

U.S. NUCLEAR REGULATORY COMMISSION MANAGEMENT DIRECTIVE (MD)

MD 10.67	GENERAL GRADE PERFORMANCE MANAGEMENT SYSTEM	DT-12-05
<i>Volume 10,</i>	Personnel Management	
<i>Part 3:</i>	Performance Appraisals, Awards and Training	
<i>Approved By:</i>	Miriam Cohen Chief Human Capital Officer	
<i>Date Approved:</i>	August 17, 2012	
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<i>Issuing Office:</i>	Office of the Chief Human Capital Officer Human Resources Policy and Programs	
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EXECUTIVE SUMMARY		
<p>Directive and Handbook 10.67 replace Manual Chapter and Appendix 4151.</p> <p>This revision updates organizational titles; removes guidance on awards because it has been incorporated in Management Directive 10.72, “Awards and Recognition”; aligns the roles and responsibilities to the current organization and functions; and incorporates changes in terminology to correspond to language used in Office of Personnel Management regulations. This revision also changes the title from “Non-SES Performance Appraisal System” to “General Grade Performance Management System” but makes no significant changes in existing policy.</p>		

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I. POLICY

It is the policy of the U.S. Nuclear Regulatory Commission to implement and maintain a performance management system for its General Grade (GG) Schedule and prevailing rate employees that promotes excellence and accountability through a focus on results; strengthens the link with strategic planning; clearly and directly links organizational mission/program goals and individual performance and results; and forms the basis for other personnel actions.

II. OBJECTIVES

- Facilitate communication about agency goals, expectations, and accomplishments.
- Identify individual accountability for the achievement of organizational accomplishments.
- Improve individual and organizational effectiveness in the accomplishment of agency missions.
- Guide the execution of basic management and supervisory responsibilities.
- Provide a framework for the use of performance appraisals as a basis for adjusting basic pay and determining performance awards, training and development, and reassigning, promoting, reducing-in-pay, retaining, and removing employees.
- Make meaningful distinctions in levels of employee performance.

III. ORGANIZATIONAL RESPONSIBILITIES AND DELEGATIONS OF AUTHORITY

A. Chairman

Provides overall leadership to the agency's GG Performance Management System.

B. Executive Director for Operations

1. Provides executive leadership and direction for the implementation of the GG Performance Management System.
2. Considers results of reviews of the agency's GG Performance Management System to ensure that it supports mission accomplishment.

C. Inspector General (IG)

Directs the implementation of and approves exceptions to the agency's GG Performance Management System for employees of the Office of the Inspector General.

D. Chief Human Capital Officer (CHCO)

1. Develops, interprets, determines the applicability of, evaluates, and adjusts the NRC's GG Performance Management System with input from management officials and staff, in compliance with all applicable laws and regulations.
2. Provides advice to NRC offices on the implementation of the system and personnel actions and awards based on performance ratings.
3. Approves exceptions to this directive on a case-by-case basis in accordance with applicable laws and regulations.
4. Approves positions that do not require a reviewing official.
5. As appropriate, approves the extension of rating periods other than extensions pursuant to Section I.B, "Requirement for Appraisal," of this handbook.
6. Concurs in the issuance of Performance Improvement Requirements Memorandums (PIRMs) and advance written notices of proposed actions covered by this directive as well as on decisions on such notices.
7. Develops and administers performance appraisal training programs for agency employees, managers, and supervisors.
8. Maintains appropriate employee performance appraisal records in accordance with Federal guidelines and applicable retention schedule.

E. Office Directors and Regional Administrators

1. Implement the system for employees within their respective organizations, consistent with this directive.
2. As appropriate, direct efforts toward developing some common elements and standards for identical or similar positions (e.g., branch chiefs, resident inspectors, administrative assistants).
3. Ensure alignment between individual and agency goals.
4. Ensure that managers, supervisors, and employees under their jurisdiction are trained regarding the requirements of this system so that they can effectively carry out their responsibilities under this directive.
5. Ensure that required appraisals of employee performance within their organizations are conducted in a timely manner and that supervisors evaluate employees in an accurate, rigorous, and consistent manner.
6. With the concurrence of the CHCO and the Office of General Counsel, issue to employees under their jurisdiction advance written notices of proposed actions covered by this directive and decisions on such notices. These responsibilities are normally delegated.
7. May request approval from the CHCO to approve exceptions to this directive for employees under their supervision when unusual circumstances must be considered.
8. Certify in writing to the CHCO that all eligible employees under their supervision have been appraised and that all employees have performance plans in place. In instances where delays in establishing performance plans occur, the certification will provide the date by which all performance plans will be in place.
9. Ensure that employee performance records are maintained appropriately for employees within their organizations.

F. Reviewing Officials

1. Review, revise as necessary, and approve performance plans for employees within their organizations to ensure that they are consistent, reasonable, and aligned with organizational goals. This review occurs before finalizing performance plans with employees.
2. Review, revise as necessary, and approve ratings of record assigned by subordinate supervisors. Reviewing officials may change ratings and must approve all ratings given by the employees' supervisors before ratings are communicated to employees.

3. Review, approve, and/or decide performance based personnel actions within their delegated authority and forward those requiring higher level approval through the appropriate channels.

G. Rating Officials

1. Assure that position descriptions accurately reflect the duties and responsibilities assigned to their employees.
2. Determine and document, in writing, the required performance plans for all positions under their supervision, and update those plans as required.
3. Inform subordinate employees at the beginning of the performance appraisal period, and to the extent practical and needed, throughout the year, of the acceptable level of performance for their assigned positions.
4. Seek input from employees about their performance plans, accomplishments, and development needs.
5. Conduct at least one progress review for subordinate employees at mid-year during the appraisal period.
6. Appraise and rate each employee's performance annually by the stated deadline.
7. Recognize and nominate employees for awards when their performance so warrants.
8. Provide guidance and assistance to employees when their performance falls below the Fully Successful level. With the concurrence of the Chief, Employee and Labor Relations Branch, Office of the Chief Human Capital Officer (OCHCO), issue PIRMs when necessary.
9. Unless otherwise indicated in writing by the office director or the regional administrator, the rating official (normally the employee's immediate supervisor) is designated and authorized to issue advance written notices of proposed performance-based actions.
10. Initiate appropriate action (such as reassignment, reduction in-grade, or removal) when an employee fails to improve Unacceptable performance.

H. Employees

1. Are encouraged to participate with and/or provide input to their supervisors in developing performance plans for their positions and provide information about their accomplishments and development interests. Employee input will be considered by supervisors, as appropriate, when finalizing performance plans and appraisals.

2. Request that supervisors clarify any performance elements or standards not clearly understood.
3. Advise supervisors of circumstances which could impact or inhibit the performance of assigned duties or interfere with established deadlines.
4. Participate in progress reviews and appraisal discussions with their supervisors.

IV. APPLICABILITY

A. Provisions of This Directive and Handbook

The provisions of this directive and handbook apply to GG Schedule and prevailing rate employees. However, for bargaining unit employees, the “Collective Bargaining Agreement Between U.S. Nuclear Regulatory Commission and National Treasury Employees Union” (CBA) provisions take precedence where the provisions of the CBA are in conflict with this directive and handbook.

B. Provisions of The General Grade Performance Appraisal System

The GG Performance Appraisal System covers all NRC employees, except the following:

1. Employees who are not expected to serve in their positions in an active duty status for the required 120 calendar days during the appraisal period. This may include, for example, intermittent employees, as well as employees appointed to time-limited, temporary positions (such as summer hires), some cooperative education employees, and employees on extended leave without pay;
2. Employees in Senior Executive Service (SES), Senior Level System (SLS), and Administrative Judge (AJ) positions. See—
 - (a) MD 10.137, “Senior Executive Service Performance Management System,”
 - (b) MD 10.148, “Senior Level Performance Appraisal System,” and
 - (c) MD 10.153, “Administrative Judges Compensation and Staffing”;
3. Individuals serving without compensation (e.g., on volunteer appointments) (see MD 10.13, “Special Employment Programs”);
4. Consultants, experts, and members of boards and panels appointed under the guidelines presented in MD 10.12, “Use of Advisory Committee Members”;
5. Individuals compensated on a contract or fee basis; and
6. Presidential appointees.

V. DIRECTIVE HANDBOOK

Handbook 10.67 contains the program requirements and procedures for administering the NRC's GG Performance Management System, clarifies the basic parameters of the system, and provides assistance to employees, supervisors, and managers in carrying out their roles and responsibilities regarding performance planning and appraisal processes.

VI. REFERENCES

Code of Federal Regulations

5 C.F.R. Part 293, Subchapter C, "Personnel Records."

5 C.F.R. Part 430, "Performance Management."

5 C.F.R. 430, Subpart B, "Performance Appraisal for General Schedule, Prevailing Rate, and Certain Other Employees."

5 C.F.R. Part 432, "Performance Based Reduction in Grade and Removal Actions."

5 C.F.R. Part 451, "Awards."

5 C.F.R. Part 752, "Adverse Actions."

5 C.F.R. Part 771, "Administrative Grievance System."

Nuclear Regulatory Commission Documents

Current Collective Bargaining Agreement Between U.S. Nuclear Regulatory Commission and National Treasury Employees Union, available at <http://www.internal.nrc.gov/HR/pdf/cba-110109.pdf>.

NRC Management Directives Web Site:
<http://www.internal.nrc.gov/ADM/DAS/cag/mandirs/index.html>.

Management Directives—

10.1, "Appointments, General Employment Issues, Details and Position Changes."

10.6, "Use of Consultants and Experts."

10.11, "Visiting Fellows Program."

10.13, "Special Employment Programs."

10.14, "Employee Trial Period."

10.15, "Merit Staffing Program."

- 10.41, "Pay Administration."
- 10.72, "Awards and Recognition."
- 10.77, "Employee Training and Development."
- 10.99, "Discipline, Adverse Actions and Separations."
- 10.101, "Employee Grievances."
- 10.103, "Reduction in Force for Non-SES Employees."
- 10.137, "Senior Executive Service Performance Management System."
- 10.148, "Senior Level Performance Appraisal System."
- 10.153, "Administrative Judges Compensation and Staffing."

NUREG/BR-0086, Rev. 5, "The Individual Development Plan (IDP) Process,"
October 2008, available at
<http://adamswebsearch2.nrc.gov/idmws/ViewDocByAccession.asp?AccessionNumber=ML090490452>.

Office of the Chief Human Capital Officer Performance Management Web Site:
<http://www.internal.nrc.gov/HR/performance-management.html#bestpractice>.

United States Code

Atomic Energy Act of 1954, as amended (42 U.S.C. 2011 et seq.).

Inspector General Act of 1978, as amended (5 U.S.C. Appendix 3, et seq.).

"Performance Appraisal" (5 U.S.C. Chapter 43).

Privacy Act of 1974, as amended (5 U.S.C. 552a).

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I. GENERAL PROVISIONS

A. Introduction

Handbook 10.67 contains the program requirements and procedures for administering the U.S. Nuclear Regulatory Commission's General Grade (GG) Performance Management System, clarifies the basic parameters of the system, and provides assistance to employees, supervisors, and managers in carrying out their roles and responsibilities with regard to performance plans and appraisals. More detailed implementation procedures, schedules, and best practices are available on the Office of the Chief Human Capital Officer's (OCHCO) performance management Web site at <http://www.internal.nrc.gov/HR/performance-management.html#schedules>.

B. Requirement for Appraisal

1. Eligibility for Appraisal

- (a) By law, performance elements and standards must be established before an appraisal may be conducted. Written performance plans will be established by the supervisor, in consultation with the employee, no later than 30 calendar days after the effective date of the action that placed the employee in the position. This includes details, rotations, and temporary promotions within the NRC that are expected to last for 120 calendar days or more.
- (b) Generally, all covered employees must receive a rating of record by October 31st each year if they have served in a position within the NRC for 120 calendar days during the appraisal period. Typically, the immediate supervisor prepares the appraisal with input from any other supervisors under whom the employee worked during the rating period.

2. Change in Position

- (a) When an employee who has served the required 120 calendar days under an NRC performance plan changes positions during the appraisal period and the new position has different elements and standards, the immediate supervisor of the position the employee is leaving will provide a written close-out appraisal that will be considered by the new supervisor in assigning the annual rating of record. Factors considered by the rating official could include the portion of the appraisal period covered by the former position, the relevance of the plan to the new position, or any other reasonable considerations.
- (b) When a close-out appraisal is given for a period ending less than 120 days before the end of the annual rating period, then the close-out appraisal becomes the rating of record.

3. Details and Temporary Assignments/Promotions Within and Outside the NRC

- (a) Upon completion of a rotation, detail, or temporary promotion of 120 calendar days or more within the NRC, the supervisor to whom the employee was temporarily assigned shall prepare a summary appraisal to be used by the employee's supervisor of record in determining the employee's next rating of record. (Please see additional guidance on handling elements and standards for employees on rotations, details, and temporary promotions on OCHCO Web site at <http://www.internal.nrc.gov/HR/performance/es-rotations-details.pdf>.)
- (b) If an employee is detailed or temporarily promoted outside the NRC, a reasonable effort must be made to obtain appraisal information from the outside organization. The employee's annual rating of record will include consideration of this information, as appropriate.

4. Extending the Rating Period

If an employee has not worked under a performance plan for the required 120 calendar days and therefore cannot be rated at the end of an appraisal period, the period is extended for the amount of time necessary to reach the 120 calendar day requirement. This could apply, for example, to employees new to the NRC or employees on extended leave without pay to serve in the military.

5. Appraising Disabled Veterans

Performance appraisals and ratings of record of disabled veterans may not be lowered because of absence from work to seek medical treatment.

C. Appraisal Period

The performance appraisal period begins on October 1 of each year and ends on September 30 of the following calendar year.

1. Extensions

In unusual situations such as extended illness or leave, reduction-in-force (RIF) notice periods, improvement opportunity periods in accordance with a Performance Improvement Requirements Memorandum (PIRM), when beneficial to the employee and the agency, or other unusual conditions, the Chief Human Capital Officer (CHCO), may approve the extension of a rating period past one year. Employees will be informed promptly regarding any extended or deferred appraisal period applicable to them.

2. Progress Reviews

At least one official mid-year progress review discussion will be conducted each year, generally in April, for all employees who have served in a position for 120 calendar days as of the end of March. Progress reviews are not required, but may be conducted, for employees who have not met the 120-day requirement by the last day of March. Mid-year discussions will include a comparison of the employee's performance with the plan established for the employee's position. The supervisor and the employee will document that the mid-year progress review has been completed by signing and dating the appropriate section of NRC Form 412, "General Grade (GG) Performance Appraisal System Summary Rating Level." The progress review is not grievable. Employees should be given feedback at other times during the year, especially if their performance deteriorates significantly.

3. Office Appraisal Certification

Normally, in early November of each year, office directors and regional administrators will certify in writing to the CHCO that performance appraisals have been completed for all of their employees.

II. GENERAL GRADE PERFORMANCE APPRAISAL PROCESS

A. Agency Performance Appraisal Process

The performance appraisal is a management tool useful in ensuring that the agency's mission and the requirements of each organization are being met by allowing supervisors to guide, measure, track, and provide for improvement of individual employee productivity.

B. Developing Performance Plans

1. Employee Participation

Supervisors should encourage employees to participate in the development of their performance plans. This can be accomplished by whatever process(es)/method(s) the supervisor deems effective and appropriate, including the employee and supervisor developing the plan together, the employee providing a draft plan to the supervisor, the employee commenting on a draft plan provided by the supervisor, or the supervisor obtaining information from a sample of employees who perform similar work. The final performance plan is determined by the supervisor.

2. Performance Plans Provided to Employees

Written performance plans, documented on NRC Form 412, must be provided to each employee no later than 30 calendar days after entry into a position as a result of a new appointment, a change to lower grade, a promotion,

reassignment, detail, or a temporary promotion projected to last for 120 days or longer, and at the beginning of a new rating cycle.

3. Identifying Performance Elements

Performance plans should be based primarily on the requirements of the employee's position and must be clearly and strategically linked with and support organizational goals established in strategic plans, annual performance plans, or other organizational planning or budget documents. Plans should be understandable, results focused, measurable, verifiable, and achievable and should permit meaningful distinctions between levels of performance. In addition to the position description, other resources such as strategic and operating plans, organizational excellence objectives, program goals for given program areas, office specific planning documents, budget data, or other internal management policies or directions may also be considered when developing the performance plan. Additionally, other sources, such as Executive Orders, may prescribe a requirement to include or use performance elements and standards to address specific responsibilities or competencies of certain employees.

4. Identical or Similar Elements

Identical or similar performance elements are appropriate to ensure equity and consistency within and between different offices across the agency when identical or similar positions exist in the same occupational series or where duties, responsibilities, and tasks actually performed are essentially similar (e.g., resident inspectors). Office directors and regional administrators will direct efforts toward consistency in performance elements and standards for these types of positions. Modifications may be made to reflect differences in actual work performed.

5. Critical Elements

The supervisor should list and group similar related duties and/or competencies which, taken together, adequately represent the duties of the position. These duties and responsibilities become the critical elements of the position. A critical element describes "what" is to be done and represents a component of the position that consists of duties and responsibilities that are primary, regular, recurring, and necessary to accomplish the work of the organization. These duties contribute to accomplishing organizational goals and objectives and are of such importance that unacceptable performance in any one element would result in overall unacceptable performance in the position. All performance plans should contain no fewer than three and no more than six elements. Only critical elements should be included in the performance plan.

6. Mandatory Supervisory Element

Supervisors must have at least one element that addresses supervisory effectiveness and holds the manager accountable for the alignment of performance plans to organizational goals. This element must include the following tasks: (a) planning and organizing for current and future workforce requirements; (b) actively engaging in recruiting, interviewing, selecting, developing, rewarding, and utilizing a highly qualified staff; (c) implementing equal employment opportunity and affirmative action; (d) conducting appraisals for subordinates; (e) facilitating successful employee transitions into Federal service or new positions; and (f) establishing an open, collaborative work environment, including considering differing professional views.

7. Performance Standards

- (a) Each element must be accompanied by a set of standards that describes “how” the duties are to be performed and performance measured. Supervisors, giving consideration to employee input, will establish performance standards at the Fully Successful (FS) level for each element.
- (b) Standards should be written clearly and simply and should relate directly to the element. To the extent feasible, standards should be expressed in terms that can be measured or quantified. The absence of a written standard for a specific level of performance does not preclude the assignment of a rating above or below FS. Standards must be attainable and allow flexibility for performance to reflect two levels above as well as two levels below that described at the FS level. Standards for similar positions should be consistent. Generally, it should be possible to exceed standards at the FS level unless a single error could result in serious consequences (e.g., risk to life, safety, or property).

8. Measures Included in the Definition of Standards

Generally, the following four measures are included in the definitions of the standards:

- (a) Quality of Work - Clearly define how accurate or complete the work product must be, and state the manner in which the work must be performed.
- (b) Quantity of Work - Include the acceptable range of output when describing the volume of work expected allowing for contingencies such as resources or emergencies.
- (c) Timeliness - Include deadlines and milestones, when appropriate.
- (d) Supervision required - Describe the normal supervision typical of the FS level.

9. Inclusion of Behavioral Traits

Standards should not be based on general behavioral traits and personal characteristics, such as intelligence or dedication, which cannot be directly observed or objectively assessed.

10. Documenting the Performance Plan

The performance plan will be documented on NRC Form 412 and appropriate continuation pages. With consideration of employee input, the supervisor will prepare the draft plan and will give a copy to the employee prior to submitting the plan to the reviewing official. If there is disagreement over the plan and a mutually agreeable solution cannot be reached, the supervisor's judgment will prevail. The draft plan will be submitted, unsigned, to the reviewing official.

11. Reviewing Official

The reviewing official (usually the second level supervisor) will review the plan for accuracy and consistency with mission requirements and plans for similar positions. In cases of differences of opinion, the reviewing official should discuss the plan with the supervisor, but reviewing officials have authority to make final decisions and to direct that changes be made. After the review and any changes, both the supervisor and reviewing official sign NRC Form 412. Reviewing officials are not required for employees reporting directly to the Commission, for administrative assistants reporting to regional administrators, or for other specified positions exempted by approval of the CHCO.

12. Performance Plans Issued to Employees

(a) Following the review and approval by the reviewing official, the supervisor and employee will discuss the plan, and both will sign and date the original NRC Form 412. The discussion should include any changes directed by the reviewing official. The employee's signature only acknowledges receipt of the performance plan. The plan becomes effective when received by the employee.

(b) If the employee refuses to sign the completed form NRC 412, the supervisor should ask a disinterested party to witness that a copy of the completed form was, in fact, given to the employee. A brief statement should be made on the form, in place of the employee's signature, and the statement should be signed by the supervisor and the disinterested party. The original will be retained by the supervisor.

C. Maintaining Accuracy of Elements and Standards

When significant changes in work assignments, resources, or major shifts in function or priorities have a direct impact on performance plans such that changes are required, modifications should be recorded on the NRC Form 412. Employees should be involved in the discussion of the necessary changes. Significant changes must be approved by the reviewing official and the revised NRC Form 412 signed, dated, and issued to the employee. New elements and standards become effective when the revisions have been approved. Performance plans should generally not be revised within 120 calendar days of the end of the rating period (after May 31). Revisions after May 31 may require extending the rating period.

D. Performance Appraisals and Ratings

1. Annual Rating

- (a) During the month of October each year, unless an extension is required in accordance with Section I.B.4, or an exception has been approved by the CHCO, supervisors will hold performance discussions with each employee under their supervision and will provide appraisals of each employee's performance during the appraisal period, which will become the basis for the rating of record and are documented on NRC Form 412.
- (b) Supervisors should seek input from the employee regarding work products and accomplishments that reflect the employee's overall performance and achievements relevant to each element as well as any summary levels from details, rotations, or temporary promotions relevant to the appraisal period.

2. Individual Element Ratings

Individual elements should be rated using one of the following five levels. Please refer to the glossary in Section VI of this handbook for definitions of each level. The points corresponding to the level will be assigned and will be used to compute the summary level.

- (a) Outstanding (O): 4 points
- (b) Excellent (E): 3 points
- (c) Fully Successful (FS): 2 points
- (d) Minimally Successful (MS): 1 point
- (e) Unacceptable (U): 0 points

3. When There Is Little or No Performance Data

If, in the supervisor's judgment, the employee did not have the opportunity to perform work, or an insufficient quantity of work was available under one or more elements, the supervisor will mark that element NA (Not Applicable) and will provide a brief narrative explaining why such a determination was made. Ratings of "NA" will not be counted against the employee. They are not given a numerical rating or counted among the critical elements in computing the summary level. Note that this provision does not apply to rating employees who simply fail to complete assigned work.

4. Summary Levels

Summary levels are determined by totaling all the points assigned and dividing that figure by the number of elements rated. The quotient determines the summary level in accordance with the following chart:

- (a) Outstanding (O): 3.70-4.00
- (b) Excellent (E): 2.70-3.69
- (c) Fully Successful (FS): 1.70-2.69
- (d) Minimally Successful (MS): 1.0-1.69
- (e) Unacceptable (U)

5. Requirement for Narratives for Ratings

In addition to indicating a rating, the supervisor will prepare a brief narrative for each element, rating performance against the written FS standard. When performance exceeds or does not meet the FS standard, justification should be included that clearly and explicitly justifies the assigned rating.

6. Prohibition on Forced Distribution

By regulation, the method for deriving and assigning a summary level may not limit or require the use of particular summary levels (e.g., quotas).

7. Discussions with Employees

Rating officials may review and discuss as appropriate accomplishments, deficiencies, continued development, and performance with the employee before forwarding the unsigned NRC 412 with the recommended summary level to the reviewing official. However, during the discussion, the supervisor should not commit to how individual elements will be rated, or discuss or share the summary level with the employee. Summary levels that are not ratings of record (e.g., a rating for a detail of more than 120 calendar days) do not require the approval or signature of a reviewing official.

8. Responsibilities of the Reviewing Official

- (a) The reviewing official is responsible for assuring that all subordinate supervisors conduct appraisals in an equitable, accurate, and consistent manner. If the reviewing official determines that a rating is poorly prepared, inconsistent, or fails to provide an accurate rating of the employee's performance, a discussion should be held with the supervisor to resolve the issue.
- (b) The reviewing official is the final approving authority for ratings of record for employees within his/her organization and as such may change ratings for elements and the resultant summary level. Before taking such action, the reviewing official should provide the rating official with the opportunity to support or amend the rating as appropriate. Reasons for making changes must be based on an assessment of performance against the standards on the approved performance plan. After the reviewing official has signed and dated the appraisal, it will be returned to the supervisor to sign, date, and discuss with the employee.

E. Annual Performance Rating Discussion

1. Requirement for Discussions

Performance appraisal discussions must be conducted annually. During these discussions, the rating official meets with each employee to advise him/her of the overall performance assessment for the appraisal period. The rating official should also discuss each individual element and narrative rating and make any recommendations for training, if appropriate. The rating official should use this opportunity to inform the employee how the rating may be used as a basis for making personnel decisions; recognize and reinforce the positive contributions of the employee by identifying areas of strength; and identify areas requiring improvement along with methods of facilitating improvement, if necessary. Progress reviews and performance appraisal discussions also offer opportunities for dialogue about all employees' continued development.

2. Employee's Written Comments

Employees may provide written comments on NRC Form 412. Comments are optional and should be provided within 5 working days of receipt. If the employee's comments provide information that changes the supervisor's original assessment, NRC Form 412 should be revised to reflect the changes and sent back to the reviewing official.

3. Employee's Signature

- (a) The employee signs and dates the NRC Form 412. The signature acknowledges receipt of the rating and confirms that the employee was provided an opportunity to meet with the supervisor to discuss the contents of

the appraisal. The employee's signature should not be interpreted to imply concurrence with the appraisal, narrative, or comments. The annual performance rating is not final until all signatures have been secured. However, if the employee refuses to sign the NRC Form 412, it will become effective 5 working days after receipt by the employee. A disinterested party should be asked to verify that the appraisal was, in fact, issued to the employee, and to make a statement to that effect on the NRC Form 412.

- (b) Each employee will receive a copy of the completed form at the end of the appraisal period. The original NRC Form 412 and any necessary supporting documentation will be forwarded to the CHCO or to the regional administrator, as appropriate, for retention.

4. Rating of Record

The most recent rating of record is the valid rating for official purposes and serves as the basis for personnel actions. See Management Directive (MD) 10.103, "Reduction in Force for Non-SES Employees," which provides for considering the three most recent ratings of record for RIF purposes.

5. Performance Plan for the Upcoming Year

At the beginning of the new appraisal period, a new written performance plan containing elements and standards should be developed and discussed by the supervisor and employee, then reviewed and put in place for the upcoming appraisal period. Discussion of the current appraisal and the new year's requirements may occur simultaneously or sequentially. Normally, the approved plan should be received by the employee within 30 days after the beginning of the rating period.

F. Grievances Associated with Performance

1. Supervisors have the authority to assign duties and responsibilities to employees and to set standards for their performance. Therefore, performance plans are not subject to formal appeal or to agency grievance procedures. However, an employee who disagrees with the rating official's rating of record or other performance rating that includes a summary level may grieve in accordance with the provisions established in MD 10.101, "Employee Grievances." Employees in the bargaining unit are subject to the negotiated grievance procedures in the "Collective Bargaining Agreement Between U.S. Nuclear Regulatory Commission and National Treasury Employees Union" (CBA).
2. When a rating is changed as a result of a grievance, the revised rating will replace the contested rating and will become the rating of record.

G. Impact of Appraisal Information on Personnel Decisions

1. Ratings of record will be used in making decisions regarding the following:
 - (a) recognizing and rewarding employees (see MD 10.72);
 - (b) promoting (see MD 10.15);¹
 - (c) granting or denying within-grade increases (see MD 10.41);²
 - (d) training (see MD 10.77);
 - (e) reassigning, reducing in grade, retaining, and removing employees (see MD 10.99);
 - (f) reductions-in force (RIF) (see MD 10.103), and
 - (g) assisting employees in improving performance.

2. Supervisors are required to take action if an employee's performance falls below FS. Since counseling is the first step in assisting employees to improve performance, discussions focusing on work products and techniques required to perform given assignments should be conducted as soon as it is evident that the employee's performance is not meeting the FS level.
 - (a) Employees should be encouraged to discuss any circumstances that might be contributing to performance problems. Generally, the employee is responsible for bringing any medical conditions or personal problems to the attention of the supervisor.
 - (b) Supervisors and employees should consider training needs which might upgrade the employees' skills, including on the job training, closer supervision, or more specific guidance.

III. PERSONNEL ACTIONS TAKEN AS A RESULT OF UNACCEPTABLE PERFORMANCE

In addition to the considerations described above, if an employee's performance is determined to be Unacceptable in any one element, supervisors are required to provide a

¹ Only an employee whose rating of record meets or exceeds FS can be considered for a noncompetitive career ladder promotion. In considering an employee for promotion under competitive procedures, consideration must be given to the rating of record.

² A supervisor may not grant a within-grade increase to an employee whose current rating of record is below FS. Employees in the bargaining unit are subject to the CBA.

structured performance improvement period of 60 days or longer during which the employee can demonstrate that performance has improved to an acceptable level. The supervisor will prepare a PIRM which will be issued to the employee. Supervisors should consult their OCHCO or regional human resources representative as soon as possible when performance problems arise. Performance-based actions for trial period employees are governed by MD 10.14, "Employee Trial Periods," and/or the CBA.

A. The Performance Improvement Requirements Memorandum (PIRM)

1. The PIRM will—
 - (a) Identify the element(s) for which the employee's performance is Unacceptable.
 - (b) Detail the ways in which the performance is not meeting the standards in the performance plan.
 - (c) Clarify expectations and communicate standards depicting performance at the MS level.
 - (d) Describe how the supervisor will assist the employee in improving performance.
 - (e) Inform the employee of the amount of time allowed to bring performance up to the MS level.
 - (f) State that failure to improve to at least the MS level will result in action to reassign, reduce in grade, or remove.
 - (g) State that failure to improve to the FS level will also result in the denial of a within-grade increase.
2. Notification requirements for denying within-grade increases and the PIRM may be combined in one memorandum.

B. Rating of Record When a PIRM Ends at the End of the Appraisal Cycle

The supervisor is required to complete NRC Form 412 and issue a rating of record only when the opportunity period established by the PIRM ends at the end of the appraisal period, i.e., when the rating of record is normally due, or if required by the provisions of this handbook.

C. Rating of Record When a PIRM Does Not End at the End of the Appraisal Cycle

At the conclusion of a performance improvement period when that period does not end at the end of the appraisal period, the supervisor will determine if performance has improved or remains unacceptable and will issue a memorandum to the employee stating whether the employee's performance has improved to FS or better, to at least the

MS level, or remains unacceptable. If the later is the case, the supervisor will, under the guidance of OCHCO, initiate action to reassign, reduce in grade, or remove the employee from Federal service.

D. Extension of a PIRM

If insufficient information is available at the end of the PIRM period to adequately rate the employee's performance, the PIRM period may be extended. Such extensions are typically granted in 30 day increments.

E. Action at the End of a PIRM - Reassignment of an Employee

Management retains the right to reassign employees at any time based on the needs of the Federal service. Reassignment to another position at the same grade may be the appropriate action in a case where the employee's performance continues to be below FS if management believes the employee will perform successfully in the new position; for example, because of a change in work environment or in the kind of work performed. Such moves must be made in collaboration with OCHCO. Written elements and standards for the new position will be provided by the gaining supervisor.

F. Action at the End of a PIRM – Reduction in Grade or Removal

Either reduction in grade or removal may be the appropriate course of action in cases where performance in one or more elements continues to be unacceptable at the end of the improvement period or extension.

G. Selecting Reduction in Grade or Removal

Reduction in grade would be appropriate when the employee's demonstrated performance meets an acceptable level for performance at a lower grade, as long as the organization can still function effectively. The supervisor will seek guidance from OCHCO in determining if either reduction in grade or removal would be the appropriate action.

H. Legal Authority

The actions discussed above will generally be conducted in accordance with 5 U.S.C. Chapter 43 and implementing regulations, supplemented by these instructions. Management reserves the right to take appropriate performance-based action in accordance with 5 U.S.C. Chapter 75 and implementing regulations. See MD 10.99, "Discipline, Adverse Actions, and Separations."

I. Requirement for Advance Written Notice of Reduction in Grade or Removal

1. Federal law and regulations require that prior to reducing in grade or removing an employee based on unacceptable performance, an advance written proposed notice of reduction in grade or removal be issued to the employee. The advance written notice will be prepared and signed by the proposing official and may not be issued until it has been reviewed and concurred on by the CHCO and the General Counsel, Office of General Counsel, or their designees, as appropriate.
2. The notice must—
 - (a) Provide 30 calendar days advance written notice of the proposed action. Upon the written request of the employee, the deciding official may grant an extension of the notice period, not to exceed 30 days, and may further extend the period only with the approval of the CHCO.
 - (b) Identify specific instances of Unacceptable performance which occurred during the 1-year period ending with the date of the advance written notice on which the proposed action is based.
 - (c) Identify the critical element(s) of the employee's position involved in each instance of Unacceptable performance.
 - (d) Inform the employee of the right to be represented by an attorney or other representative and specify the employee's obligation to notify the deciding official who the representative will be, if any, within a reasonable period of time prior to any oral reply. (The CHCO may disallow any individual to act as an employee's representative if his/her activities as a representative would cause a conflict of interest or position. The decision of the CHCO is final in this matter.)
 - (e) Inform the employee that he/she will be provided with a reasonable amount of official time to prepare an oral and/or written reply to the advance written notice.
 - (f) Identify and provide an address for the deciding official and state that any oral reply will be heard and that any written reply will be received by this individual.
 - (g) State that the employee must provide the oral and/or written reply to the deciding official within 14 calendar days from receipt of the advance written notice and that extensions of time may be granted based on reasonable grounds.
3. If an oral reply is requested, it will be made at a mutually agreed upon date, time, and place.

J. Concurrence on the Decision

Unless the action was proposed by the Chairman or the Executive Director for Operations, a decision by an official at a higher level than the proposing official is normally required before the action may be taken.

K. Transcripts

The record of the action must show that the employee's oral and/or written reply was considered by the deciding official before a decision was made. In some instances a verbatim transcript of any oral reply may be appropriate.

L. Written Decision

The deciding official must provide a written decision to retain in grade, reduce in grade, or remove the employee within 30 days after the expiration of the notice period. The decision may be based only on those instances of Unacceptable performance cited in the advance written notice. If this decision is adverse, it must specify those instances of Unacceptable performance cited in the advance written notice upon which the reduction in grade or removal was based. The decision must state the effective date of the reduction in grade or removal and must clearly state the employee's appeal rights.

M. Purging of Agency Records

If the decision is not to reduce in grade or remove the employee because performance has improved to an acceptable level during the advance written notice period and acceptable performance is sustained for 1 year from the date of the notice, all documentation regarding the proposed action will be removed from all agency records.

N. Employee Appeal Rights

An employee who meets the criteria of 5 U.S.C. 4303 (generally, an employee who has completed his or her trial period), may appeal a performance-based reduction in grade or removal to the Merit Systems Protection Board (MSPB). Bargaining unit employees may appeal to the MSPB or file a grievance in accordance with the negotiated procedures contained in the CBA, but not both.

IV. TRAINING AND DEVELOPMENT FOR EMPLOYEES AND SUPERVISORS

A. Training for Employees

1. Employees may receive training for developmental purposes or to assist them in overcoming deficiencies. Supervisors may use performance ratings as a basis for determining the career training and development needs of their employees since the

annual appraisal may identify areas where remedial or developmental training is necessary for an employee to meet a specific performance standard.

2. Developmental training may be provided to expand the scope or depth of employee's abilities and knowledge to enhance job performance. Within available resources, the interests and desires of employees may influence the type and amount of developmental training provided (see MD 10.77, "Employee Training and Development," for further information on agency supported training and development opportunities).

B. Training for Supervisors

Training on how to write effective performance plans and on the GG Performance Management System will be available to all NRC supervisors and managers to reinforce the principles of the performance appraisal and the relationship of performance appraisals to effective human capital management, including its relationship to training, pay, awards, career promotion, and employee discipline. Supervisors share information and provide training to employees under their supervision.

V. FINAL DISPOSITION OF NRC FORM 412 (RATINGS OF RECORD)

A. Current Rating of Record

The most current rating of record as well as the prior 3 years' ratings of record provided on NRC Form 412 will be maintained in the Electronic Official Personnel Folder (eOPF). Other official performance related documents, such as PIRMS, as appropriate, will be maintained in separate files except when earlier removal is required by the guidance in this handbook or by administrative or judicial proceedings.

B. Transfer of Performance Records

1. When the eOPF is transferred to another agency or to the National Personnel Records Center, performance ratings of record that are 3 years old or less and the performance plan upon which the most recent rating of record was based and any summary levels written as a result of the employee having changed positions will be included.
2. These files will be maintained in accordance with and access governed by the provisions of the Privacy Act and the NRC System of Records Notice.

VI. GLOSSARY

Appraisal

The act of reviewing and evaluating the performance of an employee against the described performance standards.

Appraisal Period

The period of time established by the appraisal system during which an employee's performance will be reviewed and a rating of record will be prepared.

Close-out Appraisal

A performance rating prepared after an employee, who has served at least 120 days under a performance plan, moves to another position having a different performance plan. See Rating. Close-out appraisals are normally considered by the new supervisor when deriving a rating of record.

Critical Element

A component of a position consisting of one or more duties and responsibilities which contributes toward accomplishing organizational goals and objectives and which is of such importance that Unacceptable performance on the element would result in Unacceptable performance in the position. Only critical elements should be included in performance plans.

Employees

Incumbents of all General Grade (GG) and prevailing rate (WG, WL, WP, WS, XP, XL, and XS) positions.

Form NRC 412, "General Grade (GG) Performance Appraisal System Summary Level"

The form on which elements, standards, appraisals, and summary levels are documented. The NRC Form 412 is also used for prevailing rate employees.

General Grade Performance Management System

The description of NRC's program and methods which integrate performance, pay, and awards systems with its basic management functions for the purpose of improving individual and organizational effectiveness in the accomplishment of agency mission and goals. The NRC's General Grade Performance Management System is an OPM approved program, established in accordance with Subchapter 1 of Chapter 43, Title 5 U.S.C., and 5 CFR Part 430 of OPM regulations, and provides for the identification of

critical elements, establishment of performance standards, communication of elements and standards to employees, establishment of methods and procedures to appraise performance against established standards, and appropriate use of appraisal information in making personnel decisions.

Individual Element Ratings

Ratings which indicate the degree to which the employee has attained the performance standard for that element. Each individual element is considered “critical” and will be assigned one of the following ratings: Outstanding, Excellent, Fully Successful, Minimally Successful, or Unacceptable.

Office Director

For purposes of this handbook, unless expressly stated otherwise, the term “Office Director” encompasses regional administrators, the Chairman, the Commissioners, Executive Director for Operations, and chairs of boards, panels, and committees with reference to employees under their supervision.

Performance

An employee’s accomplishment of assigned work and responsibilities.

Performance Award

A performance-based lump-sum cash payment, time off award, combination of cash and time off, or High Quality Increase granted to an employee based on the employee’s rating of record. A performance-based cash award does not increase base pay.

Performance Plan

The aggregation of all an employee’s written critical elements and performance standards, commonly referred to as “elements and standards.”

Performance Standard

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

Progress Review

A review of and communication with the employee about performance compared to performance standards. This is not a formal rating.

Rating

The written, or otherwise recorded, appraisal of performance compared to the performance standards for each critical element on which there has been an opportunity to perform for the minimum period. A performance rating may include the assignment of a summary level.

Rating Official

Normally, the employee's immediate supervisor who has the responsibility for appraising an employee's performance against his/her established performance plan and assigning a summary level.

Rating of Record

The employee's annual performance rating normally prepared at the end of an appraisal period for performance of assigned duties over the entire period and the assignment of a summary level. This is normally the rating given in October but may also include ratings given after extended rating periods, ratings revised as a result of a grievance, ratings given to reconcile any differences between a within-grade determination and an employee's most recent rating of record, or close-out appraisals given after an employee changes positions and when there is less than 120 days left in the rating period.

Reviewing Official

Normally, the employee's second level supervisor and the rating official's immediate supervisor. The reviewing official is the approving official for the performance plan and the rating of record. Summary levels that are not ratings of record (such as those given at the end of details or rotations) do not require review or approval by the reviewing official.

Summary Level

The overall level assigned to the written record of the appraisal after individually rating each critical element. Definitions of the five approved summary levels follow:

1. *Outstanding* means performance of rare and exceptional quality, with a very high quantity of work completed significantly ahead of established schedules or deadlines, under minimum supervision.
2. *Excellent* means performance of unusually good or high quality with a high quantity of work produced ahead of established schedules or deadlines, with less than normal supervision.

3. *Fully Successful* means performance which is of good quality, with the expected quantity of work that meets deadlines or schedules for completion of work.
4. *Minimally Successful* means performance that is not “Unacceptable” but needs improvement to reach the Fully Successful level. This may be evidenced by the need for close supervisory review, discussion, training, and/or correction of work products. When performance falls below Fully Successful, the supervisor must assist the employee in improving their performance.
5. *Unacceptable* means performance that fails to meet established performance standards in one or more critical elements. An Unacceptable rating on any one element mandates and overall Unacceptable rating. When performance is unacceptable, action must be taken consistent with required procedures, to assist the employee in bringing performance up to an acceptable level.