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 change updates VA Handbook 5013 to reflect changes resulting from the implementation of 38 U.S.C. § 714 and employees appointed under 5 C.F.R. § 213.3601 (Schedule Policy/Career). These changes will be incorporated into the electronic version of VA Handbook 5013 that is maintained on the Office of the Chief Human Capital Officer website and VA Publications website. This policy update includes the following changes:

   a. Indicates that Schedule Policy/Career employees are covered by VA's Performance Appraisal System, Part I and excludes Senior Leader and Scientific and Professional employees.

   b. Excludes employees covered by 38 U.S.C. § 714 and employees appointed under 5 C.F.R. § 213.3601 from opportunity to improve periods and taking action under 5 U.S.C. Chapter 43 or 75.

   c. Clarifies that Part I, paragraph 14, which covers taking action during a supervisory/managerial probationary period, is only applicable to competitive service employees.

3. **RESPONSIBLE OFFICE:** Office of Human Resources and Administration (006), Office of the Chief Human Capital Officer (OCHCO) (05), Employee Relations and Performance Management Service (051).

4. **RELATED DIRECTIVE:** VA Directive 5013, "Performance Management Systems", dated August 9, 2024.

BY DIRECTION OF THE SECRETARY OF VETERANS AFFAIRS:

/s/
Mark R. Engelbaum
Assistant Secretary for
Human Resources and Administration

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PERFORMANCE MANAGEMENT SYSTEMS

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PART I. TITLE 5 PERFORMANCE APPRAISAL PROGRAM

1. SCOPE. This part applies to the process used to appraise the performance of the following Department of Veterans Affairs (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. Full-time, part-time and intermittent Hybrid Title 38 employees appointed under 38 U.S.C. §§ 7401(3) or 7405(a)(1)(B).

d. Veterans Canteen Service employees appointed under 38 U.S.C. Chapter 78.

e. Schedule Policy/Career employees appointed under 5 C.F.R. § 213.3601 and paid under the General Schedule.

f. Temporary and Term employees, except as specifically excluded.

g. Veterans Health Administration (VHA) employees under the Executive Career Field (ECF) Performance Appraisal Program fall under the provisions of Appendix A. However, for matters not specifically covered by Appendix A, the provisions of Part I will apply.

h. Veterans Benefits Administration (VBA) non-executive directors fall under the provisions of Appendix B. However, for matters not specifically covered by Appendix B, the provisions of Part I will apply.

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 (SES).

c. SL employees paid under 5 U.S.C. § 5376.

d. ST employees paid under 5 U.S.C. § 5376.

e. Full-time, part-time and intermittent employees 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 except those employees covered under the VHA ECF Performance Appraisal Program, or those considered to be SES equivalents.

f. [Health Professions Trainees (HPT), including medical and dental residents, appointed under 38 U.S.C. §§ 7405(a)(1)(A), (B) or (D), or 7406.]

g. Employees outside the United States (U.S.) who are paid in accordance with local native prevailing wage rates for the area in which employed, e.g., non-U.S. citizens employed at the VA Regional Office, Manila, Republic of the Philippines, who are paid according to local prevailing wage rates.

h. Temporary employees in the excepted service for which employment is not reasonably expected to exceed 90 calendar days in a 12-month period.

i. Members of the Board of Veterans' Appeals and the Board of Contract Appeals.

3. POLICY.

a. Each critical and non-critical element will be assigned an achievement level of Exceptional, Fully Successful, or Unacceptable based on the employee's performance and a summary level assigned as Outstanding, Excellent, Fully Successful, Minimally Successful or Unacceptable, which corresponds to Pattern H Levels 1 through 5 as described in 5 C.F.R. § 430.208(d).

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

c. The appraisal period begins on October 1 and ends on September 30 unless otherwise designated by an Under Secretary, Assistant Secretary, or other Key Official. If a change in the rating cycle is made, employees will be notified of the starting and ending dates of the alternative appraisal period.

d. The performance appraisal program for VHA supervisors and managers in the ECF Performance Appraisal Program is contained in Part I, Appendix A.

e. The performance management program for VBA non-executive directors is contained in Part I, Appendix B.

f. Performance plans will be documented on VA Form 0750, Performance Appraisal or VA Form 3482e, ECF Performance Appraisal Program Veterans Health Administration, as appropriate.

4. DEFINITIONS.

a. **Acceptable Level of Competence.** Successful performance by an employee of the duties and responsibilities of their assigned position as evaluated against their

performance plan which warrants advancement of the employee's rate of basic pay to the next higher step of the grade of their position.

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

(1) **Exceptional.** All performance standards for the element significantly surpass the Fully Successful performance level. 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 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 expectations as established by the performance standards.

(3) **Unacceptable.** Performance standards for the element when taken as a whole are not being met or there is a failure of a weighted performance standard (see paragraph 5.l.). Assignment of this achievement level means performance of the element is not acceptable.

c. **Additional Element.** A dimension or aspect of individual, team or organizational performance that is not a critical or non-critical element. Such elements are not used in assigning a summary level but, like critical and non-critical elements, are useful for purposes such as communicating performance expectations and serving as the basis for granting awards. Such elements could be used as a means of communicating expected performance where the performance threshold is beyond the employee’s immediate control in areas such as attainment of organizational goals, work plans, work objectives or program plans.

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

e. **Appraisal Period.** The established period of time, including the beginning and ending dates, for which performance will be reviewed and a rating of record will be prepared, e.g., October 1 through September 30.

f. **Approving Official.** The designated official at a higher management level than the rater and in the employee’s supervisory line, who reviews and approves at least all Minimally Successful and Unacceptable ratings at the end of the appraisal period. Organizations may decide to have some or all ratings above Minimally Successful reviewed by approving officials. The Secretary and the Inspector General are the only officials who can serve as both the rater and approving official.

g. **Days.** Calendar days, including weekends and holidays, unless otherwise specified.

h. **Element.** A component of an employee's performance on work assignment(s) and responsibilities related to their position sufficiently important to warrant appraisal. The element may be either critical or non-critical and is defined as follows:

(1) **Critical Element.** A work assignment or responsibility that often identifies the principle purposes of a position and contributes towards the accomplishment of organizational goals and objectives and is of such importance that Unacceptable performance would result in a determination that an employee's overall performance is Unacceptable. Critical elements may only be used to rate individual performance and/or an individual employee's contribution to a group or team effort.

(2) **Non-Critical Element.** A work assignment or responsibility not meeting the definition of a critical element but still of sufficient importance to warrant written appraisal. Examples of non-critical elements include, but are not limited to, objectives, goals, program plans, work plans and other means of expressing expected performance.

i. **Equivalent Increase.** Unless otherwise excepted, increase or increases in an employee's rate of basic pay equal to or greater than the difference between the rate of pay for the General Schedule grade and step rate occupied by an employee and the rate of pay for the next higher step rate of that grade.

j. **Minimum Appraisal Period.** The 90-calendar-day period an employee must serve after receiving communicated performance elements and standards before a rating of record may be assigned. A plan is considered communicated when the employee acknowledges receipt of their performance plan, e.g., hard copy or electronic VA Form 0750 or VA Form 3482e, as applicable. If the employee refuses to sign, the rater will annotate such on the form indicating the plan was discussed with the employee and the employee refused to sign.

k. **Performance Plan.** All written, or otherwise recorded, performance elements that set forth expected performance. A plan must include all critical and non-critical elements and their performance standards.

l. **Performance Rating**. The written, or otherwise recorded, appraisal of performance compared to the performance standard(s) for each critical and non-critical element on which there has been an opportunity to perform for the minimum appraisal period. A performance rating will include assignment of a summary level.

m. **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, factors such as quality, quantity, timeliness and manner of performance. They will also include specific recurring and nonrecurring goals, program plans, priority programs, etc., since accomplishment of organizational objectives should be reflected in performance plans when appropriate.

n. **Permanent Position.** A position filled by an employee whose appointment does not have a definite time limitation of one year or less. In accordance with 5 C.F.R. § 316.305, permanent positions include competitive or excepted service term appointments of more than one year and positions to which employees are promoted on a temporary or term basis of at least one year.

o. **Progress Review.** Communication with employees, at least once during the appraisal period, about their performance as compared to the performance standards of each critical and non-critical element.

p. **Rater.** The official, usually the immediate supervisor, who is responsible for developing performance plans, providing feedback and progress reviews, appraising employee performance, recommending performance ratings and approving performance ratings above the summary level of Minimally Successful not otherwise subject to review and approval by an approving official.

q. **Rating of Record.** The performance rating prepared annually at the end of an appraisal period and the assignment of a summary level. This constitutes the official annual rating of record that is coded in HR Smart and uploaded to the employee's electronic Official Personnel Folder (eOPF).

r. **Special Rating**. An appraisal of all critical and non-critical elements, with appropriate justification if applicable and the assignment of a summary level when an employee is not performing at an acceptable level of competence (i.e., at least the Fully Successful level) and the employee is due a within-grade increase in accordance with paragraphs 12 and 13. Special ratings may also be prepared in accordance with paragraph 12.g. after it has been determined an employee's performance indicates an acceptable level of competence after the withholding of a within-grade increase. Special ratings are not filed in an employee's eOPF.

s. **Summary Level.** The assignment of an overall rating based on the achievement level assigned to each critical and non-critical element. These ratings will be assigned in accordance with the following criteria:

(1) **Outstanding.** The achievement levels for all critical and non-critical elements are designated as Exceptional.

(2) **Excellent.** The achievement levels for all critical elements are designated as Exceptional. Achievement levels for non-critical elements are designated as at least Fully Successful. Some, but not all, non-critical elements may be designated as Exceptional.

(3) **Fully Successful.** The achievement level for at least one critical element is designated as Fully Successful. Achievement levels for other critical and non-critical elements are designated as at least Fully Successful or higher.

(4) **Minimally Successful.** The achievement levels for all critical elements are designated as at least Fully Successful. However, the achievement level(s) for one (or more) non-critical element(s) is (are) designated as Unacceptable.

(5) **Unacceptable.** The achievement level(s) for one (or more) critical elements is (are) designated as Unacceptable.

t. **Summary Rating**. An appraisal of all critical and non-critical elements, with appropriate justification if applicable and the assignment of a summary level based on an employee's performance to date. Summary Ratings are not filed in an employee's eOPF unless the summary rating was adopted as the annual rating of record in accordance with paragraph 9.c. If the employee has been under a communicated performance plan for the minimum appraisal period of 90 calendar days, Raters will complete summary ratings when:

(1) An employee changes positions within VA prior to the end of an appraisal period in accordance with the provisions in paragraph 9.a;

(2) A rater leaves or changes positions prior to the end of an appraisal period in accordance with the provisions in paragraph 9.b.; or

(3) An employee has been detailed to another position or temporarily promoted for at least 90 calendar days and has been on a performance plan for that position for a minimum of 90 calendar days in accordance with the provisions in paragraph 9.c.

5. PLANNING PERFORMANCE.

a. A performance plan will be developed to measure the performance requirements of each employee's position.

(1) Solicitation of input from employees and employee bargaining unit representatives in the development and revision of performance plans is encouraged;

(2) Performance plan input may be sought from multiple sources, including customers, peers and others involved in the supervision of the employee.

Unless an employee has a dual appointment, they will not have more than one immediate supervisor;

(3) Performance plans will be established in conjunction with the creation of and classification of new positions; and

(4) Each performance plan must include all elements that will be used in assigning a summary level.

b. Performance plans must contain at least one critical element and one non-critical element that address individual performance.

c. Performance plans may include additional elements as described in paragraph 4.c.; however, those elements are not used in assigning a summary level.

d. Performance plans must support VA's overall strategic goals as well as organizational goals and objectives and be linked to overall program results.

e. The performance plans of Schedule Policy/Career employees must contain the following elements in accordance with 38 U.S.C. § 725, if applicable to the duties of the position:

(1) Recruiting, selecting, and retaining well-qualified individuals for employment at the Department;

(2) Engaging and motivating employees;.

(3) Training and developing employees and preparing those employees for future leadership roles within the Department; and

(4) Holding each employee of the Department that is a manager accountable for addressing issues relating to performance, in particular issues relating to the performance of employees that report to the manager.

f. The performance plans of supervisors must contain a critical element titled Holding Employees Accountability as prescribed by the Office of Personnel Management.

g. The performance plans of supervisors and managers must contain a critical element as established by the Secretary and the Office of Accountability and Whistleblower Protection addressing the protection of whistleblowers in accordance with 38 U.S.C. § 732.

h. The performance plans of supervisors and managers must contain a performance standard within a critical element established by the Assistant Secretary for Human Resources and Administration (HRA) addressing organizational support for Equal Employment Opportunity (EEO), in accordance with 29 C.F.R. § 1614.102(a)(5).

i. The performance plans of supervisors and managers must include, within a specified critical or non-critical element, performance standards addressing the following:

(1) Ensuring subordinates complete all mandatory training on a timely basis;

(2) Ensuring supervisors and managers with hiring responsibilities recruit and hire qualified employees;

(3) Appraising and rewarding employees; and

(4) Addressing performance and conduct deficiencies.

j. Performance plans must include a standard(s) addressing customer service, i.e., a standard addressing how the employee will provide service to their customers through one or more of their duties.

k. Performance standards are required to be written at the Fully Successful and Exceptional achievement level.

l. Performance standards must be understandable, challenging, realistic and attainable and sufficient to permit accurate measurement of the employee's performance. They will be expressed in terms that promote an understanding of how the employee's individual performance links to VA's overall strategic goals as well as organizational goals. The use of absolute performance standards, i.e., a standard allowing for no errors, is discouraged unless the requirement for perfection can legitimately be defended, e.g., single failure of a critical element could result in loss of life, injury, breach of national security or great monetary loss.

m. While performance standards must, to the maximum extent possible, permit appraisals purely on the basis of objective criteria, they are not intended to replace supervisory judgment. A standard will be sufficiently precise and specific enough to understand the meaning and content; however, there is no requirement that standards contain numerical or quantitative measurements. Raters must also consider the quality of work, efficiency, productivity, timeliness and the accomplishment of goals as viable performance measures.

n. The appraisal process consists of assigning one achievement level for each element. While each element usually contains three to five performance standards, it is the overall performance for all the standards that establishes the assignment of an achievement level for each element. When a performance standard is more significant to the employee's successful performance than others, the supervisor may give added weight to the performance standard by indicating in the performance plan that the failure of this single standard will result in failure of the entire element. Raters must make employees aware of any weighted standards when communicating performance plans.

o. When a performance plan needs to be changed during the appraisal period due to changes in work assignments, achievement of group or team objectives, or other circumstances that render standards inappropriate, solicitation of input from the employee and employee bargaining unit representative is encouraged when revising and/or redefining element(s) and standard(s).

p. Raters will ensure a performance plan is communicated to each employee each rating cycle and will obtain the employee's signature verifying receipt as soon as practical, but not later than 30 calendar days from either the beginning of the appraisal period, appointment to a new position (e.g., reassignment, promotion, career ladder promotion), when a performance plan is changed, or when the employee is detailed or temporarily promoted, if the period of the detail or temporary promotion is longer, or expected to be longer, than 30 calendar days.

q. Each rater will use VA Form 0750 or VA Form 3482e, as appropriate for documenting the approved performance plan. Additional documentation may be attached to the form.

6. MONITORING PERFORMANCE.

a. Each employee must receive at least three documented progress reviews during the appraisal period. This progress review will be documented on VA Form 0750 or VA Form 3482e, as appropriate. During the progress reviews, the rater will discuss:

(1) Where the employee needs improvement or is failing to meet expectations (as applicable);

(2) Where the employee is meeting or exceeding expectations; and

(3) How the employee can continue to grow.

b. Supervisors are encouraged to communicate with employees about performance expectations and concerns throughout the appraisal period as warranted.

c. At any time during the appraisal cycle the employee's performance is determined to be Unacceptable, refer to paragraph 8.

7. APPRAISING AND RATING PERFORMANCE.

a. The minimum appraisal period is 90 calendar days under a communicated performance plan. A plan is considered communicated when the employee acknowledges receipt of their performance plan, e.g., hard copy or electronic VA Form 0750 or VA Form 3482e, as applicable. If the employee refuses to sign, the rater will annotate such on the form indicating the plan was discussed with the employee and the employee refused to sign.

b. Employees may submit a self-assessment or other information related to their performance during the appraisal period to the rater within 14 calendar days after the conclusion of the appraisal period. Such information will generally relate to the established performance plan. The rater will consider this information, if submitted and all other available information relevant to the employee's performance and assign one achievement level for each element.

c. Employee performance will be appraised and a rating of record will be prepared at the end of the appraisal period using VA Form 0750 or VA Form 3482e, as applicable, as long as the employee has been performing under a communicated performance plan for at least 90 calendar days. If an employee has not been performing under a communicated performance plan for at least 90 calendar days by the end of the appraisal period, see paragraph 9.c.

d. Raters must consider improvements in efficiency, productivity, timeliness, quality of work or service, accomplishment of goals, as well as any other relevant information in appraising and rating performance. They will also consider feedback from multiple sources, including customers, peers or other appropriate sources and encourage employees to keep records and notes related to their accomplishments during the appraisal period for the purpose of submitting voluntary self-assessments that will also be considered in determining the rating.

e. An achievement level must be assigned for each critical and non-critical element of the performance plan on which the employee has had a chance to perform. If an employee submits a self-assessment and the rater can verify its accuracy and completeness, the self-assessment may be used as the justification for an assigned rating. Otherwise, if an achievement level other than Fully Successful is assigned, specific examples supporting that level must be documented in the portion of the rating form provided for this purpose. When an achievement level of Fully Successful is assigned, a description or documentation of performance is not required.

f. Raters must communicate ratings of record to their employees no later than 60 calendar days following the end of the appraisal period if a performance plan was communicated to the employee during the rating cycle and they were on the plan for a minimum of 90 calendar days. See paragraph 9.c. for procedures that may be applicable if the employee did not meet the minimum 90-calendar-day requirement to receive a rating.

g. A rating of record will be based only on the evaluation of actual job performance for the designated appraisal period; therefore, the method for deriving and assigning a summary level may not limit or require the use of particular summary levels. Forced distribution of performance ratings is strictly prohibited.

h. After achievement levels have been assigned by the rater for all critical and non-critical elements, a summary level will be assigned as Outstanding, Excellent, Fully Successful, Minimally Successful, or Unacceptable in accordance with the definition for the assignment of summary levels as indicated in paragraph 4.s. This will constitute the rating of record.

   (1) 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, Special Leaves of Absence to be Given Disabled Veterans in Need of Medical Treatment.

   (2) A rating of record will be based only on the evaluation of actual job performance for the designated appraisal period.

   (3) A rating of record may not be issued that assumes a level of performance by an employee without an actual evaluation of the employee’s performance.

   (4) Ratings of record may not be carried over from a previous appraisal period as the rating of record for a subsequent appraisal period

i. Following the assignment of a rating of record and before issuing the rating of record to the employee, the rater will:

(1) Forward all Minimally Successful and Unacceptable ratings of record and other ratings of record if local management establishes such criteria, to the approving official. The approving official will review and either concur with the rating or assign a different rating. The approving official may discuss with or request additional justification for the recommended performance rating from the rater. If a different rating is assigned by the approving official, the performance-based reason for the change must be explained on the appropriate performance appraisal form. This explanation will specify which achievement level(s) for which element(s) were changed and why. The form will be signed by the approving official and forwarded to the servicing Human Resources (HR) office for technical review. After the technical review, HR will forward the appraisal to the rater for issuance to the employee.

(2) Forward all ratings of record not requiring review and approval by the approving official to the servicing HR office for technical review. After technical review, HR will forward the appraisal to the rater for issuance to the employee. Once the rater receives the rating of record from HR (after the technical review), they are responsible for discussing the rating with the employee and ensuring the employee is provided with a copy.

j. As soon as possible after the end of the appraisal period, approving officials are responsible for forwarding rating information and award recommendations to the appropriate office responsible for processing awards. Eligibility for an award based on performance will be in accordance with VA Handbook 5017, Employee Recognition and Awards. Superior performance awards, quality step increases, special advancements for performance and time-off awards granted based upon a performance appraisal rating should be processed no later than 90 calendar days after the end of the appraisal period.

k. The servicing HR office will process approved performance ratings as soon as possible but not later than 90 calendar days following the end of the appraisal period.

l. If an employee is dissatisfied with their rating, the procedures in paragraph 11 may be followed.

8. PROCEDURES FOR ADDRESSING UNACCEPTABLE PERFORMANCE.

a. **Determining Unacceptable Performance.** The supervisor is responsible for monitoring and evaluating performance throughout the appraisal period and for contacting Human Resources for guidance when appropriate. When deficiencies arise, the supervisor must determine if the deficiencies are performance-based or whether they result from other causes such as technological barriers, negligence, or misconduct. To determine this, the supervisor should consider:

(1) Whether the employee possesses the knowledge, skill or ability to perform the duties of the position at a satisfactory level;

(2) Whether the employee is able to do the job or has demonstrated this ability in the past; and

(3) Whether the performance deficiencies appear to be a matter of the employee's inability to perform versus a matter of the employee's unwillingness to appropriately perform the assigned duties, i.e., performance versus conduct issue.

b. **Applicable Regulations and Policies Regarding Employee Coverage.**

NOTE: The following procedures in paragraph 8.b.(1) through (4) are not applicable to Schedule Policy/Career employees appointed under 5 C.F.R. § 213.3601 (refer to VA Handbook 5021, Part III, Chapter 2 or Part X) or employees covered by the provisions of 38 U.S.C. § 714, unless otherwise permitted in accordance with VA Notice 2026-05, Taking Actions under 38 U.S.C. § 714.

(1) **Employees covered under VHA's ECF Performance Appraisal Program.** Title 5, Hybrid Title 38 and Title 38 employees covered under VHA's ECF performance appraisal program fall under the provisions of Appendix A. However, for matters not specifically covered by Appendix A, the provisions of Part I will apply.

(2) **Title 5 and Hybrid Title 38 Employees Serving a Probationary or Trial Period.** Employees serving a probationary period or trial period may normally be terminated due to work performance anytime during the probationary period. (For those employees serving a supervisory probationary period, refer to paragraph 14.) Termination is usually appropriate when the employee fails to demonstrate fitness and qualifications for continued employment. While supervisors should make every effort to monitor performance during the probationary period and provide feedback and corrective measures to employees, the requirements for a formal opportunity to improve period, for actions taken under the authority of 5 U.S.C. Chapter 43, do not apply to employees serving a probationary or trial period (unless the employee otherwise meets the coverage outlined in 5 C.F.R. § 432.102). These employees may be terminated in accordance with the procedures outlined in Civil Service Rule XI and/or VA Handbook 5021, Employee-Management Relations.

NOTE: Some employees serving a probationary or trial period may meet the definition of employee based on prior Federal service in accordance with 5 U.S.C. § 7511(a)(1). If so, these employees are entitled to the rights and protections of non-probationary employees prior to effecting a

reduction in grade or a removal from Federal service based on Unacceptable performance. Therefore, refer to the definitions and coverage under 5 U.S.C. § 7511(a)(1), 5 C.F.R. §§ 432.102 and 752.401 in determining applicable procedures.

(3) **Title 5 and Hybrid Title 38 Employees Who Have Completed a Probationary or Trial Period.** The procedural requirements for addressing

Unacceptable performance for those employees who have completed a probationary or trial period are contained in:

(a) Appendix C for actions taken under the authority of 5 U.S.C. Chapter 43; and

(b) Appendix D for actions taken under the authority of 5 U.S.C. Chapter 75.

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 (e.g., reassignment, promotion, career ladder promotion) and has been under a performance plan for a minimum of 90 calendar days in their position of record, a summary rating will be prepared and signed by the rater. The rater will discuss the rating with the employee; the employee will sign the summary rating; a copy will be provided to the employee; and the form will be forwarded to the servicing HR office. The servicing HR office will forward it to the gaining supervisor if the employee remains at the same facility, or to the gaining facility if the employee transfers to another facility in the same or different administration within VA. The employee will be issued a new performance plan by the gaining supervisor within 30 calendar days of appointment to the new position, or in accordance with any applicable collective bargaining agreement requirements.

b. **Rater Leaves or Changes Positions.** Before a rater leaves or changes positions, they will prepare a summary rating for each employee under their supervision provided the employee has been on a performance plan for a minimum of 90 calendar days. The summary rating will be prepared on a separate VA Form 0750. The rater who is leaving or changing positions will sign the summary rating; discuss the rating with the employee; the employee will sign the summary rating and ensure a discussion is held with the employee who will receive a copy of the completed summary rating. The original performance plan previously issued to the employee will remain in effect for the remainder of the appraisal period, i.e., a new plan does not need to be issued when a new rater is appointed, unless the newly assigned rater decides to make changes. If changes are made to the performance plan, this will be accomplished in accordance with paragraph 5.m. and any applicable collective bargaining agreement requirements.

c. **Employee Not Under Performance Plan for Minimum Appraisal Period.** When an employee has not been on a performance plan for their position of record for the required minimum appraisal period of 90 calendar days prior to the end of the appraisal period, e.g., new appointment, position change, detail,

temporary promotion, the rater has two options based on the length of time the employee has been in their position.

(1) Employee has been in their position of record 30 calendar days or less:

(a) Rater issues performance plan prior to the end of the appraisal period and informs the employee their appraisal period will be extended, in accordance with paragraph 9.g., for the amount of time necessary to complete 90 calendar days. When the extended rating period has been completed, the employee will be allowed to submit a self-assessment in accordance with paragraph 7.b. A rating of record will be issued no later than 60 calendar days in accordance with paragraph 7.f. However, in the event the employee's performance is Unacceptable, the extended appraisal period may be further extended if the rater needs to provide an opportunity to improve period to the employee (see Appendix C); or

(b) Rater may concur with any summary rating prepared by a previous rater during the same appraisal period and adopt that rating as the annual rating of record. If this option is selected, the employee will be provided an opportunity to submit a self-assessment in accordance with paragraph 7.b. A rating of record will be issued no later than 60 calendar days in accordance with paragraph 7.f..

(2) Employee has been in their position of record more than 30 calendar days but has not met the minimum appraisal period of 90 calendar days:

(a) Employee continues on the performance plan issued to them and the rater informs the employee their appraisal period will be extended, in accordance with paragraph 9.g., for the amount of time necessary to complete 90 calendar days. When the extended rating period has been completed, the employee will be allowed to submit a self-assessment in accordance with paragraph 7.b. A rating of record will be issued no later than 60 calendar days in accordance with paragraph 7.f. However, in the event the employee's performance is Unacceptable, the extended appraisal period may be further extended if the rater needs to provide an opportunity to improve period to the employee (see Appendix C); or

(b) Rater may concur with any summary rating prepared by a previous rater during the same appraisal period and adopt that rating as the annual rating of record. If this option is selected, the employee will be provided an opportunity to submit a self-assessment in accordance with paragraph 7.b. A rating of record will be issued no later than 60 calendar days in accordance with paragraph 7.f.

d. **Rater Not in Position for Minimum Appraisal Period.** There is no requirement for a rater to occupy their position for a specific length of time prior to the issuance of a performance rating provided they have sufficient information available to appraise an employee's performance covering a 90-calendar-day minimum appraisal period.

e. **Employee Detailed or Temporarily Promoted.**

(1) If an employee is expected to be detailed or temporarily promoted for 30 calendar days or less, a performance plan does not need to be issued.

(2) If an employee is expected to be detailed or temporarily promoted for more than 30 calendar days, the gaining supervisor will issue a performance plan for the position to which the employee is detailed or temporarily promoted. The new plan will be issued within 30 calendar days from the commencement date of the detail or temporary promotion.

(a) If the detailed or temporarily promoted employee is under a performance plan for more than 90 calendar days but returns to their position of record before the end of the appraisal period, the gaining supervisor will complete a summary rating that appraises the employee's performance while in the position to which detailed or temporarily promoted. The gaining supervisor will provide a copy of the summary rating to the employee, the employee will be asked to acknowledge receipt and the original will be forwarded to the servicing HR office for technical review. HR will forward the summary rating to the employee's supervisor of record for consideration at the end of the appraisal period.

(b) If the detailed or temporarily promoted employee is under a performance plan for the position to which detailed or temporarily promoted for more than 90 calendar days but had not been under a performance plan for the position of record for a minimum of 90 calendar days during the appraisal period, the supervisor of record has two options:

i. The supervisor of record may adopt the summary rating for the position to which detailed or temporarily promoted, provided the rating is Fully Successful or better, as the annual rating of record; or

ii. The supervisor of record may extend the appraisal period if the employee returns to the position of record prior to the end of the appraisal period. If the employee is still in the temporary position at the end of the appraisal period, the summary rating will be adopted by the supervisor of record as the annual rating of record.

Example 1: An employee is issued a performance plan for the position of record on October 15th and then detailed to another position on December 15th. The detail ends on September 15th of the following calendar year. Therefore, the employee would only be in the position of record for a total of 75 days on September 30th. The supervisor of record can either adopt the summary rating for the detailed position as the annual rating of record, provided it was Fully Successful or better, or extend the appraisal period by 15 days. The employee must be notified the appraisal period is being extended prior to the end of the appraisal period.

Example 2: An employee is issued a performance plan for the position of record on October 15th and then detailed to another position on December 15th. The detail ends on November 15th of the following calendar year. The employee cannot be rated based on their performance while in the position of record because they were only under that performance plan for two months. Therefore, the supervisor will adopt the summary rating completed by the supervisor of the position to which the employee was detailed or temporarily promoted as the annual rating of record for the appraisal period.

(c) For those employees for whom a summary rating was prepared during the rating cycle but the rating will not serve as the annual rating of record, the supervisor of record may compare the performance elements and standards of the position to which the employee was detailed or temporarily promoted to the performance elements and standards of the position of record. If the performance elements and standards of the employee's position of record and position to which detailed or temporarily promoted correspond to those of the position of record, the supervisor may consider this information in determining the achievement levels to be assigned to the element(s) of the permanent position. If information from the summary rating is used to justify the annual rating of record, the summary rating should be attached as part of the supervisor's justification.

(d) Unacceptable performance in a critical or non-critical element while an employee is serving on a detail or temporary promotion will normally result in the employee being returned to their position of record. An employee will not be placed on an opportunity to demonstrate acceptable performance while serving on a detail or temporarily promoted.

(3) When an employee is detailed to a series of unclassified duties, the supervisor of the detailed position will provide, at the conclusion of the detail, specific examples of work performed at the Fully Successful level or better. If the employee performed job duties while on the detail that correspond to elements and standards of the position of record, the

supervisor of the position of record may consider this information when assigning an achievement level for an applicable element.

f. **Employee Serving on a Performance Improvement Plan (PIP) at the end of an Appraisal Period.** If an employee is serving on a PIP at the end of an appraisal period, their appraisal period will be extended, in accordance with paragraph 9.g. and a rating of record will be issued after the conclusion of the PIP.

g. **Extending Appraisal Periods.** If a rater extends an appraisal period for any reason, the employee will be notified in writing prior to the end of the appraisal period unless the employee is unavailable for such notification. The employee will be notified of the reason the appraisal period is being extended, as well as the end date of the extended appraisal period.

10. OTHER USES OF RATINGS AND REWARDING PERFORMANCE.

a. Eligibility for superior performance awards, time-off awards and quality step increases will be based on the employee's rating of record. These awards are described in VA Handbook 5017, Employee Recognition and Awards. Eligibility is not based on special ratings or summary ratings unless a summary rating was adopted as the annual rating of record as provided for in paragraph 9.c. Additionally, an employee who resigns or retires, or otherwise leaves employment with the VA, prior to the end of an appraisal period is not eligible for a superior performance award.

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

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

d. Ratings of record are one of several factors for determining retention standing in an employee's competitive level in reduction in force (RIF) in accordance with 5 C.F.R. § 351.504 (VA's policy regarding RIFs can be found in VA Handbook 5005, Staffing). Additional service credit is granted for ratings of Fully Successful or higher. Only ratings of record are creditable for the RIF process. Special ratings prepared in connection with an acceptable level of competence determinations or summary ratings, unless adopted as a annual rating of record in accordance with paragraph 9.c., are not creditable for this purpose. No rating of record will be assigned for the sole purpose of affecting an employee's RIF retention standing.

11. PERFORMANCE RATING GRIEVANCES. Bargaining unit employees must follow the grievance procedures outlined in their respective bargaining unit agreement unless such agreement excludes filing grievances over performance ratings in which case the procedures covered by this paragraph may be followed. An employee who is dissatisfied with their Rating of Record may grieve the rating using this procedure or a locally established alternative dispute resolution (ADR) process.

NOTE: In order to reduce the administrative burden associated with the grievance process and to minimize the loss of staff productivity while participating in that process, the utilization of existing ADR programs as a means to streamline appeals is highly encouraged.

a. **Informal Grievance Procedure.**

(1) Consistent with the principle that grievances should be resolved at the lowest possible level, an employee who is dissatisfied with their performance rating may submit a written grievance with a copy of the issued performance rating to the rater or to the approving official, if the approving official approved and/or assigned the rating, within 15 calendar days after receipt of the rating. The grievance should include the specific reason(s) the employee disagrees with the rating and include supporting documentation, if available. The employee and the employee's representative, if any, will be provided an opportunity to explain the grievance orally and/or in writing.

(2) After considering the grievance, the official to whom the matter was grieved will provide a written answer to the employee, through their representative, if applicable, within 10 calendar days of receipt of the grievance. The response will include the decision on the grievance, rationale supporting the determination and will include the employee's right to present a formal grievance in accordance with subparagraph b.

b. **Formal Grievance Procedure.**

(1) If the employee is not satisfied with the decision at the informal stage, they may submit a written grievance, through supervisory channels, to the management official at the next higher-level in the employee's supervisory line within 10 calendar days from the receipt of the informal response. The formal grievance will include the reason(s) for seeking reconsideration of the performance rating along with a copy of both the issued performance rating and the informal grievance response.

(2) The official receiving the formal grievance will forward all documents submitted by the employee to the servicing HR office to develop a grievance file. At a minimum, HR should review the submission to ensure the following is available and if not, request further documentation from the employee:

(a) The performance rating issued to the employee;

(b) The informal grievance decision and any related documentation from the informal grievance process; and

(c) Any other information submitted by the employee for consideration by the official considering the formal grievance.

(3) After developing the grievance file, the servicing HR office will forward the file to the appropriate approving official to consider the grievance for a decision based on the record. A written decision will be forwarded to the employee, through their representative, if any, within 10 calendar days. This is the final administrative appeal.

(4) If the performance rating or narrative justification on the appraisal is changed as a result of the grievance decision, all official records and personnel actions, if any, will be changed, as applicable, with the employee being notified.

12. WITHIN-GRADE INCREASES–GENERAL SCHEDULE.

a. **General Policies and Principles.**

(1) To be eligible for a within-grade increase, an employee must meet all the following requirements established by 5 U.S.C. § 5335:

(a) The employee must have completed the required waiting period for advancement to the next higher step rate of the grade of their position;

(b) The employee must not have received an equivalent increase, as defined in 5 C.F.R. § 531.407, during the waiting period;

(c) The employee's performance of the duties and responsibilities of their assigned position must be at an acceptable level of competence as defined in subparagraph b.

(2) Employees will be informed of the specific performance requirements that constitute an acceptable level of competence through issuance of performance plans which include performance standards written at the Fully Successful level of achievement (see paragraph 5..i.).

(3) The effective date of within-grade increases will be as prescribed in VA Handbook 5007, Pay Administration.

b. **Acceptable Level of Competence Determinations.**

(1) **Responsibility.** Generally, the rater is responsible for determining if the employee is performing at an acceptable level of competence. This determination will normally be done 30 calendar days before the employee's within-grade increase is due.

(2) **Basis for Determination.**

(a) An acceptable level of competence determination will be based on the employee's most current rating of record as long as the rating of record was issued within the last year.

(b) If it is determined the employee's most current rating of record (issued within the last year) is not consistent with the employee's current performance, a special rating must be prepared by the rater to document current performance.

(c) If an employee has been reduced in grade because of Unacceptable performance and has served in one position at the lower grade under a written performance plan for at least the minimum appraisal period, a special rating at the lower grade will be prepared and used as the basis for an acceptable level of competence determination.

(3) **Delay of Determination.**

(a) An acceptable level of competence determination must be delayed when either of the following applies:

i. When an employee has not had at least the minimum appraisal period to demonstrate acceptable performance because they were not given a written performance plan and the employee has not been given a performance rating in any position within 90 calendar days before the end of the waiting period; or

ii. An employee is reduced in grade because of Unacceptable performance to a position in which they are eligible for a within-grade increase or will become eligible within the minimum appraisal period.

(b) When an acceptable level of competence determination has been delayed, the following actions will be taken:

i. The employee will be informed the determination is postponed to allow for the minimum appraisal period and a performance plan will be issued if necessary.

ii. An acceptable level of competence determination will then be made upon completion of the minimum appraisal period and will be based on the special rating prepared for the employee at the end of the minimum appraisal period.

iii. The rater will review the employee's performance within two pay periods following the completion of the minimum appraisal period, and if, following the delay, the employee's performance is determined to be at an acceptable level of competence, the within-grade increase will be granted retroactively to the beginning of the pay period following completion of the applicable waiting period.

iv. The rater will review the employee's performance within two pay periods following the completion of the minimum appraisal period, and if, following the delay, the employee's performance is not at an acceptable level of competence, the procedures in subparagraph c.(3) will be followed.

(4) **Waiver of Determination.**

(a) An acceptable level of competence determination will be waived and a within-grade increase granted when an employee has not served in any position for the minimum appraisal period under an applicable agency appraisal system during the final 52 weeks of the waiting period for one or more of the following reasons:

i. Because of absences, which are considered creditable service for within-grade increase purposes, e.g., paid leave, military service, absence for job-related illness or injury, service credit received under the Back Pay Act.

ii. Because of details to another agency or employer for which no rating has been prepared.

iii. Because the employee has had insufficient time to demonstrate an acceptable level of competence due to authorized activities of official interest to the agency not subject to appraisal under this Handbook including, but not limited to, labor-management partnership activities under Executive Order 12871, Labor-Management Partnerships, Section 2 and serving as a representative of a labor organization under 5 U.S.C. Chapter 71; or

iv. Because of long-term training.

(b) In such a situation, there will be a presumption the employee would have performed at an acceptable level of competence had the

employee performed the duties of their position of record for the minimum appraisal period in accordance with 5 C.F.R. § 531.409(d)(2).

c. **Notice of Determination.**

(1) **Timing of Notice.** An acceptable level of competence determination will be communicated to the employee in writing as soon as possible after completion of the waiting period or other period upon which it was based.

(2) **Favorable Determination.**

(a) The Standard Form (SF) 50, Notification of Personnel Action that effects the within-grade increase, will be used to advise employees they have achieved an acceptable level of competence.

(b) When a special rating was required to document current "successful" performance in support of a favorable decision, the employee will be given a copy of the special rating in addition to the SF 50.

(3) **Negative Determination.**

(a) When it is determined the employee's performance is not at an acceptable level of competence, the rater will provide the negative determination to the employee in writing as soon as possible after completion of the waiting period or the period upon which it was based.

(b) The employee will be given a written notice, which will include:

i. The reason(s) for the negative determination specifically describing the area(s) of performance the employee must improve upon in order to be granted a within-grade increase;

ii. The right to request written reconsideration, including the reasons the employee disagrees with the negative determination, to the deciding official, or designee if the deciding official has delegated the decision, within 15 calendar days of the date the employee received the negative determination;

iii. The right to make a personal presentation to the deciding official, or designee if the deciding official has delegated the decision, within 15 calendar days of the date the employee received the negative determination, including how to contact the deciding official, or designee, to make arrangements for a meeting;

iv. The right to review the material relied upon to make the negative determination;

v. The right to a reasonable amount of duty time, if otherwise in a duty status, to review the material relied upon and to prepare a response;

vi. The right to be represented by an attorney or another representative of the employee's choice; and

vii. A statement notifying the employee the within-grade increase may be awarded whenever it has been documented on a subsequent annual or special rating they have demonstrated sustained performance at the acceptable level of competence, i.e., Fully Successful level.

(c) When a special rating was required to support the negative determination, the employee will be given a copy of the special rating with the notice.

d. **Reconsideration of Negative Determination.**

(1) **Requesting Reconsideration.**

(a) An employee, or their personal representative, may request reconsideration by the deciding official of a negative determination within 15 calendar days after receipt of the negative determination (see subparagraph f). The 15-calendar-day time limit may only be extended when:

i. The employee shows they were not notified or otherwise made aware of the deadline; or

ii. The employee was prevented from requesting reconsideration within the time limits for reasons beyond their control. This does not include delays to seek representation or delays caused by the employee's representative.

(b) The request for reconsideration must be in writing to the deciding official and must contain a statement setting forth the reason(s) the decision should be reconsidered.

(c) If the employee wishes to make a personal presentation to the deciding official, they must make an appointment within 15 calendar days after receipt of the negative determination.

(d) The employee will designate in writing to the deciding official the name of any personal representative selected. An employee's personal representative may be disallowed only for the reasons contained in 5 C.F.R. § 531.410(c).

(2) **Processing Requests for Reconsideration.** When a request for reconsideration is received by the deciding official, the servicing HR office will be promptly notified and will establish a reconsideration file separate from the employee's personnel folder, which will contain copies of the following:

(a) The written negative determination;

(b) The rating of record and performance plan upon which the negative determination was based;

(c) The employee's written request for reconsideration including any designation of personal representative;

(d) Any other records which supported the basis for the negative determination, e.g., documented evidence of performance deficiencies, samples of work products, counseling memorandums;

(e) The report of investigation, if management determines that an investigation was warranted;

(f) The written summary or transcript of any personal presentation made by the employee; and

(g) The final decision, in writing, on the employee's request for reconsideration.

(3) **Other Processing Requirements.**

(a) The reconsideration file will not contain any document or information that has not been made available to the employee or their personal representative.

(b) An employee in a duty status will be granted a reasonable amount of duty time to review the material relied on to support the negative determination and to prepare a response to the determination.

(c) The employee and their representative will be permitted, if they desire, to make a personal presentation in support of the reconsideration request. The official who receives the presentation will make a written summary, unless management determines a transcript would be more appropriate.

(d) Employees requesting reconsideration will be given a written decision by the required deadline in accordance with paragraph f.

e. **Reconsideration Decision.**

(1) **Deciding Official.** The following officials are designated as the deciding official on reconsideration requests:

(a) The facility director, regional office director, cemetery director, or designee will be the deciding official on reconsideration requests from employees under their jurisdiction. The Under Secretary, Assistant Secretary, Deputy Assistant Secretary or other Key Official, or designee, will be the deciding official on reconsideration requests from employees in the field occupying centralized positions under their jurisdiction. The individuals designated to reconsider negative determinations may be any official in the supervisory line over the employee, but no lower than the approving official.

(b) The Under Secretary, Assistant Secretary, Deputy Assistant Secretary or other Key Official, or designee, will be the deciding official on reconsideration requests from employees in VA Central Office or employees in the field who are not under the jurisdiction of the facility director. The deciding official or individual designated to reconsider negative determinations may be any official in the supervisory line over the employee, but no lower than the approving official.

(c) The Secretary and Deputy Secretary may designate an appropriate official to reconsider negative determinations from employees for whom they are the approving official.

(2) **Written Decision.** The written decision will be made within 10 calendar days of receipt of the employee's written request for reconsideration or personal presentation if such a presentation was made.

(3) **Results of Decision.**

(a) If the negative determination is sustained, the written decision will:

i. Inform the employee of the reasons for the negative determination;

ii. Include specific responses to any other issues raised by the employee in connection with the reconsideration request; and

iii. Inform the employee of their right to appeal in accordance with subparagraph 13(g).

(b) If a negative determination is overturned on reconsideration, the decision letter will inform the employee of the basis for the decision and will inform the employee the within-grade increase will be effective retroactive to the original due date.

(c) If the negative determination was based on a special rating, all copies of the rating will be removed from official files.

(d) If the negative determination was consistent with the most recent annual rating of record, a special rating will be prepared to document the reconsideration decision and a copy will be given to the employee with the written decision.

(e) The supervisor will contact their servicing HR office to ensure a Request for Personnel Action is initiated to process the within-grade increase retroactive to the original due date.

f. **Appeal of Reconsideration Decision.**

(1) If the negative determination is sustained after reconsideration, the employee may appeal the decision to the Merit Systems Protection Board (MSPB). If the employee is covered by a collective bargaining agreement and the agreement includes WIGI denials in its negotiated grievance procedures, these procedures are the exclusive procedures for appealing the action. However, the bargaining unit employee may be eligible to appeal to MSPB if they are also alleging a prohibited personnel action in connection with the WIGI denial in accordance with 5 U.S.C. § 7121 (d) and (g).

(2) For employees who may appeal to MSPB, the following information must be included in the decision notice:

(a) Notice of the time limits for appeal to MSPB (i.e., within 30 calendar days of receipt of the negative reconsideration decision);

(b) The address of the appropriate MSPB office for filing the appeal (based on the employee's duty station at the time of the action);

(c) An explanation of how to access the appeal form via the MSPB website, or that a copy of the form will be available from the servicing HR office by request; and

(d) A statement advising the employee further explanation of their appeal rights may be obtained by consulting their servicing HR office including contact information.

g. **Continuing Evaluation After Withholding a Within-Grade Increase.** When a within-grade increase has been withheld, it may be awarded whenever a subsequent rating of record (annual or special) indicates the employee has demonstrated sustained performance at least at the Fully Successful level. Generally, a new determination will be made no sooner than 90 calendar days from the original eligibility date of the within-grade increase. For as long as the within-grade continues to be denied, each subsequent progress review and

annual rating of record is considered a new determination and an appropriate notice will be prepared to inform the employee in accordance with subparagraph 13(d). If the progress review indicates the employee is performing at least at the Fully Successful level, a special rating must be prepared to support granting the within-grade increase. Any time the within-grade increase is subsequently granted, the supervisor must notify their servicing HR office to ensure it is processed the first pay period on or after the last date of the performance period upon which the favorable determination is based.

13. WITHIN-GRADE INCREASES-FEDERAL WAGE SYSTEM (FWS).

a. **Eligibility Criteria.**

(1) Employees covered by this paragraph will be advanced to the next higher rate of their grades at the beginning of the first applicable pay period following completion of the required waiting period, provided their performance is satisfactory and they have not received an equivalent increase in pay during their waiting period.

(2) Waiting periods, creditable service, equivalent increases and effective dates will be determined in accordance with VA Handbook 5007, Pay Administration.

(3) An employee's performance is satisfactory when they achieve or maintain a performance rating of record of at least Fully Successful based on a performance plan established in accordance with paragraph 6.

b. **General Procedures.**

(1) Raters will receive advance notice when a within-grade increase is due for an employee under their supervision.

(2) Determinations concerning whether the employee has achieved and maintained a performance rating of record of at least Fully Successful and thus should be advanced to the next higher step of their grade are similar to acceptable level of competence determinations for General Schedule employees. These determinations will, therefore, be made using the procedures established in paragraph 13 for acceptable level of competence determinations.

(3) Any time a special rating is prepared to support a determination on a within-grade increase which is inconsistent with the last annual rating of record, the supervisor will contact their servicing HR office for processing.

(4) The notice of determination will be as provided in paragraph 13.d.

(5) FWS employees may request reconsideration of a negative determination under the procedures established in paragraph 13.e. The decision will be made in accordance with the procedures established in paragraph 13.f.

(6) If a negative determination is sustained after reconsideration, the employee, if covered by a collective bargaining agreement, may grieve the decision under the negotiated procedure if not otherwise excluded. If not covered by a collective bargaining agreement, or the collective bargaining agreement excludes filing a grievance over the denial of the within-grade increase, the employee may grieve the decision under the agency grievance procedure outlined in VA Handbook 5021, Employee-Management Relations.

c. **Special Procedures for Probationary Employees.** At least one month before the within-grade increase is due, the rater will review the performance of a probationary employee to assure they are performing satisfactorily. If performance is not satisfactory and if employment is not being terminated before the within-grade increase is due, a special rating will be prepared to document performance deficiencies. At least two weeks before the due date, the special rating will be forwarded to the servicing HR office for processing. The servicing HR office will ensure the within-grade increase is not processed. The employee will be given a copy of the special rating and a written notice of the negative determination as provided in paragraph 13.d.(3).

d. **Continuing Evaluation After Withholding a Within-Grade Increase.** When a within-grade increase has been withheld, it may be awarded whenever a subsequent rating of record (annual or special) indicates the employee has achieved and maintained performance at least at the Fully Successful level. New determinations will be made in accordance with 13.h.

14. FAILURE TO SATISFACTORILY COMPLETE A SUPERVISORY OR MANAGERIAL PROBATIONARY PERIOD.

NOTE: This paragraph only applies to competitive service supervisors and managers.

a. **Initiating Action.**

(1) In accordance with 5 C.F.R. Part 315, subpart I, employees are required to serve a one-year probationary period upon initial appointment to a supervisory and/or managerial position. If, after a reasonable amount of time during the one-year probationary period, an employee, for reasons of supervisory or managerial performance, does not satisfactorily complete the probationary period, action must be taken to remove the employee from the position. Such action will be taken as soon as the facts become apparent and in sufficient time for the probationer to be notified and

removed from the supervisory position before the probationary period expires.

(2) When an employee is serving both a probationary period under 5 C.F.R. Part 315, subpart H and a supervisory/managerial probationary period under 5 C.F.R. Part 315, subpart I and fails to satisfactorily complete the subpart H probationary period, action must be taken to separate them from Federal service under subpart H procedures and in accordance with VA Handbook 5021, Employee-Management Relations.

(3) Employees who fail to successfully complete the supervisory or managerial probationary period required under 5 C.F.R. Part 315, subpart I, will be returned to a nonsupervisory or nonmanagerial position of no lower grade and pay than that previously held before the supervisory or managerial assignment and are not entitled to grade and pay retention as a result of the decision to return the employee to a nonsupervisory or nonmanagerial position. However, employees who entered a supervisory or managerial position with grade and/or pay retention due to a previous personnel action do not lose the retention as a result of failure to complete the probationary period. For example, an employee who formerly held a GS-13 position is placed through RIF procedures in a GS-11 position with grade and pay retention. Three months later the employee is placed in a GS-12 supervisory position but after 6 months, the employee fails the supervisory probationary period and is placed in a GS-11 position. The employee is still entitled to the 15-month balance of their 2 years of GS-13 grade retention.

(4) RIF procedures will not be used for assigning affected probationary employees to other positions.

(5) The return of an employee to a nonsupervisory or nonmanagerial position is not a basis for denying the employee consideration for subsequent assignment to other such positions.

b. **Initiating and Approving Officials.**

(1) When it has been determined the employee is not performing satisfactorily in their supervisory/managerial probationary period, the immediate supervisor will provide specific information regarding performance deficiencies to the next higher-level official in the employee’s supervisory line along with justification for removing the employee from the position.

(2) The next higher-level official in the employee’s supervisory line will review the materials provided and if in agreement, will notify the employee in writing in accordance with subparagraph 15.d.

c. **Assignment Rights.**

(1) A nonsupervisory or nonmanagerial employee who is demoted to a position for which a probationary period is required under 5 C.F.R. Part 315, subpart I and who, for reasons of supervisory or managerial performance, does not satisfactorily complete the probationary period is entitled to be assigned to a position at the same grade and pay as the position in which they were serving probation. Such employees may also be considered for positions at or above their supervisory/managerial grade level under merit promotion procedures.

(2) Employees not covered in preceding paragraphs who do not satisfactorily complete the supervisory probationary period are entitled to be placed in a classified nonmanagerial or nonsupervisory probationary position of no higher grade and pay than that held before entry into the supervisory or managerial position. This entitlement is also applicable to employees who were initially appointed as probationary supervisors or managers from another Federal agency without a break in service.

(3) Generally, field facility employees will be returned to positions at their current facilities and Central Office employees to positions in their present administration or staff office. When there is no suitable placement at their current facility for an employee occupying a centralized position, the employee will be relocated, at government expense, to another facility. Receiving facilities will pay for the transfers to centralized positions; losing facilities, for transfers to noncentralized positions.

d. **Notice to Employees.**

(1) The written employee notice must include the following:

(a) The position to which the employee is to be assigned;

(b) The authority, 5 C.F.R. § 315.907, for taking the action;

(c) The performance-based reason(s) for the action;

(d) The right to file an agency grievance as provided for in VA Handbook 5021, Employee-Management Relations, if the employee wants to contest management’s determination that a supervisory/managerial probationary period was required; and

(e) The right to appeal the decision to MSPB if the employee alleges the decision was based on reasons of partisan political affiliation or marital status.

(2) The probationer should be given advance notice of the assignment, generally seven calendar days; however, if this is not possible because

there is insufficient time before the completion of the one-year probationary period, the notice period may be shortened.

e. **Effecting the Personnel Action.** An action to reassign or demote an employee for not satisfactorily completing the probationary period must be documented in accordance with the requirements in OPM's Guide to Processing Personnel Actions.

f. **Appeal Rights.** Per 5 C.F.R. § 315.908, an employee being returned to a nonmanagerial or nonsupervisory position for reasons of not successfully completing their supervisory probationary period has no appeal rights except the employee may appeal to MSPB if they allege the action was taken by the agency based on partisan political affiliation or marital status.

APPENDIX A. ECF PERFORMANCE APPRAISAL PROGRAM FOR VHA EMPLOYEES

1. **PURPOSE.** This Appendix defines the performance appraisal program for non-SES employees assigned to a VHA supervisory or managerial position.

2. **BACKGROUND.** OPM has identified five Executive Core Qualifications (ECQs) as the competencies needed to build a federal corporate culture that drives results, serves customers, and builds successful teams and coalitions within and outside the organization. VHA incorporates ECQs in selection, performance management, and leadership development for management and executive positions. For these reasons, the VHA ECF performance plan demonstrates the same foundational qualities as the VHA SES performance plan by aligning with VA's strategic goals, objectives and priorities, demonstrated performance and integrity.

3. **SCOPE.** The ECF performance appraisal program complies with VA's performance appraisal program approved by OPM and supplements Part I of this Handbook. Unless specifically addressed in this Appendix, the definitions and procedures in Part I of this Handbook apply.

4. **COVERAGE.** VHA's ECF program includes Title 5, Hybrid Title 38 and Title 38 non-SES employees in VHA designated as supervisory or managerial. Non-supervisory and non-managerial staff are not considered ECF employees and are not covered by this Appendix. Although SES employees are covered by VHA's ECF program, they are not covered by the procedures in this Appendix, but are covered under VA Directive and Handbook 5027, Senior Executive Service.

5. **DEFINITIONS.**

   a. **Mandatory Element.** A critical or non-critical element pursuant to statute, Executive Leadership directive or government-wide rule or regulation that must be included in an ECF performance plan. Employees will be notified of mandatory elements through VA and/or VHA Central Office communications. Specific mandatory elements may be issued for one performance cycle or more.

   b. **Performance Measure.** Quantitative measure used to evaluate and improve outcomes or the performance of functions and processes. Performance measures are most often used to define a specific performance requirement in quantitative terms.

   c. **Performance Standards.** 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, factors such as quality, quantity, timeliness and manner of performance. The ECF performance plan must reflect meaningful job performance standards and measures for each element and should consider

input from the employee that reflects the duties and responsibilities of the position to support the standard/measure. Applicable SES performance standards may be cascaded to the ECF performance plan; however, all SES standards may not apply to all ECF employees.

d. **Supervisory/Managerial Employee.** An employee who meets the definition in 5 U.S.C. § 7103 (10) or (11) and directs the work of at least one subordinate employee.

6. RESPONSIBILITIES.

a. **Chief, Human Capital Management, VHA** will evaluate the effectiveness of this performance appraisal program and recommend modifications as appropriate. Methods used to evaluate the program may include questionnaires and/or review and analysis of performance plans and rating patterns.

b. **Directors of Veterans Integrated Service Networks (VISNs), Chief Officers and Medical Center Directors** will ensure performance plans are in place for all ECF employees in accordance with the approved schedule for the appraisal period.

c. **Human Resources Officers** will:

(1) Provide technical advice, assistance and administrative support;

(2) Provide appropriate training and information to supervisors and employees to ensure effective administration;

(3) Coordinate the processing and coding of performance ratings; and

(4) Maintain employee performance folders for all ECF employees.

d. **Supervisors** will ensure the requirements of the ECF performance appraisal program relating to the establishment and communication of performance plans and the processing of performance appraisals and ratings are met. This includes ensuring higher level supervisory officials are appropriately involved in the development of performance plans.

7. GENERAL.

a. **Performance Appraisal Period.** The ECF appraisal period is October 1 through September 30. The minimum performance appraisal period is 90 calendar days.

b. **Performance Appraisal Form.** VA Form 3482e, VHA ECF Performance Appraisal Program, will be used to document the performance plan and appraise the performance of ECF employees.

c. **Extension of Appraisal Period.**

[(1) [Appraisal periods will be extended on or before September 30th when:

(a) An employee has not served under a communicated performance plan for the minimum appraisal period of 90 calendar days; or

(b) When an employee was appointed to a position between July 1 and October 1 that places them on the VHA ECF Performance Appraisal Program.

(2) T]he appraisal period will be extended to allow for the employee to be covered under the performance plan for the minimum appraisal period, i.e., 90 calendar days, not to exceed December 31.

d. **Details and Temporary Promotions.** If an ECF employee is serving on a detail or temporary promotion and is still serving in that position as of September 30 and the employee has performed under communicated performance requirements for a minimum of 90 calendar days in either position, the employee may be assigned an annual rating based on either:

(1) Performance in the temporary assignment; or

(2) Performance in their permanent position.

8. PERFORMANCE PLAN.

a. The rater is responsible for communicating a performance plan and consulting with the employee and, if appropriate, the higher-level supervisory official, on the plan's content. The rater will provide a written performance plan to the employee as soon as possible, but no later than 30 calendar days after the beginning of the appraisal period, assignment to a new ECF position or when a plan is changed.

b. The performance plan will be based on the duties and responsibilities established for the position and will reflect responsibility for accomplishment of Departmental goals and objectives. The executive leadership’s performance measures will cascade down to ECF employees, as deemed applicable.

c. The performance plan must include one or more mandatory elements. Mandatory elements may be considered critical or non-critical. Not all plans will necessarily contain the same mandatory performance elements. Mandatory performance elements may change from rating period to rating period depending upon the underlying source of the requirement, e.g., statutory versus executive leadership directive.

d. Mandatory Performance Elements.

(1) **Whistleblower Protection**. In accordance with 38 U.S.C. § 732, Protection of Whistleblowers as Criteria in Evaluation of Supervisors, performance plans for supervisors and managers must contain a critical element promoting the protection of whistleblowers as established by the Secretary and the Office of Accountability and Whistleblower Protection.

(2) **Common Chief Financial Officer (CFO) Performance Requirement**. Pursuant to Section 7104 of the Johnny Isakson and David P. Roe, M.D.

Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315), the VA CFO will provide input into subordinate CFO performance plans through a performance requirement issued by the VA CFO.

(3) **Small Business Contracting Goals**. Pursuant to the Office of Management and Budget Memorandum M-22-03, Advancing Racial Equity, and the Small Business Act, the VA will provide input into performance plans of positions that guide small business subcontracting goals.

(4) **Enforcement of Equal Opportunity Policy**. The Office of Resolution Management, Diversity and Inclusion (ORMDI) has developed a performance standard to be included within a critical element for all supervisors and managers. This action aligns with 29 C.F.R. § 1614.102(a)(5), which requires supervisors and managers to be evaluated in such a manner that ensures continuing affirmative application and vigorous enforcement of equality opportunity policy.

(5) Performance plans for all supervisors and managers must include, within a specified critical or non-critical element, performance standards addressing the following:

(a) Customer [S]ervice[/Customer Experience], i.e., a standard addressing how the employee will provide service to their customers [and improve customer engagement and experience] through one or more of their duties;

(b) Ensuring subordinates complete all mandatory training on a timely basis;

(c) Ensuring supervisors and managers with hiring responsibilities recruit and hire qualified employees;

(d) Appraising and rewarding employees; and

(e) Addressing performance and conduct deficiencies.

e. The performance plan will adhere to all other provisions set forth in VA Handbook 5013, Part I.

9. PERFORMANCE PLAN ELEMENTS.

a. All performance plans must contain at least one critical element and one non-critical element. Critical elements and non-critical elements are used in assigning a summary rating.

b. VHA ECF performance accomplishments should reflect quantifiable and qualitative behaviors and results that advance VA and organizational goals.

c. In additional to any elements required by statute or executive leadership the performance plan must include the following elements, one of which must be a critical element.

(1) **Leading Change.** Competencies include creative thinking, flexibility/adaptability and systems thinking. This element addresses the employee's ability to adjust to changing situations and implement innovative solutions to make organizational improvements, as appropriate, ranging from incremental improvements to major shifts in direction or approach. This element also addresses the employee's ability to balance change and continuity while continually striving to improve service and program performance, create a work environment that encourages creative thinking, collaboration and transparency and maintain program focus even under adversity.

(2) **Leading People.** Competencies include creative thinking, flexibility/adaptability, technical skills, interpersonal effectiveness. This element addresses the employee's demonstration of VA's Core Values both in direct interactions with staff and Veterans including fostering core values and high ethical standards in meeting the organization's vision, mission and goals as well as in the decision-making process and evaluation of subordinates. This element also addresses the employee's demonstration of professional integrity and professional accountability of self and others; protection of staff from retaliation for raising concerns about qualify, safety and business integrity.

(3) **Business Acumen.** Competencies include personal mastery, technical skills, flexibility/adaptability and organizational stewardship. This element addresses the employee's demonstration of assessing, analyzing, acquiring and administering human, financial, material and information resources in a manner that places a high priority on a culture of compliant business integrity instilling public trust and accomplishing the organization's mission. This element addresses the employee's use of technology to enhance processes and decision-making. This element addresses the employee's execution of the operating budget, preparation of budget requests with justifications and alignment of resources to deliver sustained value to Veterans. This element also addresses the employee's demonstration of supporting the executive in the development and execution of tactics in the VHA Modernization of Operational Plan where appropriate.

(4) **Building Coalitions.** Competencies include customer service, interpersonal effectiveness and personal mastery. This element addresses the employee's ability to solicit and consider feedback from internal and external stakeholders and/or customers. This element addresses coordination with appropriate parties to maximize input from the widest

range of appropriate stakeholders to facilitate an open exchange of opinion from diverse groups and strengthen internal and external support. This element addresses the employee's demonstrated actions to explain, advocate and express facts and ideas in a convincing manner and to negotiate with individuals and groups internally and externally as appropriate. This element also addresses the employee's demonstrated actions developing a professional network with other organizations and identifying the internal and external politics that affect the work of the organization.

(5) **Results-Driven.** Competencies include customer service, organizational stewardship, systems thinking, technical skills and creative thinking. This element addresses the expectation for specific performance results from the employee during the appraisal period, and, where applicable, such results reflect key opportunities for improvement that support organizational measures relevant to VHA Modernization identified in authoritative VA reporting and analytic systems, e.g., Strategic Analytics for Improvement and Learning (SAIL) or its components; Access, Environment of Care; VA/VHA priorities. Measures may include overall value and effectiveness of care, efficiency, quality, costs, Veteran experience, homelessness, mental health and the VA MISSION Act of 2018. Expected demonstrated results include enhancing patient-driven outcomes for Veterans, from the VA and/or VHA strategic plan or other measurable outputs and outcomes clearly aligned to organizational goals and objectives. Under this element, to ensure clear, transparent alignment to relevant agency or organizational goals/objectives, the employee should use and reference specifics from the Strategic Plan, Congressional Budget Justification, Innovation and Customer Service priorities, Critical Mission Support areas, other management improvement efforts, and/or other organizational planning documents.

d. In additional to any elements required by statute or executive leadership, the ECF managerial performance plan addresses the following core competencies within performance standards:

(1) **Change Management.** Competencies include creative thinking, flexibility/adaptability and systems thinking. This competency addresses the employee's understanding of the concept of organizational change management and the employee's application of this understanding to help the organization continue to transform into an organization that results in improved customer outcomes, satisfaction and engagement, representing an overall excellent customer experience. Where applicable, ECF employees' performance standards will support their executive, facility and/or organization in meeting the VA MISSION ACT of 2018 requirements. Other factors that may be applicable include consideration of results and recommendations of Joint Commission reviews; the number

and nature of recommendations by the VA OIG; Combined Assessment Program; Human Resources Assessments; Administrative Investigation Boards and other organizational reviews to destigmatize failure, sustain improvement capability and generate best practices geared to the delivery of highly reliable, safe and effective Veteran care and services for Veterans.

(2) **Innovation and Creativity.** Competencies include creative thinking, flexibility/adaptability, technical skills and interpersonal effectiveness. This competency addresses the employee's demonstration of VA's Core Values, i.e., Integrity, Commitment, Advocacy, Respect and Excellence (I CARE) and VA Core Characteristics in interactions with Veterans, staff, and other stakeholders at all times. The employee champions innovation by looking beyond the current reality and the *status quo*. The employee challenges assumptions and creates a work environment and culture that values, fosters, and rewards creativity and innovation. The employee positions the organization for success by identifying, developing and implementing new or cutting-edge programs, processes or strategies. The employee anticipates the potential impact of decisions on existing delivery systems; expresses concerns about quality, safety, and sustainability of the mission, and uses performance reports, improvement tools, and research-based evidence to identify opportunities for quality improvement while anticipating and managing risk.

(3) **Professional Accountability.** Competencies include personal mastery, technical skills, flexibility/adaptability and organizational stewardship. This competency addresses the employee's demonstration of taking responsibility and initiative, setting and meeting priorities, following through on commitments, safeguarding information, and organizing and using time and resources to achieve desired results. The employee demonstrates accountability by performing work in a thorough and conscientious manner, ensuring work products and services provided are accurate and complete. The employee follows through on commitments and accepts responsibility for their own actions. This element also addresses the employee's following relevant policies and procedures, knowing when to ask for help, and seeking guidance when necessary.

(4) **Customer Service.** Competencies include customer service, interpersonal effectiveness, and personal mastery. This competency addresses the employee's demonstrated awareness of the Veteran population, their needs, and the benefits and services available to them. Through this element, the employee demonstrates an understanding the serving Veterans, families, and other stakeholders is VA's mission. The employee ensures that daily work and VA's and VHA's strategic direction are customer centered. The employee respects VA effectively to both internal and external audiences and keeps the respect and advocacy for Veterans

at the forefront of actions. Through this element the employee demonstrates seeking information to understand customer needs and manages expectations. The employee anticipates and meets expectations and follows-up to ensure satisfaction and improve service quality.

(5) **Business Results.** Competencies include customer service, organizational stewardship, systems thinking, technical skills and creative thinking. This competency addresses the expectation for specific performance results from the employee during the appraisal period, and, where applicable, such results reflect key opportunities for improvement that support organizational measures relevant to VHA Modernization identified in authoritative VA reporting and analytic systems, e.g., SAIL or its components; Access, Environment of Care; VA/VHA priorities. Measures may include overall value and effectiveness of care, efficiency, quality, costs, Veteran experience, homelessness, mental health and the VA MISSION Act of 2018. Expected demonstrated results include enhancing patient-driven outcomes for Veterans, from the VA and/or VHA strategic plan or other measurable outputs and outcomes clearly aligned to organizational goals and objectives. Under this element, to ensure clear, transparent alignment to relevant agency or organizational goals/objectives, the employee should use and reference specifics from the Strategic Plan, Congressional Budget Justification, Innovation and Customer Service priorities, Critical Mission Support areas, other management improvement efforts, and/or other organizational planning documents.

10. STEPS TO ADDRESSING UNACCEPTABLE PERFORMANCE.

NOTE: The following procedures under paragraph 10.a. and b. are not applicable to Schedule Policy/Career employees appointed under 5 C.F.R. § 213.3601 (refer to VA Handbook 5021, Part III, Chapter 2 or Part X) or employees covered by the provisions of 38 U.S.C. § 714, unless otherwise permitted in accordance with VA Notice 2026-05, Taking Actions under 38 U.S.C. § 714.

a. **Title 5 and Hybrid Title 38 ECF employees**. The procedures outlined in Appendices C, D, or E will be followed depending on the authority for which a performance-based action is being taken. If the employee is failing a critical element and management plans to take an action under the authority of 5 U.S.C. Chapter 43, an opportunity to improve period must be offered as outlined in Appendix C.

b. **Full-time Title 38 employees appointed under 38 U.S.C. § 7401(1) and Part-Time Registered Nurses appointed under 38 U.S.C. § 7405(a)(1)(A)**.

(1) Full-time Title 38 employees who are failing a critical element under an ECF plan must be offered an opportunity to demonstrate acceptable performance prior to taking a major adverse action under the authority of 38 U.S.C. § 7461 unless the employee meets one of the conditions identified in subparagraph (2). The opportunity to demonstrate acceptable performance will be communicated to the employee in writing and will:

(a) Identify the critical element(s) for which performance is less than Fully Successful;

(b) Provide specific examples of the performance deficiencies for each element/standard determined to be less than Fully Successful;

(c) Clearly explain performance expectations;

(d) Indicate the length of the opportunity to demonstrate acceptable performance including the beginning and ending date;

(e) Identify what the employee must do to achieve the Fully Successful level for each element determined to be less than Fully Successful;

(f) Identify how the employee's work will be monitored;

(g) Establish a time and place for regular meetings with the supervisor and the employee to discuss the employee's progress; and

(h) Identify how the supervisor, or another individual, will be available to provide assistance, if needed.

(2) The requirement for an opportunity to demonstrate acceptable performance does not apply if:

(a) The employee's performance in the critical element constitutes a clear danger to self or others;

(b) The employee is a temporary full-time, part-time, or without compensation employee appointed under the authority of 38 U.S.C. § 7405(a)(1)(A) unless the employee is a part-time registered nurse.

(3) Completion of the opportunity to demonstrate acceptable performance period.

(a) If the employee's performance reaches the Fully Successful level at the completion of the opportunity to demonstrate acceptable performance, the employee will be allowed to resume duties and responsibilities as assigned by the supervisor with normal supervision.

(b) If the employee fails to demonstrate acceptable performance to at least the Fully Successful level at the completion of the opportunity to demonstrate acceptable performance, the supervisor must take action to remove the employee from the position. The employee may be reassigned to another position or issued a proposed reduction in grade/pay or removal from Federal service as prescribed in VA Handbook 5021, Employee-Management Relations.

(c) If the employee's performance becomes less than Fully Successful again within 12 months following the issuance of the opportunity to demonstrate acceptable performance and the performance is in the same critical element, a performance-based action may be taken without the benefit of offering another opportunity to demonstrate acceptable performance.

(d) If the employee's performance becomes less than Fully Successful again within 12 months following the issuance of the opportunity to demonstrate acceptable performance and the performance is in a different critical element, the employee will be offered an opportunity to demonstrate acceptable performance.

11. RATING PROCESS.

a. A rating is the written record of the appraisal of each critical and non-critical performance element and the assignment of a summary rating level by the rater. All ratings will be documented on VA Form 3482e. However, only annual ratings of record will be maintained in the eOPF.

b. All ECF employees will submit a self-assessment at the end of each rating period. Self-assessments will be submitted to the rater within 14 calendar days after the conclusion of the rating period.

c. The rater will assess the employee's accomplishment of each established performance element and prepare a written rating for each employee who has served under a performance plan for the minimum appraisal period of 90 calendar days. If an achievement level other than Fully Successful is assigned for a particular performance element, specific examples supporting that level must be documented on the rating form (or attached). The employee's self-assessment, if appropriate, may be used for this purpose.

d. Based on the levels of achievement assigned for each performance element, the rater will assign one of the five summary ratings levels as described in Part I of this Handbook.

e. The annual rating process, as well as any special ratings required during the appraisal period, i.e., employee changes positions or leaves the Department, will be completed in accordance with the general provisions of Part I of this Handbook.

[NOTE: Per the Joint Commission, RNs who do not have another RN as either a Rater or Approving Official must have their ECF rating of record reviewed by the Associate Director for Patient Care Services (ADPCS)/Nurse Executive or their designee. For ADPCS/Nurse Executives, the reviewing official is the VISN Chief Nursing Officer (CNO) or their designee. For VISN CNOs and RNs in National

Program Offices where there is not another RN as either a Rater or Approving Official, their ECF performance rating must be reviewed by the Executive Director, Office of Nursing Services/Deputy Chief Nursing Officer,IGNED or their designee.]

12. **ASSIGNMENT AND REVIEW OF ANNUAL RATING OF RECORD.** All employees who occupy an ECF position on September 30 will be rated in accordance with this Appendix and Part I of this Handbook.

13. REQUEST FOR RECONSIDERATION AND HIGHER-LEVEL REVIEW.

a. **Step 1.** ECF employees may submit a written request for reconsideration of their rating of record. This written request must be submitted first to the rater, or to the Approving Official if the rating required approval, within 15 calendar days after receipt of the rating. The rater or approving official, as applicable, will consider the written request for reconsideration and provide a written response to the employee within 10 calendar days. If a different rating is assigned by the rater or approving official, the performance-based reason for the change must be explained on the form. This explanation will specify which achievement levels for which elements were changed and why.

b. **Step 2.** After receipt of the Step 1 response, the ECF employee may submit a written request for reconsideration to the next higher-level official within their supervisory line if they are still not satisfied with the rating. This request must be submitted within 5 calendar days of receipt of the Step 1 response. The request must include the employee's written comments in support of the reconsideration as well as the rater's or approving official's written response from Step 1. The official performing the higher-level review will provide a written response to the employee within 10 calendar days. If a different rating is assigned by this official, the performance-based reason for the change must be explained on the form. This explanation will specify which achievement levels for which elements were changed and why. This is the final administrative decision in this matter and is provided to ECF employees in lieu of the performance rating grievance process outlined in Part I of this Handbook.

APPENDIX B. PERFORMANCE APPRAISAL PROGRAM FOR VBA NON-EXECUTIVE DIRECTORS

1. **SCOPE.** This Appendix supplements Part I of this Handbook and defines the policies and procedures for VBA non-executive directors. Unless specifically covered in this Appendix, the procedures in Part I of this Handbook will apply.

2. **COVERAGE.** All VBA non-executive directors.

3. **GENERAL.**

   a. **Performance Appraisal Period.** The VBA non-executive director appraisal period is October 1 through September 30. The minimum performance appraisal period for employees covered by this Appendix is 90 calendar days.

   b. **Performance Appraisal Form.** VA Form 0750, Performance Appraisal, will be used to document the performance plan and appraise the performance of VBA non-executive directors.

   c. **Extension of Appraisal Period.** If an employee was appointed to a position between July 1 and October 1, the appraisal period will be extended to allow for the employee to be under their performance plan for the minimum appraisal period, i.e., 90 calendar days, not to exceed December 31.

   d. **Details and Temporary Promotions.** If a VBA non-executive director is serving on a detail or temporary promotion, is still serving in that position as of September 30 and the employee has performed under communicated performance requirements for a minimum of 90 calendar days in either position, the employee may be assigned an annual rating based on either:

      (1) Performance in the temporary assignment; or

      (2) Performance in their permanent position.

4. **PERFORMANCE PLAN.**

   a. **General.**

      (1) The rater is responsible for communicating a performance plan and consulting with the employee and, if appropriate, the higher-level supervisory official, on the plan's content. The rater will provide a written performance plan to the employee as soon as possible, but no later than 30 calendar days after the beginning of the appraisal period, assignment to a new non-executive director position, or when a plan is changed.

      (2) The performance plan will adhere to all other provisions set forth in VA Handbook 5013, Part I.

b. **Work Plan.**

(1) The performance plans for all non-executive directors whose positions include significant managerial responsibilities will include a performance element, “Work Plan Accomplishment,” or a similar element.

(2) The work plan will identify high priority goals and projects to be individually tracked during the appraisal period.

(3) Normally, the number of performance standards in the work plan will be limited to between 5 and 10.

(4) Specificity of the objectives will vary depending on the level and functions of the position covered.

(5) A non-executive director's work plan should reflect their responsibility for items in the annual Program Operating Plan.

(6) The following is a list of management elements and standards common to many executive and non-executive director positions. When combined with the individualized performance standards in the work plan, this prototype should serve as the performance plan for most non-executive director positions involving significant managerial responsibility. The sample elements and standards should be modified, as necessary, to reflect the unique duties and responsibilities of individual positions. However, in order to promote a degree of consistency in performance plans, major deviations in format require approval of the appropriate Under Secretary, Assistant Secretary or other Key Official.

(a) Organizational Planning.

i. Sets long and short-term program objectives that are realistic and are responsive to Department goals and priorities.

ii. Develops effective approaches for meeting Department objectives.

iii. Includes analysis of cost to achieve goals, taking into consideration the financial and technical aspects of program plans.

iv. Plans specific milestones to permit successful monitoring and control of program activities.

v. Prepares budgets that are realistic and attainable.

vi. Uses cost control techniques effectively.

(b) Program Direction and Communication.

i. Articulates and communicates Department goals, relating them to achievement of specific program outcomes.

ii. Meets organizational goals on time and within budget allocations.

iii. Ensures that organizational structure facilitates program accomplishment.

iv. Determines that accounting and administrative controls achieve cost efficiency.

v. Makes logical decisions that are understood and supported by those who are to carry them out.

vi. Keeps staff and other organizations informed about significant matters in a timely manner.

vii. Develops and maintains good working relationships with other organizations.

viii. Provides practical advice and guidance to others (including other organizations) for developing new policies and programs.

ix. Demonstrates appreciation for and appropriate responsiveness to the concerns and needs of the general public and clientele groups.

(c) Human Resources Management.

i. Tells employees what is expected, advises them of necessary changes as job progresses and holds them responsible for timely completion of work assignments.

ii. Provides staff with continuous feedback on strengths and weaknesses of their work.

iii. Appraises staff performance accurately within Department time frames.

iv. Gives technical advice as required and reviews work promptly.

v. Uses appropriate rewards and corrective action principles in employee-management.

vi. Establishes and monitors goals for Equal Employment Opportunity (EEO) through affirmative action, particularly upward mobility, to the extent consistent with staffing needs and resource availability.

vii. Provides effective leadership in promoting aggressive management action to prevent the unnecessary escalation of employee-management disputes into formal complaints of discrimination or sexual harassment. Before accepting a formal complaint ensures that management has made every reasonable effort to resolve the dispute, but to no avail.

(d) Program Monitoring and Evaluation.

i. Determines that review/monitoring procedures and guidelines are clearly and concisely stated.

ii. Uses monitoring and evaluation procedures which ensure that outputs are of good quality and on time.

iii. Recognizes when current review is inadequate and makes appropriate changes.

iv. Ensures that internal control systems consistent with Office of Management and Budget, General Accountability Office and VA guidelines are in place and operate effectively.

v. Third party reviews indicate a satisfactory level of program effectiveness. Ensures that any required corrective actions are accomplished in a timely fashion and are effective in the majority of instances.

(7) Work plan accomplishment is defined as accomplishing all or most actions in the work plan with deviations from the work plan justified and acceptable to supervisors. Actions are accomplished at a quality level considered satisfactory or better by supervisors.

(8) Non-executive directors play a key leadership role in promoting equal employment opportunity, affirmative action and the elimination of discrimination and sexual harassment in the workplace. One of the standards under the Human Resources Management element deals with providing active leadership in equal opportunity matters and other concerns providing effective leadership in promoting specific actions to avoid discrimination complaints. In connection with these two standards, the work plans of all non-executive directors will include specific objectives designed to increase the employment and advancement of minorities, women and people with disabilities. Those objectives will be geared toward the areas of

under-representation and will also be results oriented. In addition, the work plans will include objectives relating to specific activities designed to improve understanding between all employees and to eliminate factors in the workplace that may encourage sexual harassment or discrimination.

c. **Employee Participation.** Raters may ask non-executive directors to submit proposed performance plans before the beginning of the appraisal period. When this is done, the supervisor will review the proposed plan, discuss any changes or modifications and provide a written copy of the approved performance plan.

d. **Continuing Review of Performance Plan.** The performance plan should be reviewed by both the employee and the rater during the appraisal period. Changes in program emphasis or other developments that would make the standards inappropriate for the current situation may necessitate changes to the plan. The rater will document in writing any revisions or deletions to the performance plan and communicate them to the employee. Normally, performance plans will not be changed within 90 days of the end of the appraisal period.

5. RATING PROCESS.

a. A rating is the written record of the appraisal of each critical and non-critical performance element and the assignment of a summary rating level by the rater. All ratings will be documented on VA Form 0750. However, only annual ratings of record will be maintained in the eOPF.

b. Non-executive directors may voluntarily submit a self-assessment of their performance as measured against the approved performance plan. Self-assessments should be submitted to the rater within 14 calendar days after the conclusion of the appraisal period.

c. The rater will assess the employee’s accomplishment of each established performance element and prepare a written rating for each employee who has served under a performance plan for the minimum appraisal period of 90 calendar days. If an achievement level other than Fully Successful is assigned for a particular performance element, specific examples supporting that level must be documented on the rating form (or attached). The employee’s self-assessment, if appropriate, may be used for this purpose.

d. Based on the levels of achievement assigned for each performance element, the rater will assign one of the five summary ratings levels as described in Part I of this Handbook.

e. The annual rating process, as well as any special ratings required during the appraisal period, i.e., employee changes positions or leaves the Department,

will be completed in accordance with the general provisions of Part I of this Handbook.

6. **GRIEVANCE PROCEDURE.** Non-executive directors who wish to appeal their rating of record may do so by following the procedures outlined in Part I of this Handbook.

APPENDIX C. PROCEDURES FOR ADDRESSING UNACCEPTABLE PERFORMANCE UNDER 5 U.S.C. CHAPTER 43.

1. **SCOPE.** This Appendix describes the procedural requirements for addressing Unacceptable performance under 5 U.S.C. § 4303 (Chapter 43) for Title 5 and Hybrid Title 38 employees who have completed their probationary or trial period (see 5 C.F.R. § 432.102). **NOTE:** This appendix is not applicable to Schedule Policy/Career employees appointed under 5 C.F.R. § 213.3601 or employees covered by the provisions of 38 U.S.C. § 714, unless otherwise permitted in accordance with VA Notice 2026-05, Taking Actions under 38 U.S.C. § 714.

2. **REFERENCES.**

   a. 5 U.S.C. Chapter 43.

   b. 5 C.F.R. Part 430.

   c. 5 C.F.R. Part 432.

   d. 5 C.F.R. § 1201.4(p).

   e. VA Handbook 5021, Employee-Management Relations.

3. **DEFINITIONS.**

   a. **Acceptable Performance**. Performance meeting the employee's performance requirement(s) or standard(s) at a level of performance above Unacceptable in the critical element(s) at issue.

   b. **Opportunity to Demonstrate Acceptable Performance.** The reasonable chance for the employee whose performance has been determined to be Unacceptable in one or more critical elements to demonstrate acceptable performance in the critical element(s) at issue. This is accomplished by developing a written PIP.

   c. **Reduction in Grade.** The involuntary assignment of an employee to a position at a lower classification or job grading level.

   d. **Removal.** The involuntary separation of an employee from the VA.

   e. **Unacceptable Performance.** Performance of an employee that fails to meet established performance standards in one or more critical elements of the employee's position.

4. **BURDEN OF PROOF.** Performance-based actions taken under Chapter 43 must be proven by substantial evidence which means the degree of relevant evidence which a reasonable person, considering the record as a whole, might accept as adequate

to support a conclusion, even though other reasonable persons might disagree. This is a lower standard of proof than preponderance of the evidence.

5. **DETERMINING UNACCEPTABLE PERFORMANCE.** The supervisor is responsible for monitoring and evaluating performance throughout the appraisal period. When deficiencies arise, the supervisor must determine if the deficiencies are performance-based or whether they result from other causes such as technological barriers, negligence or misconduct. To determine this, the supervisor should consider:

   a. Whether the employee possesses the knowledge, skill or ability to perform the duties of the position at a satisfactory level;

   b. Whether the employee is able to do the job or has demonstrated this ability in the past; and

   c. Whether the performance deficiencies appear to be a matter of the employee's inability to perform versus a matter of the employee's unwillingness to appropriately perform the assigned duties, i.e., performance versus conduct issue.

6. **STEPS TO RESPONDING TO UNACCEPTABLE PERFORMANCE.** If it is determined at any time during the appraisal cycle an employee's performance is Unacceptable in one or more critical elements, the supervisor will gather appropriate supporting documentation to justify placing the employee on a PIP. Supervisors should consult with their servicing HR office for guidance on appropriate documentation.

7. **DEVELOPING THE PIP.** Once it has been determined an opportunity to demonstrate acceptable performance is required or warranted due to Unacceptable performance in a critical element, the supervisor must provide the employee formal written notice. The notice must:

   a. Identify the critical element(s) for which performance is Unacceptable;

   b. Provide specific examples of the performance deficiencies for each critical element for which performance has been determined to be Unacceptable;

   c. Clarify performance expectations;

   d. Indicate the length of time the employee will be given to demonstrate acceptable performance, including the beginning and ending date. The length of the opportunity to demonstrate acceptable performance period may depend on the position of the employee, the nature of work and the deficiencies involved, but will typically be no more than 30 calendar days except for those employees required to be granted a longer period of time due to a collective bargaining agreement;

   e. Identify what the employee must do to achieve the Fully Successful level for each element in order to successfully demonstrate acceptable performance;

f. Identify how the employee's work will be monitored;

g. Establish a time, place and degree of frequency for meetings to be held with the supervisor and the employee to discuss the employee's progress;

h. Identify who will be available, e.g., the supervisor, another individual, to provide assistance if needed; and

i. Describe other assistance that will be made available to the employee. Examples of assistance include:

(1) Assignment of a mentor;

(2) Classroom training;

(3) Closer supervision;

(4) Increased interaction with subject matter experts;

(5) Self-study; and

(6) Research assignments.

8. COMPLETION OF THE PIP.

a. **Successful Completion of the Opportunity to Demonstrate Acceptable Performance.** If the employee's performance reached the Fully Successful level at the completion of the PIP, the employee will be notified in writing of such and will be allowed to resume duties and responsibilities assigned by the supervisor with normal supervision.

b. **Successful Completion of the Opportunity to Demonstrate Acceptable Performance and Faltering after 12 Months.** If the employee performed at a Fully Successful level for the 12 months following the issuance of the PIP and the employee's performance again becomes Unacceptable in a critical element, the supervisor must afford the employee a new opportunity to demonstrate acceptable performance.

c. **Unsuccessful Performance During the PIP or Within 12 Months.** If at any time during or within 12 months from the initial issuance of the PIP the employee fails to perform at the Fully Successful level in the critical element(s) for which the employee was allowed to demonstrate acceptable performance, the supervisor must take action to remove the employee from the position. Only if the performance becomes Unacceptable within the 12 months from the initial issuance of the PIP and in the same critical element for which an opportunity to improve was provided, can a performance-based adverse action be proposed without a new opportunity period. The employee may be reassigned to another

position or issued a proposed reduction in grade/pay or removal from Federal service with the benefit of an additional opportunity period. While reassignment to another position without a reduction in grade/pay may be effected immediately and without adverse action procedures, any applicable VA policies as well as collective bargaining agreement requirements must be followed.

9. PROCESSING A PERFORMANCE-BASED ADVERSE ACTION.

a. **Performance-Based Adverse Actions**. Performance-based adverse actions include involuntary reductions in grade, reductions in the rate of basic pay and removals from Federal service based on the Unacceptable performance in one or more critical elements. The burden of proof for a performance-based action is substantial evidence. A performance-based action may be taken if the following requirements have been met:

(1) The employee's performance was Unacceptable prior to the PIP;

(2) The employee was provided an opportunity to demonstrate acceptable performance through a written PIP for each critical element in which performance was determined to be Unacceptable; and

(3) The employee failed to improve to a Fully Successful level while on the PIP or within 12 months following the initial issuance of the PIP.

b. **Officials Authorized to Propose the Action**. The appropriate management official as identified in VA Handbook 5021, Employee-Management Relations, may propose to reduce in grade/pay or remove the employee.

c. **Automated Labor and Employee Relations Tracker (ALERT-HR).** When the supervisor or other appropriate management official determines a performance-based action is warranted, the servicing HR office will utilize ALERT-HR to track the action. All applicable evidence will be included in an evidence file prior to issuance of notice to the employee.

d. **Advance Written Notice**. The employee is entitled to a 30-calendar-day advance written notice of the proposed performance-based adverse action. The notice of proposed action will include:

(1) The action being proposed, i.e., reduction in grade/pay, or removal. If the action is a reduction in grade, the proposal notice will include the position and grade of the position to which it is proposed to demote the employee.

(2) Each critical element(s) that is determined to be Unacceptable;

(3) For each critical element identified, specific deficiencies or examples of Unacceptable performance during the opportunity to improve period that formed the basis for the determination of Unacceptable performance;

(4) A thorough summary of any counseling or assistance provided and details regarding the outcome of the PIP;

(5) The employee's right to review the record, obtain representation, have a reasonable amount of time to make an oral and/or written response and receive a written decision; and

(6) A place for the employee to acknowledge receipt of the Notice of Proposed Action.

e. **Extending the 30-Day Advance Notice Period.**

(1) A written final decision will be made within 30 calendar days after expiration of the initial advance notice period. However, this notice period may be extended not to exceed an additional 30 calendar days in the following instances without prior approval from the OPM:

(a) To obtain and/or evaluate medical information when the employee raises a medical issue in the reply stating it contributed to the Unacceptable performance. In this instance, the supervisor will allow the employee to furnish medical documentation, as defined in 5 C.F.R. § 339.104, of the condition for management's consideration. Whenever possible, the employee will supply this documentation following the notification of Unacceptable performance. If the employee offers such documentation after management has proposed a reduction in grade or removal, it should be supplied in accordance with 5 C.F.R. § 432.105. In considering documentation submitted in connection with the employee's claim of a medical condition, the agency may require or offer a medical examination in accordance with the criteria and procedures of 5 C.F.R. Part 339 and will be aware of the affirmative obligations of 29 C.F.R. § 1613.704. If the employee who raises a medical condition has the requisite years of service under the Civil Service Retirement System or the Federal Employees Retirement System, management will provide information concerning application for disability retirement. As provided at 5 C.F.R. § 831.501(d), an employee's application for disability retirement will not preclude or delay any other appropriate organizational decision or personnel action. (See 5 C.F.R. § 432.105);

(b) To arrange for the employee's travel to make an oral reply;

(c) To arrange for the deciding official's travel to hear the employee's oral reply;

(d) To consider the employee's request for an extension of the reply period due to an illness or incapacitation;

(e) To consider reasonable accommodation of a disabling condition;

(f) To consider positions to which the employee might be reassigned or demoted; or

(g) To comply with a stay ordered by MSPB under 5 U.S.C. § 1208(b).

(2) If an extension is needed for reasons other than identified above, the extension must be requested and approved by OPM and an informational copy must be sent to the Office of the Chief Human Capital Officer (OCHCO), Employee Relations and Performance Management Service.

(a) Send the extension request to the Manager, Employee Accountability, Accountability and Workforce Relations, Employee Services, Office of Personnel Management, 1900 E. Street N.W., Washington, DC 20415.

(b) Send an informational copy to OCHCO, Employee Relations and Performance Management Service (051), Department of Veterans Affairs, 810 Vermont Ave N.W., Washington, DC 20420, or via email at vaco051erpms@va.gov.

f. **Employee Reply.** The supervisor will afford the employee a reasonable opportunity to respond to the proposed notice orally or in writing, or both orally and in writing.

(1) A response period should not exceed 14 calendar days except in rare and unusual circumstances except as provided for in a collective bargaining agreement.

(2) The employee will be allowed to be represented by an attorney or other representative. A representative may be disallowed in instances where there is a conflict of interest or where an employee whose release from their official position would give rise to unreasonable costs to the government or whose priority work assignment precludes release from official duties.

g. **Final Decision.**

(1) Unless the action was proposed by the Secretary, the decision will be made in accordance with delegations and procedures prescribed in VA Handbook 5021, Employee-Management Relations.

(2) In arriving at a final decision, the deciding official should take into consideration the employee's reply(ies), if applicable. The final decision will generally be issued to the employee prior to the effective date.

(3) The decision will specify the instances of Unacceptable performance by the employee on which the action is based and will inform the employee of any applicable appeal and/or grievance rights.

h. **Appeal and Grievance Rights.**

(1) **Reassignment.** An employee who has been reassigned as a result of Unacceptable performance and who has not suffered a reduction in grade or reduction in rate of basic pay may file a grievance under the agency grievance procedures prescribed in VA Handbook 5021, Employee-Management Relations, or under the applicable negotiated grievance procedures, if covered.

(2) **Adverse Action.**

(a) **Bargaining Unit Employees.** A bargaining unit employee who has been involuntarily reduced in grade or removed from Federal service as a result of Unacceptable performance and, who otherwise meets the coverage described in 5 C.F.R. § 432.106, may either file appeal to MSPB or file a grievance under the applicable negotiated grievance procedures, if otherwise covered. However, the employee cannot file both and must elect whether to appeal to MSPB or file a grievance.

NOTE: Bargaining unit employees who are non-preference eligible in the excepted service who have completed one year of current continuous service in the same or similar position are covered under the procedures outlined in this paragraph, i.e., reasonable opportunity to improve, proposed notice of performance-based adverse action, etc. However, such employees do not have the right to appeal an adverse action to MSPB until they have completed two years of current and continuous service in the same or similar position under other than a temporary appointment limited to two years or less. Therefore, these employees are entitled to file a negotiated grievance if otherwise covered.

(b) **Non-Bargaining Unit Employees.** A non-bargaining unit employee, who has been involuntarily reduced in grade or removed from Federal service as a result of Unacceptable performance and who otherwise meets the coverage described in 5 C.F.R. § 432.106 may appeal to MSPB.

APPENDIX D. PROCEDURES FOR ADDRESSING UNACCEPTABLE PERFORMANCE UNDER 5 U.S.C. CHAPTER 75.

1. **SCOPE.** This Appendix describes the procedural requirements for addressing Unacceptable performance under 5 C.F.R. Part 752 (Chapter 75) for Title 5 and Hybrid Title 38 employees who have completed their probationary or trial period and who meet the definition of employee as found in 5 U.S.C. § 7511(a)(1). NOTE: This appendix is not applicable to Schedule Policy/Career employees appointed under 5 C.F.R. § 213.3601 or employees covered by the provisions of 38 U.S.C. § 714, unless otherwise permitted in accordance with VA Notice 2026-05, Taking Actions under 38 U.S.C. § 714.

2. **REFERENCES.**

   a. 5 U.S.C. Chapter 75.

   b. 38 U.S.C. § 7401(3).

   c. 38 U.S.C. § 7403(f)(3).

   d. 5 C.F.R. § 1201.4(q).

   e. VA Handbook 5021, Employee-Management Relations.

3. **BURDEN OF PROOF.** Performance-based actions taken under Chapter 75 must be proven by preponderance of the evidence which means the degree of relevant evidence that a reasonable person, considering the record as a whole, would accept as sufficient to find that a contested fact is more likely to be true than untrue.

4. **DETERMINING UNACCEPTABLE PERFORMANCE.**

   a. It may be more appropriate to propose an action for Unacceptable performance under Chapter 75. Such actions may be taken for failure to satisfactorily perform certain aspects of an employee's position that may fall outside of the employee's performance elements and standards. While there is no requirement that an employee be provided a reasonable opportunity to improve prior to proposing an action, the action must be supported by a preponderance of the evidence. Examples of the appropriate evidence include work expectations were communicated to the employee; the employee was aware of the consequences of failure to perform at the expected level; the employee failed to perform; and there is a nexus between the failure to perform and the efficiency of the service.

   b. These procedures should not be used to hold the employee to a higher standard of performance than that required in the employee's performance standards.

c. In cases where a performance-based action is being proposed under 5 U.S.C. Chapter 75, the employee is entitled to the procedural entitlements prescribed in VA Handbook 5021, Employee-Management Relations.

d. Such actions should be taken in consultation with servicing Human Resources and District Counsel offices.

5. PROCESSING A PERFORMANCE-BASED ACTION UNDER CHAPTER 75.

a. While a performance-based action taken under the authority of Chapter 75 does not require an opportunity to improve period, the employee must be on notice of their performance expectations.

b. The notice of proposed action must identify the specific instances of poor performance forming the basis for the action.

c. Detailed procedures for processing an action under Chapter 75, including those officials delegated to propose and decide such actions, are found in VA Handbook 5021, Employee-Management Relations.

PERFORMANCE MANAGEMENT SYSTEMS

1. **REASON FOR ISSUE:** To revise the Department of Veterans Affairs (VA) procedures regarding performance management systems.

2. **SUMMARY OF CONTENTS/MAJOR CHANGES:** This policy update requires rating officials to include a minimum of one additional performance expectation into the proficiency report rating categories of title 38 non-supervisory managers and leaders. This update also provides clarification regarding the exclusion of certain Health Professions Trainees from the provisions of this handbook. The pages in this handbook replace the corresponding page numbers in VA Handbook 5013, Part II. 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 the Chief Human Capital Officer SharePoint and VA Publications website.

3. **RESPONSIBLE OFFICE:** Human Resources and Administration (HRA) (006), Office of the Chief Human Capital Officer (OCHCO) (05), Employee Relations and Performance Management Service (051).

4. **RELATED DIRECTIVE:** VA Directive 5013, Performance Management Systems, dated August 9, 2024.

5. **RESCISSIONS:** Not applicable.

CERTIFIED BY DIRECTION OF THE SECRETARY OF VETERANS AFFAIRS:

/s/
Mark R. Engelbaum
Assistant Secretary for
Human Resources and Administration

DISTRIBUTION: Electronic Only

PART II. TITLE 38 PROFICIENCY RATING SYSTEM

PERFORMANCE MANAGEMENT SYSTEMS

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PART II. TITLE 38 PROFICIENCY RATING SYSTEM

1. PURPOSE.

a. The proficiency rating system is designed to ensure the effective and efficient utilization of covered employees and to ensure the employee's performance is consistent with the Department of Veterans Affairs (VA) mission to provide the best possible care to Veterans. Proficiency ratings and the processes of review, analysis and evaluation will be used to:

(1) Provide a basis for informing employees of expectations, communicating feedback regarding the level of performance in their assignments and developing their skills and abilities;

(2) Assist in planning for the utilization of skills and assignment of personnel;

(3) Provide a basis for effecting advancements within the grade;

(4) Serve as one of the factors for determining eligibility for promotion to a higher grade;

(5) Serve as a basis for action in cases where performance is unsatisfactory;

(6) Provide a basis for improving the effectiveness of personnel by indicating needs for training and development;

(7) Provide a basis for strengthening employee-supervisor relationships; and

(8) Provide evidence of outstanding service.

b. The processes of review, analysis and evaluation contained in the proficiency rating system and the procedural steps and requirements of the system will not prevent or otherwise limit the review of a probationary employee's performance or impede the separation of such an employee, under the provisions of VA Handbook 5021, Employee-Management Relations and 38 U.S.C. § 7403(b).

2. SCOPE.

a. This part implements the proficiency rating system for appraising the performance of full-time, part-time and intermittent physicians; dentists; podiatrists; optometrists; chiropractors; registered nurses (RNs); advanced practice nurses (APNs), e.g., certified nurse practitioners (CNPs), clinical nurse specialists (CNSs), certified registered nurse anesthetists (CRNAs), certified nurse midwives (CNMs), [RNs and APNs serving in a Registered Nurse Transition to Practice (RNTTP) residency]; physician assistants (PAs) and expanded-function dental auxiliaries (EFDAs) appointed under 38 U.S.C., chapter 73 or 74.

b. This part excludes the following:

(1) The Under Secretary for Health (USH).

(2) Directors appointed under 38 U.S.C. § 7401(1) and individuals appointed under 38 U.S.C. § 7306.

(3) Full-time, part-time and intermittent title 38 hybrid employees appointed under 38 U.S.C. §§ 7401(3) or 7405(a)(1)(B).

(4) Employees appointed under 38 U.S.C. § 7406.

(5) [Health Professions Trainees (HPT), including medical and dental residents, appointed under 38 U.S.C. §§ 7405(a)(1)(A), (B) or (D), or 7406, but excluding RNs or APNs serving in a RNTTP residency.]

(6) Title 38 supervisors and management officials covered by the Veterans Health Administration (VHA) Executive Career Field performance appraisal program who are covered under Part I of this Handbook.

(7) Students/trainees evaluated through another program, e.g., school/academic program, if their evaluation plan is established by the school/program, or if their appointment is for less than one year.

3. POLICY.

a. The requirements for the proficiency rating system are regulations prescribed pursuant to 38 U.S.C. § 7421. The proficiency rating system is designed to ensure the effective and efficient utilization of covered employees and to furnish basis for assistance and guidance in the performance of their assignments and the development of their skills and abilities.

b. The proficiency rating system provides for planned, continuous and systematic review, analysis and evaluation by supervisors to determine the effectiveness of an employee's performance in their assignment.

4. RESPONSIBILITIES.

a. The USH, or designees, will prescribe instructions for periodic counseling of employees, for regular annual proficiency ratings, for delays of these ratings and for special ratings to be made as administratively required.

b. To ensure the proficiency rating system functions properly, the following officials will ensure that rating and approving officials are trained on the proficiency rating system and that they understand pre-established distribution of rating levels for employees covered under this part is prohibited.

(1) Deputy Under Secretary for Health (DUSH) for VHA Central Office employees.

(2) Veterans Integrated Service Network (VISN) Network Directors for VISN employees.

(3) Facility Directors for employees assigned to a Medical Center.

c. Supervisors are responsible for evaluating the proficiency of employees they supervise; providing regular feedback; counseling employees to improve the quality of service and to correct deficiencies; taking action if performance does not improve; explaining the proficiency rating system to employees; and understanding and applying appropriate principles and techniques to ensure equitable and useful ratings.

d. Rating officials are responsible for evaluating the performance of and assigning proficiency ratings for employees under their supervision and are responsible for the timely preparation of proficiency reports.

e. Approving officials are responsible for reviewing, commenting on, if applicable, and approving proficiency reports.

f. Each servicing Human Resources (HR) office is responsible for the administrative review of proficiency reports, reporting completion progress to leadership and providing technical advice to rating and approving officials.

5. REFERENCES. 38 U.S.C., chapters 73 and 74.

6. DEFINITIONS.

a. **Approving Official.** The official at a higher management level than the rating official designated to review and approve a proficiency rating.

b. **Minimum Appraisal Period.** The minimum appraisal period is 90 calendar days [except for intermittent employees who must have been in their position of record 90 calendar days and must have worked a minimum of 60 workdays as of the end of the appraisal cycle. Delayed proficiency ratings are not permitted for intermittent employees].

c. **Overall Rating.** The rating assigned at the end of the rating period based on a total evaluation of the employee's proficiency.

d. **Rating Official.** The official, usually the immediate supervisor, who is responsible for preparing the proficiency rating on an employee under their supervision.

e. **Rating Period.** The rating period for all Title 38 proficiencies will be October 1 through September 30.

7. PROFICIENCY REPORT.

a. **General Instructions.**

(1) Supervisors will communicate how an employee's performance will be evaluated to newly hired employees, including those transferring from another position, within 30 calendar days of the effective date of their assignment.

(2) The minimum appraisal period for an employee to receive a proficiency rating is 90 calendar days [except for intermittent employees who must have been in their position of record 90 calendar days and must have worked a minimum of 60 work days as of the end of the appraisal cycle to receive a proficiency rating. Delayed proficiency ratings are not permitted for intermittent RNs]. If an employee was in the same position at the beginning of the rating period (October 1), the 90-day calculation period begins October 1. If the employee was not in the same position at the beginning of the rating period, the

90-day calculation period begins on the date they began their position, e.g., new hire effective date, effective date of assignment to a new position.

(3) Supervisors will meet with employees at least once during the rating period in accordance with paragraph 8.

(4) Employees may submit a self-assessment to their supervisor no later than 14 calendar days after the conclusion of the rating period. Rating officials are responsible for reviewing the employee's performance and recording the proficiency rating on either:

(a) VA Form 10-2623, Proficiency Report, for RNs; or

(b) VA Form 10-2623a, Proficiency Report, for physicians, dentists, podiatrists, chiropractors, optometrists, PAs, APNs (e.g., CNPs, CNSs, CRNAs, CNMs) and EFDAs.

(5) After the assignment of a rating, rating officials will forward all proficiency forms to the approving official for review. If the approving official disagrees with the rating assigned by the rating official, appropriate comments will be added and the rating changed. The approving official is the final authority in the employee's overall rating. Proficiency forms will be returned to the rating official after the approving official's review.

(6) The rating official will discuss the contents and conclusions of the proficiency form with the employee as soon as possible after the approving official has returned the approved proficiency rating forms. The employee will sign the applicable section of the form indicating the contents of the Proficiency Report have been discussed. If the employee refuses to sign, the rating official will make a notation and sign and date the form. Ratings must be completed and a copy of the completed proficiency form must be provided to the employee no later than 60 calendar days after the end of the appraisal period.

(7) If the employee disagrees with the rating, they may further discuss it with the [rating official and the] approving official. If, after discussions with the rating official and the approving official, the employee disagrees with a proficiency rating, they may submit concise comments concerning the Proficiency Report through the rating and approving officials for filing in their electronic personnel folder (eOPF).

(8) After issuance of the employee's proficiency rating, rating officials will forward all forms to their servicing HR office for filing in the employee's eOPF.

(9) Superior performance awards, special advancements for performance and time-off awards granted based upon a proficiency rating should be processed no later than 90 calendar days after the end of the rating period. As soon as possible after the end of the rating period, approving officials are responsible for forwarding rating information and award recommendations to the appropriate office responsible for processing awards. Eligibility for an award based on a proficiency

rating will be in accordance with VA Handbook 5017, Employee Recognition and Awards.

b. Proficiency Ratings.

(1) RNs, excluding APNs covered in subparagraph (2). [(For RNs in non-supervisory manager or leader positions, also refer to Part II, Appendix B for additional performance expectations.)]

(a) VA Form 10-2623, Proficiency Report, will document the performance level achieved based on the employee's grade/level during the rating period.

(b) Proficiency ratings will be based on the appropriate qualification standard for the employee's position as defined in VA Handbook 5005, Staffing, as well as the employee's functional statement.

(c) Current criteria-based functional statements will be developed in writing and revised as necessary and will outline specific criteria appropriate to the grade level. Each nurse will be given a copy of their functional statement upon initial employment and anytime thereafter when the employee's assignment is changed and/or the functional statement is revised.

(d) Using the criteria-based functional statement and the qualification standard in conjunction with the Proficiency Report is designed to require supervisors to evaluate the employee's performance. The Proficiency Report will be used to document how the nurse meets the criteria outlined in the functional statement and the grade level criteria in the qualification standard.

(e) Justification by the Rating Official. The rating official will document concise justification for each category rated above or below meets expectations on the Proficiency Report. The justification will describe why the nurse was rated above or below meets expectations as defined by the criteria in the appropriate qualification standard and functional statement. The narrative will be thorough but concise and include specific details regarding the categories as indicated in subparagraph (f). The rating official may accept the employee's self-assessment as justification for each applicable category. The self-assessment will be attached to the proficiency form if it is used as justification.

(f) Employees will be rated on categories of dimension requirements which consider proficiency/performance as defined in the nurse qualification standard in VA Handbook 5005, Staffing, applicable for their grade and level. A rating will be assigned for each of the five categories applicable to the employee's position.

(g) Category Rating by the Rating Official. The rating official will indicate the level of achievement best describing the employee's performance for Categories I-V, reflecting and summarizing how the employee met the

category as stated in the qualification standard applicable to the nurse's grade and level, as well as the appropriate functional statement.

i **Exceptional.** The employee's performance significantly surpasses expectations. This level is reserved for employees whose performance in the category far exceeds normal expectations for the grade/level.

ii **Meets Expectations.** The employee fully met and sometimes exceeded expectations.

iii **Unsuccessful.** The employee's performance does not meet a successful level of performance.

(h) The rating official will objectively appraise the employee's overall performance based on the ratings assigned to Categories I through V. An overall rating of Unsatisfactory must be assigned when Category I is rated Unsuccessful. Rating officials will follow the procedures outlined in paragraph 9 regarding counseling requirements, when applicable, for any rating below the level of Satisfactory. The five achievement levels are defined as:

i **Outstanding**. The achievement levels in all five categories are designated as Exceptional, or the achievement levels in at least four categories are designated as Exceptional, the fifth category designated as Meets Expectations, and the employee's overall performance, as documented in the rating official's narrative, exceeds expectations to such a degree that an outstanding evaluation is warranted.

ii **High Satisfactory**. The achievement levels in three or four categories are designated as Exceptional, and all other categories are designated as Meets Expectations.

iii **Satisfactory.** The achievement levels in one or two categories are designated as Exceptional, and all other categories are designated as Meets Expectations; or all achievement levels are designated as Meets Expectations.

iv **Low Satisfactory.** The achievement level in one category (other than Category 1) is designated as Unsuccessful, and all other achievement levels are designated as Exceptional or Meets Expectations.

v **Unsatisfactory.** The employee has not consistently met reasonable expectations of performance as evidenced by achievement levels for more than one category that are designated as Unsuccessful and/or Category 1 being designated as Unsuccessful.

NOTE: [ ]RNs who do not have another RN as either a [R]ating [or A]pproving [O]fficial must have their [Overall Rating] reviewed by the Associate Director for Patient Care Services [(ADPCS)]/Nurse Executive or their designee. [For ADPCS/Nurse Executives, the reviewing official is the VISN Chief Nursing Officer (CNO) or their designee. For VISN CNOs and

RNs in National Program Offices where there is not another RN as either a Rating or Approving Official, their Overall Rating must be reviewed by the Executive Director, Office of Nursing Services/Deputy Chief Nursing Officer or their designee].

(2) Physicians, dentists, podiatrists, chiropractors, optometrists, PAs, APNs (e.g., CNPs, CNSs, CNMs, CRNAs) and EFDAs. [(For non-supervisory managers or leaders in these occupations, also see Appendix B of Part II for additional performance expectations.)]

(a) VA Form 10-2623a, Proficiency Report, will document the performance level achieved during the rating period.

(b) Employees will be rated on categories that provide for consideration of proficiency/performance and will be informed in advance which categories will be considered in the rating process. The rating official will determine which categories apply to the employee's position as identified in Appendix A and assign an achievement level for each category. All employees will be evaluated for Category V, Interpersonal Relationships, and other pertinent categories.

(c) The rating official will objectively appraise the overall competency of the employee in the performance of their duties and responsibilities based on the ratings assigned to categories (I-V) specific to their position. Normally, the overall evaluation should reflect an average of the rated categories. In some instances, one or more rated categories, critical to successful performance, may form the basis for the overall rating because their significance outweighs that of other categories rated, or the aggregate of other categories. For example, when an unacceptable level of performance has been demonstrated in one or more rated categories in which satisfactory performance is essential, an overall unsatisfactory rating may be assigned. Rating officials will follow the procedures outlined in paragraph 9 regarding counseling requirements, when applicable, for any rating below the satisfactory level.

(d) Justification by the Rating Official. The rating official will document concise justification for each category on the Proficiency Report rated above or below satisfactory. The justification will describe why the employee was rated above or below satisfactory as defined by the criteria for each applicable category. The narrative will be thorough but concise and include specific details. The rating official may accept the employee's self-assessment as justification for each applicable category. If the self-assessment is used as justification, it will be attached to the proficiency form.

(e) The five achievement levels are:

i **Outstanding.** The employee consistently exceeded reasonable expectations to an exceptional degree.

ii **High Satisfactory.** The employee usually exceeded reasonable expectations by a substantial marginal.

iii **Satisfactory.** The employee fully met and sometimes exceeded expectations.

iv **Low Satisfactory.** The employee usually met reasonable expectations, but performance was sometimes marginal.

v **Unsatisfactory.** The employee has not met reasonable expectations.

c. **Delayed Annual Rating** [(not applicable to intermittent employees)].

(1) Under limited circumstances, an annual rating may be delayed as follows:

(a) When an employee has been newly hired[, changes positions,] or transfer[s] from another VA or government agency and has not been in their position [of record] for a minimum of 90 calendar days, a rating will be issued at the end of the 90-calendar-day period.

(b) When an employee is counseled regarding their performance and is undergoing an opportunity to improve period in accordance with paragraph 9, the annual rating will be delayed until the opportunity period has concluded. After the opportunity period, a rating will be issued.

(c) When an investigation is directly related to the employee's clinical skills or performance. A proficiency rating will be issued after the investigation [has concluded].

(d) When an employee has been absent from duty for an extended period of time, e.g., military leave, sick leave, extended illness, and has not met the minimum 90-calendar-day period to be rated, the rating period will be paused. When the employee returns to duty, the rating period will be extended for the time needed to complete the 90-calendar-day period.

(2) Annual ratings [delayed for the circumstances described in subparagraph 7.c.(1)(b) through (d) must be approved by] the facility Director for facility employees, by the Network Director for VISN employees, or by the DUSH, or designee, for VHA Central Office employees.

(3) The rating official will notify the employee in writing of the reason for delaying the rating. The servicing HR office will review the notice before issuance to ensure this paragraph's provisions have been met.

(4) A delayed rating will not extend the employee's probationary period or expiration of a temporary appointment.

d. **Special Proficiency Report.** A Proficiency Report other than the regular annual report is considered a Special Proficiency Report and will be used in the following situations:

(1) When the rating official is assigned to another position, transfers to another VA facility, or separates from VA employment and the employee to be rated has served in their position for at least 90 calendar days.

(2) When an employee, including those serving a probationary period, is reassigned or transferred to another VA location if more than 90 calendar days have elapsed since the last Proficiency Report was completed.

(3) When an acceptable level of competence determination is being considered for a periodic step increase and the employee's current performance is not consistent with their last rating of record.

(4) When an employee's performance has not sufficiently improved after an opportunity period in connection with requirements of the Counseling Program requirement outlined in paragraph 9 [and the proficiency will be used as the basis for a performance-based action].

NOTE: An unsatisfactory proficiency rating is not required to separate a probationary employee appointed under 38 U.S.C. § 7401(1), a probationary part-time RN appointed under 38 U.S.C. § 7405(a)(1), or to terminate a full-time, part-time, or intermittent employee appointed under 38 U.S.C. § 7405. Similarly, an unsatisfactory proficiency rating is not required to proceed with disciplinary action on a permanent employee under VA Handbook 5021, Employee-Management Relations, when the proficiency rating is not a basis for the proposed action.

8. PROGRESS REVIEW. Each employee must receive at least one documented progress review during the appraisal period in which the supervisor will share positive feedback as well as performance expectations and concerns. Supervisors are encouraged to communicate with the employee throughout the appraisal period as warranted. At any time during the appraisal period, the employee's performance is unsatisfactory, refer to paragraph 9.

9. COUNSELING PROGRAM.

[**NOTE:** If there are clinical care concerns that may impact a provider's privileges, refer to VHA Directive 1100.21(1), Privileging.]

a. **Purpose.** Counseling conferences are intended to discuss areas where deficiencies are indicated and improvement is needed. A counseling conference is not a condition that must be met to initiate or complete Summary Review Board proceedings when considering removing a probationary employee.

b. **Nature of the Conference.**

(1) The counseling conference will be informal and confidential. An assessment of the employee's performance will be provided to them orally or in writing. A conference completed orally will be followed by written documentation, e.g., a memorandum to the employee, [an] email communication. The supervisor will highlight duties and responsibilities that are essential to successful performance.

(2) Supervisors will commend strong performance, discuss areas of weakness and provide suggestions and advice for improvement, if applicable.

(3) Supervisors will indicate in subsequent annual or special reports when the employee's performance improves in previously cited weaknesses.

(4) If a counseling conference is needed due to low satisfactory or unsatisfactory performance, see subparagraph c.

c. **Low Satisfactory or Unsatisfactory Performance.**

(1) At any time during the appraisal period when performance problems are observed that may result in a low satisfactory or unsatisfactory annual proficiency rating, the rating official will request a delay of the annual rating, if applicable, as indicated in paragraph 7. Additionally, the rating official will hold a counseling conference with the employee sufficiently in advance of the due date of the annual rating to inform the employee of the deficiencies, give the employee a reasonable opportunity to correct identified deficiencies and demonstrate satisfactory performance, as follows:

(a) For a permanent employee appointed under 38 U.S.C. § 7401(1) or a part-time RN appointed under 38 U.S.C. § 7405(a)(1) who has completed the probationary period and for whom a low satisfactory or unsatisfactory annual or special proficiency rating is to serve as a basis for a performance-based action, the documented counseling requirements in subparagraphs (2) through (4) of this paragraph must be met unless:

i The employee's performance constitutes a clear danger to the employee or others;

ii The employee’s performance history demonstrates a pattern of improvement during an improvement period followed by a drop in performance after the completion of the improvement period, making it clear improvement is unlikely; or

iii Gross negligence or misconduct, rather than the proficiency rating, is the basis for a proposed action.

(b) For employees other than permanent employees appointed under 38 U.S.C. § 7401(1) or part-time RNs appointed under 38 U.S.C. § 7405(a)(1), the documented counseling requirements in subparagraphs (2) through (4) of this paragraph are recommended, but not required.

(2) During the counseling conference, the rating official will inform the employee of the period they will be allowed to improve their performance, generally 30 to 60 calendar days.

(3) The rating official will provide a written document to the employee outlining the reasons for the counseling conference, the performance deficiencies and suggested solutions, and the amount of time allowed for improvement. Both the supervisor and the employee will sign and date the document. If the employee refuses to sign the document, the supervisor will notate on the document the date it was issued to the employee and indicate the employee refused to sign. A copy of the document will be provided to the employee.

(4) If the employee's performance does not improve sufficiently at the end of the specified period for improvement, a low satisfactory or unsatisfactory proficiency rating will be assigned. Action will be taken as indicated in paragraph 11 if an unsatisfactory proficiency rating is assigned to an employee.

(5) If the employee's performance improves, a fully satisfactory or better proficiency rating will be assigned. However, in accordance with paragraph 9.c.(1)(a)(ii), if the employee demonstrates performance deficiencies again within the next one-year period following the date they completed an opportunity to improve period, a new improvement period is not required.

10. DOCUMENTING UNSATISFACTORY PERFORMANCE.

a. The supervisor is responsible for monitoring and evaluating the employee's performance throughout the proficiency appraisal period. When deficiencies arise, the supervisor must determine if they are performance-based or result from other causes such as technological barriers, negligence, or misconduct. Supervisors must develop appropriate documentation to demonstrate an employee's unacceptable performance. Examples of this include, but are not limited to:

(1) Written memorandums of counselling and/or warning notices by supervisors.

(2) Reports of contact describing oral counselings or other incidents.

(3) Annual and special proficiency reports.

(4) Any specific written performance objectives and/or goals that have been developed for the employee.

(5) Quality and timeliness of recurring and nonrecurring reports.

(6) Violations of provisions in personnel or professional policy manuals.

b. Material obtained under the VA Quality Assurance (QA) Program or material from VA drug/alcohol or sickle-cell anemia programs is confidential. It cannot be used in any disciplinary or major adverse action. However, the same information obtained through a QA review may be used in a disciplinary or major adverse action, provided it is generated independently through an administrative investigation.

11. PROCESSING UNSATISFACTORY PROFICENCY REPORTS.

a. When an unsatisfactory rating has been approved for a probationary employee, the supervisor is responsible for initiating a summary review to determine if separation is justified. Before separating a probationary employee, procedures for convening a Summary Review Board must be followed as outlined in VA Handbook 5021, Employee-Management Relations.

b. When an unsatisfactory rating has been approved for a temporary (full-time, part-time or intermittent) employee (excluding part-time and intermittent RNs), or a permanent employee, supervisory officials will review and determine if the employee should be retained or terminated. If applicable, this review will include a review of clinical privileges and reporting to state licensing boards in accordance with VHA's policies and standard operating procedures. Supervisory officials will obtain advice from their

servicing HR office regarding how to process terminations in accordance with VA Handbook 5021, Employee-Management Relations.

12. **PERIODIC STEP INCREASES.** Subject to the provisions outlined in VA Handbook 5007, Pay Administration, and any other legal requirements, periodic step increases may be granted to full-time, temporary full-time, part-time and intermittent optometrists, chiropractors, RNs, APNs, CRNAs, PAs and EFDAs who are receiving less than the maximum rate of their grade. Employees must meet eligibility requirements and waiting periods as defined in VA Handbook 5007, Pay Administration and perform at an acceptable level of competence.

    a. **Acceptable Level of Competence Determinations**. An employee must have a current satisfactory or higher proficiency rating to perform at an acceptable level of competence. When it is determined current performance is not consistent with the employee's current proficiency rating, a special proficiency rating must be prepared by the rating official and approved by the appropriate approving official to document current performance.

    b. **Documenting Eligibility.** Rating and approving officials must determine if an employee is performing at an acceptable level of competence (as defined in subparagraph a.) prior to processing the periodic step increase.

        (1) If the employee is performing at an acceptable level of competence, as determined by the rating and approving official, documentation will be sent to the servicing HR office and the periodic step increase will be processed.

        (2) If the employee is not performing at an acceptable level of competence and disapproval of the periodic step increase is recommended, the rating official shall prepare a written justification and forward it, through the servicing HR office, to the approving official. The approving official will review and, if in agreement, the periodic step increase should be withheld. The justification for withholding the step increase will be forwarded to the servicing HR office. The employee will be notified in writing of:

            (a) The reason(s) for disapproval;

            (b) The fact the employee will be reconsidered within 52 weeks (time to be specified); and

            (c) The right to ask for reconsideration of the decision to the next higher-level supervisor in the employee's supervisory line in accordance with the provisions of paragraph c.

        (3) The servicing HR office will take appropriate action to ensure the periodic step increase is withheld and the disapproved step increase is reconsidered at the time specified in the notice of disapproval.

c. **Reconsideration Requests**. An employee may request reconsideration of a decision to deny a periodic step increase within 15 calendar days of receipt of the notification required under subparagraph b(2)(c). The reconsideration request must be in writing and be addressed to the supervisory official named in the denial letter. The next higher-level supervisor will render the reconsideration decision within 10 calendar days of receipt of the reconsideration request. If, on reconsideration, it is determined the employee was performing at an acceptable level of competence, the employee shall be granted the periodic step increase retroactive to the original due date. All reconsideration decisions are final.

APPENDIX A. CATEGORIES FOR RATING PHYSICIANS, DENTISTS, PODIATRISTS, CHIROPRACTORS, OPTOMETRISTS, PHYSICIAN ASSISTANTS, ADVANCED PRACTICE NURSES (e.g., CERTIFIED NURSE PRACTITIONERS, CLINICAL NURSE SPECIALISTS, CERTIFIED NURSE MIDWIVES, CERTIFIED REGISTERED NURSE ANESTHETISTS) and EXPANDED-FUNCTION DENTAL AUXILIARIES.

1. Rating officials will determine which categories apply to the employee's position. All employees will be evaluated for Category V, Interpersonal Relationships, and other pertinent categories.

2. **Category I—Clinical Competence.**

   a. **Examinations**. Are new patients examined promptly; are examinations thorough; are appropriate clinical, laboratory and other pertinent data obtained; is indicated follow-up of patients provided?

   b. **Diagnosis**. Ability to interpret and evaluate clinical data to determine diagnosis **and** clinical status; correctness of diagnosis.

   c. **Therapeutic Ability**. Ability to prescribe appropriate and timely treatment; to apply indicated therapeutic procedures; ability to recognize and assess changes in behavior, symptoms, signs and other pertinent facts about the patient and modify plan of treatment when indicated. Recognizes own capabilities and limitations.

   d. **Effectiveness in Emergencies.** Ready availability; quickness in recognizing emergency situations and taking timely necessary action.

   e. **Patient Management**. Develops and maintains rapport and gains the confidence of **patients** and relatives through competence and interpersonal skills to the end that patients and others are informed participants in the treatment effort.

   f. **Consultations and Specialty Skills**. Ability to recognize the need for consultation and to utilize facility or clinic specialty skills in diagnosis and treatment.

   g. **Documentation**. Are physical and other examinations and changes in patient's status promptly and completely recorded? Are unusual incidents promptly reported to the appropriate official? Are clear, accurate and adequate clinical records kept current and completed at the time of discharge? Is the treatment plan clearly stated?

3. **Category II—Educational Competence**. Educational responsibilities usually involve either "teaching" or "coordination." Some positions may involve both or cut across the elements or functions.

   a. **Teaching and Monitoring.** Covers both the individual and group learning experiences where one serves as the learning facilitator as a mentor or teacher for residents, trainees, or employees. As a mentor, plans and guides educational activities to meet the learner's individual needs within the resources available. Counsels learner on

professional/occupational goals as they relate to education activities. Encourages active participation on the part of the student. Actively solicits evaluation from students of teaching and educational experiences. Assures that content is based upon student and patient care needs, up-to-date and at the appropriate level for the audience. Develops courses, lectures or programs based on preestablished objectives. Employs learning resources and media (library, film, slides, etc.) appropriately.

b. **Coordination of Educational Programs—Educational Needs**. Assesses educational needs for continuing and basic education programs, using audits, self-assessment surveys, morbidity and mortality data and new developments in health care. Establishes and maintains procedures for professionals to self-assess and partake in needs assessment procedures. Selects needs for which education/training is the most cost-effective intervention.

c. **Setting Education Objectives**. Establishes educational objectives consistent with educational needs and available educational resources and identifies appropriate learners.

d. **Conducting Educational Programs**. Designs learning activities which meet educational objectives. Selects appropriate instructors, media and library resources.

e. **Evaluating Educational Activities**. Assesses the degree to which educational programs/courses have achieved their objectives. Evaluates how educational activities are organized and administered within the unit or organization and assess their impact on health care.

f. **Documenting**. Maintains appropriate records and documentation on educational activities for both individual learners and by educational programs. (Needs assessment, education objectives, program implementation and evaluation.)

4. Category III—Research and Development (R&D).

a. **Identification of Research and Development Problems**. Demonstrates ability to recognize and select important research problems relevant to the health care of Veterans. Conducts a thorough literature search; combines personal contacts and preliminary experimental data to define an important, focused research problem that has a reasonable expectation of a successful conclusion.

b. **Planning and Execution of Research and Development Programs**. Develops an operational plan based on the current state-of-the-art and maximizes available resources and facilities. Establishes appropriate goals and milestones. Effectively executes the plan to ensure the successful completion of the research effort.

c. **Reporting and Publication**. Evaluates the products of either research or development and prepares timely, cogent and orderly reports, effectively communicating the results of Research and Development. Makes scientific results known by publishing data in recognized scientific journals and through presentations at professional meetings.

Serves as a major scientific resource by consulting and advising research colleagues and health care professionals. Contributes to the career development of more junior colleagues and demonstrates a willingness to exchange scientific concepts.

5. Category IV—Administrative Competence.

a. **Supervisory Ability**. Assures acceptable standards of patient care. Ensures that accreditation and other required standards are met. Maintains effective liaison with the professional school(s) and/or medical community.

b. **Effectiveness in Planning**. Directing and reviewing work of professional, technical and administrative staff. Anticipates need for change; plans, executes and maintains high standards in professional/administrative programs. Effectively conducts rounds, reviews and surveys. Success in stimulating professional/administrative growth of staff. Willingness to serve effectively on committees, boards, surveys and audits. Ability to translate medical requirements to management.

c. **Program Planning**. Ability to plan, organize and coordinate the administrative, clinical, or educational programs. Ability to conceptualize, define objectives, identify the program's scope and determine the organization's nature and resources required to obtain objectives. Effectiveness in informing management of the need to carry out the program. Ability to inform management of the need to carry out the program. Ability to project programs realistically and translate to cost-effectiveness.

d. **Administrative Judgment**. Accuracy of judgment on professional/administrative actions taken.

e. **Decisions Willingness**. Readiness to make appropriate decisions and to assume responsibility for actions taken based on available information and to initiate and carry out the necessary action. Ability and willingness to delegate duties to those judged capable of assuming responsibility; to define the content and limits of such authority and to assume responsibility for ensuring results. Ability to enforce reasonable standards of care. Development of a person to act in the supervisor's absence.

f. **Correspondence and Reporting**. Effectiveness in communicating verbally in correspondence and reports. Is management currently informed of unusual incidents and problem areas? Are required reports completed on time?

6. Category V—Interpersonal Relationships.

a. **Emotional Intelligence**. The capacity to retain self-control and to respond consistently to the requirements of the work situation despite external pressures or inner tensions.

b. **Dependability**. Adherence to personal and professional/administrative obligations and responsibilities. Reliability in carrying out assignments. Keeps appointments, shows initiative, assumes appropriate responsibility. Maintains discretion on confidential matters.

c. **Relations With Staff and Community**. Ability to work harmoniously and effectively with other staff members. Ability to maintain morale by enlisting ideas, motivation and assistance of associates regardless of position. Ability to listen and accept views of others. Accepts constructive counseling. Recognizes and acknowledges the contributions and needs of other elements of the medical program. Deals effectively with non-VA persons and groups.

d. **Eliciting Cooperation**. Ability to secure the active cooperation of professional, administrative and technical associates. Stimulates and participates in the team approach to problems. Gains the confidence and respect of others.

e. **Leadership**. Effectiveness in conducting meetings. Ability to define problems, create and maintain interest, stimulate discussion and maintain direction toward an appropriate conclusion.

f. **Adherence to Ethical Standards**. Is aware of, practices by and cooperates in maintenance of, ethical standards of the profession as an individual, a colleague and a member of the larger community.

[APPENDIX B. TITLE 38 LEADERSHIP PROFICIENCY REQUIREMENTS FOR NON-SUPERVISORY MANAGERS AND LEADERS

1. **PURPOSE.** A minimum of one additional performance expectation must be incorporated into the proficiency report rating categories, as prescribed in Part II of this handbook, of non-supervisory title 38 managers or leaders.

2. **EMPLOYEES COVERED.**

   a. Employees covered by this appendix are non-supervisory title 38 managers and leaders who are appointed under 38 U.S.C. §§ 7401(1) or 7405(a)(1)(A) and formulate, determine or influence agency policy, or function in a leadership role but are not designated supervisors. Such positions may include, but are not limited to, nursing officers of the day/house supervisors, assistant nurse managers, patient/quality management program managers, and clinical program managers in VHA Headquarters.

   b. All nonsupervisory Registered Nurses and Advanced Practice Nurses in positions at the IV and V grade level.

3. **EMPLOYEES EXCLUDED.**

   a. Employees excluded from this appendix include those who perform the duties of a supervisor because:

      (1) They direct the work of at least one subordinate employee for whom they serve as a rater or approving official in accordance with this policy; and/or

      (2) They have the authority to counsel an employee or propose and/or issue a disciplinary or adverse action in accordance with this policy or VA Directive/Handbook 5021, Employee-Management Relations.

   b. Examples of those occupations that are excluded include:

      (1) Under Secretary for Health (USH);

      (2) Individuals appointed under 38 U.S.C. §§ 7401(2), 7401(4) or 7306;

      (3) Individuals appointed under title 5 of the U.S.C.;

      (4) Individuals appointed under 38 U.S.C. §§ 7401(3) or 7405(a)(1)(B);

      (5) Title 38 supervisors and managers covered under the Veterans Health Administration (VHA) Executive Career Field (ECF) performance appraisal program who are covered under Part I of this handbook.

      (6) Title 38 employees who do not occupy a non-supervisory manager or leader position.

4. RESPONSIBILITIES.

a. All responsibilities as described in VA Handbook 5013, Part II, Title 38 Proficiency Rating System, paragraph 4 are applicable to this appendix.

b. Raters of non-supervisory title 38 managers and leaders must determine whether employees under their supervision meet the definition of non-supervisory title 38 managers or leaders by reviewing the job duties and expectations of the position to determine if they formulate, determine or influence agency policy, or function in a leadership role with duties and responsibilities that are beyond a staff-level employee, but less than those of a supervisor.

c. Raters of non-supervisory title 38 managers and leaders are responsible for determining a minimum of one additional performance expectation to be assigned to their subordinate employees, and including these expectations on the appropriate performance appraisal form at the beginning of the rating period or when an employee is assigned to a covered position.

d. Raters of non-supervisory title 38 managers and leaders will rate these employees on VA Form 10-2623, Proficiency Report for Registered Nurses, or VA Form 10-2623a, Proficiency Report for Physicians, Dentists, Podiatrists, Chiropractors, Optometrists, Physician Assistants, Advanced Practice Nurses, and Expanded-Function Dental Auxiliaries.

5. ADDITIONAL PERFORMANCE EXPECTATIONS.

a. The managerial or leadership performance expectations are in addition to the performance categories already established pursuant to VA Handbook 5013, Part II for title 38 staff.

b. Raters are required to include a minimum of least one additional performance expectation in at least one rating category included in Section B of VA Form 10-2623 or 10-2623a., as applicable.

c. Rating officials of employees covered by this appendix will determine the job expectations of these positions and develop a minimum of one additional performance expectations based on work assignments and responsibilities related to their position that are sufficiently important to warrant assessment and inclusion on the applicable proficiency report form. The additional performance expectation(s) may be based on any leadership goals, achievements goals, performance metrics, Executive Career Field (ECF) performance metrics, and/or other performance expectations for which the manager or leader is responsible.

d. The additional performance expectations will be written to ensure they promote an understanding of how the employee’s unique duties and responsibilities of their assigned position are linked to VA’s strategic goals.]

[PART III. TRACKING AND REPORTING PERFORMANCE MANAGEMENT ACTIONS

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PART III. TRACKING AND REPORTING PERFORMANCE MANAGEMENT ACTIONS

1. **PURPOSE.** This part governs the requirement to record certain data related to performance management matters under this handbook in the Automated Labor and Employee Relations Tracker – Human Resources (ALERT-HR), or its successor.

2. **POLICY.** ALERT-HR is the human resources information technology system used Department-wide to collect, monitor and report data related to labor and employee relations matters. To achieve the strategic management of human capital in accordance with 5 C.F.R. Part 250, VA's Chief Human Capital Officer (CHCO) determined that ALERT-HR will be used by all Administrations and Staff Offices with performance management duties and responsibilities for case management of all actions taken under the authority of this handbook. This requirement exists even if the matter does not result in an action being proposed, decided, or implemented. All human capital offices performing performance relations functions will use ALERT-HR to process and/or track the following actions (including uploading all supporting documentation and evidence):

   a. Opportunity to Improve Performance/Performance Improvement Period (OIP/PIP);

   b. Demotions;

   c. Reductions in grade or pay;

   d. Transfers;

   e. Removals;

   f. Removal from supervision during supervisory probationary period;

   g. Appeals (e.g., Merit Systems Protection Board, Disciplinary Appeals Board);

   h. Settlement agreements (in connection with performance-based actions);

   i. Denial of Within Grade Increase.

      NOTE: Denial of within grade increase will be included in ALERT-HR when it becomes available.]