative dollar amount not in excess of \$7,500 to an employee in a fiscal year.

ed. Recommend in writing to the Director, WHS (through the Assistant Director for Labor and Management Employee Relations (LMER), HRD) approval of a monetary award that would cause the gross cumulative dollar amount of monetary recognition granted to a GS or FWS employee to exceed \$7,500 in a fiscal year.

(1) This includes performance awards and the value of the single-year increase in basic pay as a result of a QSI under this AI and monetary awards granted through Reference (~~gd~~).

(2) The justification will document the employee's performance and accomplishments and why the employee is deserving of cumulative monetary recognition that exceeds \$7,500 in the fiscal year, and confirm sufficient awards funds are available.

(3) Authority to recommend approval may not be delegated.

de. Approve all ratings and any awards and monetary recognition for Schedule C appointees unless otherwise prohibited (e.g., Executive order). This authority may not be delegated.

ENCLOSURE 3

PROCEDURES AND REQUIREMENTS FOR PERFORMANCE APPRAISAL

1. PERFORMANCE APPRAISAL PARTICIPANTS AND DUTIES. Employees, rating officials, reviewing officials, and approving officials may participate in the performance appraisal process. The associated duties for each participant may include:

a. Employees

- (1) Provide input to the performance plan.
- (2) Take responsibility to continuously improve performance, support team endeavors, develop professionally, and perform at their full potential.
- (3) Ask rating officials for clarification of the performance plan.
- (4) Propose to rating officials changes in the performance plan during the appraisal period, as needed.
- (5) Identify work problems and cooperate with rating officials to resolve them.
- (6) Complete training and development assignments to meet current or future job performance needs.
- (7) Provide a non-mandatory self-evaluation of performance to rating officials during progress reviews and within 7 days of the end of the appraisal period.

b. Rating Officials

- (1) Communicate organizational goals, objectives, and priorities to employees.
- (2) Clearly communicate expected results and convey to employees the alignment of expected results to organizational goals, objectives, and priorities.
- (3) Encourage employees to participate in establishing and revising (as necessary) performance plans.
- (4) Prepare and discuss performance plans with employees and provide employees with a written copy of the plan at the beginning of each appraisal period (or no later than 30 days after the beginning of each appraisal period or assignment of an employee to a position), and when plans are revised during the appraisal period.
- (5) Identify and recommend ongoing processes to professionally develop employees' knowledge, skills, and abilities to enable maximum contribution to organization and mission.

(6) Hold employees responsible for results accomplishment and address poor performance in a timely manner.

(7) Conduct one or more progress reviews with the employee during each appraisal period, in addition to providing regular, candid feedback on the quality of employee performance during the appraisal period.

(8) Review and evaluate demonstrated performance, comparing results achieved with expected results as expressed in critical elements documented on performance plans.

(9) Make meaningful distinctions in performance while preparing performance ratings and any performance-based recognition recommendations in a timely manner, giving consideration to any special ratings, employee's self evaluations, etc.

(10) Discuss approved ratings with employees.

(11) Use the performance appraisal as a basis for appropriate personnel actions.

c. Reviewing Officials

(1) Ensure subordinate rating officials complete performance plans and ratings within organizationally established timeframes.

(2) Review employee performance plans and ratings prepared by rating officials to ensure consistency and equity throughout and across subordinate organizations.

(3) Approve or recommend approval of performance plans and ratings prepared by subordinate rating officials, giving fair consideration to any employee self-evaluation.

(4) Ensure only those employees whose performance exceeds normal expectations are rated above Fully Successful.

(5) Forward performance appraisals recommending monetary recognition *or TOAs* to the appropriate approving official for approval, disapproval, or change.

(6) Forward recommended ratings for Schedule C employees to the WHS-Serviced Component head for approval.

(7) Review requests for reconsideration of a denied within-grade increase and advise the employee of the determination and appeal rights as outlined in paragraph 2e of Enclosure 5 of this AI.

(8) Complete, secure approval of, and communicate approved performance plans, ratings, and performance-based recognition in the absence of the rating official or if the rating official fails to do so.

d. Approving Officials

(1) Resolve any disagreements between subordinate rating and reviewing officials on the establishment of employee performance plans and recommended ratings and performance-based recognition.

(2) Review and act on recommended performance ratings with monetary recognition *or TOAs* in a timely manner, ensuring accuracy and conformance with regulation, policy, and provisions of this AI.

(3) Ensure monetary recognition does not exceed available allocated funds.

(4) Ensure TOAs given for performance recognition combined with TOAs for incentive awards issued in accordance with Reference (d) do not exceed the total hours allowed for a leave year.

~~(4)~~(5) Review and decide on requests for reconsideration of approved ratings. (See section 7 of Enclosure 5 of this AI for reconsideration requests.)

2. PERFORMANCE APPRAISAL. The appraisal process has five components: planning, developing, monitoring, rating, and rewarding. The rating and rewarding processes are covered in Enclosure 4 of this AI.

3. PERFORMANCE PLANNING

a. Performance Plan

(1) The rating official will prepare a performance plan for each employee assigned permanently to a position for 90 days or more, or temporarily to a position for 120 days or more.

(2) Performance plans will identify expected results and measure work outputs and achievements, rather than the work processes and tasks employed to produce the results.

(3) Performance plans will

(a) Reflect the responsibilities and requirements of the position.

(b) Articulate expected outcomes that link job performance to organizational and mission goals.

(c) Be recorded in Part A of DD Form 2799, "Employee Performance Plan and Results Report."

(d) Be approved by the reviewing official.

(e) Be communicated to the employee in writing at the beginning of each appraisal period (or no later than 30 days after the beginning of each appraisal period or assignment of an employee to a position).

(f) Be reviewed periodically by the rating official and the employee and updated as necessary.

(4) Performance plans will be the basis for the performance appraisal and the performance appraisal the basis for performance related decisions.

(5) Performance plans will include critical elements and performance standards that specifically and articulately identify desired results and outcomes; can be realistically accomplished by the employee; achieved within time parameters established; contain specific performance measures (e.g., timeliness, quantity, quality), or other elements and standards that describe performance expectations; and meet legal and managerial requirements.

(6) The performance plan is effective after all ~~signature/acknowledgements~~ *signatures or acknowledgements* are acquired in Part A of DD Form 2799.

b. Employee Participation

(1) Employees are encouraged but not required to participate in developing their performance plan. Employees may participate by:

(a) Using position descriptions, organization mission statements, and any other useful guidance to determine the elements that are critical to the position, and the standards that will appropriately measure performance.

(b) Working with the rating official to develop a draft performance plan jointly.

(c) Providing comments to the rating official who develops the performance plan.

(d) Providing a draft performance plan to the rating official for consideration.

(e) Drafting a proposed performance plan with other employees occupying similar positions with similar duties and responsibilities for the rating official's consideration.

(2) Resolve any disagreement over the content of the plan with the rating official, if possible. The rating and reviewing officials have final approval authority over the content of the performance plan.

c. Critical Elements

(1) Each covered employee will be assigned at least one and normally not more than five critical elements, which address individual performance expectations and expected results.

(2) Critical elements must be specific and articulate relevant performance expectations and expected results that align with the organization's mission and strategic goals.

(3) Collateral duties, such as equal employment opportunity (EEO) counseling, will be considered and depending on employee's position, focus, and time required, factored in by rating officials when establishing or revising an employee's performance plan.

d. Performance Standards

(1) A performance standard or standards describing acceptable performance (i.e., performance at the element rating level "Met") must be established for each critical element. A performance standard or standards may be established at additional levels for each critical element.

(2) A well-defined performance standard describes management's expectations for acceptable performance of a critical element based on the duties and responsibilities of the position and the authority of the incumbent. Performance standards must:

(a) Be reasonable and attainable by a competent employee.

(b) Be set at a level high enough to meet the requirements of the position and motivate the employee toward excellence.

(c) Leave room for the employee to exceed the standard.

(3) A performance standard is expressed as a range of performance to obtain expected results. It is usually measurable in terms of quality, quantity, manner of performance and timeliness; specifies a degree of initiative exercised or supervision required; is time oriented; and assesses effectiveness and impact of interactions with co-workers, customers, and supervisors. Standards must, to the maximum extent feasible, permit the accurate evaluation of job performance based on these elements.

(4) Avoid absolute ~~(pass/fail)~~ *(pass or fail)* standards. Absolute standards mean a single instance of failure results in Unacceptable performance. An absolute standard is only appropriate when a single failure to meet the standard could result in death, injury, breach of national security, or great monetary loss.

(5) Standards of conduct (e.g., for tardiness, absenteeism, insubordination) are not included in performance standards. Similarly, personal traits are rarely appropriate for performance appraisal. Correct conduct problems through disciplinary procedures, not the performance appraisal process.

(6) There may be more than one statement of measures for each element. Combined they comprise the standards for performance of the critical element.

e. Special Requirements

(1) A separate critical element specific to supervisory positions is required. The critical element must include human resources management, creating and sustaining an environment free of harassment, providing equal employment opportunity, a commitment to hiring reform, and continued staff development. Performance plans will also appraise performance on any other critical elements required by law, regulation, or policy.

(2) Rating officials will consult other staff officials (e.g., the Director, HRD, the EEO Officer, the Safety Officer) and team leaders who may have special knowledge of performance during the appraisal period.

(a) Staff officials have no official role in rating, reviewing, or approving performance appraisals for employees other than those under their personal supervision.

(b) Team leaders have no official role in the appraisal process other than to provide documented input of the employee's performance during the appraisal period to the rating official.

(c) Any performance-based information provided by staff officials and team leaders must be documented. Further, if the data is relied upon to any extent by the rating official, it should be provided to the reviewing and approving official for consideration, and made known to the employee during the appraisal process, with a copy provided upon request.

4. EMPLOYEE DEVELOPMENT

a. During the Appraisal Period

(1) Rating officials and employees may identify the need for training or developmental opportunities that would be beneficial to the agency and would enhance the employee's knowledge, skills, or abilities related to the employee's job performance in his or her current position.

(2) HRD has a variety of source catalogs and staff available to assist in addressing developmental needs. In some cases, tuition assistance may be available.

(3) Rating officials will meet with employees and complete Part B of DD Form 2799. Section II of Part B is the "Employee Development Plan."

(4) Classes, training opportunities, developmental assignments or opportunities identified which will advance professional development through increased knowledge, skills, and abilities, and improve or enhance an employee's ability to contribute to organization and mission success may be documented in Part B of DD Form 2799.

b. Tentative Considerations. Training and developmental opportunities listed in Section II of Part B of DD Form 2799 are not an employee entitlement or a commitment that management

will provide opportunities to employees. Appropriate request and approval procedures must be initiated. Requests for training must be determined to be beneficial to the organization and mission, must be requested and authorized, funding must be available and approved; and department, organization, and mission readiness must not be compromised.

5. PERFORMANCE MONITORING

a. Rating officials are encouraged to have on-going discussions with employees concerning performance. As much as possible, progress reviews will be informative and developmental and focus on how to improve future performance.

b. At a minimum the rating official will convey to the employee one progress review approximately midway through the appraisal period. This review will be scheduled and include a discussion of the employee's performance relative to each critical element; changes in priorities, responsibilities, and resources; performance successes; performance deficiencies; how deficiencies may be corrected; and proposals for developing the skills necessary for effective performance. Document the midyear progress review and any other progress review in Part C of DD Form 2799.

c. A review must be scheduled if the employee's assignment changes significantly during the appraisal period. Changes in mission, organization, and technology or priorities; revisions to position descriptions; or changes to performance standards may require revised performance plans.

d. Changes to performance plans must be introduced far enough before the end of the appraisal period (and in no case less than 90 days before the end of the appraisal period) to give the employee an opportunity to meet revised performance standards. Such changes will be implemented the same way the initial performance plan was and documented in Part A of DD Form 2799. The revised plan is effective upon approval by the reviewing official.

e. Refer to paragraph 1c(6)(d) in Enclosure 4 for a discussion of changes in performance plans that occur less than 90 days before the end of the appraisal period.

ENCLOSURE 4

RATING AND REWARDING ACCOMPLISHMENTS BASED ON
PERFORMANCE

1. PERFORMANCE RATING

a. General

(1) Employees may provide a self-evaluation of performance during the appraisal period to the rating official for consideration in preparation of the recommended rating. Self-evaluations must be completed and submitted no later than 7 days after the end of the appraisal period.

(2) Within 20 days of the end of the appraisal period, the rating official must prepare a proposed Part D of DD Form 2799.

(a) The rating official will consider the performance during the entire appraisal period, i.e., the employee's actual performance compared to the current performance plan, performance during the appraisal period under other plans as evaluated in any special ratings under paragraph 1d of this enclosure, and any self-evaluation provided by the employee.

(b) Due weight will be given to such factors as length of time covered by special ratings and summary ratings, similarity between job elements and performance standards, and explanations of employee strengths and weaknesses. Such special ratings, summary ratings, and employee self-evaluations will be attached to the DD Form 2799 (Parts A, B, C, and D if completed) and forwarded to the reviewing official.

(3) To provide oversight, performance ratings and performance-based personnel actions will be reviewed and approved by officials at a higher level in the organization than the rating official.

(a) The rating official will discuss proposed element and summary ratings with the reviewing and approving official(s) before discussing with the employee.

(b) When there is disagreement over the proposed rating, the approving official will resolve it.

(c) When the WHS-Serviced Component head is the rating official, higher level review and approval of ratings above Summary Level 1 and associated awards is not required. When the Secretary of Defense is the rating official, higher level review and approval is not required for approval of any summary rating actions taken based on Unacceptable performance, according to part 432 of Reference (hg) and decisions on requests for reconsideration of negative level of competence determinations pursuant to section 531.410 of Reference (hg).

(4) Ratings of record are approved upon signature by the reviewing official or the approving official if a performance-based award, *TOA*, or QSI is associated to the rating. The rating of record will not be communicated to the employee before approval of the summary rating. All employees should sign and date performance ratings after signature by the reviewing, approving, and rating officials. If an employee refuses to sign a performance rating, the rating official must check the box under the employee signature block in Part D, Section VI of DD Form 2799, then initial, and date as indicated. The rating official provides a copy of the final signed DD Form 2799 to the employee.

(5) The complete original approved DD Form 2799, with all signatures and dates is due in the HRD, LMER no later than 60 days after the end of the appraisal period.

(6) When practical, the DD Form 2799 will be completed, signed, and submitted electronically to LMER. The Assistant Director, LMER, may approve exceptions to this requirement on a case-by-case basis.

(7) Ratings of record will not be:

(a) Issued based on an employee's presumed level of performance without an actual evaluation of the employee's performance during the appraisal period (i.e., presumptive ratings are not permitted).

(b) Carried over from one appraisal period to the next as the rating of record without an actual evaluation of the employee's performance during the subsequent appraisal period.

(c) Produced or changed retroactively to cover an earlier appraisal period. A new or amended rating will not normally be permitted after the deadline for receipt of approved ratings of record in the HRD (i.e., no later than 60 days after the end of the appraisal period) has passed, and, in no case, when more than 6 months have passed since the end of the appraisal period. A rating of record may be produced or changed after the deadline under these circumstances:

1. Within 60 days of the employee's receipt of an approved rating of record based on the decision of the approving official in a request for reconsideration under section 7 of Enclosure 5.

2. As a result of a grievance, complaint, or other formal proceeding permitted by law or regulation that results in a final determination by appropriate authority that the rating of record must be changed or as part of a bona fide settlement of such a formal proceeding.

3. Where the WHS-Serviced Component head determines that a rating of record was incorrectly recorded or calculated.

b. Appraisal Periods. Unless specified otherwise, the minimum appraisal period is 90 days. This means that an employee must have received and been working under an approved performance plan for his or her position at least 90 days before a rating can be prepared. Additionally, an employee must have been assigned to a covered position on the last day of the

appraisal period to be eligible for a performance-based award. A rating will be prepared as of the end of the employee's appraisal period, including extensions, and approved in accordance with applicable instructions.

c. Annual

(1) The standard appraisal period for covered employees at GS and AD grades 12 and below and all FWS employees is normally April 1 of the current year through March 31 of the succeeding calendar year.

(2) The standard appraisal period for covered employees at GS and AD grades 13, 14, and 15 is normally July 1 of the current year through June 30 of the succeeding calendar year.

(3) A rating will also be completed as of:

(a) The date the rating official leaves, if the official's departure is less than 90 days before the end of the scheduled appraisal period and the employee has been under the approved performance plan for his or her position for at least 90 days.

(b) The date the employee is transferred, reassigned, or promoted to another government position, if his or her departure is less than 90 days before the end of the scheduled appraisal period and he or she has been under an approved performance plan for that position for at least 90 days. Performance ratings are not required upon employee retirement or resignation.

(4) Ratings prepared under the circumstances in paragraph 1c(3)(a) and (b) of this enclosure become the current annual performance rating of record when all required management signatures are annotated on the appraisal form. While the due date of the employee's next annual rating is not affected, the appraisal period is lengthened because the employee's next annual appraisal period begins on the effective date of the rating official's departure or the employee's assignment in the new position, or upon the employee's receipt of the approved performance plan for his or her position, whichever is later.

(5) When an employee covered by this AI is assigned to a position, the annual appraisal period commences on the date the employee enters the position by new appointment, transfer, promotion, change to lower grade, or upon receipt of the approved performance plan for his or her position, whichever is later. The ending date of the appraisal period is the date specified in paragraph 1c(1), (2), or (3), as applicable.

(6) Reasons to extend the annual appraisal period:

(a) When an annual rating of record cannot be prepared by the close of the standard appraisal period, the appraisal period is extended for the minimum period (and in no case, for more than 90 days) to meet the conditions necessary to complete a rating of record. The rating of record will be prepared in accordance with this AI.

(b) An extension of an appraisal period does not affect future due dates, it shortens

the next appraisal period (the “from” date) by the length of the extension. When an appraisal period is extended, the rating official must immediately inform the employee and the reviewing and approving official(s).

(c) Situations in which extension may be appropriate are:

1. To meet the 90-day minimum appraisal period.
2. To provide a new rating official an opportunity to observe an employee’s performance against current requirements when information concerning the employee’s past performance is not available.
3. To provide an employee who has been notified of failure to meet the performance standards on one or more critical elements of the position an opportunity to improve performance.

(d) Appraisal periods will not be extended because a performance plan is revised less than 90 days before the end of the scheduled appraisal period if the original plan was in effect for at least 90 days immediately before the revision. In this circumstance, the original plan will be used for the current appraisal period, and the revised plan will be effective as of the beginning of the subsequent appraisal period or upon receipt by the employee, whichever is later.

d. Special Ratings. In the following circumstances, assigned rating officials must rate each critical element and assign a summary level in Part D of DD Form 2799. Special ratings of performance during the appraisal period will be considered by the owning rating official of the employee’s permanent position when completing the employee’s end of year rating. A special rating cannot serve as the basis for a performance award, *TOA*, or QSI recommendation.

(1) Details and Temporary Promotions

(a) When an employee is detailed or temporarily promoted in a component covered by this AI and the detail or temporary promotion is expected to last 120 days or longer:

1. The supervisor of the position to which the employee is detailed or temporarily promoted must provide written critical elements and performance standards on DD Form 2799, to the employee as soon as possible but no later than 30 days after the beginning of the detail or temporary promotion.
2. At the end of a detail or temporary promotion, which lasted for at least 90 days, the temporary supervisor will prepare a special summary rating on DD Form 2799 and discuss the proposed rating with the temporary reviewing official, prior to discussion with the employee.
3. The employee will be given the opportunity to provide written comments on the appraisal prior to the final approval of the rating by the temporary reviewing official. The

temporary reviewing official signs and dates the rating as the temporary approving official after consideration of the employee's comments, if provided.

4. The temporary rating official discusses the approved summary rating with the employee, obtains the employee's signature and date, and provides the employee a copy.

5. The original of the approved special rating is sent to the administrative officer of the employee's component for transmittal to the owning rating official of the employee's permanent position.

(b) When an employee is detailed or temporarily promoted outside of coverage of this AI, the rating official of the employee's position of record must make a reasonable effort to obtain appraisal information from the outside agency if the employee served 90 days or more in an assignment.

(c) When an employee is detailed to a position that is expected to last less than 120 days, the employee's existing performance plan for the permanent position remains in effect. Input from the temporary supervisor should be considered in the final rating prepared by the owning rating official of the employee's permanent position.

(2) Departure of the Rating Official or Employee More Than 90 Days Before the End of the Standard Appraisal Period. A special "close-out" summary rating will be prepared in the following circumstances if the job change or move occurs outside the last 90 days of the standard appraisal period, and if the employee has been assigned a performance plan for a minimum of 90 days.

(a) The rating official ceases to execute oversight of the employee due to the official's job change, resignation, or retirement. The rating official prepares a special "close-out" summary rating on DD Form 2799. The employee receives a copy of the special "close-out" summary rating, which must be approved and signed by the reviewing official. The reviewing official retains the original of the approved special "close-out" summary rating to pass down to the new rating official.

(b) The employee changes position within the organizations covered by this AI. The rating official prepares a special "close-out" summary rating on DD Form 2799. The employee receives a copy of the special "close-out" summary rating, which must be approved and signed by the reviewing official. The original of the approved special "close-out" summary rating is sent to the administrative officer of the employee's component for transmittal to the new rating official.

(3) When Acceptable Level of Competence Determination is Not Consistent with Most Recent Rating of Record

(a) A special summary rating is prepared when an acceptable level of competence determination is not consistent with the employee's most recent rating of record.

(b) The special summary rating becomes the employee's rating of record in accordance with section 531.404 of Reference (hg).

(4) When Performance Improves to Fully Successful Level or Above 90 Days or More After Receiving an Unacceptable Summary Rating

(a) A special summary rating will be prepared when an employee's performance improves to the Fully Successful, Exceeds Fully Successful, or Exceptional level 90 days or more after the assignment of an Unacceptable summary rating.

(b) The new summary rating is prepared when the employee has been under the new performance plan for a minimum of 90 days and performing at the Fully Successful or above level during that period.

e. Critical Element Ratings. When preparing performance ratings, the rating official assigns one of four element ratings--Unacceptable, Met, Exceeded, or Not Rated--for each critical element.

(1) Employees are entitled to the element rating that most accurately describes their performance compared to the performance standard(s) for the element during the appraisal period.

(2) Only use Not Rated when an employee has had no opportunity to demonstrate performance on an element (e.g., performance standard revised too near the end of the appraisal period).

(3) Only elements that are rated are considered in determining the summary rating level. An employee must not be penalized for what they were not permitted or given the opportunity to demonstrate during the appraisal period.

f. Summary Rating Levels

(1) One of the four summary rating levels, based on assigned element ratings, is used to describe the quality of the employee's overall performance. The table at the end of this section lists criteria to use in determining the overall rating.

(2) The rating of record for a disabled veteran will not be lowered because the veteran has been absent from work to seek medical treatment as provided in Executive Order 5396 (Reference (ih)) and section 430.208 of Reference (hg).

(3) When an employee's performance is rated Unacceptable on one or more critical elements, the rating official must notify the employee in writing of the specific nature of the employee's performance deficiencies and take action to assist the employee in improving his or her performance to the Fully Successful level.

(a) Such assistance may include, but is not limited to, formal training, on-the-job training, counseling, and closer supervision.

(b) The employee must be informed in writing that performance of a critical element must reach and be sustained for 1 year at the Met level for retention in the position.

(c) If the employee’s performance remains at the Unacceptable level after a reasonable opportunity to improve (in no case less than 30 days), initiate action to remove the employee from the position based on Unacceptable performance.

(4) Employees are entitled to the summary rating level that most accurately describes their overall level of performance during the appraisal period. Summary ratings reflect results achieved compared to critical elements conveyed in the performance plan.

(5) Pre-established or forced distribution of summary rating levels is prohibited.

Table. Rating Levels

LEVEL	SUMMARY RATING	CRITERIA
5	Exceptional	Exceeds performance standards for all critical elements rated. Is deserving of a summary rating level of Exceptional.
4	Exceeds Fully Successful	Exceeds performance standards for one half or more of critical elements rated. Is deserving of an overall summary rating level of Exceeds Fully Successful.
3	Fully Successful	Less than one half of critical elements rated Exceeded. Is deserving of an overall summary rating level of Fully Successful.
1	Unacceptable	Fails to meet performance standards for one or more critical elements.

g. Inability to Rate

(1) If there is an inability to rate an employee at the end of the appraisal period, no rating of record is recorded for the employee for that appraisal period.

(2) Employees covered by this AI are not ratable in the following situations:

(a) The employee was not given an approved performance plan for his or her position and the rating period may not be extended to accommodate the 90 day minimum appraisal period.

(b) The employee was on long-term training and did not serve under a performance plan for the 90-day minimum appraisal period.

(3) Presumptive ratings are prohibited pursuant to section 430.208 of Reference (~~hg~~).

2. PERFORMANCE-BASED RECOGNITION

a. Awards are tools to acknowledge, motivate, and reward significant achievements or contributions and will be an integral part of performance management.

b. The granting of awards is discretionary, not an entitlement, and subject to approval at the appropriate level above the rating official unless the rating official is the Secretary of Defense, the Deputy Secretary of Defense, or a WHS-Serviced Component head as defined in the Glossary.

c. Employees will not be given the choice of recognition nor advised that they are under consideration for or have been nominated for performance-based recognition.

3. PERFORMANCE AWARDS

a. A performance award is a lump sum cash payment that may be granted to an employee whose most recent rating of record is at least Fully Successful (Summary Level 3).

b. WHS-Serviced Component heads must ensure their annual expenditure for performance awards under this AI, and for Superior Accomplishment, Special Act or Service, and Supervisor's Cash Awards in accordance with Reference (~~gd~~) for GS and FWS employees, is within specified allocations.

c. Subject to the awards budget allocation, the WHS-Serviced Component heads may approve monetary recognition that does not grant a cumulative gross total of more than \$7,500 per fiscal year to employees covered by this AI for performance (including performance awards and the value of the single-year increase in basic pay as a result of a QSI) and other accomplishments in accordance with Reference (~~gd~~).

d. WHS-Serviced Component heads must justify in writing to the Director, WHS, through the Assistant Director for LMER, any cumulative total that would grant covered employees more than \$7,500 in a fiscal year (including the value of the single-year increase in basic pay as a result of a QSI).

(1) The memorandum must document the employee's performance and accomplishments that justify the employee receiving a cumulative monetary recognition (including the value of the single-year increase in basic pay as a result of a QSI) in excess of \$7,500 in the fiscal year.

(2) The memorandum must confirm sufficient awards funds are available within the WHS-Serviced Component's awards allocation to pay the award. The WHS-Serviced

Component head may **not** delegate the authority to initiate such requests. The Director, WHS, is the approving authority.

e. When an award is paid as a percentage of basic pay, the rate of basic pay is the rate in effect on the last day of the employee's appraisal period for which the rating of record was approved.

f. The WHS-Serviced Components are encouraged to recognize performance on a relative basis, so that higher performance awards are approved for employees receiving higher ratings, when compared to awards approved for employees receiving lower ratings in the same unit and at the same grade. Approved performance awards will be expressed in the DD Form 2799 as a dollar value that most appropriately rewards the employee for performance exhibited during the appraisal period. Approving officials must ensure the total value of performance award recommendations in an appraisal period does not exceed the budgeted amount for the organization.

g. Award nominations for Schedule C appointees covered by this AI at the GS-12 and below levels must clearly document performance that is exceptional.

h. No political appointee, Schedule C employee, or non-career SES employee may receive a lump sum cash award (i.e., performance award or special act award). However, those otherwise eligible may receive a QSI, *TOA*, or honorary award for their contribution.

i. During a Presidential election period, a Schedule C appointee may not under any circumstances receive an award in the form of cash or time off pursuant to subchapter 451 of DoD Instruction 1400.25 (Reference *(j)*).

4. QSI

a. A QSI is a faster than normal step increase intended to recognize higher quality performance than is normally performed in the position being rated. A QSI may be granted to covered employees assigned to a permanent position who receive an Exceeded rating on each critical element of his or her performance plan, and a rating of record of Exceptional (Summary Level 5).

b. A QSI becomes part of base pay. As such, it has a prolonged impact and should be based on performance that is characteristic of an employee's overall high quality performance. A QSI may not be granted to an employee who has received a QSI within the preceding 104 consecutive calendar weeks, and then only when the employee is expected to remain in the same position for at least 60 days after the effective date of the QSI, and the high quality performance is expected to continue.

c. Employees appointed to a covered organization or promoted during the appraisal period are not eligible for a QSI.

d. A QSI will not change the effective date of the employee's normal within-grade increase (WGI) except where receipt of a QSI places an employee in the fourth or seventh step of a grade. In these instances, the waiting period for a regular WGI is extended by 52 weeks under the graduated waiting period schedule prescribed in law and regulation in accordance with section 5335 of Reference (ef) and section 531.405 of Reference (hg).

e. A QSI is effective on the first day of the first pay period following approval. If an employee completes the required waiting period and the conditions of eligibility for a WGI which is to be effective on the same date as the approved QSI, the increases shall be processed on that date in the order that will provide the maximum benefit to the employee.

5. TOA

a. A TOA is an additional means of recognizing employee performance. Time off from duty is granted without loss of pay or charge to leave of the employee. The number of hours granted is commensurate with the employee's accomplishments throughout the appraisal period.

b. The TOA may be used alone or in combination with a performance award to recognize an employee's end-of-year performance contributions.

c. A TOA is not counted against the monetary expenditure allotted for performance awards. A 40-hour TOA represents approximately 2 percent of a full-time employee's annual salary.

d. A TOA may not be given in conjunction with a QSI to recognize an employee's end-of-year performance.

e. The WHS-serviced Components are encouraged to recognize performance on a relative basis, so that lengthier TOAs are approved for employees receiving higher ratings, when compared to awards approved for employees receiving lower ratings in the same unit and at the same grade. Approved TOAs will be expressed in the DD Form 2799.

f. Procedures for awarding a TOA are set forth in paragraph E4.4 of Reference(d).

ENCLOSURE 5

USING THE RESULTS OF PERFORMANCE APPRAISAL AS A BASIS FOR
APPROPRIATE PERSONNEL ACTIONS

1. WGIs

a. A covered employee occupying a permanent position classified and paid under the General Schedule who is paid less than the maximum rate of pay of his or her assigned grade is entitled to advancement to the next higher step of the grade or to the next higher rate of pay for that grade (i.e., a WGI). Except as provided in paragraph 2f(2) of this enclosure, a WGI is effective on the first day of the first pay period subsequent to the employee meeting these statutory requirements:

(1) The employee's performance must be at an acceptable level of competence (i.e., the most recent rating of record is at least Fully Successful (Summary Level 3)).

(a) The rating of record used as the basis for an acceptable level of competence determination for a WGI must have been assigned no earlier than the most recently completed appraisal period.

(b) A more current rating of record will be prepared when a WGI decision is not consistent with the employee's most recent rating of record.

(2) The employee must have completed the required waiting period for advancement to the next higher step of the grade of his or her position pursuant to section 531.405 of Reference (hg)).

(3) The employee must not have received an equivalent increase during the waiting period pursuant to section 531.407 of Reference (hg).

b. An employee paid under a regular FWS schedule (including a temporary employee) with a Fully Successful (Summary Level 3), Exceeds Fully Successful (Summary Level 4) or Exceptional (Summary Level 5) rating of record advances automatically to the next higher step within his or her grade (i.e., receives a WGI) at the beginning of the first pay period following the day the employee completes the applicable service in the current step pursuant to section 532.417 of Reference (hg).

2. ACCEPTABLE LEVEL OF COMPETENCE DETERMINATIONS (GS)

a. Basis for Determination. An acceptable level of competence determination is based on a current rating of record. If an employee has been reduced in grade because of Unacceptable performance and has served in one position at the lower grade for at least 90 days under the performance plan for that position, a rating of record at the lower grade will be used as the basis for an acceptable level of competence determination.

b. Delay in Acceptable Level of Competence Determination

(1) An acceptable level of competence determination must be delayed when either:

(a) An employee has not had at least 90 days to demonstrate acceptable performance because he or she has not been informed of the specific requirements for performance at an acceptable level of competence (i.e., received a performance plan) in his or her position, and the employee has not been given a performance rating in any position within 90 days before the end of the waiting period; or

(b) An employee is reduced in grade because of Unacceptable performance to a position in which he or she is eligible for a WGI or will become eligible for a WGI within 90 days.

(2) When an acceptable level of competence determination has been delayed:

(a) The employee is informed that his or her determination is postponed and the appraisal period extended and given a performance plan for his or her position.

(b) An acceptable level of competence determination is made after the employee has been under the performance plan for 90 days and based on the employee's rating of record completed at the end of the extended appraisal period.

(c) If, following the delay, the employee's performance is determined to be at an acceptable level of competence, the WGI will be granted retroactively to the beginning of the pay period following completion of the applicable waiting period.

(d) If, following the delay, the employee's performance is determined not to be at an acceptable level of competence, the rating official must prepare an Unacceptable rating of record and the employee will be given a negative level of competence determination.

c. Waiver of Requirement for Determination

(1) An acceptable level of competence determination can be waived and a WGI granted when an employee has not served in any position for the 90 day minimum appraisal period during the final 52 calendar weeks of the waiting period for one or more of the following reasons:

(a) Absences that are creditable service in the computation of a waiting period or periods pursuant to section 531.406 of Reference (~~hg~~).

(b) Paid leave.

(c) The employee received service credit under the back pay provisions of Part 550, Subpart H of Reference (~~hg~~).

(d) Details to another agency or employer for which no rating has been prepared.

(e) The employee has had insufficient time to demonstrate an acceptable level of competence due to authorized activities of official interest to the agency not subject to appraisal (including but not limited to labor-management partnership activities and serving as a representative of a labor organization).

(f) Long-term training when performance standards were not in place for the 90 day minimum appraisal period.

(2) In any of the situations listed in 2c(1)(a) through (f) of this enclosure, there is a presumption the employee would have performed at an acceptable level of competence had the employee performed the duties of his or her position of record for the 90 day minimum appraisal period.

d. Notice of Determination

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

(2) When the rating official determines the employee is not performing at an acceptable level of competence he or she must complete an Unacceptable rating of record and notify the employee in writing of the negative determination. The notice of negative level of competence determination must include:

(a) The reasons for the negative determination including the critical element(s) and performance standard(s) that have not been met; the specific instances and examples of Unacceptable performance for each critical element at issue; and how the employee must improve his or her performance in order to be granted a WGI.

(b) The employee's right to request reconsideration of the negative determination from the appropriately designated official within 15 days of the employee's receipt of the notice of negative determination.

(c) The employee's right to review the material relied upon to support the negative determination and applicable regulations.

(d) The employee's right to be represented by a person of his or her choosing.

(e) The employee's right to be granted a reasonable amount of official time, if he or she is otherwise in a duty status, to review the material relied upon to support the negative determination and applicable regulations, and to prepare and deliver his or her request for reconsideration.

(f) A copy of the Unacceptable rating of record.

e. Reconsideration of a Negative Determination

(1) Unless expressly addressed in a collective bargaining agreement, the employee or his or her designated representative may request reconsideration of a negative determination from the agency official identified in the notice of negative determination. The request must be in writing and identify the employee by name, title, grade, and organizational unit. The request must also set forth the reason(s) the agency will reconsider the determination and specify, with examples, how the employee performed at the acceptable level of competence in each of the critical elements at issue.

(2) Unless expressly addressed in a collective bargaining agreement, the employee, if otherwise in a duty status, is entitled to a reasonable amount of official time to review applicable material relied upon to support the negative determination, and prepare and deliver the request for reconsideration. The employee must make arrangements in advance with his or her supervisor to use official time for these purposes.

(3) Unless expressly addressed in a collective bargaining agreement, a request for reconsideration must be filed no later than 15 days after the employee's receipt of the negative determination notice. Requests must be filed either by mail, addressed to the LMER, HRD or personal delivery (including e-mail) to the same office, during normal business hours.

(a) The date of a filing by mail is determined by the postmark date; if no postmark date is evident on the mailing, it will be presumed to have been mailed 5 days prior to receipt. If the reconsideration filing is by personal delivery, it is considered filed on the day of personal delivery if filing is delivered before 5:00 p.m. on a normal duty day (not holidays or weekends).

(b) To compute the number of days for filing, the first day counted will be the day after the employee's receipt of the notice of negative determination, and the last day of filing is included in the computation. If the last day for filing falls on a Saturday, Sunday, or federal holiday in the Washington, DC, metropolitan area, the first working day thereafter is the last day for filing.

(c) The time limit to request reconsideration may be extended if the employee shows in writing that he or she was not notified of the time limit and was not otherwise aware of it, or that he or she was prevented by circumstances beyond his or her control from requesting reconsideration within the time limit. A request for waiver of time for filing must be addressed to the Assistant Director, LMER, HRD.

(4) Unless expressly addressed in a collective bargaining agreement, the employee may designate a personal representative to assist in requesting reconsideration of a negative determination. The representative may not be:

(a) A member of the HRD staff; an activity EEO manager, specialist, counselor, or investigator.

(b) Anyone whose service as a representative would result in a conflict or apparent conflict of interest.

(c) Anyone whose position would conflict with the priority needs of the Department of Defense or give rise to unreasonable costs to the government.

(d) Anyone that would cause a conflict with the terms of any applicable collective bargaining agreement that governs representation for employees in an exclusive bargaining unit.

(5) The employee must make all arrangements for and pay all fees and costs associated with representation.

(6) The employee must notify the Assistant Director, LMER, HRD in writing either by mail or personal delivery (during normal business hours), of the designation of a representative, or change in the designation of representative, to include the representative's name, address, and phone number. The written notification must be signed and dated by the employee.

(a) The representative (if employed by WHS and in a duty status) is entitled to a reasonable amount of official time to review applicable material relied upon to support the negative determination and prepare and deliver the request for reconsideration.

(b) The representative must arrange in advance with his or her supervisor to use official time for this purpose.

(7) Unless expressly addressed in a collective bargaining agreement, use of government resources, such as typing assistance, reproduction, word processing, and facsimile transmission equipment; supplies and material (including letterhead, paper, envelopes, mailing labels) in preparing a request for reconsideration is prohibited. Use of any of the foregoing by the employee or his or her representative may result in disciplinary action.

(8) Unless expressly addressed in a collective bargaining agreement when an employee files a request for reconsideration, LMER, HRD will establish an employee reconsideration file, which contains all pertinent documents relating to the negative determination and the request for reconsideration, including copies of:

(a) The written negative determination and the basis therefore (i.e., the rating of record and the documentation relied upon to support the rating (including but not limited to samples of work, memorandums of counseling, and assistance or direction given to the employee)).

(b) The employee's written request for reconsideration.

(c) Any designation or change in designation of representative.

(d) Any request for waiver of time for filing and the response thereto.

- (e) The report of investigation when an investigation is made.
- (f) The memorandum for record (or transcript) of any personal presentation made.
- (g) The designated agency official's decision on the request for reconsideration.

(9) The reconsideration file will not contain any document or information that has not been made available to the employee or his or her designated representative, with an opportunity to submit a written exception to any summary of the employee's personal presentation.

(10) Unless expressly addressed in a collective bargaining agreement, the designated agency official provides the employee with his or her written final decision within 15 days of receipt of the request for reconsideration.

(11) If the negative determination is overturned, the employee is informed, and the effective date of the WGI is retroactive to the original due date.

(12) If the negative determination is sustained, the employee is informed in writing of the reasons for the decision and of their right to appeal the decision to the U.S. Merit Systems Protection Board. If an employee is covered by a collective bargaining agreement and submits a request for reconsideration decision of a sustained negative level of competence determination, the request for reconsideration is reviewable only in accordance with the terms of the agreement.

f. Continuing Evaluation After Withholding a WGI

(1) When a WGI has been withheld, the rating official may at any time prepare a new rating of record of the employee's performance and grant the WGI when he or she determines the employee has demonstrated sustained performance at an acceptable level of competence. However, the rating official must determine whether the employee's performance is at an acceptable level of competence after no more than 52 calendar weeks following the original eligibility date for the WGI. For as long as the WGI continues to be denied, determinations will be made at least every 52 calendar weeks.

(2) When a previously denied WGI is granted in the above circumstances, the effective date of the WGI is the first day of the first pay period after the acceptable level of competence determination is made.

3. PROMOTION. Due weight will be given to performance appraisals and incentive awards in qualification and selection for promotion in accordance with AI 33 (Reference (kj)).

4. TRAINING AND PROFESSIONAL DEVELOPMENT

- a. To the extent practical supervisors will support employee training and professional

development that aligns with performance expectations and organization mission. Supervisors should identify training needs of subordinate employees that lead to improved job performance and skills development that link to improved organizational efficiency and effectiveness.

b. The appraisal process, training and development programs, and ongoing two-way communication are valuable tools to identify opportunities for improving and enhancing an employee's contribution to organization and mission success.

c. Employees are encouraged to seek opportunities for professional development, successfully complete, and apply authorized training. Employees should identify training needed to improve job performance and build skills which increase the efficiency and effectiveness of the organization and mission.

d. Options to meet mission-related organizational and employee development needs include classroom training, on-the-job training, technology-based training, satellite training, employees' self-development activities, coaching, mentoring, career development counseling, details, rotational assignments, cross training, and other developmental activities. Enter such opportunities in Part B of DD Form 2799 at any time during the appraisal period.

5. ACTIONS BASED ON UNACCEPTABLE PERFORMANCE. Unless expressly addressed in a collective bargaining agreement and subject to part 432 of Reference (hg):

a. The employee must be afforded a reasonable opportunity to improve performance to the acceptable level in each critical element deemed to be Unacceptable commensurate with the duties and responsibilities of the position of record.

(1) In no case will the opportunity period be less than 30 days; however, depending on the complexity of the position, the opportunity period may be significantly longer.

(2) As part of the opportunity period, the rating official provides assistance to the employee in improving performance. Such assistance may include but not be limited to counseling, increased supervisory assistance, on-or off-the-job training.

(3) Detailed documentation (including samples of Unacceptable work and assistance provided to the employee) is required.

b. If the employee's performance remains Unacceptable (or again becomes Unacceptable after improvement to the acceptable level) in one or more of the critical elements for which the employee was given an opportunity to demonstrate acceptable performance, action must be initiated to remove the employee from the position. A new opportunity period to demonstrate acceptable performance is not required, with the exception of paragraph 5c of this enclosure.

c. If the employee performs acceptably for a period of 1 year from the beginning of an opportunity to demonstrate acceptable performance in the critical element(s) being performed at an Unacceptable level, and the employee's performance again becomes Unacceptable, or if the

employee's performance on a different critical element not addressed previously becomes Unacceptable, the rating official must give the employee an additional opportunity period to demonstrate acceptable performance before determining whether to propose a removal from the position under this section.

d. Written notice of proposed actions based on Unacceptable performance must be provided to the employee. The proposal notice must identify specific instances of Unacceptable performance on which the proposed action is based and the critical element(s) of the employee's position involved in each instance of Unacceptable performance.

e. The decision to remove an employee from his or her position for Unacceptable performance must be concurred by a higher level official than the one who proposed the action (unless the proposing official is the Secretary of Defense); therefore, within the WHS-Serviced Components, the deciding official is the employee's second or third level supervisor. The written decision must specify:

- (1) The instances of Unacceptable performance on which the action is based.
- (2) Any designation or change in designation of representative.
- (3) Any and all written responses provided by the employee.
- (4) A written summary of the employee's responses if provided orally and not in writing.
- (5) The written notice of decision with supporting reasons specified.

f. If the employee's performance improves to the acceptable level during the notice period, and performance is sustained at the acceptable level for 1 year from the date of his or her receipt of the advance written notice, no action will be taken against the employee for Unacceptable performance. If this occurs, at the end of the 1 year period any entry or other notation of the Unacceptable performance for which the action was proposed is removed from any agency record relating to the employee.

6. REDUCTION IN FORCE

a. Ratings of record shall be used as the basis for granting additional retention service credit in a reduction in force pursuant to part 351 of Reference (hg). No rating of record will be issued for the purpose of affecting an employee's retention standing.

b. An employee's entitlement to additional retention service credit for performance is based on the mathematical average of the employee's three most recent ratings of record received during the 4-year period prior to the date of issuance of reduction in force notices, except as indicated in paragraph 6b(1) of this enclosure.

(1) The Director, HRD, may determine a cutoff date within a competitive area 90 days prior to the issuance of reduction in force notices after which no new ratings of record will be put on record and used for purposes of additional service credit for performance. When the cutoff date is used, an employee receives performance credit for the three most recent ratings of record received during the 4-year period prior to the cutoff date.

(2) To be creditable for purposes of additional retention service credit, a rating of record must have been approved and issued to the employee, with all appropriate reviews and signatures, and must also be on record (i.e., the completed rating of record was received by and processed through HRD).

c. The additional retention service credit for ratings of record put on record is expressed in additional years of service and consists of the mathematical average (rounded in the case of a fraction to the next higher whole number) of the employee's applicable ratings of record (see paragraph 6b of this enclosure), computed on the following basis:

(1) Twenty additional years of service for a rating of record with a Level 5 (Exceptional or equivalent) summary rating.

(2) Sixteen additional years of service for a rating of record with a Level 4 (Exceeds Fully Successful or equivalent) summary rating.

(3) Twelve additional years of service for a rating of record with a Level 3 (Fully Successful or equivalent) summary rating.

(4) No additional retention service credit shall be given for summary rating levels below Level 3 (Fully Successful or equivalent).

d. Additional retention service credit for employees who do not have three actual ratings of record during the 4-year period prior to the date of issuance of reduction in force notices or the 4-year period prior to the cutoff date for ratings of record will be determined as follows:

(1) An employee who has not received any rating of record during the 4-year period receives credit for performance based on the modal rating for the summary level pattern that applies to the employee's official position of record at the time of the reduction in force.

(2) An employee who has received at least one, but fewer than three previous ratings of record during the 4-year period receives credit for performance on the basis of the value of the actual rating(s) of record divided by the number of actual ratings received (and rounded in the case of a fraction to the next higher whole number).

7. REQUEST FOR RECONSIDERATION OF AN APPROVED RATING OF RECORD

a. This process is limited to employees who have received an acceptable summary rating

of record. See section 8 of this enclosure for the grievance process for employees who receive an Unacceptable rating of record. Employees not covered by a negotiated labor agreement may request reconsideration of their approved rating of record or critical element rating. The request for reconsideration must be filed in writing with the approving official within 15 calendar days of the date the employee became aware of the approved rating, as documented in Part D, Section VI, Block 10.d. of DD 2799. The request will include:

- (1) A cover page describing the employee's request for reconsideration of an approved critical element or rating of record, signed, and dated.
- (2) The date of the request for reconsideration; employee's name and organization; work telephone number, and e-mail address.
- (3) The name, address, and telephone number of the employee's representative, if any.
- (4) The date the employee received their rating of record and critical element ratings; the name of employee's rating official and reviewing official.
- (5) A clear and concise statement from the employee stating the specific reason(s) and basis for disagreeing with the rating, based on demonstrated performance in relation to the performance standards for each critical element at issue.
- (6) The element and summary ratings the employee believes are warranted based on his or her demonstrated performance in relation to the performance standards for each critical element at issue, and derivation of the resulting summary rating. Sufficient detail must be included in the request to show how, why, and in what manner the employee's performance warrants a higher rating than the one received, based on demonstrated performance for each critical element at issue.
- (7) Copy of DD Form 2799 employee received, dated, and signed.

b. Filing must be either by personal delivery (including e-mail) during normal business hours to the approving official or by mail addressed to the approving official.

(1) The date of receipt of a filing by personal delivery (including e-mail) is the date the approving official receives the request if package is delivered no later than 5:00 p.m. on a normal duty day (no holidays or weekends)

(2) The date of a filing by mail is determined by the postmark date; if no postmark date is evident on the mailing, it is presumed to have been mailed 5 days prior to receipt.

(3) The time limit to request reconsideration of an approved rating of record may be extended by the approving official if the employee shows in writing that he or she was not notified of the time limit and was not otherwise aware of it; or that he or she was prevented by circumstances beyond his or her control from requesting reconsideration within the time limit. A request for waiver of time for filing must be addressed to the approving official. The approving

official will notify the employee in writing of the decision regarding the additional time request.

c. The approving official must review the request for reconsideration, the rating, and supporting documentation from the rating official and the employee and render his or her written decision to the employee no later than 30 days after receipt of the request.

(1) If the decision is to grant the relief sought by the employee, a new DD Form 2799, using the same dates as the original will be completed and forwarded to LMER, HRD, along with a complete copy of the reconsideration file.

(2) If the decision is not to grant the requested relief, the employee will be informed in writing, with a copy of the decision letter sent to LMER, HRD. The decision of the approving official is final.

d. Use of government resources, such as typing assistance, reproduction, word processing, and facsimile transmission equipment; supplies and material (including letterhead, paper, envelopes, mailing labels) in preparing a request for reconsideration is prohibited. Use of any of the foregoing by the employee or his or her representative may result in disciplinary action. There is no entitlement to official time to prepare a request for reconsideration.

e. Employees may not request reconsideration relating to the identification of critical elements, the performance standards, and the decision to grant or not to grant a performance award, *TOA*, or QSI, or the amount of a *TOA or* performance award.

8. GRIEVANCE OF AN APPROVED RATING OF RECORD

a. Employees who receive an Unacceptable rating of record and are not represented by a union with a negotiated labor agreement may file a grievance under the agency administrative grievance system consistent with AI 37 (Reference (~~k~~)). Employees represented by a union with a negotiated agreement may file a grievance in accordance with the applicable negotiated procedure.

b. Employees may not grieve the identification of critical elements, the performance standards, the decision to grant or not to grant a performance award, *TOA*, or QSI, or the amount of a *TOA or* performance award.

c. Use of government resources, such as typing assistance, reproduction, word processing and facsimile transmission equipment; supplies and material (including letterhead, paper, envelopes, mailing labels) in preparing a grievance is prohibited. Use of any government resources by the employee or his or her representative may result in disciplinary action. Employees are not entitled to official time to prepare a grievance.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

AD	administratively determined
AI	administrative instruction
<i>DCIPS</i>	<i>Defense Civilian Intelligence Personnel System</i>
EEO	Equal Employment Opportunity
FWS	Federal Wage System
GS	General Schedule
HRD	Human Resources Directorate of Washington Headquarters Services
LMER	Labor and Management Employee Relations Division
PFFA	Pentagon Force Protection Agency
QSI	quality step increase
SES	Senior Executive Service
<i>TOA</i>	<i>Time Off Award</i>
WGI	within-grade increase
WHS	Washington Headquarters Services

PART II DEFINITIONS

These terms and their definitions are for the purpose of this AI.

acceptable level of competence. Performance by an employee that warrants advancement of the employee's rate of basic pay to the next higher step of the grade or the next higher rate within the grade of his or her position, subject to the current rating of record assigned from the most recently completed appraisal period being Fully Successful, Exceeds Fully Successful or Exceptional, completion of the requisite waiting period for advancement to the next higher step of the grade of the employee's position, and non receipt of an equivalent increase during the waiting period.

appraisal. The process under which performance is reviewed and evaluated.

appraisal period. The established period of time for which performance will be reviewed and a rating of record will be prepared. The minimum appraisal period is 90 days.

approving official. The individual in the employee's performance appraisal chain who reviews and approves performance ratings and awards when performance-based monetary recognition *or a TOA* has been recommended.

critical element. A work assignment or responsibility of such importance that Unacceptable performance on the element would result in a determination that an employee's overall performance is Unacceptable. Such elements are used to measure performance only at the individual level.

critical element rating. The rating used to describe the appraisal of each critical element of an employee's performance plan, i.e., Exceeded, Met, Unacceptable, or Not Rated.

current rating of record. The rating of record for the most recently completed appraisal period.

day. Calendar day.

equivalent increase. An increase or increases in an employee's rate of basic pay equal to or greater than the difference between the employee's rate of basic pay and the rate of basic pay for the next higher step of that grade or the next higher rate within the grade (part 531.407 of Reference (~~hg~~)).

Exceeds Fully Successful Summary Level 4. Performance of an employee that exceeds performance standards for one half or more of critical elements rated.

Exceptional Summary Level 5. Performance of an employee that exceeds performance standards for all critical elements rated.

Fully Successful Summary Level 3. Performance of an employee that meets an employee's performance requirement(s) or standard(s) at a level of performance above Unacceptable in all critical elements rated.

leave year. Begins on the first day of the first full biweekly pay period in a calendar year. Ends on the day immediately before the first day of the first full biweekly pay period in the following calendar year.

Met (critical element rating). A level of acceptable performance.

modal rating. The summary rating level assigned most frequently among the actual ratings of record that are:

Assigned under the summary level pattern that applies to the employee's position of record on the date of the reduction in force.

Given within the same competitive area, or within a larger subdivision of the area receiving operational support from the HRD, or area-wide, as determined by the Director, HRD.

On record for the most recently completed appraisal period prior to the date of issuance of reduction in force notices or the cutoff date the Director, HRD specifies prior to the issuance of reduction in force notices after which no new ratings will be put on record.

next higher rate within the grade. The rate of basic pay which exceeds a GS employee's existing rate of basic pay by one-ninth of the difference between the minimum and maximum rates of pay for the applicable general schedule grade or special salary rate schedule pursuant to section 5305 of Reference (ef), not to exceed the maximum rate for the grade.

opportunity to demonstrate acceptable performance. A reasonable chance for the employee whose performance has been determined to be Unacceptable in one or more critical elements to demonstrate acceptable performance in the critical element(s) at issue. The minimum duration of an opportunity period to demonstrate acceptable performance is 30 days.

performance. The accomplishment of work assignments or responsibilities.

performance appraisal. The process of reviewing and evaluating the accomplishment of work assignments or responsibilities.

performance appraisal system. DoD-wide policies and parameters established for governing performance appraisal systems in accordance with section 4302 of Reference (ef).

performance award. A lump sum payment to recognize and reward achievement on the basis of performance as reflected in the employee's most recent rating of record.

performance plan. All of the written, or otherwise recorded, performance elements that set forth expected performance. A plan must include all critical elements and their performance standards.

performance rating. The written or otherwise recorded appraisal of performance compared to the performance standard(s) for each critical element on which there has been an opportunity to perform for the 90-day minimum appraisal period. A performance rating may include the assignment of a summary level.

performance standard. The management-approved expression of the performance threshold(s), requirement(s), or expectation(s) that must be met to be appraised at a particular level of performance. A performance standard may include, but is not limited to, quality, quantity, timeliness, and manner of performance.

permanent position. A position filled by an employee whose appointment is not designated as

temporary by law and does not have a definite time limitation of 1 year or less.

Presidential election period. Any period beginning on June 1 in a calendar year in which the popular election of the President occurs and ending on January 20 (Inauguration Day) following the date of such election.

presumptive rating. A rating of record that assumes a level of performance by an employee without an actual evaluation of that employee's performance during the appraisal period.

progress review. Communicating with the employee about performance compared to the performance standards of critical elements.

QSI. An additional faster than normal step increase that may be granted in recognition of high quality performance by a general schedule employee who has not reached the maximum pay rate for the grade in which his or her position is placed and who has not received a performance award *or TOA* for the same appraisal period and who has received an Exceeded rating on each critical element of his or her performance plan and an Exceptional (Summary Level 5) rating of record for the most recently completed appraisal period.

rate of basic pay. The rate of pay fixed by law or administrative action for the position held by an employee before any deductions and exclusive of additional pay of any kind.

rating official. Normally the employee's first level supervisor who prepares the employee's written performance plan and recommended rating.

rating of record. The performance rating prepared at the end of an appraisal period for performance over the entire period and the assignment of a summary level or a more current rating prepared when a within-grade increase decision is not consistent with the most recent rating prepared at the end of an appraisal period pursuant to section 531.404 of Reference (~~hg~~). These constitute the official ratings of record referenced in this AI.

reduction in grade. The involuntary assignment of an employee to a position at a lower classification or job grading level.

removal. The involuntary separation of an employee from employment with an agency.

reviewing official. An individual in the employee's supervisory chain who is normally the rating official's immediate supervisor. This individual reviews recommended performance ratings and approves ratings when no *TOA or* performance-based monetary recognition has been recommended.

special rating. A rating prepared for performance over a period other than the entire annual appraisal period. Special ratings will be considered in preparing the annual rating of record but will not be the basis for granting a performance award, *TOA*, or QSI.

summary level. The overall rating of the employee's performance derived from the critical

element ratings.

Unacceptable Summary Level 1. Performance of an employee that fails to meet established performance standards in one or more critical elements of employee's position. An Unacceptable summary rating must be assigned if and only if performance on one or more critical elements is appraised as Unacceptable pursuant to section 430.208 of Reference (hg).

WHS-serviced Component head. The OSD Principal Staff Assistants (e.g., the Under Secretaries of Defense, Director of Administration and Management, Deputy Chief Management Officer), and the Chairman of the Joint Chiefs of Staff, the Joint Staff the heads of other organizational entities of the Department of Defense that receive personnel and administration support services from WHS (e.g., Director, WHS, and Director, PFFA).