Department of Veterans Affairs
Washington, DC 20420

VA HANDBOOK 5013/22
Transmittal Sheet
October 27, 2025

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.

BY DIRECTION OF THE SECRETARY OF VETERANS AFFAIRS:

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

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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

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.

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.

(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.

[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(1), 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.]