

PERFORMANCE MANAGEMENT SYSTEMS

- 1. REASON FOR ISSUE:** To revise Department of Veterans Affairs (VA) procedures regarding performance management systems.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This handbook contains VA policy on performance management. The pages in this issuance replace the corresponding page numbers in VA Handbook 5013. Revised text is contained in [brackets]. These changes will be incorporated into the electronic version of VA Handbook 5013 that is maintained on the [Office of Human Resources Management Web site](#). This revision clarifies the use of VA Form 3482e for Title 38 employees whose performance is appraised through the Veterans Health Administration Executive Career Field Performance Plan.
- 3. RESPONSIBLE OFFICE:** Employee Relations and Performance Management Service (051), Office of the Deputy Assistant Secretary for Human Resources Management.
- 4. RELATED DIRECTIVE:** VA Directive 5013, Performance Management Systems.
- 5. RESCISSIONS:** None

CERTIFIED BY:

**BY DIRECTION OF THE SECRETARY
OF VETERANS AFFAIRS:**

/s/
Roger W. Baker
Assistant Secretary for
Information and Technology

/s/
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PART I. TITLE 5 PERFORMANCE APPRAISAL PROGRAM

1. COVERAGE. This part applies to the process used to appraise the performance of the following Department of Veterans Affairs employees: (**NOTE:** *This policy applies to bargaining unit employees, unless negotiated provisions in National Agreements and Memoranda of Understanding provide otherwise*):

- a. General Schedule employees, including employees covered by the Performance Management and Recognition System Termination Act of 1993.
- b. Federal Wage System employees.
- c. Scientific and Technical (Senior Level) employees paid under 5 U.S.C. 5376.
- d. Full-time, part-time and intermittent hybrid Title 38 employees appointed under 38 U.S.C. 7401(3) or 7405(a)(1)(B).
- e. Veterans Canteen Service employees appointed under 38 U.S.C., chapter 78.
- f. Temporary and Term employees, except as specifically excluded.
- g. All Veterans Health Administration (VHA) employees [whose performance is appraised using VA Form 3482e], except that Title 38 employees appraised using VA Form 3482e are covered by provisions in Part II of this handbook for the purpose of counseling and poor performance.

2. EXCLUSIONS. This part excludes the following:

- a. Officers appointed by the President, by and with the advice and consent of the Senate, or by the President alone, to positions for which rates of basic compensation may exceed the maximum rate provided in the General Schedule.
- b. Employees in the Senior Executive Service.
- c. Full-time, part-time, and intermittent physicians, dentists, chiropractors, nurses, nurse anesthetists, optometrists, podiatrists, physician assistants, expanded-function dental auxiliaries appointed under 38 U.S.C. 7401(1), 7405(a)(1)(A), or 7406, and individuals appointed under 38 U.S.C. 7306 in the Office of the Under Secretary for Health.
- d. Non-U.S. citizens employed at the VA Regional Office, Manila, Republic of the Philippines, who are paid according to local prevailing wage rates.
- e. Temporary employees in the excepted service for which employment is not reasonably expected to exceed 90 days in a 12-month period.
- f. Members of the Board of Veterans' Appeals and the Board of Contract Appeals.

- g. Veterans Benefits Administration (VBA) non-executive directors.
- h. Veterans Health Administration (VHA) Associated Health Trainees.

3. GENERAL PROVISIONS

a. Performance will be rated for each element as Exceptional, Fully Successful, or Less Than Fully Successful, and at a summary level as Outstanding, Excellent, Fully Successful, Minimally Satisfactory, or Unsatisfactory, which correspond to Levels 1 through 5--Pattern H. (See VA Handbook 5013, Part I, Appendix A, subparagraph 5d.)

b. The results of the performance appraisal are used as the basis for granting within-grade and quality step increases, and for determining performance awards, as well as training, rewarding, reassigning, promoting, reducing in grade, retaining and removing employees.

c. The appraisal period is the one-year period that begins on October 1 and ends on September 30 unless otherwise designated by an Under Secretary, Assistant Secretary, or Other Key Official. In the case where a change in rating cycle is being made, notification will be issued establishing and defining an alternative appraisal cycle.

d. The performance management [system] for VBA non-executive directors is contained in VA Handbook 5013, Part I, Appendices D and E.

e. Performance plans will be documented on VA Form 0750, [] or VA Form 3482e [] as appropriate.

4. EVALUATION. Administration Heads, Assistant Secretaries and Other Key Officials will periodically evaluate the effectiveness of performance management within their respective organizations. The Deputy Assistant Secretary for Human Resources Management will analyze and evaluate the overall effectiveness of VA's performance appraisal program and recommend modifications as necessary.

5. DEFINITIONS

a. **Achievement Level.** The overall level of accomplishment for each element as measured against the pre-established performance standards. Achievement levels are defined as follows:

(1) **Exceptional.** All Fully Successful performance standards for the element are significantly surpassed. This level is reserved for employees whose performance in the element far exceeds normal expectations and results in significant contributions to the organization.

(2) **Fully Successful.** Performance standards for the particular element when taken as a whole are being met. This level is a positive indication of employee performance and means the employee is effectively meeting performance demands for this component of the job.

(3) **Less Than Fully Successful.** A level of performance that does not meet a standard established for the Fully Successful level. Assignment of this achievement level means that performance of the element is not acceptable.

b. **Appraisal.** The process under which performance is reviewed and evaluated.

j. Approval Officials will be informed when the final review and approval process for ratings and awards has been completed and certified. At this point, the Approval Officials and Raters will ensure that all ratings documented on the original rating form are forwarded to the servicing Human Resources (HR) office and/or fiscal office for processing. The Approval Official is responsible for ensuring that the Rater provides the employee with a copy of the completed rating form no later than 60 days following the end of the appraisal period, and discusses the basis for the rating with the employee. If the employee is dissatisfied with the appraisal/rating, he/she may informally discuss the matter with the Rater and/or Approval Official. If still dissatisfied, the employee may formally grieve the rating under the appropriate negotiated procedure, if applicable, or paragraph 11 of this part.

k. The servicing HR office will code approved performance ratings and awards into the PAID system as soon as possible but not later 90 days following the end of the rating period.

l. Performance under critical and noncritical elements will be used in deriving a summary level.

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

n. The method for deriving and assigning a summary level may not limit or require the use of particular summary levels. [Title 5 CFR 430.208(c) prohibits] forced distribution of performance ratings [].

9. PROCEDURES FOR DETAILS, TRANSFERS AND OTHER CIRCUMSTANCES. The intent of the performance appraisal is to appraise an employee's performance covering an entire rating period. To do so, the following procedures will be used to assure continuity throughout the appraisal process:

a. **Employee Position Changes.** When an employee changes positions within VA, a performance (summary) rating will be prepared by the Rater, shared with the employee and forwarded to the servicing human resources office or to the gaining organization.

b. **Rater Leaves or Changes Positions.** Before a Rater leaves or changes positions, he/she will prepare a summary rating for each employee under his/her supervision, provide a copy of the rating to his/her employees and will forward the completed rating form to the servicing human resources office or higher level management official within the organization.

c. **Employee Transfers to Another Agency.** Before an employee transfers to another Federal agency, the Rater will complete a performance (summary) rating and forward it to the servicing human resources office for inclusion in the employee's Employee Performance File.

d. **Employee Not Under Performance Plan for Minimum Appraisal Period.** When an employee has not served under a performance plan for his/her position of record for 90 days by the end of the appraisal period because of a position change, career promotion, appointment or any other reason, either:

(1) The appraisal period will be extended to provide for the minimum appraisal period and a rating of record will be prepared at that time. The Rater may take into consideration any summary ratings provided by the employee's previous Rater(s) in determining the rating of record; or

(2) The Rater may utilize any performance rating prepared by a previous Rater as the rating of record by concurring with it.

[]

[e]. **Rater Not in Position for Minimum Appraisal Period.** As long as sufficient information is available on which to appraise an employee's performance that covers a 90-day minimum period, there is no requirement that a Rater occupy his/her position for a specific length of time. However, if a performance rating is not available or is not sufficiently developed to permit an appraisal, the appraisal period will be extended to provide for performance under the Rater for the minimum appraisal period.

[f]. **Employee Detailed or Temporarily Promoted.** When an employee is detailed or temporarily promoted, a performance plan will be provided for the position to which he or she is detailed or promoted. If the detail or temporary promotion lasts for 120 days or more, a performance rating will be prepared at the conclusion of the detail or temporary promotion that appraises the employee's performance while in the temporary position. A copy of this rating shall be shared with the employee and then forwarded to the servicing human resources management office or employing organization for consideration at the end of the appraisal period. For employees temporarily assigned outside VA, every effort will be made to obtain similar information about the employee's performance.

[g]. **Employee Service on a Performance Improvement Plan (PIP).** Employees who have been given a notice of unacceptable performance and an opportunity to improve performance, will have their ratings of record postponed until the performance improvement period expires.

10. REWARDING PERFORMANCE. Eligibility for performance awards and quality step increases will be based on annual ratings of record. These awards are described in VA Handbook 5017, employee Recognition and Awards.

a. Performance appraisal information will be considered in merit promotions, reassignments, or other placement actions, to the extent that performance elements are related to the knowledge, skills, abilities and other characteristics of the position being filled.

b. Performance appraisal information can assist in the identification of specific training needs that, if met, can improve and enhance employee work skills. It can also be used by supervisors in formulating individual development plans for their employees.

c. Annual performance ratings of record are one of several factors that determine retention standing in an employee's competitive level in reduction in force (RIF). (See 5 CFR 351.504.) Additional service

3. COVERAGE. This policy applies to the following VA employees:

- a. General Schedule employees, including employees covered by the Performance Management and Recognition System Termination Act of 1993.
- b. Federal Wage System employees.
- c. Scientific and Technical (Senior Level) employees paid under 5 U.S.C.5376.
- d. Full-time, part-time and intermittent hybrid Title 38 employees appointed under 38 U.S.C. 7401(3) or 7405(a)(1)(B).
- e. Nonappropriated fund Veterans Canteen Service employees appointed under 38 U.S.C., chapter 78.
- f. Temporary and term employees, except as specifically excluded.

4. EXCLUSIONS

- a. Officers appointed by the President, by and with the advice and consent of the Senate, or by the President alone, to positions for which rates of basic compensation may exceed the maximum rate provided in the General Schedule.
- b. Employees in the Senior Executive Service.
- c. Physicians, dentists, nurses, and other employees in the Veterans Health Administration whose pay is fixed under 38 U.S.C., chapter 74. (See part II of this handbook.)
- d. Employees in the Veterans Health Administration appointed under 38 U.S.C., chapter 73.
- e. Non-U.S. citizens employed at the VA Regional Office, Manila, Republic of the Philippines, who are paid according to local prevailing wage rates.
- f. Temporary employees in the excepted service for which employment is not reasonably expected to exceed 90 days in a 12-month period.
- g. Members of the Board of Veterans' Appeals.
- h. Members of the Board of Contract Appeals.
- i. [Title 38 employees whose performance is appraised using VA Form 3482e.]