DEPARTMENT OF THE NAVY
NAVAL SERVICE TRAINING COMMAND
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NSTCNOTE 12000
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NSTC NOTICE 12000

From: Commander, Naval Service Training Command

Subj: NAVAL SERVICE TRAINING COMMAND FISCAL YEAR 2023 PERFORMANCE MANAGEMENT BUSINESS RULES

Ref: (a) DoD Instruction 1400.25 V431 of 4 February 2016
(b) DoD Instruction 1400.25 V451 of 4 November 2013
(c) DON HR Guide 451-02 of September 2005
(d) DON Memo, Supervisory Performance Management Critical Element of 3 December 2010
(e) DoD Memo, Performance Appraisal Critical Element for the Protection of Classified Information of 12 June 2013
(f) DON Memo, Department of the Navy Guidance for Implementation of Section 1097 of the National Defense Authorization Act for Fiscal Year 2018
(g) NETCSTAFFNOTE 12000 N1CP of 23 May 2022

Encl: (1) NSTC Business Rules for 1 April 2022 - 31 March 2023 Performance Cycle Awards

1. Purpose. To provide specific Defense Performance Management and Appraisal Program (DPMAP) guidance for Naval Service Training Command (NSTC) employees in conjunction with references (a) through (g), utilizing enclosure (1).

2. Background. In April 2016, the Department of Defense launched the new performance management system, DPAMP which the Naval Education and Training Command (NETC) implemented for Non-Bargaining Unit Employees on 1 October 2017. Bargaining Unit Employees transitioned to DPMAP on 1 April 2018. This notice establishes NSTC guidance as a supplement to references (a) through (g).

3. Policy. NSTC utilized references (a) through (g), in the development of enclosure (1) which supports NSTC employees' required participation in the DPMAP.

4. Performance Appraisals. Annual performance appraisals will be conducted in accordance with enclosure (1).

5. Awards Funding.

a. In accordance with reference (b), guidance regarding award allocations and processes is contingent upon the receipt of an authorization to execute FY23 awards. The monetary awards budget is normally restricted to a specific percentage of the total aggregate salaries. Time off award hours and Quality Step Increases (QSIs) available for distribution are contingent upon receipt of authorization from NETC. The ability to distribute awards of any type is contingent upon official authorization to do so.

b. Pending the receipt of authorization to distribute monetary awards, the award cap includes funding for both performance awards (i.e., rating-based awards) given at the end of the cycle, contribution awards (i.e., "On-the-Spot" and Special Act awards), and Civilian of the Quarter/Year awards given throughout the year. Promotions and WGIs are excluded.

c. Guidance for submitting contribution awards to use any remaining FY22 award funds available will be provided prior to the end of the fiscal year.

d. NETC has directed that supervisors shall consider the employee's compensation profile when making award decisions, the total value of the awards given to an employee must be commensurate with the value to the organization of the accomplishments recognized. This could result in the employee not receiving a performance-based award at the end of the performance cycle. The monetary value of Time Off Awards, QSIs, and Civilian of the Quarter/Year Awards are not subtracted from performance award amounts.

e. Eligible employees who are on the command rolls on the effective date of the performance appraisal (typically 1 June annually) may receive a performance-based payout. Employees who transfer within the DoD or retire during the last 90 days of the performance cycle may receive a performance based award. This would need to be coordinated between the comptroller offices of the gaining and losing organizations. Employees who transfer within the NETC domain during the last 90 days of the performance cycle or after the end of the performance cycle but prior to the appraisal effective date, may receive a performance based award, which is coordinated between N8 units of the gaining and losing commands.

7. Responsibilities

a. Commanding Officers/Activity Directors.

(1) Adhere to the requirements in references (a) through (g), and implement this instruction.

(2) Adhere to the Performance Plan requirements outlined in enclosure (1).

(3) Adhere to the annual performance cycle requirements and required actions are completed on time.

(4) Adhere to the standard performance rating levels outlined in enclosure (1) and that all performance appraisals are completed on time and in accordance with enclosure (1).

b. NSTC Performance Management Coordinator (N1).

(1) Provide NETC authorized awards budget to NSTC N8 to ensure proper allocation of funds.

(2) Ensure approved awards are submitted to HRO.

(3) Coordinate the establishment of accurate hierarchies for NSTC employees within Defense Civilian Personnel Data System (DCPDS).

(4) Coordinate the establishment and disestablishment of MyWorkplace accounts when military ROs and HLRs transfer to and from NSTC activities.

(5) Coordinate with and provide information to the Performance Awards Review Board (PARB) chair on any special circumstance employees as defined in reference (a).

(6) Monitor, track, and maintain a database of all personnel associated with the Performance Management process, including military RO/HLR rotations, new arrivals, and civilian separations and accessions.

c. NSTC Comptroller (N8). Ensure adequate funding is allocated for the performance and contribution awards budget to be funded at the aggregate level of approximately one percent of total adjusted salaries (base salary and any applicable locality pay) for employees on board the last day of the previous rating cycle.

8. Records Management. Records created as a result of this instruction, regardless of media and format, must be managed per Secretary of the Navy Manuel 5210.1 of September 2019.

JENNIFER S. COUTURE

Releasability and distribution:
This instruction is cleared for public release and is available electronically only via Department of the Navy Issuances Web site, https://www.netc.navy.mil/Commands/Naval-Service-Training-Command/NSTC-Direct

Naval Service Training Command (NSTC) Business Rules for 1 April 2022 - 31 March 2023 Performance Management Cycle and Awards

The purpose of this document is to outline the Business Rules for the 1 April 2022 - 31 March 2023 Performance Management Program. This document is subject to change as revisions are implemented from higher-level policies from the Office of Personnel Management (OPM), Department of Defense (DoD), and Department of the Navy (DoN).

References

(a) DoD Instruction 1400.25 V431 of 4 February 2016
(b) DoD Instruction 1400.25 V451 of 4 November 2013
(c) DON HR Guide 451-02, Guidance on Implementing Awards of September 2005
(d) DON Memo, Supervisory Performance Management Critical Element of 3 December 2010
(e) DoD Memo, Performance Appraisal Critical Element for the Projection of Classified Information of 12 June 2013
(f) DON Memo, Department of the Navy Guidance for Implementation of Section 1097 of the National Defense Authorization Act for Fiscal Year 2018 Performance Management of 20 June 2019
(g) NETCSTAFFNOTE 12000 N1CP of 23 May 2022

Annual Appraisal Process for NSTC civilian employees. The following sections are included to assist in completing annual appraisals:

1) Process Framework 2
2) Awards and Awards Funding 3
3) Performance Plans 5
4) Standardized Critical Elements..... 6
5) Monitoring, Assessing and Rewarding Performance ……..... 8
6) Rating and Awards Review Process..... 11
7) Addressing Unacceptable Performance..... 14
8) Performance Awards Review Board 15
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Performance plans, appraisals and reward recommendations should be completed using the Defense Civilian Personnel Database System (DCPDS) Performance Management Module, https://compo.dcpds.cpms.osd.mil/.

SECTION 1: PROCESS FRAMEWORK

1. Defense Performance Management and Appraisal Program (DPMAP) provides a framework for supervisors and managers to communicate expectations and job performance to employees throughout the performance year. DPMAP facilitates a fair and meaningful assessment of employee performance, establishes a systematic process for planning, monitoring, evaluating, and recognizing and rewarding employee performance that contributes to mission success.

2. To ensure fairness and good business decisions across the domain while addressing adherence to merit systems principles, a Performance Awards Review Board (PARB) will be established to review and approve performance awards. The PARB is not authorized to establish a forced distribution of awards. This does not prevent the PARB from making other distinctions among employees or groups of employees based on individual performance. Relative comparisons among individuals and groups, such as rank ordering or categorizing employees, can be used for making decisions about distributing awards.

3. Funding of the PARB will be aligned with reference (g).

4. The NSTC Chief of Staff shall serve as the NSTC PARB Chairman and as needed, will use department heads and Executive Officers as members. The Manpower Director shall serve as the advisor to the Chief of Staff on all PARB related matters.

5. Award recommendations may be returned to a Rating Official for changes to the award recommendation levels.

6. Granting awards shall be per the guidance of references (a) through (c), and this notice. Awards will be used as tools to acknowledge and motivate employees by recognizing and rewarding significant performance contributions. Awards are neither mandatory nor guaranteed.

7. Eligible employees who are on the command rolls on the effective date of the performance appraisal (typically 1 June annually) may receive a performance-based payout. Employees who transfer within the DoD or retire during the last 90 days of the performance cycle may receive a performance based award. This would need to be coordinated between the comptroller offices of the gaining and losing organizations. Employees who transfer within the NETC domain during the last 90 days of the performance cycle or after the end of the performance cycle but prior to the appraisal effective date, shall receive a performance based award, which is coordinated between N8 units of the gaining and losing commands.

8. The PARB must adhere to the requirements of this notice and all dictated timelines.

SECTION 2: AWARDS AND AWARDS FUNDING

1. Guidance regarding award allocations and processes is contingent upon the receipt of an authorization to execute FY23 awards based on 1 April 2022 – 31 March 2023 performance. The awards budget will be restricted to a specific spending limit of the total aggregate salaries for monetary rating-based awards (associated with or connected to the end of the rating cycle) and contribution awards (e.g., On-the-Spot and Special Acts Awards) given throughout the year.

2. Pending the receipt of authorization to distribute monetary awards, the approximate authorized limit will be calculated based on the aggregate adjusted salaries (base salary + any applicable locality pay) for those employees onboard at the end of the previous FY and executed with current adjusted salaries (base + locality) as of 31 March 2023 to allow for Within Grade Increases (WGIs), promotions, etc., received during the rating period.

3. Time-off awards are an alternate and/or additional means of recognizing employees' superior accomplishments where time-off from duty is granted without loss of pay or charge to leave, and for which the number of hours granted is commensurate with the employee's contribution or accomplishment. Awarding of time-off awards shall be per the criteria of reference (c). Time-off awards are not appropriate for birthdays, length of service, to create the effect of a holiday, or to be treated as administrative excusals or leave.

4. Quality Step Increases (QSIs): A QSI is an accelerated step increase; it is a permanent increase in an employee's rate of basic pay from one step or rate of the grade to the next higher step of that grade. Caution should be used when awarding QSIs, as this could affect an organization's overall funding.

a. An employee may be eligible for a QSI for a performance award if they meet the following criteria:

(1) Currently be paid below step 10 of his or her grade.

(2) Have a most recent rating of record of Level 5 ("Outstanding").

(3) Have demonstrated sustained performance of high quality for a significant period of time.

(4) Have not received a QSI (or QSI-equivalent under a personnel system other than the General Schedule) within the preceding 52 consecutive calendar weeks.

b. Recommendations for a QSI will be submitted in writing to the appropriate QSI board. Recommendations should address how the proposed recipient has performed at an exceptional level in order to justify a permanent increase in the employee's pay. Additionally, there should be an expectation of continued high performance. Boards will be established to review organizational groups to determine which employees will be recommended to the PARB for a QSI. The following boards will be established and will review recommendations for the assigned employee groups:

c. NSTC Board will be chaired by the Director of Operations and Training and will review QSI recommendations for NSTC staff in Great Lakes. The board may submit up to 5 recommendations for the PARB to consider.

d. NROTC Board will be chaired by the Director of Officer Development and will review QSI recommendations for NROTC staff across the country. The board may submit up to 7 recommendations for the PARB to consider.

e. NJROTC Board will be chaired by the Director of Citizenship Development and will review QSI recommendations for NJROTC staff across the country. The board may submit up to 1 recommendation for the PARB to consider.

f. RTC Board will be chaired by the Executive Officer and will review QSI recommendations for RTC staff. The board may submit up to 3 recommendations for the PARB to consider.

g. OTC Board will be chaired by the Executive Officer and will review QSI recommendations for OTC staff. The board may submit up to 1 recommendation for the PARB to consider.

SECTION 3: PERFORMANCE PLANS

1. All employees must have an approved performance plan for the 1 April 2022 – 31 March 2023 performance cycle in the DPMAP myPerformance tool.

2. Critical Elements

a. Employees. Performance plans for employees will have three (and no more than three) critical elements. Critical elements may not be weighted. To ensure fair and equitable consideration for NROTC staff, standardized critical elements have been developed which allows personnel in similar positions to be rated on the same critical elements. See Section 4.

b. Supervisors. Per reference (a), the number of supervisory performance elements on performance plans for supervisors will equal or exceed the number of non-supervisory (technical) performance elements. Supervisors are required to have four (and no more than four) critical elements; two technical elements and two supervisory elements. Critical elements may not be weighted. In compliance with references (d) and (f), the two mandatory, standardized critical elements can be found in Section 4.

c. Certain positions that involve access to classified information, require a specific type of critical element. Reference (e) provides additional information on required critical elements by type of position. Section 4 provides recommended verbiage for critical elements addressing employee access to classified information.

d. Performance standards must be provided for each performance element in the performance plan and must be written at the "Fully Successful" level. The standards should include Specific, Measurable, Achievable, Relevant, and Timely criteria, which provide the framework for developing effective results and expectations.

e. The Higher Level Reviewer (HLR) must approve employee performance plans.

3. Performance plans shall be completed and approved no more than 30 days after the beginning of a rating cycle, permanent assignment to a new position or reassignment, and after an employee is temporarily assigned, detailed, or promoted to a higher position that is expected to last more than 120 days. "Approved" entails approval by the Rating Official (RO), HLR, and the employee.

4. Critical elements may be modified, added to or deleted from an employee's performance plan as needed throughout the performance period per reference (a). Other than the fact that a critical element may not be adjusted within the last 90 days of the appraisal period, unless the cycle is extended, there is no required minimum period of time an employee must be under notice of an adjusted critical element, but changes must be promptly and clearly communicated to the employee after having been approved by the HLR.

SECTION 4: STANDARDIZED CRITICAL ELEMENTS

NETC-REQUIRED SUPERVISORY CRITICAL ELEMENTS (Supervisors' performance plans must include both critical elements)

1. Supervisory: Performs all supervisory duties to include: (1) Ensures compliance with applicable laws, regulations, and policies including Merit System Principles and Prohibited Personnel Practices; (2) Attracts and retains a high-caliber workforce and acts in a responsible and timely manner on all steps in the recruitment and hiring process; (3) Provides opportunities for orientation and tools for enabling employees to successfully perform during the probationary period and beyond; (4) Identifies current and future position requirements to ensure recruitment is appropriately focused and is timely; and (5) Completes all performance management tasks in a timely manner including clearly communication performance expectations throughout the appraisal period, holding employees accountable, making meaningful distinctions in performance and rewarding excellent performance, promoting employee development and training, and promptly addressing performance and conduct issues.

2. Leadership: Leads an aligned, engaged, and high performing team. Creates a positive, safe work environment that allows employees to excel. Upholds high standards of integrity and ethical behavior. Ensures that Equal Employment Opportunity principles and adhered to throughout the organization and promptly addresses allegations of discrimination, harassment, and retaliation. Acts as a good steward of public funds. Maintains a safe work environment and promptly addresses allegations of noncompliance. Effectively develops and champions innovative ideas to improve the organization and create an environment that fosters innovation. Supports the Whistleblower Protection Program by responding constructively to employees who make protected disclosures under Section 2302(b)(8) of Title 5, U.S. Code; taking responsible actions to resolve disclosures; and fostering an environment in which employees feel comfortable making such disclosures to supervisors or other appropriate authorities.

NETC-RECOMMENDED CLASSIFIED INFORMTAION CRITICAL ELEMENT

In compliance with the DoD requirement, outlined in reference (g), that all positions responsible for handling classified information must contain a critical element within their performance plan addressing this requirement, NETC has provided recommended verbiage for these critical elements below:

Supervisory Critical Element: Develop and put in place a sound strategy to ensure employees are safeguarding and protecting classified documents and materials per SECNAVINST 5510.36B (series). Follow procedures contained in local command security instruction(s) to create a proactive approach to safeguard the handling of classified documents and materials within the organizations specific workspace. Revise employee critical elements to reflect the requirement to protect classified information and systems. Annually review the employee's Individual Development Plan to ensure annual training requirements and certifications are completed per SECNAVINST 5510.36 (series).

Employee Critical Element: Demonstrate on a daily basis a comprehensive knowledge for safeguarding and protecting classified documents and materials per SECNAVINST 5510.36B (series) and local command instructions. With minimal guidance, ensure classified data/information/material is properly identified, stored and transmitted. Maintain accountability of all materials and immediately report all security breaches to supervisor. By the end of the performance period, complete all annual security training requirements and certifications, and any necessary training reports.

SECTION 5: MONITORING, ASSESSING, AND REWARDING PERFORMANCE

1. The supervisor of record will be the RO of the employee. The supervisor of record will also be the RO of employees on detail, temporary promotion, or other temporary assignment. Input is required from the temporary supervisor regarding the employee's performance. The second-line supervisor will serve as the HLR. In unique employee-supervisor alignment situations, the first-line supervisor of record may serve as both the RO and HLR; employees and ROs can make adjustments to the HLR in the DPMAP myPerformance tool.

2. ROs must monitor and assess the performance of their employees on a regular basis so that they can provide continual feedback that is specific, fair, and accurate. ROs are required to hold a minimum of three mandatory performance discussions. These discussions will include the initial performance plan meeting to discuss performance expectations, one progress review, and the final performance appraisal discussion to communicate the rating of record. Feedback should address recent performance and what is expected at the "Fully Successful" level. Monitoring performance includes assessing and adjusting performance expectations in critical elements as needed.

3. Progress Reviews. While more are encouraged, at least one progress review is required, and should be accomplished mid-cycle, at which time employees shall be informed of how they are progressing in regard to their critical elements. Progress reviews shall be documented in the DPMAP myPerformance tool.

4. Annual Assessment

a. To receive a rating of record and be eligible for a performance award, an employee must complete the minimum of 90 days under an approved performance plan in the same position.

b. When a rating of record cannot be prepared at the time specified, the appraisal period may be extended to ensure the minimum 90-day period is met as long as the extension does not interfere with the ability to manage any part of the rating and/or rewarding process for the employee's organization. This extension must be approved by the HLR. A rating of record should be prepared as soon as practicable once the necessary conditions have been met.

c. An employee cannot be held accountable for work that does not get done because of an absence for which the employee is on any type of approved leave. If there is a specific performance standard for the appraisal year, it may be prorated for the amount of time the employee was at work.

d. Employee narrative self-assessments are due to the RO no later than (NLT) 15 days after the end of the rating cycle.

e. ROs are required to consider employee self-assessments and prepare written assessments of employee performance and contribution to mission NLT 30 days after the end of the appraisal period. Written assessments will be used to justify the ratings level (5, 3, or 1) and award recommendation levels to the HLR. ROs should not simply concur with what the employee

wrote in the assessment. RO assessments should provide employees with meaningful feedback and should address both strong and poor performance.

f. ROs shall base ratings on a comparison of performance toward critical elements and Standard Performance Ratings Levels outlined in Section 6, Table 1.

g. Individual elements are assigned to one of three rating levels: "Outstanding" as the highest rating, a "Fully Successful", or "Unacceptable" as the lowest rating. An "Unacceptable" rating level is assigned if one or more critical elements are rated as "Unacceptable".

5. Awards. In order to provide a means to recognize and reward employee accomplishments and contributions, rating officials will assess an employee's performance against prescribed DPMAP performance elements and standards in the employee's performance plan and assign a rating score of 1, 3, or 5 to each performance element as outlined within reference (a). In doing so, rating officials will make clear and consistent distinctions between different levels of performance and individual contributions within the rating official narrative assessments, at all rating levels. The overall rating of record is derived from averaging the ratings of the employee's individual performance elements. After the HLR reviews and approves ratings of record per reference (a), the rating of record is final. The average of performance element ratings will determine the recommended range of award point values for which an employee is eligible.

a. Awards allocation are established by OMB/OPM awards guidance. Employees shall be recognized and rewarded for their annual performance and contributions to the mission. This includes monetary, time-off and honorary awards throughout the year per section 45 of Title 5, U.S. Code. The intent of all awards is to motivate employees by recognizing and rewarding significant individual, team, or organizational achievements and contributions.

b. Annual performance awards are neither mandatory nor guaranteed. When granted, annual performance awards are paid as a total award dollar amount based on the rating of record. The approved awards eligibility framework is identified within Section 6.

c. In determining award recommendations, ROs will consider and apply the performance rating levels identified within Section 6. In addition, PARBs are responsible for ensuring the recommended award is consistent with the performance rating levels identified within Section 6.

d. Employees with higher ratings of record must receive higher dollar amounts than those with lower ratings of record at the same grade level (e.g., a GS-09 who receives an outstanding rating must receive a higher dollar amount than a GS-09 who received a fully successful rating).

e. Before recommending and approving QSIs or time-off awards, ROs, HLRs, and PARBs should consider other recognition received by employees during the performance period.

g. HLR review and approval of employee assessments, ratings and award recommendation levels shall be completed by the separately established due date or within 30 days of the end of

the performance cycle, whichever is earlier. If the HLR requests that changes be made to the performance rating or award recommendation level, the plan shall be returned to the RO.

h. Award recommendations will then be reviewed and approved by the PARB. The PARB does not have the authority to change an employee's rating level as determined by the RO/HLR. However, the PARB does have the authority to change awards.

6. Closing out Plans/Narrative Statements

a. Plans are closed out when an employee changes positions, is promoted, or leaves the agency with less than 90 days on an approved plan. The RO creates a performance narrative statement in the myPerformance tool under the "narrative" tab stating the circumstances, i.e., "{Employee} did not perform under an approved performance plan for the minimum period of 90 calendar days and is {retiring, accepting a position outside of the organization, etc.}, effective {date}." Then the ROs should close the performance plan.

b. When the RO leaves after the employee has been on an approved plan for a minimum of 90 days and there are at least 90 days left in the cycle, both the employee and the RO will complete a narrative statement and the plan remains open. The incoming RO will consider the former RO's narrative at the end of the cycle when assigning a rating of record.

c. When an employee leaves after 90 days but with more than 90 days remaining the supervisor creates a performance narrative statement under the 'narrative' tab stating the circumstances, "[Employee] is [retiring, accepted a position outside of the organization, etc.], effective [date], and there are more than 90 calendar days left in the performance cycle." Then, the ROs should close the performance plan. The gaining organization (if applicable) creates a new performance plan for this appraisal cycle.

d. When an employee leaves with less than 90 days remaining employee should follow the 'annual appraisal' process. Then, the RO should follow the 'final performance appraisal' process. In accordance with reference (a), paragraph 3.2(i), ratings of record are transferred to the new organization.

e. When an RO leaves with less than 90 days remaining employee should follow the 'annual appraisal' process. Then, the RO should follow the 'final performance appraisal' process. The new RO will then need to create a new performance plan, using the date they began supervision as the start date for the appraisal cycle and end date will be 31 March of the next cycle since there are less than 90 days remaining in the current cycle (there will be more than 12 months in the next rating cycle).

SECTION 6: RATING AND AWARDS REVIEW PROCESS

1. To establish award scores for performance, ROs will use the average score of all critical element performance ratings to determine the recommended award amount, with the exception of any critical element rated "Unacceptable" in which the overall rating will result in a "1".

2. Care should be taken to ensure that similarly situated employees with like performance and contribution to mission are rewarded in a consistent manner.

3. Performance-based awards are neither mandatory nor guaranteed regardless of rating or contribution level scores.

4. Each business unit will ensure transparency in all steps of the recognition and rewarding process, to include timely notification to employees of the processes involved.

Process:

STEP 1. Assignment of Performance Rating Levels (5, 3, 1). At the end of the appraisal cycle, supervisors (rating officials) will assign an individual performance element rating of either 5, 3, or 1 to each critical element based upon the standards and rating criteria in Table 1.

TABLE 1. Standard Performance Rating levels

Level 5 – Outstanding - Produces exceptional results or exceeds expectations well beyond specified outcomes - The quality and quantity of the employee's work substantially exceeds the standard with minimal room for improvement - The accuracy, thoroughness, and timeliness of the employee's work on this element are exceptionally reliable. - Sets targeted metrics high and far exceeds them (e.g., quality, budget, quantity). - Application of technical knowledge and skills goes well beyond that expected for the position. - The employee consistently and significantly improves the work processes and products for which he or she is responsible. - The employee's adherence to procedures and formats, as well as suggestions provided for improvement in these areas increases the employee's value to the organization and overall mission accomplishment. - Work products rarely require minor revisions. - The employee seeks additional work or special assignments at increasing levels of difficulty. - Exhibits the highest standards of professionalism.

Level 3 – Fully Successful - Effectively produces the specified outcomes, and sometimes exceeds them. - The quality, quantity, and timeliness of the employee's work fully meet the requirement of the performance element.

- Consistently achieves targeted metrics.
- Major revisions are normally not necessary; most work only requires minor revision.
- Projects are completed accurately, thoroughly, and timely.
- Technical skills and knowledge are applied effectively to specific job tasks.
- Adheres to procedures and format requirements.
- Proactively informs supervisor of potential issues or roadblocks and offers suggestions to address or prevent them.
- Routine problems associated with completing assignments are resolved with minimum supervision.
- Achieves goals with appropriate level of supervision.

Level 1 – Unacceptable

- Does not meet expectations for quality of work; fails to meet many of the requires results for the goal.
- The quality, quantity, and timeliness of the work are unsatisfactory.
- Is unreliable; makes poor decisions; misses targeted metrics (e.g., commitments, deadlines, quality).
- Lacks or fails to use skills required for the job.
- Work products must be continually revised and edited; instructions must be reiterated.
- The employee is unable to work reliably and independently without ongoing supervision.
- Products are incomplete or "Unacceptable".
- The employee fails to prioritize and apply routine knowledge and skills expected for the position, contributing to inadequate work products.
- The employee fails or is unable to adapt to changes in priorities, procedures, or program directions.
- Requires much more supervision than expected for an employee at this level.

STEP 2. Calculation of Rating of Record. All performance element ratings are averaged to calculate the rating of record, which reflects the employee's overall job performance during the appraisal cycle based on the rating criteria in Table 2.

Table 2. Rating Criteria

Rating Criteria Rating Level	Rating Criteria
Level 5 - Outstanding	The average score of all critical element performance ratings is 4.3 or greater, with no critical element being rating a "1" (Unacceptable), resulting in a rating of record that is a "5".
Level 3 – Fully Successful	The average score of all critical element performance ratings is less than 4.3, with no critical element being rated a "1" (Unacceptable), resulting in a rating of record that is a "3".
Level 1 - Unacceptable	Any critical element rated as "1".

STEP 3. Higher Level Review (HLR). The HLR reviews and approves ratings of record and performance decisions. Once HLR approval is provided in the automated system of record, MyPerformance Tool, the rating of record is final.

STEP 4. Assignment of Award Amounts. In assignment of award amounts, the average of rating of record will determine the recommended shares that an employee is eligible. With HLR approval, ROs may make recommendations to the PARB for monetary awards above the suggested shares, QSIs, and time-off awards. All recommendations must be supported by the RO's written justification and will be subject to PARB review and approval.

SECTION 7: ADDRESSING "UNACCEPTABLE" PERFORMANCE

1. If at any time during the performance appraisal period, an employee's performance is determined to be "Unacceptable" in one or more critical elements, the RO shall consult with an Employee Relations Specialist at NETC HRO to determine whether action is more appropriate under Section 432.105 or Part 752 of Title 5, CFR, and must provide notice of the performance deficiencies. The supervisor, or other appropriate management official, must follow the procedures contained in Sections 432.104 and 432.105 of Title 5, CFR and this section if action is being taken under Sections 432.105 of Title 5, CFR. The procedures are:

a. Provide notice to the employee by issuing a rating of record of "Unacceptable." A rating of record of "Unacceptable" will be effective the day it is communicated to the employee. The time spent improving performance to the "Fully Successful" level will not count toward the completion of the necessary waiting period for a WGI (referred to in reference (a) as the "WGI delay offset period"). The effective date of the rating of record will establish the start date of the WGI delay offset period.

b. The supervisor must identify in writing (i.e., in a Performance Improvement Plan (PIP)):

(1) Element(s) in which performance is "Unacceptable" and a description of the unacceptable performance.

(2) What standards the employee must attain in order to demonstrate "Fully Successful" performance.

(3) The time allowed for the opportunity to improve. The time allowed must be reasonable and commensurate with the duties and responsibilities of the position, typically 30-90 calendar days.

(4) Statement of the possible consequences of failure to raise performance to the "Fully Successful" level during the PIP period.

c. The supervisor must provide assistance designed to help the employee improve their performance during the period of the PIP.

d. If the employee succeeds in demonstrating acceptable performance at the "Fully Successful" level by the end of the PID, a new rating of record will be recorded. The date the employee is eligible for a WGI will be reset to accommodate the WGI delay offset period. The "Fully Successful" rating of will establish the end date of the WGI delay offset period.

e. If the employee fails to demonstrate performance at the "Fully Successful" level despite the PIP, the employee may be reduced in grade or removed from federal service pursuant to Section 432.105 of Title 5, CFR. The employee may also be subject to reassignment at the DOD Component's discretion. In cases of voluntary or management-directed personnel actions, such as change to lower grade, reassignment, resignation, separation, or removal, the effective date of the action will establish the end date of the WGI delay offset period.

SECTION 8. PERFORMANCE AWARDS REVIEW BOARD

1. The PARB is responsible for reviewing and approving all recommended performance awards at a strategic level for fairness, appropriateness, consistency, and adherence to merit systems principles.

2. NSTC PARB results are submitted to the NETC Executive Director for review and approval.

3. The RO will conduct the annual appraisal conversation to communicate the rating of record with each employee following HLR approval. The RO will communicate any award amounts following the communication from the NSTC PARB after NETC approval.

SECTION 9: GRIEVANCES AND APPEALS

Employees may raise issues relating to aspects of the performance appraisal process through the applicable grievance procedures. Non-bargaining Unit employees shall follow the procedures and timelines of SECNAVINST 12771.2 (series). Bargaining Unit employees shall contact their respective Union representative or refer to their applicable Collective Bargaining Agreement for grievance procedures and timelines. See Appendix A for the timeline associated with the grievance process.

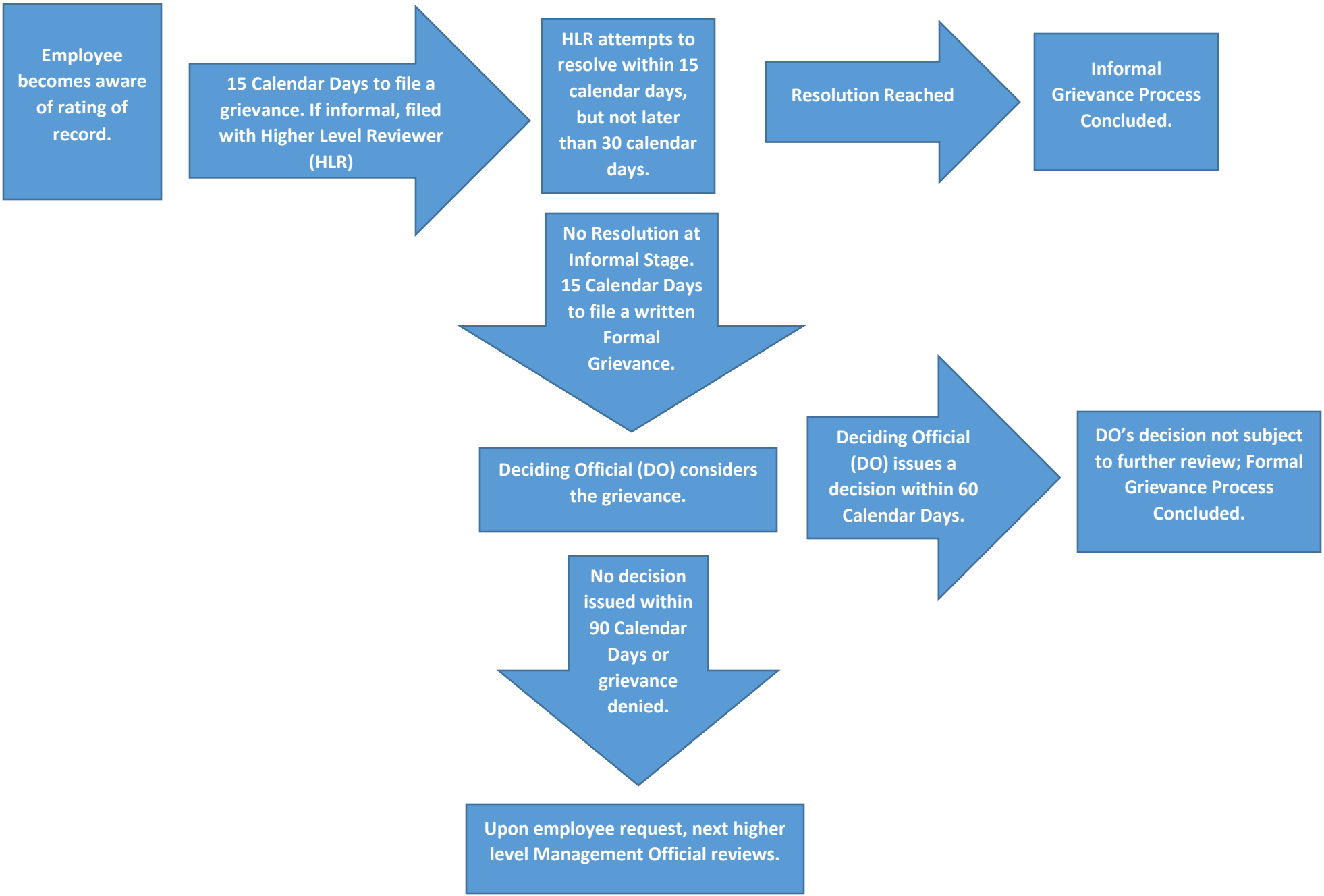
1. The substance of an employee's critical elements and determinations concerning awards or Quality Step Increases (QSIs) are not grievable.

2. Determinations concerning awards, award recommendation scores, and awards amounts are not grievable.

3. Failure to inform employees of critical elements and standards within the required timeframe is grievable.

4. Performance ratings (outstanding/fully successful/ unacceptable) on individual elements and rating levels are grievable.

5. Performance based removals are not grievable, but may be appealed to the Merit Systems Protection Board.

6. Performance based demotions may be grieved through the appropriate grievance procedure or appealed to the Merit Systems Board, but not both.

ADMINISTRATIVE GRIEVANCE TIMELINE