

OCHR FACTSHEET

Appraisal Period End of Year Process Interim Performance Management System

Issued: September 2011

PERFORMANCE MANAGEMENT

This Fact Sheet:

- Provides guidance on how to complete end-of-year activities for the performance appraisal cycle
- Explains how the OPM/OMB awards restrictions apply
- Applies to positions covered by the Interim Performance Management System

Background

The FY11 (fiscal year) appraisal period ends 30 September 2011 for employees in positions covered by the Interim Performance Management System. Organizations should begin preparing for end-of-year activities as described below. Additionally, organizations with employees covered by the Interim Performance Management System should be aware of the changes to the awards budgets as described in the Department of the Navy (DON) Policy Memorandum *Guidance on Awards for Fiscal Years 2011 and 2012* from 15 July 2011. This Fact Sheet applies only to positions covered by the Interim Performance Management System; all employees not covered by the Interim Performance Management System should follow their established procedures.

For additional information on the Interim Performance Management System, see the DON Handbook *Interim Performance Management System*, September 2010. For additional information on the awards restrictions for fiscal years 2011 and 2012, see the DON Fact Sheet *Awards Limitations for Fiscal Years 2011 and 2012*, 18 July 2011.

These documents and other helpful resources are available at the Performance Management Resource Library located at:

<http://www.public.navy.mil/donhr/Services/performance/Pages/ResourceLibrary.aspx>.

End-of-Year Process Dates

The policy defines the following important dates for completing the required activities:

- **30 September 2011** – appraisal year end
- **By 15 October 2011** – employees must provide to Rating Officials written self-assessments
- **By 30 October 2011** – Rating Officials must provide to Senior Rating Officials written assessments of employee performance
- **By 30 October 2011** – employees must have approved performance plans for fiscal year 2012 appraisal period
- **By 14 December 2011** – Rating Officials communicate to employees ratings of record and any ratings-based awards

Performance Appraisal Form

For the FY12 appraisal period, the DON Performance Appraisal Form (OPNAV 12430/6 (SEP 2011)) must be used for the creation of performance plans and the evaluation of performance at all steps in the performance management cycle. This form is available at the following link:

https://navalforms.daps.dla.mil/formsDir/_OPNAV_12430_6_7382.pdf

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Awards Limitations for the Interim Performance Management System

On 10 June 2011, the Office of Personnel Management and the Office of Management and Budget (OPM/OMB) jointly published guidance on awards for FY11 and FY12. This memorandum restricts the spending for individual performance awards and individual contribution awards for FY12 to 1% of aggregate basic salaries (base plus locality), with progress toward that level in FY11.

Because of the OPM/OMB restrictions, funding level guidance for the Interim Performance Management System has changed from what was originally published September 2010. The minimum funding levels outlined in Section 12 of the Interim Performance Management System policy no longer apply for FY11 and FY12. Therefore, Commands must follow the OPM/OMB guidance of 10 June 2011.

Additionally, given the 1% restrictions limiting *combined* spending for performance awards (i.e., those tied to a rating) and contribution awards (e.g., “on-the-spot” and special act awards), Commands using the Recommended Framework for Recognition and Rewards in Appendix F will need to determine what portion of the 1% aggregate will be used for performance awards (vice contribution awards) for purposes of determining awards eligibility based on rewards score (i.e. the average of the scores assigned to each critical element (1, 2 or 3) after receiving a rating of record of Acceptable). To ensure spending does not exceed limits, Commands should revise the tables originally provided in Appendix F for determining awards eligibility based on rewards score the employee receives (for guidance refer to the Fact Sheet on Awards Limitation for Fiscal Years 2011 and 2012 issued 18 July 2011 found at www.public.navy.mil/donhr/Services/performance/management/Documents/DON%20Awards%20Limitations%20FAQ.pdf).

Frequently Asked Questions

Q. How do the restrictions affect Quality Step Increases (QSIs)?

A. QSIs are not included in the 1% awards budgetary restriction; however, the amounts spent for QSIs in FY11 and FY12 are restricted to FY10 spending levels. Since many employees were under the NSPS system in FY10 and, subsequently, did not receive QSIs, activities should use the following benchmarks in distributing QSIs to comply with FY11/FY12 guidance: In determining how many QSIs to award, start with the average number of QSIs given in 2005 and 2006 (pre-NSPS). In addition, DoD has indicated that under NSPS, the original calculations for the portion of Element 1 spent for QSIs was historically .17% of aggregate salaries. Therefore, activities should execute no more than .17% of aggregate basic salaries toward QSIs for FY11 and FY12. Please remember that QSIs are not budgeted, but as a permanent pay raise, they will result in an increase to the command’s labor budget. To calculate the total spent for QSIs, Commands should use the total value of the entire step for each QSI given (do not pro-rate depending on the effective date of the award).

Q. If an employee has been under an approved performance plan for fewer than 90 days in fiscal year 2011, does the employee get a rating of record?

A. To receive a rating of record, an employee must have served in the same position for a minimum appraisal period of 90 days under an approved performance plan. If necessary, an employee’s rating period may be extended by the rating official with approval from the senior rating official beyond the end of the rating period to ensure the minimum 90-day period is met, as long as the extension does not interfere with the ability to manage any part of the rating and rewarding process for the employee’s organization. If such an extension would interfere with rating and rewarding activities, then it should not be given, and the performance should be added to the beginning of the subsequent rating period.

Q. What is the role of the Performance Awards Review Board (PARB)?

A. A PARB is responsible for reviewing and approving all performance awards at a strategic level for fairness, appropriateness and adherence to merit system principles. One or more PARBs should be established consistent with guidance from Echelon I and II Commands; Commands may develop business rules for the operations of their PARBs.

Where to Find Additional Information

Additional information about the Interim Performance Management System and the awards limitations for FY11 and FY12 can be found at:

www.public.navy.mil/donhr/Services/performance/management/Pages/Default.aspx.

Questions should be sent to DONhrfaq@navy.mil.

