BUPERS INSTRUCTION 12430.3A

From: Chief of Naval Personnel

Subj: INTERIM PERFORMANCE MANAGEMENT SYSTEM GUIDANCE

Ref:  (a) DON Interim Performance Management System Covering Positions Transitioning to the General Schedule (GS) from the National Security Personnel System (NSPS) Policy Version 2.0 of Sep 2010
(b) DON Interim Performance Management System Covering Positions Transitioning to the General Schedule (GS) from the National Security Personnel System (NSPS) Handbook (Version 2.0) of Sep 2010
(c) SECNAV M-5210.1 of Jan 2012
(d) SECNAVINST 12771.2
(e) 29 CFR 1614

Encl: (1) Definitions
(2) Performance Plan Requirements
(3) Standard Supervisor Critical Element

1. Purpose

   a. To provide policy and guidance for the Department of the Navy (DON) Interim Performance Management System (IPMS) as outlined in references (a) and (b) and documented in enclosures (1) through (3).

   b. Major changes include updates to the roles and responsibilities for the IPMS and the requirement for heads of organizational units to appoint a Command Performance Management System Administrator (CPMSA). This instruction is a complete revision and should be read in its entirety.

2. Cancellation. BUPERSINST 12430.3.

3. Scope and Applicability. This instruction applies to all non-bargaining unit positions within the Bureau of Naval Personnel (BUPERS).

system is implemented, the DON has developed the IPMS for positions transitioning from NSPS to the general schedule (GS).

5. **Policy.** Reference (a) establishes the IPMS to link employee, team, and supervisory performance to organizational mission, goals, and objectives. The DON IPMS is a two-tiered system. The only possible ratings of record are “acceptable” and “unacceptable.” BUPERS policy establishes that managers and first and second level supervisors will use reward recommendations of 1, 2, and 3 to ensure clear distinctions in award amounts for different levels of performance and contribution to mission. As a result, employees must be encouraged to take responsibility, to continuously improve, and to support organizational and unit initiatives.

6. **Roles and Responsibilities.** Chief of Naval Personnel has assigned the Director, Total Force Human Resources and Manpower (BUPERS-05) as the IPMS program manager.

   a. **BUPERS-05.** BUPERS-05 responsibilities include:

      (1) Develop policy and objectives and implement guidance for IPMS and maintain oversight of BUPERS performance management programs;

      (2) Establish a performance management program with an implementing instruction;

      (3) Ensure program objectives are accomplished and comply with applicable policies contained in this instruction;

      (4) Establish assessment criteria to evaluate program effectiveness;

      (5) Communicate IPMS policy updates to BUPERS activities and respond to requests for information;

      (6) Advise managers on performance related issues; and

      (7) Manage the submission of annual performance ratings with Office of the Civilian Human Resources (OCHR) Operations Center-Stennis and the Defense Civilian Personnel Data System (DCPDS).

   b. **Head of the organizational unit (i.e., department head, officer in charge (OIC), commanding officer (CO)) must:**

      (1) Implement IPMS per BUPERS policy;

      (2) Ensure supervisors and employees in their organization complete performance management training as outlined in paragraph 7a of this instruction;
(3) Establish a command-level performance awards review board (PARB) to govern all IPMS performance awards and recognition for the command. Submit requests for approval to BUPERS-05 for PARB composition that deviates from guidelines outlined below in paragraph 6c(1);

(4) Fund and execute awards budget at the approved DoD and DON approved levels of total adjusted salaries. At a minimum, fund .25 percent of total salaries for cash awards related to special acts or on the spot awards throughout the performance year;

(5) Respond to BUPERS-05 required actions within required timeframes; and

(6) Appoint a CPMSA.

c. PARB. The PARB is comprised of senior leaders representing major organizational functions within the command. The PARB must:

(1) Consult with human resources, equal employment opportunity, and financial management advisors. Advisors must participate in board meetings and be available for questions as they arise;

(2) Review performance reward recommendations for consistency, appropriateness, budgetary constraints, and adherence to merit system principles. PARBs are not allowed to change acceptable or unacceptable performance ratings at the individual element level or make changes to the overall rating of record;

(3) Establish and follow business rules that best support organizational operations and mission;

(4) Evaluate and approve reward scores (levels 1-3) at the individual element level and overall level; and

(5) Evaluate all recommended quality step increases (QSI).

d. CPMSA. The CPMSA is the liaison between the managers, employees, and BUPERS-05. Responsibilities include:

(1) Coordinate performance appraisal submissions. Advise leadership and BUPERS-05 of any issues related to established timeframes.

(2) Collect and submit completed appraisal forms to the command point of contact within established timeframes;

(3) Administer PARB meetings and prepare records for review and consideration;
(4) Track awards distribution;
(5) Document operational guidelines for PARB in the form of DON and BUPERS policy;

(6) Track and report command progress on performance training requirements and performance plans as outlined in paragraph 7a and 7b;

(7) Coordinate employee rating of record and performance award information with the OCHR Operations Center-Stennis and DCPDS; and

(8) Conduct an annual assessment of awards and QSI distribution for internal equity and consistency and brief to PARB leadership. Criteria reviewed will support Human Capital and Equal Employment Opportunity (EEO) Program assessments.

e. Rating Officials and Senior Rating Officials must:

(1) Develop and approve a written performance plan for each covered employee based upon work assignments and responsibilities within 30 days of the beginning of the performance period;

(2) Provide continuous feedback to employees throughout the performance period. Provide at least one documented progress review during the performance period as outlined in enclosure (2);

(3) Recommend and or approve a rating of record for each employee;

(4) Recommend performance awards for employees while considering other recognition received by employees during the rating period; and

(5) Contact the Office of Labor and Employee Relations (BUPERS-05) any time during the performance period if employee performance is determined to be at the unacceptable level. Follow all guidelines established by 5 U.S.C., chapter 43, and DON guidance.

f. Employees. Employees must participate in mid-year progress reviews and year-end assessments. Employees are also encouraged to:

(1) Participate in the development of critical elements;

(2) Identify and record their accomplishments and results throughout the appraisal period;

(3) Provide timely written self-assessment input for progress reviews, close-outs, and annual assessments; and
(4) Present challenges to performance appraisals per procedures outlined in references (d) and (e), or in command-level instructions, as applicable.

7. **Training Requirements**

a. All BUPERS employees and rating officials are required to complete the following course to assist in executing program responsibilities. DON IPMS is available on the self-service Total Workforce Management Program (TWMS) at: [https://www.twms.navy.mil](https://www.twms.navy.mil).

b. Employees and rating officials are encouraged to complete the following online course concerning rewards: Department of the Navy Interim Performance Management System Suggested Framework for Performance Recognition – available at [https://www.twms.navy.mil](https://www.twms.navy.mil).

8. **Records Management.** Records created as a result of this instruction, regardless of media and format, must be managed per reference (c).

9. **Information Management**

a. BUPERS activities will provide reports to BUPERS-05 at the start of the performance cycle, mid-year and at the end of the performance cycle, indicating the status of performance plans for all employees.

b. BUPERS utilizes TWMS to retain completed electronic interim performance appraisal forms. If TWMS is unavailable, BUPERS activities will store completed electronic interim performance appraisal forms in the Total Records Information Management System (TRIM).

10. **Review and Effective Date.** Per OPNAVINST 5215.17A, BUPERS-05 will review this instruction annually on the anniversary of its issuance date to ensure applicability, currency, and consistency with Federal, DoD, SECNAV, and Navy policy and statutory authority using OPNAV 5215/40. This instruction will automatically expire 5 years after its issuance date unless reissued or canceled prior to the 5-year anniversary date, or an extension has been granted.

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Releasability and distribution:  
This instruction is cleared for public release and is available electronically only via BUPERS Web site, [http://www.public.navy.mil/bupers-npc/Pages/default.aspx](http://www.public.navy.mil/bupers-npc/Pages/default.aspx)
DEFINITIONS

The following is a glossary of common terms used in this instruction.

Acceptable Performance - Performance that meets an employee's performance requirement(s) or standard(s) at a level of performance above “Unacceptable” in the critical element(s) at issue.

Activity or Command - A field installation, headquarters command, or headquarters office with a commander, commanding officer, or officer in charge who has delegated budget authority.

Appraisal - The process under which performance is reviewed and evaluated against the described performance standard(s).

Award - Recognition for individual or team achievement that contributes to meeting organizational goals or improving the efficiency, effectiveness, and economy of the government or which is otherwise in the public interest.

Career Level - Entry, Journeyman, or Expert Levels. These levels are assigned based upon the type of work performed and the grade level of the employee. Reference (a), appendix (c), outlines DON defined career levels.

Close-out Appraisal - An appraisal conducted when an employee or first-level supervisor leaves a position or ceases to have rating responsibilities after the employee has been under established performance standards for at least 90 days or more but before the end of the performance period. Close-out ratings will be documented and used in deriving the rating of record and, in some cases, may become the rating of record.

Critical Element - A work assignment, goal, objective, or responsibility of such importance that unacceptable performance on the element would result in a determination that an employee’s overall performance is unacceptable. Only critical elements may be used in a two-level performance management system.

Day - Unless otherwise specified, calendar day.

Individual Element Level - The assessment of accomplishment and contribution to mission for each element in a performance plan as measured against performance standards.

Performance - Accomplishment of work assignments or responsibilities.

Performance Period - The established period of time for which performance will be reviewed and a rating of record prepared.
Performance Plan - All of the elements that describe the expected performance of an individual employee. A plan must include all critical elements and their related performance standards.

Performance Awards Review Board - A group of senior leaders of an organization whose responsibility it is to review and approve all performance awards at a strategic level for fairness, appropriateness, and adherence to merit system principles.

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.

Position Description - Officially documents management's assignment of major duties, responsibilities, and organizational relationships to a position. Because it serves as the official record of the classification of the job, it can be used to make other personnel decisions, such as deriving critical elements.

Progress Review - One or more required conversations with an employee about performance as it relates to critical elements measured against applicable performance standards.

Rating of Record (also “Summary Level”) - The rating of record is the official rating for pay and retention purposes.

Rating Official - A rating official, generally an employee’s first-line supervisor, is responsible for establishing performance plans for his or her employees based upon the parameters identified in this policy, carrying out required performance reviews with employees, taking action as necessary to correct less than satisfactory performance, and recommending a summary level and rewards recognition for performance (as appropriate) to the senior rating official. The rating official must be a management official as described in reference (b) and is typically the immediate supervisor.

Reward Recommendation - A method for distinguishing between employees only for purposes of determining awards eligibility.

Senior Rating Official - Generally, the senior rating official is an employee’s second-line supervisor and is responsible for reviewing and approving performance plans, recommended ratings of record, close-out ratings, and rewards and recognition to ensure consistency and fairness within and across parts of an organization within that individual’s span of control.

Summary Level (also “Rating of Record”) - The final result of the performance evaluation process. The summary level is used to provide consistency in describing ratings of record. The two summary levels are “Acceptable” and “Unacceptable”.
Unacceptable Performance - Performance of an employee that fails to meet established performance standards in one or more critical elements.
PERFORMANCE PLAN REQUIREMENTS

1. The DON IPMS is a two-tiered system. The only possible ratings of record are “acceptable” and “unacceptable.” Per reference (a), each employee must have an approved written performance plan based on work assignments and responsibilities, no later than 30 days after the start of the performance period, their onboard date, or the date they move into a new position.

2. Plans must have three critical elements.

3. Performance plans for supervisors must also contain at least one supervisory critical element that holds supervisors accountable for:
   a. Planning, monitoring, developing, correcting, and assessing employee performance;
   b. Recruiting, hiring, and on-boarding of new employees; and
   c. The execution of EEO responsibilities.

4. A standard supervisory critical element has been established by DON to standardize supervisory and EEO requirements. This requirement is provided in enclosure (3). Additionally, performance plans for specific types of positions, such as those with safety or security requirements, must include at least one critical element that addresses any specific requirements. Refer to reference (a), appendix E for more information.

5. To receive a rating of record, an employee must have a minimum of 90 days under an approved performance plan in the same position. 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. This approval should only be given after the CPMSA is consulted. If such an extension would interfere with rating and rewarding activities, then it should not be given, and the period of performance should be added to the beginning of the subsequent rating period. In this situation, the employee’s close-out rating from the previous supervisor would become the rating of record.

6. Progress Reviews
   a. One mid-year progress review is required, at which time, employees should be informed of how they are progressing with regard to their critical elements. To the maximum extent possible, progress reviews will be informative and developmental in nature and will focus on future performance expectations.
b. Progress reviews do not require the assignment of a rating of record. However, at any time during the performance period that performance is determined to be unacceptable in one or more critical elements of the employee’s performance plan, per reference (a), the employee is to be formally notified in writing and given a reasonable opportunity to demonstrate acceptable performance.

c. Employees are required to provide written self-assessments, and rating officials are required to provide written assessments for any progress review.

d. The rating official and employee must sign and date the performance appraisal form to indicate that the review was conducted. Failure by an employee to sign will not void the content of the plan or progress review. The employee’s signature indicates the employee has received the progress review but does not necessarily constitute agreement with it.

7. **Close-out Ratings** - Close-out ratings must be conducted when:

   a. An employee completes a detail or temporary promotion of more than 120 days under established critical elements. This requirement also applies to employees on loan from another activity or agency for more than 120 days.

   b. An employee changes positions, is promoted, or moves to a new agency or activity after being under established critical elements for a minimum of 90 days.

   c. The rating official leaves the position after the employee has been under established critical elements for a minimum of 90 days. In this situation, the employee may continue under the same performance plan unless changed by the new rating official.

   d. Close-out ratings may become the rating of record if there is insufficient time (fewer than 90 days) to establish a new performance plan and rate the covered employee in the newly assigned position before the end of the performance period.

8. **Annual Appraisals** - An annual appraisal must be conducted for each employee at the end of the performance period (normally 30 September).

   a. Employees are required to provide their rating officials with narrative self-assessments of their accomplishments for each of their critical elements compared to their assigned performance standards on the performance appraisal form no later than 15 calendar days after the end of the performance period (normally 30 September).

   b. Rating officials are required to consider employee self-assessments and prepare written assessments of employee performance and contribution to mission no later than 30 calendar days after the end of the performance period. Written assessments will be used to justify recommended ratings of record to the senior rating official.
c. The rating official’s recommended performance ratings are subject to the review and approval by the senior rating official. If the senior rating official changes the performance rating, the rationale for doing so must be documented in writing on the performance appraisal form.

d. Rating official and senior rating official assessments must document the employee’s accomplishments in a manner that articulates how the individual met the appropriate career level, element level, and reward recommendation level performance standard.

e. When a rating of record cannot be prepared by the time specified, the performance period may be extended to meet the minimum 90-day period 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. A rating of record should be prepared as soon as practicable once the necessary conditions have been met. This extension may only be granted after consultation with the CPMSA.

9. Rating of Record

a. Ratings are based on a comparison of performance against written performance standards. Accomplishments in each critical element are assigned an individual element level of “acceptable” or “unacceptable” after having been compared to the performance standards in reference (a), appendix C.

b. A summary level of “acceptable” or “unacceptable” must be assigned as the rating of record based on the assignment of individual element levels.

c. An “unacceptable” summary level is assigned only if performance on one or more critical elements is appraised as “unacceptable.”

d. The performance appraisal form must be signed either electronically or manually and dated by the employee, rating official and the senior rating official. The employee’s signature signifies the employee has received the rating but does not necessarily constitute agreement with it.

10. Grievances and Appeals. Employees may raise issues relating to the performance appraisal process using the administrative grievance procedure outlined in reference (d). Appealable issues may be submitted to the Merit Systems Protection Board (MSPB). Guidance on grievable and appealable matters is as follows:

a. The substance of an employee's critical elements and determinations concerning awards or additional step increases cannot be grieved or appealed.
b. Failure by a rating official or senior rating official to inform employees of critical elements and standards within the required time frame may be grieved.

c. Ratings on individual elements and summary level ratings may be grieved.

d. Performance-based demotions and removals may be grieved through the appropriate grievance procedure or appealed to the MSPB, but not both.

11. Discrimination Complaints. When dissatisfaction with a performance appraisal or rating is based upon discriminatory factors, a pre-complaint must be initiated with the command EEO counselor. Pre-complaints are processed per reference (e). Contact information for the EEO counselor is prominently posted throughout BUPERS facilities.
STANDARD SUPERVISORY CRITICAL ELEMENT

Title: Supervise Employees

Critical Element: Manages an aligned, engaged, and high-performing team through leading by example and developing and executing a mission-aligned vision for the organization. Creates a positive, safe work environment that allows employees to excel. Upholds high standards of integrity and ethical behavior. Performs all supervisory duties including:

a. Ensuring compliance with applicable laws, regulations, and policies including Merit System Principles and prohibited personnel practices;

b. Effectively attracting and retaining a high-caliber workforce and acting in a responsible and timely manner on all steps in the recruitment and hiring process;

c. Providing opportunities for orientation and tools for enabling employees to successfully perform during the probationary period and beyond;

d. Identifying current and future position requirements to ensure recruitment is appropriately focused and timely;

e. Completing all performance management tasks in a timely manner including clearly communicating performance expectations throughout the appraisal period, holding employees accountable, making meaningful distinctions in performance and rewarding excellent performance, promoting employee development and training, and promptly addressing performance and conduct issues;

f. Acting as a good steward of public funds;

g. Maintaining a safe work environment and promptly addressing allegations of noncompliance;

h. Ensuring that EEO principles are adhered to throughout the organization and promptly addressing allegations of discrimination, harassment, and retaliation;

i. Effectively develop and champion innovation ideas to improve the organization and create an environment that fosters innovation.