

Senior-Level and Scientific and Professional Desk Guide



This Desk Guide provides guidance on the statutory and regulatory provisions pertaining to senior-level (SL) and scientific and professional (ST) positions allocated by the Office of Personnel Management (OPM) under 5 U.S.C. 5108(a) and 5 U.S.C. 3104(a), respectively. It serves as a reference tool for SL/ST employees, their supervisors, and agency human resources managers and staff who have the responsibility to develop and manage SL/ST positions.

This Desk Guide provides guidance on statutory and regulatory provisions pertaining to senior-level (SL) and scientific and professional (ST) employees, also referred to as senior professionals. It is a reference tool for senior professionals, their supervisors, and agency human resources managers and staff who have the responsibility to develop and manage SL and ST (SL/ST) positions. While this is not a policy-making guide, it is intended to accommodate regulatory updates and policy changes affecting SL/ST positions and employees.

The guidance is intended to serve as explanatory material and is not a substitute for applicable statutes and regulations. References and links to relevant statutory and regulatory citations have been included in the text. The SL/ST Desk Guide also provides instructions and procedures that agencies must follow to comply with reporting and other informational requirements promulgated by the Office of Personnel Management (OPM). Where the terms “must,” “shall/will,” or “should/would” are used, these terms reflect statutory or regulatory requirements or interpretations, or they are processing instructions.

In the event you have any questions about the material in the SL/ST Desk Guide or any SL/ST policy-related questions, correspondence, or requests, please send them to the Executive Resources and Performance Management (ERPM) Group at the following address, unless otherwise indicated in the SL/ST Desk Guide:

U.S. Office of Personnel Management
Employee Services
Senior Executive Service and Performance Management
Executive Resources and Performance Management
1900 E Street NW, Room 7412
Washington, DC 20415
(202) 606-8046; (Email: sespolicy@opm.gov)

Table of Contents

Table of Statutes, Regulations, and Desk Guide Citations.....	v
CHAPTER 1 : CLASSIFICATION AND ALLOCATIONS.....	1-1
Senior-Level (SL) Positions	1-1
Scientific and Professional (ST) Positions	1-1
Biennial Allocation.....	1-2
Out-Of-Cycle Allocations	1-3
SL/ST Position Classification & Establishment.....	1-3
SL Positions Excepted from the Competitive Service	1-7
Reporting SL/ST Positions in ESCS	1-7
CHAPTER 2 : STAFFING	2-1
Recruitment and Examination	2-1
Qualifications Standards.....	2-3
Appointment Types	2-4
Probationary Periods	2-6
Positions with Administratively Determined (AD) Pay	2-6
CHAPTER 3 : PERFORMANCE MANAGEMENT	3-1
Performance Appraisal	3-1
Requesting System Approval From OPM.....	3-3
Establishing a Separate SL/ST Appraisal System for an OIG	3-4
Basic SL/ST Performance Appraisal System/Program	3-4
Planning Performance	3-7
Monitoring Performance	3-11
Developing Performance	3-12
Rating Performance.....	3-13
Summary Level Patterns	3-14
Appraisal of SL/ST Employees When Reassigned, Transferred, or Detailed.....	3-15
Mandatory Higher-Level Review of Level 1 Ratings	3-17
Centralized Review Panel	3-17
Disabled Veteran	3-17
Reporting Data	3-17
CHAPTER 4 : PERFORMANCE APPRAISAL SYSTEM CERTIFICATION	4-1
Pay Limitations.....	4-1
Length of Certification	4-1

The Performance Appraisal System Certification Process (Certification 2.0).....	4-2
Certification 2.0 Tools and Templates	4-4
SL/ST Performance Appraisal Assessment Tool (PAAT)	4-5
Certification Criteria.....	4-5
Expiration of Certification.....	4-10
Suspension of Certification	4-11
CHAPTER 5 : PAY	5-1
SL/ST Pay Provisions.....	5-1
Setting Pay.....	5-1
Annual Increases in Basic Pay	5-2
Controls and Conditions for Setting and Adjusting Pay	5-2
Centralized Review of Proposed Pay Increases	5-2
Restrictions on Delegation of Authority for Certain Pay Actions.....	5-3
Office of Inspector General (OIG)	5-3
Off-Cycle Pay Increases	5-3
Pay Increases Under a Certified Performance Appraisal System	5-4
Pay Upon Transfer to Another Agency or Upon Suspension of Certification.....	5-4
Reductions in Pay.....	5-5
Certain Exemptions from the Requirement to Set and Adjust Pay Based on Performance.....	5-5
Written Procedures	5-5
Processing SL/ST Pay Actions.....	5-6
CHAPTER 6 : AWARDS.....	6-1
Performance Awards	6-1
Appropriate Use of Awards Other Than Performance Awards	6-2
Cash Awards Over \$10,000.....	6-2
Restrictions for Senior Political Appointees	6-3
Presidential Rank Awards	6-3
Payment Procedures for all Awards	6-6
Reporting and Documentation Requirements	6-6

Table of Statutes, Regulations, and Desk Guide Citations

Topic	5 U.S.C.	5 CFR	Desk Guide Chapter	Desk Guide Page
Awards	4503	451 subpart A	6	6-1 - 6-6
Aggregate Limitation on Pay	5307	530 subpart B 534.407	4, 6	4-1, 4-10, 6-6
Allocations	5108(a)	319.202	1	1-1
Biennial	3133		1, 2	1-2
Certification – SL/ST performance appraisal system	5307(d)	430 subpart D	4	4-1
Civil Service - definition	2101		2	2-1
Classification of SL/ST positions	5108	319.203(b)	1	1-1
Competitive Service	2102 3302	316 319.401	2	2-1
Excepted Service	2103	213 302	2	2-2
General Schedule – grade 15	5104(15)		1	1-4
Pay	5376	534 subpart E	5	5-1
Pay – Annual Increase in Pay	5318	534.507	5	5-1
Performance Appraisal	4302 4304	430 subpart A 430 subpart B	3	3-1
Performance Awards	4505a	451 subpart A	4 6	4-7 6-1
Presidential Rank Awards	4507	451 subpart C	6	6-3

Topic	5 U.S.C.	5 CFR	Desk Guide Chapter	Desk Guide Page
Scientific and Professional Positions	3104	319.103	1	1-1
	3325	319.203	2	2-2
Schedule C Positions		213 subpart A	1	1-7
		213 subpart C	2	2-4
		213.3301-3302		
Senior Executive Service - coverage	3132	214.201 214.301	1	1-1
Senior-Level Positions		319.102	1	1-1
		319.203	2	2-1
Probationary Period		319.402(c)	2	2-6
Recruitment	3319		2	2-1

CHAPTER 1 : CLASSIFICATION AND ALLOCATIONS

Statute: 5 U.S.C. [3104](#), [3133](#), and [5108](#)

Regulations: 5 CFR [Part 319](#) and [Part 213.3302](#)

Senior-Level (SL) Positions

A senior-level (SL) position is a position classified above grade 15 of the General Schedule (GS-15) that is established by an agency using an SL position allocation issued by the Office of Personnel Management (OPM) under [5 U.S.C. 5108\(a\)](#) (i.e., an SL allocation), which authorizes the Director of OPM to establish, and from time to time revise, the maximum number of positions which may at any one time be classified above GS-15. SL positions are compensated under [5 U.S.C. 5376](#) and assigned the pay plan code SL. OPM normally considers agency requests for additional SL allocations during the biennial allocation process established for Senior Executive Service (SES) positions under [5 U.S.C. 3133](#) or on an ad hoc basis in response to agency requests made between SES biennial allocation cycles. In an agency subject to the SES (see [5 U.S.C. 3132\(a\)\(1\)](#)), SL positions are positions the agency has determined to be classified above GS-15 that do not meet the SES functional criteria described in [5 U.S.C. 3132\(a\)\(2\)\(A\)-\(E\)](#). Thus, an SL position is **not** one that—

- (A) directs the work of an organizational unit;
- (B) is held accountable for the success of one or more specific programs or projects;
- (C) monitors progress toward organizational goals and periodically evaluates and makes appropriate adjustments to such goals;
- (D) supervises the work of employees other than personal assistants; or
- (E) otherwise exercises important policy-making, policy-determining, or other executive functions.

Therefore, in an agency subject to the SES, a position that is classified above GS-15 and performs any of the functions above would be established as an SES position. Only an agency that is statutorily excluded from the SES (see [5 U.S.C. 3132\(a\)\(1\)\(A\)-\(F\)](#)), including a Government corporation, may use an SL position allocation issued by OPM under [5 U.S.C. 5108](#) to establish such a position as an SL position.

Scientific and Professional (ST) Positions

A scientific and professional (ST) position is a position classified above GS-15 that is established by an agency using an ST position allocation issued by OPM under [5 U.S.C. 3104\(a\)](#). The Director of OPM may establish, and from time to time revise, the maximum number of ST positions for carrying out research and development functions. Such functions require the services of specially qualified personnel and the positions may be established outside of the GS. ST positions are compensated under [5 U.S.C. 5376](#) and assigned the pay plan code ST. OPM normally considers agency requests for additional ST allocations during the biennial allocation process established for SES positions under [5 U.S.C. 3133](#) or on an ad hoc basis in response to agency requests made between biennial allocation cycles (known as out-of-cycle allocation

requests). By regulation (see [5 CFR 319.203\(b\)](#); [5 CFR 319.103\(c\)](#)), a position is appropriately established as ST only if it is classified above the GS-15 level and involves performance of high-level research and development in the physical, biological, medical, or engineering sciences, or a closely related field. However, [5 U.S.C. 3104\(b\)](#) provides that the ST authority shall not apply to any SES position as defined in [5 U.S.C. 3132\(a\)\(2\)](#). Thus, an ST position is **not** one that—

- (A) directs the work of an organizational unit;
- (B) is held accountable for the success of one or more specific programs or projects;
- (C) monitors progress toward organizational goals and periodically evaluates and makes appropriate adjustments to such goals;
- (D) supervises the work of employees other than personal assistants; or
- (E) otherwise exercises important policy-making, policy-determining, or other executive functions.

Therefore, in an agency subject to the SES, a position that is classified above GS-15 and performs any of the functions above would be established as an SES position, even when the position has research and development functions that might otherwise support its establishment as an ST position.

Only an agency that is statutorily excluded from the SES (see [5 U.S.C. 3132\(a\)\(1\)](#)), including a Government corporation, may use a position allocation issued by OPM under [5 U.S.C. 3104](#) to establish such a position as an ST position. Many of the Federal Government's most renowned scientists and engineers serve in ST positions.

Biennial Allocation

Although the biennial allocation process is not required by law for SL/ST positions, SL/ST may be established only under a position allocation approved by OPM (see [5 CFR 319.202](#)). OPM invites agencies to use the biennial review process to assess SL/ST needs and request SL/ST allocations. The biennial allocation process is established by [5 U.S.C. 3133](#), which requires agencies during each even-numbered calendar year to examine their SES position needs and submit a written request to OPM for a specific number of SES position allocations for the 2 succeeding fiscal years (e.g., a request in December 2020, which is in Fiscal Year (FY) 2021, would be for the FY 2022/2023 biennial cycle). General information about the biennial allocation process is available in the Allocating Spaces Section of Chapter 1 of OPM's [Senior Executive Service Desk Guide](#). For an agency that is not subject to the SES, procedures for analyzing requirements for SL positions meeting the SES functional criteria may be similar to those described in that chapter.

During each even-numbered calendar year, OPM issues instructions in accordance with [5 U.S.C. 3133\(a\)-\(d\)](#) for agencies to document changes they will request in SES allocations before year's end. Detailed submissions are required within the first half of the next year and OPM seeks to issue revised SES allocations by October 1, which begins the biennial cycle.

This process also encourages comprehensive and integrated planning for SES, SL, and ST resources. In addition to asking for an increase or reduction in its SES, SL, or ST allocations, an

agency may ask OPM to adjust its number of SES, SL, and ST allocations by exchanging one type of position allocation for another, e.g., an SES allocation for an SL allocation or an SL allocation for an ST allocation. Each request must be justified by the agency based upon its need for the type of position requested consistent with the statutory provisions. Such a change normally involves an unused allocation or position because staffing provisions for the SES, competitive service (SL and ST), and excepted service (SL) may not support converting an incumbent from one type of position to another without competition.

Out-Of-Cycle Allocations

Agencies are expected to manage their executive resource needs within the levels set during the biennial allocation process. Unless otherwise provided by OPM, an SL or ST allocation that is no longer needed for the position for which it was originally authorized may be used by an agency to establish and fill a different position of the same type subject to the requirements and procedures of [5 CFR Part 319](#). OPM is authorized by [5 U.S.C. 5108\(a\)](#) and [3104\(a\)](#) to adjust an agency's allocation of SL and ST positions up or down between biennial cycles. This may be done based upon an agency's written request or at OPM's initiative. Requests may be submitted to OPM at SERS@opm.gov. An agency may not use an SES, SL, or ST allocation to fill a position in a different type but must obtain authorization from OPM for the exchange of a position allocation. To do so otherwise would disregard the charge given by Congress to the Director of OPM under these statutes to establish the maximum number of positions of each type that may be filled in an agency.

A written request must document the agency's finding based upon a position description and evaluation statement as required by [5 CFR 319.203\(b\)](#) that a proposed SL or ST position is classified above GS-15, and in the case of an ST allocation, meets the research and development criteria described in [5 CFR 319.103](#). The position description and evaluation statement may be requested by OPM reviewers. The agency's request should also describe agency mission requirements giving rise to the request and how the proposed position will address those requirements. If the agency has unused allocations, including where there are established but vacant positions of the same type, the agency may be asked to explain why the unused resource cannot be used for the requested position. If the agency has unused allocations of a different type, the agency may be asked to explain why its need cannot be met through OPM approval of an exchange of the unused position allocation for a position allocation of the requested type.

SL/ST Position Classification & Establishment

Under [5 CFR 319.203\(b\)](#):

- (b) Before an SL or ST position may be established, an agency must:
 - (1) prepare a description of the duties, responsibilities, and supervisory relationships of the position; and
 - (2) determine, consistent with published position classification standards and guides and accepted classification principles, that the position is properly classified above GS-15. In addition, for an ST position, an agency must

determine that the position meets the functional research and development criteria described in [5 CFR 319.103](#).

Before establishing an SL or ST position, agencies need to do a careful job analysis and use OPM classification guidelines to determine whether the duties of the position will be above GS-15. The following information provides context for this determination.

Before the Civil Service Reform Act (CSRA), positions classified above GS-15 were placed in GS-16, 17, or 18 and were covered by the Executive Assignment System. When CSRA was implemented in agencies subject to the SES, most of those positions became SES because they met the SES functional criteria described in [5 U.S.C. 3132\(a\)\(2\)\(A\)-\(E\)](#). In general, positions that remained at the GS-16, 17, or 18 levels (also called supergrades) were excluded from the SES either because they were classified at those grade levels based upon criteria that did not include the SES functional criteria, or they were established in agencies that were not covered by the SES. In the years following, OPM delegated the authority to agencies to classify and take other actions for positions at those levels. This continued until the [Federal Employees Pay Comparability Act of 1990 \(FEPCA\) \(§ 529, P.L. 101-509\)](#) abolished grade levels GS-16, 17, and 18, and authorized OPM under [5 U.S.C. 5108](#) to determine the maximum number of positions in any Executive agency that may be classified above GS-15 (i.e., SL positions). Accordingly, the Director of OPM abolished the Executive Assignment System. Under FEPCA, positions allocated by the Director of OPM under [5 U.S.C. 3104\(a\)](#) and [5108\(a\)](#) were placed in the new pay system for “certain senior-level positions” under [5 U.S.C. 5376](#).

Under [5 U.S.C. 5104\(15\)](#), GS-15 is defined as follows:

- (15) Grade GS-15 includes the following classes of positions, the duties of which are—
 - (A) to perform, under general administrative direction, with very wide latitude for the exercise of independent judgment, work of outstanding difficulty and responsibility along special technical, supervisory, or administrative lines which has demonstrated leadership and exceptional attainments;
 - (B) to serve as head of a major organization within a bureau involving work of comparable level;
 - (C) to plan and direct or to plan and execute specialized programs of marked difficulty, responsibility, and national significance, along professional, scientific, technical, administrative, fiscal, or other lines, requiring extended training and experience which has demonstrated leadership and unusual attainments in professional, scientific, or technical research, practice, or administration, or in administrative, fiscal, or other specialized activities; or
 - (D) to perform consulting or other professional, scientific, technical, administrative, fiscal, or other specialized work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

The definition of GS-15 in [5 U.S.C. 5104\(15\)](#) encompasses a broad range of difficulty. OPM classification standards identify factors and principles that help distinguish the grade level at which positions in many occupations and functions are to be classified.

Under [5 U.S.C. 5107](#), agencies have a continuing obligation to place positions established in the agency in their appropriate grade:

§5107. Classification of positions

“Except as otherwise provided by this chapter, each agency shall place each position under its jurisdiction in its appropriate class and grade in conformance with standards published by the Office of Personnel Management or, if no published standards apply directly, consistently with published standards...”

Thus, establishment of SL and ST positions eliminated the former requirement to distinguish a grade level for positions within those categories but did not affect the definition of GS-15. Therefore, [5 CFR 319.203\(b\)](#) requires that an agency seeking to establish an SL or ST position first, “determine, consistent with published position classification standards and guides and accepted classification principles” that the position does not fall within the grade range described in [5 U.S.C. 5104\(15\)](#).

Additional Classification Requirement for ST Positions

For a proposed ST position, an agency must also determine the position meets the “research” and/or “development” [functional classifications](#) referenced in [5 CFR 319.103\(b\)](#), which are found in [The Guide to Data Standards](#), Part A – Human Resources Data Standards (page A-161) and defined as follows:

Code	Explanation
11	<p>Research.</p> <p>Systematic, critical, intensive investigation directed toward the development of new or fuller scientific knowledge of the subject studied. It may be with or without reference to a specific application. The work involves theoretical, taxonomic, and experimental investigations or simulation of experiments and conditions to: (1) Determine the nature, magnitude, and interrelationships of natural and social phenomena and processes, (2) Create or develop theoretical or experimental means of investigating such phenomena or processes; and (3) Develop the principles, criteria, methods and a body of data of general applicability for use by others.</p> <p>Excluded from this category is work concerned primarily with the administration and monitoring of research contracts and research grants.</p>

Code	Explanation
13	<p data-bbox="345 243 537 275">Development.</p> <p data-bbox="345 306 1382 447">Systematic application of scientific knowledge directed toward the creation of new or substantially improved equipment, materials, instrumentation, devices, systems, mathematical models, processes, techniques, and procedures which will perform a useful function or be suitable for a particular duty.</p> <p data-bbox="345 478 1390 835">The work involves such activities as: (1) Establishing requirements for technical objectives and characteristics; (2) Devising and evaluating concepts for design approaches, including: criteria, parameters, characteristics, and interrelationships; (3) Experimenting, investigating, and testing to produce new data, mathematical models, or methods to test concepts, formulate design criteria, and measure and predict natural and social phenomena and performance; (4) Designing and developing prototypes, breadboards, and engineering models including the direction of their fabrication as required; (5) Developing standards and test plans to assure reliability; and (6) Managing specific developments being executed inhouse or under contract.</p> <p data-bbox="345 867 1354 1008">Development, like research, advances the state of the art, but it is further characterized by the creation of specific end-items in the form of equipment or equipment systems ("hardware" development) and/or methodologies, mathematical models, procedures and techniques ("software" development).</p>

Caution Concerning the SES Functional Criteria

An agency covered by the SES must determine that any position proposed to be established as SL or ST does not meet any of the five SES functional criteria in [5 U.S.C. 3132\(a\)\(2\)\(A\)-\(E\)](#), because, within a covered agency, any such position must be established in the SES. This is a statutory requirement to be scrupulously observed. An agency to which the SES applies lacks statutory authority to establish as SL or ST any position it determines to be classified above GS-15 if that position performs one or more of the described functions. Among those functions, questions are most frequently asked about [5 U.S.C. 3132\(a\)\(2\)\(D\)](#) — “supervises the work of employees other than personal assistants.” Agencies sometimes ask how to determine whether the supervisory activities performed by a position classified above GS-15 preclude it from being established as an SL or ST. Based upon the statutory language, whenever a position classified above GS-15 is given authority to direct and evaluate the work of employees who are not personal assistants, the position is to be placed in the SES and may not be established as SL or ST, if it is within an agency covered by the Senior Executive Service.

It is important to recognize that this is an intended default. As noted above, the great majority of positions classified above GS-15 prior to the CSRA were placed in the SES because they performed work consistent with the SES functional criteria. The Senior Executive Service was specifically designed to require that individuals given authority to perform SES functions for federal agencies possess and increasingly improve upon the executive qualifications necessary to maximize effective performance of those functions in support of agency missions.

SL Positions Excepted from the Competitive Service

An SL position is normally in the competitive service by default; however, it may be excepted from the competitive service by OPM under [5 CFR part 213, subpart A](#), or by an agency if conditions for use of a government-wide exception under [5 CFR part 213, subpart C](#) are met and there is no grade level restriction on the use of the exception.

Schedule C Positions

Among the available government-wide exceptions is [5 CFR 213.3301](#) for positions which are policy-determining or which involve a close and confidential working relationship with the head of an agency or other key appointed officials. An agency may therefore ask OPM to approve a Schedule C exception for a properly established (i.e., classified above GS-15) SL position that meets those criteria. An SL position for which a Schedule C appointment is authorized by OPM remains in the excepted service only during the appointment of the individual for whom it was approved. When the incumbent vacates the SL Schedule C position, it reverts to the competitive service.

In addition, consistent with the requirements of [5 CFR 213.3302](#), an agency may use its authority to establish temporary transitional Schedule C (TTC) positions with respect to a properly established SL position during the 1-year period immediately following a change in presidential administration, the appointment of a new department or agency head, or the creation of a new department or agency to facilitate transition. Individual appointments to TTC positions may be made for a period of up to 120 days, and this period may be extended one time for an additional 120 days without OPM approval. An agency must notify OPM within 5 business days of a TTC appointment and within 3 business days when a TTC position is vacated. For additional information on TTC, contact OPM's Senior Executive Resources Service (SERS) Group at SERS@opm.gov.

Other Regulatory Exceptions

Other examples of regulatory exceptions that may be applied for an SL position, if applicable conditions are met, include Schedule A authority, [5 CFR 213.3102\(d\)](#), for attorneys and [5 CFR 213.3102\(i\)\(2\)](#), for positions for which a critical hiring need exists.

In contrast to this, ST positions are required to be in the competitive service by [5 U.S.C. 3325](#), even though they are filled without competitive examination. Accordingly, exceptions to the competitive service may not be applied to an ST position.

Reporting SL/ST Positions in ESCS

A position must be formally cancelled in the Executive and Schedule C System (ESCS), either permanently or temporarily, when a space allocation is withdrawn from the position for use elsewhere. Agencies are required to report changes affecting positions (establishment, abolishment) or appointees (incumbency, vacancy) by updating incumbent or position records in ESCS in a timely manner (usually within one pay period following the effective date of the change).

CHAPTER 2 : STAFFING

Statute: 5 U.S.C. [3104](#), [3324](#), and [3325](#)

Regulations: 5 CFR [Part 316](#), [Part 319, Subparts C and D](#), [Part 315, Subparts D and E](#), [Part 213](#), and [Part 302](#)

The Civil Service ([5 U.S.C. 2101](#)) consists of three services: the competitive service ([5 U.S.C. 2102](#)); the Senior Executive Service (SES) ([5 U.S.C. 2101a](#)); and the excepted service ([5 U.S.C. 2103](#)). The competitive service includes all civil service positions in the executive branch of the Federal Government except as provided in section [2102\(a\)\(1\)](#) of title 5, United States Code. A senior-level (SL) position is in the competitive service unless excepted from the competitive service by or under statute. These include exceptions provided under executive orders or regulations implementing the President's authority ([5 U.S.C. 3302](#)) to prescribe rules providing for necessary exceptions from the competitive service, and the very few SL positions filled by Presidential appointment with Senate confirmation. All scientific and professional (ST) positions are in the competitive service and are filled without competitive examination ([5 U.S.C. 3325](#)).

As described in Chapter 1, SL and ST positions are those positions classified above General Schedule (GS)-15 that do not meet the SES functional criteria in [5 U.S.C. 3132\(a\)\(2\)](#).

Recruitment and Examination

Senior-Level (SL) Positions

Competitive Service

By regulation ([5 CFR 319.401\(a\)\(1\)](#)), Office of Personnel Management (OPM) has delegated authority to agency heads to—

- recruit and examine applicants for SL positions in the competitive service;
- establish competitor inventories; and
- issue certificates of eligibility.

Recruitment actions under this delegation must conform to [5 CFR 319.401](#). Assessment and evaluation of applicants for positions filled through competitive service appointments must also conform to applicable statute, regulation, and policy requirements (e.g., use of the category rating approach, as authorized by [5 U.S.C. 3319](#) and mandated by [Presidential Memorandum, Improving the Federal Recruitment and Hiring Process, issued May 11, 2010 \(75 FR 27157\)](#)). OPM provides training, guidance, and oversight in the conduct of delegated examining activities and certifies agency-identified individuals to conduct examining operations.

Employees involved in delegated examining must pass the Delegated Examining Certification Assessment from OPM, and follow the procedures outlined in the [Delegated Examining Operations Handbook](#) to recruit for SL positions in the competitive service.

Actions to fill SL positions in the competitive service by reassignment, promotion, transfer, or reinstatement of individuals with competitive status are subject to the regulatory provisions in [5 CFR part 335](#) and [5 CFR part 315, subparts D and E](#).

- An agency may establish a promotion or internal placement program that will apply in recruiting to fill SL positions from among individuals with competitive status. Such a program should specify that it applies in staffing SL positions (see [5 CFR 335.103\(a\)](#)).
- An agency has discretion to except from such competitive procedures the appointment of a career SES member who has competitive service reinstatement eligibility (at any level) to any position in the competitive service for which that individual qualifies, including an SL position ([5 CFR 335.103\(c\)\(3\)\(vii\)](#)). The agency must have an SL allocation available in order to establish and fill the position.

Excepted Service

Regulatory provisions related to the excepted service in general apply to SL positions in the excepted service. SL positions may be established and filled in the excepted service under Schedules A, B, or C, as applicable, in accordance with the requirements of [5 CFR parts 302](#) and [213](#), provided that there is no grade level or other applicable restriction on the use of a particular excepted service appointment authority.

Temporary or Term Appointment

An agency may make a temporary or term SL appointment in accordance with [5 CFR part 316](#), when the position is in the competitive service. Temporary or time-limited appointments in the excepted service may be made consistent with the requirements of [5 CFR 213.104](#).

Veterans' Preference

Veterans' preference must be applied to SL positions consistent with the rules of the competitive and excepted service.

Scientific and Professional (ST) Positions

Competitive Service

All ST positions are in the competitive service and are filled without competitive examination upon approval of the qualifications of the proposed appointee by the head of the agency ([5 CFR 319.302](#)). An agency that elects to hold a competition for an ST position is not obligated to follow delegated examining rules ([5 U.S.C. 3325](#)). An ST appointee has competitive status immediately, and no probationary period applies ([5 CFR 319.402\(c\)](#)).

Temporary or Term Appointment

An agency may make a temporary or term ST appointment without regard to competitive examining procedures.

Veterans' Preference

Veterans' preference is not applicable for ST positions because ST positions are filled without competitive examination.

Citizenship Requirements

ST positions are not subject to the citizenship requirements, per [5 CFR 319.402\(b\)](#), as outlined in [5 CFR part 338, subpart A](#). Agencies, however, must observe any restrictions on the employment of noncitizens in applicable appropriations acts.

Qualifications Standards

Agency heads are responsible for establishing qualifications standards for both SL and ST positions ([5 CFR 319.301\(a\)](#)).

- The standard must be in writing and identify the breadth and depth of the knowledge, skills, and abilities, or other qualifications, required for successful performance in the position.
- Each criterion in the standard must be job related.
- The standard may not include any criterion prohibited by law or regulation.

OPM has delegated to agency heads the authority to approve the qualifications of SL and ST appointees. The agency head must determine that the individual meets the qualifications standards for the position to which appointed ([5 CFR 319.302](#)).

Time-in-grade requirements do not apply to SL or ST positions, so applicants do not need to have spent a certain period of time at the GS-15 or equivalent level (see [5 CFR 300.603\(a\)](#)).

Senior-Level (SL) Positions

When an SL position is being filled on a competitive basis, the standard must be specific enough to enable applicants to be rated and ranked according to their degrees of qualification. The standard may not include a minimum length of experience or minimum education requirement beyond that authorized for similar positions in the GS.

Scientific and Professional (ST) Positions

Unless the agency obtains the approval of OPM, the standard must provide that—

- the candidate has at least 3 years of specialized experience in, or closely related to, the field in which the candidate will work; and
- at least 1 year of this experience (specified in the above bullet) must have been in planning and executing difficult programs of national significance or planning and executing specialized programs that show outstanding attainments in the field of research or consultation.

Note: While not required by regulation, agencies may require that at least 1 year of the specialized experience must be at least equivalent to experience at GS-15 ([5 CFR 319.301\(c\)\(2\)](#)).

The qualifications, stature, and contributions of an individual involved in research and development have a direct and major impact on the level of difficulty and responsibility of the work performed. ST incumbents would be expected to possess a graduate degree, significant research experience, and a national or international reputation in their field.

Typically, the incumbent of an ST position—

- has authored fundamental papers in the field of expertise that are widely used and cited;
- has received significant honors from major organizations for their accomplishments and contributions; and
- is sought as an advisor and consultant on scientific and technological issues.

Appointment Types

Agency heads are authorized to make all types of SL and/or ST appointments under applicable procedures established by OPM and within the agency's numerical allocation of appointment authorities.

Senior-Level (SL) Appointment Types

SL positions are in the competitive or excepted service. Appointments may only be made to an SL position established in accordance with [5 CFR 319.203](#) using a position allocation approved by OPM under [5 CFR 319.202](#). The types of appointments are:

- *Competitive Service Career or Career-Conditional Appointments* - Most SL appointments are of this type. Positions are usually filled using competitive procedures.
- *Competitive Service Temporary Limited Appointment* - Appointments not expected to last longer than 1 year under [5 CFR part 316](#). These appointments are usually competitively filled, and exceptions are listed at [5 CFR 316.402\(b\)](#).
- *Competitive Service Term Appointment* - Positions filled from 1 to 4 years where the need for the employee is not permanent. These positions are usually competitively filled, and exceptions are listed at [5 CFR 316.302\(b\)](#).
- *Excepted Service Schedule A or B Appointments* - Agencies may use government-wide Schedule A or B authorities and agency-specific Schedule A and B authorities for SL positions. These appointments may be made as permanent, time-limited, or indefinite as allowed by the authority. Government-wide, excepted service authorities are made under [5 CFR 213.3102](#) for Schedule A and [5 CFR 213.3202](#) for Schedule B.
- *Excepted Service Schedule C Appointments* - Agency-specific Schedule C appointments may be used for SL positions. The following procedures apply when making Schedule C appointments:
 - An agency initiates a request for a Schedule C appointment authority for an SL position by entering it into the Executive and Schedule C System (ESCS).

Each request must be for a named individual to fill a specific Schedule C position. If the individual is currently a Schedule C employee serving in another SL position within the agency, the request is made for a Schedule C reassignment. Otherwise, it is for a new Schedule C SL appointment.

- The agency then uses ESCS to generate an OPM Form 1019 for documentation of agency approvals. If ESCS is temporarily unavailable and the need is urgent, the agency should complete a manual 1019 fillable PDF form and email the completed form to SERS@opm.gov.
- After completing an OPM Form 1019, the agency uploads the form in ESCS. To facilitate timely OPM approval, the agency should work with the Presidential Personnel Office (PPO) to fulfill any preliminary vetting requirements for the prospective appointee before forwarding to OPM.
- OPM documents approval by emailing the OPM Form 1019 back to the agency, signed by the OPM approving official.
- An agency may only appoint the individual to the position authorized by OPM and may not do so until the previous incumbent has left. There is no provision for overlap or dual incumbency of a position. Schedule C SL appointment authorities are made on a case-by-case basis and are valid only for the individual and position for which approved. Such an authorization reverts to OPM upon being vacated by the named incumbent.
- During the 1-year period following a change in presidential administration, when a new department or agency head has entered on duty, or when a new department or agency has been created, an agency may use its authority to establish temporary transitional Schedule C positions provided under [5 CFR 213.3302](#) for SL positions established in accordance with [5 CFR 319.203](#) using a position allocation approved by OPM under [5 CFR 319.202](#).

Scientific and Professional (ST) Appointment Types

All ST positions are in the competitive service; however, appointments to an ST position are made without competitive examination. The types of appointments are:

- *Competitive Service Career Appointment* - Acquires competitive status immediately upon appointment and is not required to serve a probationary period.
- *Competitive Service Temporary Limited Appointment* - Appointments not expected to last longer than 1 year.
- *Competitive Service Term Appointment* - Positions filled from 1 to 4 years where the need for the employee is not permanent.

Change in Appointment Type

A career or career-conditional SL appointee cannot be required to accept an appointment to another SL position in the excepted service. The individual must voluntarily agree to the conditions of the excepted service appointment in writing before the new appointment. The

agreement shall be retained as a permanent record in the individual's Official Personnel Folder (see [OPM's Guide to Personnel Recordkeeping](#), Chapter 3).

Probationary Periods

An agency must apply the rules in [5 CFR 315 subpart H](#) to determine whether an individual appointed to a competitive service SL position must serve a probationary period. For excepted service SL positions, the agency's excepted service trial period will indicate if/when a trial period is required.

ST employees acquire competitive status immediately upon appointment. They are not required to serve a probationary or trial period ([5 CFR 319.402\(c\)](#)).

Positions with Administratively Determined (AD) Pay

Some agencies have specific statutory authority to establish and administratively determine pay for certain positions at rates above GS-15. Positions with administratively determined (AD) pay are normally considered to be in the competitive service unless the applicable statute also authorizes the agency to make appointments apart from competitive examining requirements of chapter 33 of title 5. Such positions with AD pay are not to be considered SL positions because [5 U.S.C. 5376](#) applies to positions classified above GS-15 pursuant to [5 U.S.C. 5108](#).

It should be noted that the [Senior Professional Performance Act of 2008](#), which revised [5 U.S.C. 5376](#) to provide an open rate range from 120% of the GS-15 step 1 base rate of pay to level III of the Executive Schedule, or level II of the Executive Schedule for a position subject to a certified appraisal system, also prescribed rules in [section 2\(d\)\(3\)](#) of P.L. 110-372 for interpreting references to a maximum rate of pay payable under [5 U.S.C. 5376](#) as provided before implementation of that Act. Similarly, the [Federal Employees Pay Comparability Act of 1990 \(FEPCA\)](#) addressed how to interpret references to the maximum GS rate or GS-18 rate in any statutory provision enacted prior to FEPCA (see OPM's [Fact Sheet: Interpreting References in Law to Maximum Rates under the General Schedule or 5 U.S.C. 5376](#)).

Thus, even a reference in law to an authority to administratively determine pay at or up to the maximum rate provided under [5 U.S.C. 5376](#) should not be presumed to provide authority to set pay up to the current maximum rate without referencing the rules prescribed in [section 2\(d\)\(3\)](#) of P.L. 110-372. Keep in mind:

- In any statutory provision enacted before November 5, 1990, a reference to the maximum GS rate or GS-18 rate is considered to be a reference to the rate for level IV of the Executive Schedule (EX).
- In any statutory provision enacted before April 12, 2009, a reference to the maximum rate of pay under [5 U.S.C. 5376](#) is considered to be a reference to EX-IV.
- In any statutory provision enacted on or after April 12, 2009, a reference to the maximum rate of pay under [5 U.S.C. 5376](#) is considered to be a reference to EX-III or, if the head of the agency responsible for administering the applicable pay system certifies that the employees in question are covered by a performance appraisal system meeting the criteria in [5 CFR part 430, subpart D](#), EX-II.

CHAPTER 3 : PERFORMANCE MANAGEMENT

Statute: 5 U.S.C. [4301](#), [4302](#), [4304](#)

Regulations: 5 CFR Part 430, [Subparts A](#) and [B](#)

As stated in regulation, performance management is the systematic process by which an agency involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of agency mission and goals ([5 CFR 430.102\(a\)](#)). Performance management incorporates planning, monitoring, developing, rating, and rewarding both individual and organizational performance. This chapter will address each of these processes as it applies to the overall concept of individual performance management for senior professionals.

Performance Appraisal

Agencies must develop one or more performance appraisal systems and performance appraisal programs for their senior-level (SL) and scientific and professional (ST) employees and are encouraged to involve these employees in the design and implementation of their systems and programs. Of course, where a union has been granted exclusive recognition for these SL and ST positions, such involvement for bargaining unit employees must be through their elected union representatives.

Appraisal System vs. Appraisal Program

An **appraisal system** is the framework of policies and parameters established by an agency (as defined at [5 U.S.C. 4301\(1\)](#)) for the administration of performance appraisal programs under [subchapter I of chapter 43 of title 5, U.S. Code](#). It provides the general requirements and restrictions for the appraisal program(s) within the agency. OPM must approve an appraisal system before an agency can implement it or design and implement its appraisal program(s).

An appraisal system covers specific employees designated by the agency and sets broad parameters within which the appraisal program(s) must operate (see [5 CFR 430.204](#)). An agency may have more than one appraisal system, but at no time may any employee be covered by more than one system. OPM recommends agencies establish a separate appraisal system for their SL/ST employees that does not include non-SES/SL/ST employees (e.g., General Schedule, Wage Grade).

An appraisal system must, at a minimum, specify the following—

- the employees covered by the system;
- the patterns of summary levels appraisal programs may use (i.e., of the patterns A through H that are specified in government-wide regulation, which ones are authorized under the system), (see the below [Summary Level Patterns chart](#) for permissible patterns);
- the number(s) of performance levels at which elements may be appraised;

- the range of permissible length for minimum periods that must be completed before a performance rating can be given; and
- the criteria and procedures for establishing separate appraisal programs under an appraisal system, should more than one program be permitted.

In addition, an appraisal system designates any agency-specific requirements, prohibitions, and restrictions that will apply to all its appraisal programs.

An **appraisal program** contains the specific procedures and requirements established under the policy and parameters of an agency appraisal system needed for effective operation (see [5 CFR 430.205](#))

Appraisal programs must specify—

- employee coverage (the coverage among all appraisal programs must be mutually exclusive; that is, an employee cannot be covered by more than one appraisal program);
- the effective date of the program;
- the beginning and end dates of the appraisal period;
- the specific pattern of summary levels that the program will use (i.e., which one of the patterns A through H specified in government-wide regulation and allowed under the agency's appraisal system will apply);
- a method(s) for deriving applicable summary levels;
- the performance levels at which critical, non-critical, and additional (if used) performance elements may be appraised;
- methods for appraising each critical, non-critical, and additional (if used) performance element during the appraisal period;
- the program's specific length of time for the minimum period that must be completed before a performance rating may be prepared; and
- a provision for the program comparable to the "savings" provision at [5 CFR 430.201\(b\)](#) to ensure that administrative actions can be completed in the event of changes in program procedures or coverage.

To ensure consistent treatment of all employees, appraisal programs also must address—

- how employee performance plans will be established and communicated;
- how employees will be evaluated during and at the end of the appraisal period;
- how it will be determined whether employee performance warrants recognition and reward;
- how employees whose performance is determined to be unacceptable will be assisted;
- how appropriate actions will be taken in situations where, after an opportunity to improve, an employee's performance continues to be unacceptable; and

- the criteria and procedures for addressing the performance of employees who are on detail, who are transferred, and for other special circumstances as established by the agency.

Any variation in employee coverage, the pattern of summary levels for the rating of record, the summary level derivation method, or the length of the appraisal period would require establishing a separate program(s). Otherwise, variation on the other items listed above may occur within one program, depending on the flexibility or uniformity desired by the agency.

Appraisal Period

An appraisal program shall designate an official appraisal period for which a performance plan shall be prepared, during which performance shall be monitored, and for which a rating of record shall be prepared ([5 CFR 430.206\(a\)\(1\)](#)).

Each program shall specify a single length of time as its appraisal period. The appraisal period generally shall be 12 months so that employees are provided a rating of record on an annual basis. A program's appraisal period may be longer when work assignments and responsibilities so warrant or performance management objectives can be achieved more effectively.

System and Program Oversight

Agencies must evaluate the effectiveness of their performance appraisal system(s) and performance appraisal program(s) on a periodic basis and implement improvements as needed. It is important for agencies to assess both the effectiveness of their system/program and its compliance with law and regulation on a regular and recurring basis. This allows agencies to ensure the system/program is doing what it is intended to do in the most efficient way possible. It also allows for correcting any problems identified with its operation.

Requesting System Approval From OPM

OPM Form 1631, Performance Appraisal System Description

Agencies covered by [subchapter I of chapter 43 of title 5, United States Code](#), must have their appraisal systems approved by OPM prior to implementing them. Agencies do this by submitting proposed SL/ST performance appraisal systems using OPM Form 1631. Provided all requirements are met, OPM will approve an appraisal system based on the information included on the form and in its attachments. OPM Form 1631 and associated instructions are available on the [SES and SL/ST MAX Portal](#).

Attachments to OPM Form 1631

The instructions for OPM Form 1631 direct that material describing certain aspects of an agency's system must be attached to the form. This can be approached in different ways. OPM suggests agencies submitting system descriptions for approval attach to the OPM Form 1631 **only** the required additional information and label that material by referencing the appropriate section of the form. This approach allows agencies to develop and submit material that applies only to this request, i.e., material that might not be used as a stand-alone document, but that

satisfies system description and review requirements. Agencies are advised to contact OPM to discuss potential changes to their systems.

Establishing a Separate SL/ST Appraisal System for an OIG

The Inspector General Reform Act of 2008 ([Pub. L. 110-409, October 14, 2008](#)) revised the Inspector General (IG) Act of 1978 (Pub. L. 95-452). A key provision of the 2008 IG Reform Act designated the Office of Inspector General (OIG) as a separate agency for the purpose of applying statutory provisions relating to the SES. In an OIG to which the SES applies, a reference to the agency head in any SES statute is considered to be a reference to the IG. However, the IG Reform Act of 2008 did not designate the OIG a separate agency, and the Inspector General the head of that agency, with respect to provisions relating to SL/ST positions or employees.

As a result, in order for an Inspector General to establish a separate SL/ST performance appraisal system to cover SL/ST employees within the OIG, the agency head must first delegate the necessary authority to the Inspector General (see [5 U.S.C. 302](#)). By regulation ([5 CFR 534.505\(e\)\(1\)](#)), the head of an agency may delegate to an Inspector General the authority to set and adjust pay for SL/ST employees in the OIG, including authority for pay actions described in [5 CFR 534.505\(c\)](#). Additionally, the agency head's delegation should include an acknowledgement that the IG will be responsible for the development of an SL/ST appraisal system that is separate from any current established agency/department SL/ST appraisal system. The OIG will be responsible for submitting the necessary documents to OPM for approval of the separate SL/ST appraisal system. (Note: The coverage statement for the agency/department SL/ST appraisal system must be updated to indicate that SL/ST employees in the OIG are excluded. This is done through submission of a revised OPM Form 1631.)

Basic SL/ST Performance Appraisal System/Program

On August 9, 2016, OPM issued the [Basic SL/ST Performance Appraisal System/Program](#) for voluntary agency adoption. This uniform system/program was designed by an interagency working group of 18 agency subject matter experts in response to Federal agency recommendations to develop a standard SL/ST performance appraisal system that is similar to the Basic Senior Executive Service (SES) Performance Appraisal System and tailored to the diverse and complex responsibilities held by SL/ST employees in agencies across Government.

The Basic SL/ST Performance Appraisal System/Program promotes greater transparency of agency performance management practices, transferability of a standard performance appraisal form, and equity in the assignment of critical elements, delivery of feedback, derivation of ratings of record, and the link to compensation. Given the system/program's coverage of a diverse group of SL/ST positions in agencies across Government, the Basic SL/ST Performance Appraisal System/Program template provides flexibility for appropriate modification to better meet the needs of all Federal agencies and organizations. Only SL/ST employees may be covered under the Basic SL/ST Performance Appraisal System/Program. If automating the basic system/program performance plan, all required parts, including critical elements, performance standards, competencies, etc., must be included. Agencies may only add to – not delete – language from the system/program description.

Agencies may adopt the basic system/program once they receive OPM approval of their tailored version. To request system approval, agencies must submit all the following documents to OPM:

- A cover letter requesting approval of its SL/ST appraisal system; letter must be signed by the agency head, Chief Human Capital Officer (CHCO), or other designated official.
- A Word version of the Basic SL/ST Performance Appraisal System/Program description that may be tailored to fit the agency.
- A Word version of the Basic SL/ST Performance Appraisal Plan template.
- A completed OPM Form 1631 covering the establishment of the new SL/ST appraisal system. (Note: For appraisal systems that previously covered all non-SES employees, the agency would also need to submit an updated OPM Form 1631 for OPM approval of a replacement appraisal system changing coverage from non-SES to non-SES/SL/ST employees. Instructions and additional resources for making such requests are available on the [Non-SES/SL/ST Performance Management Portal](#).)

Templates for requesting Basic SL/ST Performance Appraisal System/Program approval as well as additional resources for implementation are available on the [SES and SL/ST MAX Portal](#).

Advantages of Adopting the Basic SL/ST Performance Appraisal System/Program

The design of the Basic SL/ST Performance Appraisal System/Program conforms with system approval and applicable certification requirements. The basic system/program provides a standard framework for performance management, inclusive of specific procedures and requirements, to communicate expectations and evaluate the performance of SL/ST employees. In addition to promoting greater consistency, the basic system/program encourages the implementation of engagement practices where supervisors and employees hold frequent, meaningful discussions about performance toward clearly established goals, contributing to enhanced ability for the agency to achieve its mission.

Standardized Critical Elements

The basic system/program has three competency-based critical elements (Project/Program Management, Interpersonal Leadership/Responsibilities, and Leading Innovation), a Business Results element to capture measurable results for the applicable appraisal period, and an optional Position Specific element. The Position Specific element provides the ability to account for agency-specific requirements not captured in the other elements on which the agency wants to assess performance.

The Project/Program Management, Interpersonal Leadership/Responsibilities, Leading Innovation, and Business Results critical elements are mandatory, meaning they must be included in each SL/ST employee's performance plan. The Position Specific critical element is optional for agency use.

An overview of the critical elements included in the Basic SL/ST Performance Appraisal System/Program is below:

Overview of the Critical Elements		
Mandatory	Critical Element 1: Project/Program Management	Include OPM/Working Group validated competencies that rating officials and senior professionals select, as applicable
	Critical Element 2: Interpersonal Leadership/ Responsibilities	
	Critical Element 3: Leading Innovation	
	Critical Element 4: Business Results	Reserved for measurable business results aligned to agency and/or organizational goals
Optional	Critical Element 5: Position Specific	Reserved for competencies, objectives, or activities not previously accounted for in the other critical elements. Examples include objectives for positions working with classified information, cybersecurity, Equal Employment Opportunity (EEO), etc.

Weighted Critical Elements

Critical elements must be assigned weights in increments of five points and no single element can weigh more than the Business Results element to ensure accountability for the achievement of results.

Monitoring Performance

Rating officials must monitor and provide frequent feedback on subordinate SL/ST employees' performance in accomplishing critical elements. The requirement to conduct a formal progress review is included in the Basic SL/ST Performance Appraisal System/Program to ensure this is met. The basic system/program description provides agencies with the option to require more than one formal progress review or two-way conversations regarding progress toward meeting the critical elements in the senior professional's performance plan.

Summary Rating Levels

Like the Basic SES Performance Appraisal System, the Basic SL/ST Performance Appraisal System/Program requires a five-level rating pattern (Pattern H) for consistency in rating SL/STs across the Federal Government. This ensures rating officials are able to rate SES members and SL/ST employees on similar levels, ranging from 1 (lowest) to 5 (highest). The default labels for the five summary rating levels are: Unacceptable (1), Minimally Satisfactory (2), Fully Successful (3), Exceeds Fully Successful (4) and Outstanding (5). If an agency wishes to use different labels, it must specify them in the system/program description.

Deriving the Rating of Record

The Basic SL/ST Performance Appraisal System/Program uses the same mathematical summary rating derivation formula used in the Basic SES Performance Appraisal System. An agency

cannot change the derivation formula used in the basic system/program. This formula provides an overall rating of record based on a total score derived from the sum of element scores, which results from multiplying the rating for each critical element by the weight of that element.

The following table includes the rating derivation formula:

Critical Element Point Values	Level 5 = 5 points	Level 4 = 4 points	Level 3 = 3 points	Level 2 = 2 points	Level 1 = 0 points
Critical Element	Critical Element Point Value	Element Weight	Element Score	Rating of Record Point Ranges	
1. Project/Program Management				475-500 = Level 5 400-474 = Level 4 300-399 = Level 3 200-299 = Level 2 Any Critical Element rated Level 1 = Level 1	
2. Interpersonal Leadership/ Responsibilities					
3. Leading Innovation					
4. Business Results					
5. Position Specific (Optional)					
Total		100 points			

Performance Appraisal Plan Template

The Basic SL/ST Performance Appraisal Plan template is similar to the plan template contained in the Basic SES Performance Appraisal System, making the process easier for rating officials who may be familiar with the SES appraisal template and providing consistency across the Government. Like the Basic SES Performance Appraisal System, once approved, the performance plan template becomes part of the system/program and cannot be altered or changed by the agency unless the agency requests approval of the changes from OPM. The Basic SL/ST Performance Plan template provides flexibility for limited customization to account for various agency-specific procedures, such as space to capture additional agency-required reviews, narratives, signatures, and processes.

Planning Performance

Planning performance means setting performance expectations and goals for individuals and groups that are aligned with achieving organizational objectives. Involving employees in the planning process will help them understand the goals of the organization, what needs to be done, and how well it should be done. It also helps them understand what was considered and how choices were made when addressing various and sometimes competing priorities.

Individual Performance Plan

Individual performance plans are the formal, written communication document between a supervisor and employee setting out the expectations for the appraisal period. Supervisors establish written or otherwise recorded performance plans and provide them to all of their SL/ST employees, normally within 30 days of the start of the appraisal period, or when the employee

starts the job. For agencies with automated systems, the performance plan may be provided electronically to the employee.

The plan must include all the performance elements and standards that will be used to appraise the employee and derive the summary rating level.

Performance Elements

There are three types of performance elements that may be used in SL/ST performance plans: critical, non-critical, and additional. The Basic SL/ST Performance Appraisal System/Program, as issued by OPM in 2016 for voluntary adoption by agencies, uses only critical elements.

Critical Element(s)

This term is used for a work assignment or responsibility of such importance that unacceptable performance in that element would result in a determination that the employee's overall performance is unacceptable ([5 CFR 430.203](#)). All employees must have at least one critical element that focuses on measurable results. Critical elements are:

- Mandatory and each employee must have a minimum of one. The Basic SL/ST Performance Appraisal System/Program incorporates four mandatory critical elements and one optional critical element.
- Appraised at one of the levels permitted by the performance appraisal program (at a minimum, appraisal programs must provide for critical elements being appraised at the Fully Successful and Unacceptable levels).
- Permitted with pass/fail appraisal programs. The Basic SL/ST Performance Appraisal System/Program uses Pattern H, five summary levels.
- Based only on individual performance. They describe work assignments and responsibilities that are within the employee's control. Critical elements cannot be used to measure team effort. They can be used to measure an individual's contributions to the team.

For an agency seeking certification of its SL/ST performance appraisal system, SL/ST employee performance plans must include a critical element addressing the use of customer perspective (see [Chapter 4](#) for more information on Performance Appraisal System Certification). If an SL/ST employee has supervisory responsibilities, the employee must also have a critical element holding the employee accountable for aligning performance plans of subordinates with organizational goals and for the realistic appraisal of their performance (see "[Caution Concerning the SES Functional Criteria](#)" in chapter 1 for more information).

Non-Critical Element(s)

This term is used for a dimension or aspect of individual, team, or organizational performance, exclusive of a critical element, that is used in assigning a summary level. Non-critical elements may include, but are not limited to, objectives, goals, program plans, work plans, and other means of expressing performance ([5 CFR 430.203](#)). The Basic SL/ST Performance Appraisal System/Program does not include non-critical elements. Non-critical elements:

- Are optional depending on the requirements of the applicable appraisal program.

- Must be able to be appraised at a minimum of two levels, though not necessarily the same levels as required for critical elements. While critical elements must be appraised at least at the Fully Successful and Unacceptable levels, non-critical elements may be appraised at other levels.
- Must have a written standard but it need not be written at the Fully Successful level. As an example, the standard could be written at a higher level (e.g., Exceeds Fully Successful) if the agency determines that is the most useful reference point to differentiate levels of performance for that element.
- Cannot raise a summary rating of Unacceptable to a higher level.
- Cannot lower the summary rating to the Unacceptable level. If an employee fails on a non-critical element, the employee's performance cannot be summarized as Unacceptable overall based on that failure. Failure on a non-critical element cannot be used as a basis for performance-based action.
- Cannot be used with a pass/fail appraisal program since they can have no effect on the summary rating level. In a two-level appraisal program, failure on non-critical elements cannot bring the summary rating down to Unacceptable, and assessments of non-critical elements cannot raise the summary rating to Fully Successful if a critical element is failed.
- Are the only way to factor team or group achievement into the summary rating.

Additional Performance Element(s)

This term means a dimension or aspect of individual, team, or organizational performance that is not a critical or non-critical element ([5 CFR 430.203](#)). Additional performance elements:

- Are not used in assigning a summary level;
- Are useful for purposes such as communicating performance expectations and serving as the basis for granting awards; and
- May include, but are not limited to, objectives, goals, program plans, work plans, and other means of expressing expected performance.

Performance Standards

A performance standard is a 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 describes how well something must be done and the range of performance that must be met to be rated at the specified performance level. Performance standards must include quality indicators describing how the rater will assess successful achievement for each result specified. In addition to the quality indicators, applicable measures of quantity, timeliness, and/or cost-effectiveness may be included to describe the ranges for the appropriate level of accomplishment expected.

Performance standards must be established at the Fully Successful level for critical elements. These standards should be attainable, measurable, and understandable. Agencies should establish performance standards to describe other levels of performance to facilitate

distinguishing among the different performance levels, as permitted by the performance appraisal program.

Note: The Basic SL/ST Performance Appraisal System/Program, as issued by OPM in 2016 and as available for voluntary adoption by agencies, contains performance standards for the five performance levels. Agencies must develop performance objectives separately for each of their established Business Results critical elements.

Retention Standards

The retention standard is the level of performance above Unacceptable. The retention standard informs the employee of the minimum level of performance needed to retain the job and must be reasonably attainable. In appraisal programs that do not have a Minimally Successful or equivalent level available for appraising elements, the retention-level standard is the Fully Successful standard. Otherwise, the retention-level standard is the Minimally Successful or equivalent standard.

Pitfalls to Avoid when Writing Standards

Absolute Standard

An absolute standard is one that allows for no errors and has the appearance of requiring perfection at the retention level (e.g., the work is always timely, efficient, and of acceptable quality). Avoid absolute standards at this level by asking the following:

- How many times may the employee fail this requirement and still be acceptable?
- Does the retention standard use words such as "all," "never," and "each?" (These words do not automatically create an absolute standard, but they often signal problems).

However, agencies may establish absolute standards when a single failure to perform under a critical element could result in loss of life, injury, breach of national security, or great monetary loss.

When writing standards at the retention level, agencies should avoid requiring perfection except in very limited circumstances. Also, agencies should be careful not to describe negative performance since it generally represents Unacceptable performance and such a standard permits the employee to meet the minimum standard to keep his/her job.

Backward Standard

Describes work that does not get done instead of what must be done to meet the standard. When using a Minimally Successful level of performance, there is often a temptation to write backward standards. Standards such as “fails to meet deadlines” allow an employee to not meet any deadline and still meet the Minimally Successful standard. Avoid backward standards by asking the following:

- Does the standard express the level of work the supervisor wants to see or does it describe negative performance? (e.g., Requires assistance more than 50% of the time)

- If the employee did nothing, would the employee meet the standard as written? (e.g., Completes fewer than four products per year)

Monitoring Performance

Monitoring performance is the process of checking on the progress of work employees are doing. It provides information on what is going well and what is not. Monitoring performance provides an excellent opportunity for coaching and also provides the opportunity for course correction before things go too far astray. The most important aspect of monitoring performance is providing feedback to the employee including advice and assistance on improving performance, when needed, and encouragement and positive reinforcement, as appropriate. This can be done both formally and informally. It is highly recommended that rating officials and senior professionals engage in frequent, two-way conversations regarding progress toward meeting the critical elements in the senior professional's performance plan.

Appraisal programs—

- should provide assistance whenever an employee's performance is determined to be below Fully Successful but above Unacceptable; and
- shall provide for assisting employees in improving unacceptable performance at any time during the appraisal period that performance is determined to be Unacceptable in one or more critical elements.

Supervisors must do the following:

- Assess performance and provide feedback to employees on their performance.
- Conduct at least one formally documented progress review during the appraisal period (some agency appraisal programs might require more frequent formal progress reviews).
- Address poor performance as soon as it is noticed (supervisors should not wait until a mid-year progress review or the end of the appraisal cycle when it is time for a rating before addressing poor performance).
- Monitor performance to—
 - check progress towards elements and standards and other communicated goals;
 - verify the standards used;
 - praise and reinforce positive accomplishments; and
 - get employees who have strayed back on track.

A supervisor and employee may use the progress review as an opportunity to modify performance elements or standards, or performance objectives in the Business Results critical element of The Basic SL/ST Performance Appraisal System/Program, as issued by OPM in 2016 and as available for voluntary adoption by agencies, to reflect changes that have taken place since the performance plan was initially developed.

Note: Be aware of the required agency-established minimum period that must be completed before a performance rating can be given, particularly when making modifications late in the appraisal cycle.

Developing Performance

Agencies should evaluate and address senior professionals' developmental needs. Carrying out the processes of performance management provides an excellent opportunity to identify these needs. During the Monitoring Performance phase, deficiencies in performance become evident and should be addressed. Areas for improving good performance also stand out, and action may be taken to help successful employees improve even further.

Employee development benefits the individual employee as well as the organization by aligning the employee's training and development efforts with the organization's mission, goals, and objectives. Supervisors and employees identify areas to be improved and can address them using a number of methods such as: formal training, on-the-job training, details, providing assignments that introduce new skills or higher levels of responsibility, and improving work processes.

Many agencies use Individual Development Plans (IDP) as a tool to assist employees in career and personal development. A well thought out IDP helps employees reach short and long-term career goals as well as improve job performance.

If an SL/ST employee has supervisory duties, agencies must—

- provide appropriate training and information to the employee on the performance management system; and
- comply with the [Federal Workforce Flexibility Act of 2004](#), which requires all Federal supervisors and managers to be trained on managerial actions, options, and strategies that they may use for—
 - relating to employees with unacceptable performance,
 - mentoring employees and improving employee performance and productivity, and
 - conducting employee performance appraisals.

Note: See “[Caution Concerning the SES Functional Criteria](#)” in Chapter 1 for discussion regarding SL positions and supervisory authority.

All agencies are required to provide training within 1 year of an employee's initial appointment to a supervisory position and follow up periodically, but at least once every 3 years, by providing each supervisor and manager additional training on the topics above (see [5 CFR 412.202](#)).

Rating Performance

An agency must evaluate employee performance against elements and standards in an employee's performance plan and derive a summary rating based on appraisal of performance of critical elements and, as applicable, non-critical elements ([5 CFR 430.208\(b\)](#)).

Performance Rating vs. Rating of Record

A **Performance Rating** is a written, or otherwise recorded, appraisal of performance compared to the performance standard(s) for each critical and non-critical element. A performance rating—

- may be determined any time after the employee has had the opportunity to perform for the minimum period;
- need not include a summary rating; and
- cannot be used as a basis for—
 - rating-based awards; or
 - additional service credit in RIF.

Agencies must establish a minimum period of performance that must be completed before a performance rating may be prepared. The minimum period provides the employee a reasonable amount of time to perform the work addressed in the elements and standards. The minimum period is usually specified in the performance appraisal program documentation and need not be the same length for all positions.

A **Rating of Record** is the performance rating given at the end of the appraisal period that covers all the performance during the appraisal period. Ratings of record are given to employees as soon as practicable after the end of the appraisal period. The rating of record must include a summary level and is the only basis for—

- rating-based awards; and
- additional service credit in RIF.

An agency shall not issue a rating of record that assumes a level of performance by an employee without an actual evaluation of that employee's performance ([5 CFR 430.208\(a\)\(2\)](#)).

Ratings of record generally are issued on an annual basis and shall cover a specified appraisal period. Agencies shall not carry over a rating of record prepared for a previous appraisal period as the rating of record for a subsequent appraisal period(s) without an actual evaluation of the employee's performance during the subsequent appraisal period ([5 CFR 430.208\(h\)](#)).

A rating of record is final when it is issued to an employee with all appropriate reviews and signatures. At that time, it is usually also provided to the operating human resources office for use in informing other applicable personnel actions.

Changing a Rating of Record

Once approved and finalized, a rating of record is rarely changed. Subject to [5 CFR 430.208\(i\)](#), a rating of record may only be changed—

- within 60 days of issuance based upon an informal request by the employee;
- as a result of a grievance, complaint, or other formal proceeding permitted by law or regulation that results in a final determination by appropriate authority that the rating of record must be changed or as part of a bona fide settlement of a formal proceeding; or
- where the agency determines that a rating of record was incorrectly recorded or calculated.

Summary Level Patterns

An appraisal program must use one of the following patterns of summary levels—

Pattern	Summary Levels				
	1	2	3	4	5
A	X		X		
B	X		X		X
C	X		X	X	
D	X	X	X		
E	X		X	X	X
F	X	X	X		X
G	X	X	X	X	
H	X	X	X	X	X

The Basic SL/ST Performance Appraisal System/Program uses Pattern H. Agencies use a variety of adjectives to describe the various levels of performance. The numeric summary levels were established to provide a consistent approach to reporting rating data across all agency programs. Levels 1 through 5 are ordered categories, with Level 1 as the lowest and Level 5 as the highest. Certain restrictions apply to the use of these numeric summary levels:

- Level 1 is for *Unacceptable* only.

- A Level 1 summary shall be assigned if and only if performance on one or more critical elements is appraised as Unacceptable ([5 CFR 430.208\(b\)\(1\)](#)).
- Consideration of non-critical elements shall not result in assigning a Level 1 summary ([5 CFR 430.208\(b\)\(2\)](#)).
- A rating of record of Unacceptable (Level 1) shall be reviewed and approved by a higher level management official ([5 CFR 430.208\(e\)](#)).
- Level 3 is used for *Fully Successful* or its equivalent.
- Level 5 is used for *Outstanding* or its equivalent. The term *Outstanding* can be used to describe a Level 5 summary only.

Methods for Deriving a Summary Level

Each appraisal program shall include a method for deriving and assigning a summary level based on appraisal of performance on critical elements and, as applicable, non-critical elements. A summary rating may be derived using a numeric (e.g., point scales, averaging, majority, weighting) or descriptive method.

The Basic SL/ST Performance Appraisal System/Program uses a numeric derivation formula based on weighted elements. It is the same derivation formula used in the Basic SES Performance Appraisal System.

Regulatory Prohibition of Forced Distribution

The method for deriving and assigning a summary level may not establish a forced distribution of summary levels ([5 CFR 430.208\(c\)](#)). A forced distribution occurs when the number of employees who may be rated at any given level within the program is predetermined or a quota is set. Ratings of record must be determined solely by the application of the derivation method to the element ratings. The element ratings, in turn, must result from a comparison of the employee's actual performance against the elements and standards or objectives contained in the individual performance plan. This reinforces and emphasizes the need to properly establish elements and standards and objectives during the Planning phase of the performance management process and revise them as needed during the Monitoring phase.

Appraisal of SL/ST Employees When Reassigned, Transferred, or Detailed

An agency program shall establish criteria and procedures to address employee performance for employees who are on detail, who are transferred, and for other special circumstances as established by the agency ([5 CFR 430.205\(b\)](#)). Policies should take into account the frequency and average length of details and the frequency of transfers.

The policy needs to specify how the performance rating, for the current cycle, that senior professionals bring with them from a detail or transfer will be considered in developing the rating of record. It is also important to establish policies for taking into account a performance rating from a different pattern than the one used in the gaining agency's appraisal program.

By considering these issues when designing the appraisal program and by including them in the program documentation, an agency takes steps to maintain consistent treatment of performance

information across the organization. It also informs supervisors and senior professionals what is expected when these staffing actions occur.

Reassignment or Transfer

If an employee is reassigned or transfers to a new agency and encumbered the former position for more than the minimum appraisal period, the former supervisor should appraise the employee's performance in writing before the employee leaves. Each agency must decide whether to make this a formal requirement of its appraisal program.

Note: Because requiring a performance rating when an employee is reassigned or transfers to a new agency after completing the minimum appraisal period is a good management practice, the Basic SL/ST Performance Appraisal System/Program has incorporated this as a formal requirement.

At times, an employee may receive a performance rating in a former position upon reassignment or transfer to a new position and will not have served in the new position for the minimum appraisal period before the end of the official appraisal period. (For example, the employee is reassigned on August 1st, the appraisal period ends on September 30th, and the agency-established minimum period for the new position is 90 days.) The agency system should specify in its performance appraisal program what to do in these instances. Listed below are possible options the agency can consider for addressing the situation.

- The agency may provide that the appraisal period will be extended until the employee has served the minimum time in the new position, so that the employee's rating of record can take into account the appraisal for that position along with any interim summary ratings from former positions held during the appraisal period.
- The agency may provide that the appraisal period will end as scheduled, and the rating of record will be based on the interim summary rating, or ratings, received during the appraisal period.

Extending an Appraisal Period

When a rating of record cannot be prepared at the time specified, the appraisal period shall be extended. Once the conditions necessary to complete a rating of record have been met, a rating of record shall be prepared as soon as practicable ([5 CFR 430.208\(g\)](#)).

Example: A new employee is appointed to a position effective September 1st. The agency's appraisal cycle ends September 30th. The minimum period for the position is 90 days. Listed below are possible options for extending the appraisal period.

- The employee's appraisal period is extended to November 30th and a rating of record is prepared.
- The employee's appraisal period is extended to a total of 13 months and the time from the date of appointment is added to the next full appraisal period.

Mandatory Higher-Level Review of Level 1 Ratings

A rating of record of Unacceptable (Level 1) *must* be reviewed and approved by a management official at a higher level than the official who provided the rating. Agencies *may* establish agency-specific processes for higher-level reviews and may decide that a higher-level review is a good practice and provides a measure of fairness. For agencies that have 10 or more SL/ST employees, all proposed ratings must be reviewed by an agency centralized review panel before finalizing them.

Centralized Review Panel

Each agency that employs 10 or more senior professionals must conduct an agency-wide, centralized review of proposed ratings under [5 CFR 430.208](#) and proposed pay actions under [5 CFR 534.507](#) by a single panel of individuals designated by the agency head. The panel provides advice from an agency-wide perspective (i.e., pertaining to the ratings, pay adjustments, and pay rates for all senior professionals in the agency), which will be considered by agency officials who are authorized to determine final ratings and adjust the pay of senior professionals. Review panels within agency components are **not** required to meet this requirement.

The panel must have a majority of career appointees (i.e., career SES appointees or career or career-conditional SL/ST employees) when reviewing a senior professional who holds a career or career-conditional appointment. The panel may include senior professional or SES employees, including Federal employees from outside of the agency.

Disabled Veteran

The rating of record or performance rating for a disabled veteran may not be lowered because the veteran has been absent from work for medical treatment as provided in Executive Order 5396 ([5 CFR 430.208\(f\)](#)).

Reporting Data

OPM collects, and agencies must report, data on many aspects of employee personnel operations:

- **Executive and Schedule C System (ESCS).** OPM maintains ESCS, an interactive database specifically for SES and SL/ST employees. Agencies must ensure they keep ESCS data current for all their SL/ST employees.
- **Enterprise Human Resources Integration (EHRI).** Report ratings of record data to EHRI in accordance with instructions in the [Guide to Human Resources Reporting](#). Specific information for reporting ratings of record data to EHRI can be found on [OPM's website](#).
- **Procedures in the Guide to Personnel Recordkeeping.** Transfer the employee's most recent ratings of record, and any subsequent performance ratings, when an employee transfers to another agency or goes to another organization within the agency in compliance with [5 CFR part 293](#) and instructions in the [Guide to Personnel Recordkeeping](#).

- **Annual SL/ST Ratings, Pay, and Awards Data Call.** Annually, OPM issues a data call request to agencies with SES members and/or SL/ST employees. Agencies are required to respond to the data call by the date indicated in the call memo. OPM analyzes the data to determine correlation of performance ratings and ratings-based pay and awards when reviewing organizations' requests for certification of SES or SL/ST performance appraisal systems.

CHAPTER 4 : PERFORMANCE APPRAISAL SYSTEM CERTIFICATION

Statute: [5 U.S.C. 5307\(d\)](#)

Regulations: [5 CFR Part 430, Subpart D](#)

Performance appraisal system certification, which applies only to Senior Executive Service (SES) and senior-level (SL) and scientific and professional (ST) appraisal systems, provides access to a higher maximum rate of pay and a higher limit on aggregate compensation, as described in the Pay Limitations section below. The statutes and regulations requiring agencies to implement a pay-for-performance system and apply a higher aggregate compensation limitation to SES and SL/ST employees are significant features of a Federal compensation system that ensures agencies' SES and SL/ST employees who have received the highest performance ratings also receive the largest corresponding performance-based pay adjustments, performance awards, and levels of pay. To access the flexibilities offered by these statutes and regulations, agencies must first obtain certification of their applicable performance appraisal system(s) from the Office of Personnel Management (OPM), with Office of Management and Budget (OMB) concurrence, under [5 CFR part 430, subpart D](#).

Pay Limitations

An agency may set the rate of basic pay for an SL/ST employee covered by a certified appraisal system at a rate that does not exceed the rate for level II of the Executive Schedule and must limit aggregate compensation in a calendar year to the Vice President's salary. An agency that does not have a certified SL/ST appraisal system may set the rate of basic pay for their SL/ST employees at a rate that does not exceed the rate for level III of the Executive Schedule and must limit aggregate compensation in a calendar year to the rate for level I of the Executive Schedule (see [Chapter 5](#) for more information on Pay).

Length of Certification

Once OPM determines the agency's SL/ST appraisal system meets the certification criteria and OMB concurs, OPM may grant certification for a period not to exceed 24 months beginning on the date of certification. The Director of OPM may grant an extension of up to 6 additional months for a single certification period (e.g., OPM may extend a 24-month certification for 6 additional months for a total of 30 months). Extensions are granted in limited circumstances such as when an agency has requested approval of its adoption of the Basic SL/ST Performance Appraisal System/Program.

The length of the period for which certification is granted is determined by the degree to which the initial agency submission meets the criteria for certification. An appraisal system may be granted full certification for 24 months when an agency demonstrates the system has independently fully met all certification criteria. Provisional certification is granted for 12 months when the system at least minimally meets each certification criterion.

To help avoid a lapse in certification, an agency using the Basic SL/ST Performance Appraisal System/Program should submit its request for certification at least 3 months prior to the

expiration of its current certification. An agency using its own agency-designed SL/ST appraisal system should submit its request for certification at least 6 months prior to the expiration of its current certification.

The Performance Appraisal System Certification Process (Certification 2.0)

In November 2018, OPM revised the performance appraisal system certification process (see [memorandum dated November 14, 2018](#)). Significant administrative improvements were made to the process, hereafter referred to as Certification 2.0, that reduced agency burden and minimized the time and resources required to prepare and review certification submissions. Although Certification 2.0 applies to requests for certification of an OPM-approved Basic SES Performance Appraisal System or Basic SL/ST Performance Appraisal System/Program, the focus of this Desk Guide is SL/ST and will therefore outline the certification process as it pertains to SL/ST appraisal systems. It is also important to note that agencies choosing to design their own SL/ST appraisal system/program instead of using the Basic SL/ST Performance Appraisal System/Program must use the SL/ST Performance Appraisal Assessment Tool (PAAT) to request certification. Certification 2.0 does not apply to agencies that use the SL/ST PAAT (see below for more information on requesting certification using the [SL/ST Performance Appraisal Assessment Tool \(PAAT\)](#).)

The certification criteria at [5 CFR 430.404\(a\)](#) have not changed and agencies must continue to comply with all laws and regulations pertaining to SL/ST certification, pay, awards, and performance management.

Certification 2.0 places more responsibility on agency Oversight Officials to verify proper application of their performance appraisal systems, thereby reducing the administrative burden on agencies and significantly decreasing the quantity of information and materials required for certification reviews. Templates and checklists to aid agencies in fulfilling certification requirements are available on the [SES and SL/ST MAX Portal](#).

Automatic Renewal of Fully Certified Appraisal Systems

Following full certification under Certification 2.0, an agency's system will be certified for an additional 24 months if the agency meets the annual reporting requirements in [5 CFR 430.405\(g\)](#) and, based on those annual reports and other required documentation, OPM determines, and OMB concurs, that the SL/ST appraisal system continues to meet the certification criteria and procedural requirements set forth in [5 CFR part 430, subpart D](#).

An agency's Basic SL/ST Performance Appraisal System/Program is eligible for automatic renewal after that system receives full certification under Certification 2.0. Under the automatic renewal process, the agency head or designee should submit a written request for certification 3 months prior to the scheduled expiration. The request letter, oversight verification statement, and annual ratings, pay, and awards data are the only required submission materials. OPM will—

- Review the agency's annual data submission and contact the agency to address any issues that may arise; and
- Review the agency's pay policy whenever updated or, if there are no updates, review at least every five years.

Aligned Results - Removing Review of Performance Plans

Under Certification 2.0, agencies are no longer required to submit a sample of SL/ST performance plans as part of a certification submission. Instead, the agency's Oversight Official will verify in its certification request letter and verification statement (discussed below) that the agency is in compliance with the Aligned Results criterion. Agencies continue to be responsible for establishing SL/ST performance plans in accordance with law, regulation, and the Basic SL/ST Performance Appraisal System/Program.

Pay Differentiation through "Annual Performance-Based Compensation" (APBC)

SL/ST employees who have demonstrated the highest levels of individual performance and/or contribution to the agency's performance must receive the highest ratings of record, as well as the largest corresponding performance-based pay adjustments and performance awards. Prior to Certification 2.0, agencies were required to demonstrate pay differentiation in performance-based pay adjustments and performance awards separately. Along with Certification 2.0, OPM introduced an additional option for agencies to demonstrate pay differentiation—the *annual performance-based compensation* (APBC) methodology. APBC allows agencies to demonstrate pay differentiation using the combination of performance-based pay adjustments and performance awards.

Performance Distinctions when Modal Rating is Level 5 (or bimodal rating of Levels 4 and 5)

The application of the appraisal system must result in meaningful distinctions based on relative performance; agencies must be able to justify to OPM and OMB SL/ST ratings using organizational performance results. Agencies will continue to use the Ratings Distribution Justification template to justify ratings using organizational performance results. However, agencies are only required to submit the template if there is a modal rating of Level 5 (or bimodal rating of Levels 4 and 5) and—

- it is the initial request for system certification under Certification 2.0; or
- the system's most recent certification under Certification 2.0 was provisional.

Organizational Assessment and Guidelines

Agencies are required to conduct assessments of organizational performance and share the results with SL/ST employees, rating and reviewing officials, and members of the panel conducting centralized review (i.e., Senior Professional Review Panel) to ensure SL/ST ratings are based on individual and organizational performance. OPM provides an optional template that agencies may use in crafting communication of their Organizational Assessment and Guidelines. Agencies are only required to submit an Organizational Assessment and Guidelines documentation if—

- it is the agency's initial request for system certification under Certification 2.0; or
- the system's most recent certification under Certification 2.0 was provisional.

Agency Verification and Agency Responsibility

The following will be verified by the Oversight Official in the certification request letter and accompanying verification statement available on the SES and SL/ST MAX Portal:

1. Aligned Results
2. Oversight
3. Communication of System Application Results
4. Consultation
5. Accountability
6. Balance (balanced measures)
7. Training
8. Performance Distinctions (when requesting automatic renewal)
9. Organizational Assessment and Guidelines (when requesting automatic renewal)

OPM reserves the right to request any documentation deemed necessary to support a certification determination.

Certification 2.0 Tools and Templates

To assist agencies in fulfilling Certification 2.0 criteria, a variety of tools and templates are available on the SES and SL/ST MAX Portal in the Resources section.

Required Templates

- *Oversight Verification Statement* - Used by the Oversight Official to attest that specified certification criteria have been met.
- *Annual Data Call Spreadsheet* - Used by all agencies seeking certification to submit annual SL/ST ratings, pay, and awards data.
- *Ratings Distribution Justification Template* - Designed to capture the number of SL/ST employees rated at each rating level and the justification for that distribution based on the organizational assessment and any additional factors, as described by the agency. (Note: Not required when submitting requests for certification under automatic renewal.)

Optional Templates and Tools

- *Certification Request Letter* - May be used by the agency head (or designee) to request certification.
- *Organizational Assessment and Guidelines Template* - Designed to assist agencies in describing guidelines for using organizational performance results when assigning SL/ST employee ratings.

- *Appraisal System Certification 2.0 Request Checklist* - Designed for agencies to use when developing and/or reviewing required documentation and templates submitted to OPM to request certification under Certification 2.0.
- *SL/ST Pay Policy Template* - May be used by agencies to establish the written procedures required by regulation for setting and adjusting pay for SL/ST employees.
- *Guidance on SL/ST Pay Policy* - Designed to assist agencies in developing pay policies for their SL/ST employees. The requirements for developing an SL/ST pay policy are provided in outline format for ease of use and understanding.

SL/ST Performance Appraisal Assessment Tool (PAAT)

Agencies using their own agency-designed SL/ST appraisal system/program must request system certification using the SL/ST PAAT. Agencies that request certification using the SL/ST PAAT must submit certification requests to OPM at least 6 months prior to certification expiration to help avoid a lapse in certification. Materials for submitting requests using the SL/ST PAAT process are available on the [SES and SL/ST MAX Portal](#), and agencies may contact OPM's Executive Resources and Performance Management (ERPM) Group for assistance in submitting certification requests using the SL/ST PAAT process.

Certification Criteria

To obtain certification of an SL/ST appraisal system, an agency must demonstrate that the SL/ST appraisal system, as designed and applied, makes meaningful distinctions based on relative performance and meets the certification criteria below.

Aligned Results

Individual performance expectations must be derived from and clearly linked to the agency's mission, strategic goals, program/policy objectives, and/or annual performance plan and budget priorities. Alignment should be clear and transparent so that SL/ST employees understand how their performance aligns with organizational goal achievement and can be cascaded down to subordinates, if applicable, to ensure alignment of their performance as well. The performance expectations for individual SL/ST employees must—

- apply to their respective areas of responsibility;
- reflect expected agency and/or organizational outcomes and outputs, performance targets or metrics, or policy/program objectives;
- identify specific programmatic crosscutting, external, and partnership-oriented goals or objectives, as applicable;
- include quality indicators and generally include other performance measures such as quantity, timeliness, cost savings, manner of performance, or other factors; and
- be stated in terms of observable, measurable, and/or demonstrable results.

For agencies using the Basic SL/ST Performance Appraisal System/Program, all performance objectives in the Business Results critical element must be written in terms of measurable results.

Consultation

Agencies must consult with SL/ST employees to ensure performance expectations are developed with their input and involvement and are communicated to them at the beginning of the applicable appraisal period (i.e., normally within 30 days) and at appropriate times thereafter (e.g., upon onboarding of a new employee). This is necessary to provide a continuing basis for direction of Federal programs and to enable SL/ST employees to establish performance plans for their subordinates, if applicable, that appropriately cascade responsibility for organizational goal achievement to their subordinates at the beginning of their appraisal period, and/or appropriate times thereafter. For agencies using the Basic SL/ST Performance Appraisal System/Program, compliance with this criterion is built into the appraisal system design and verified by the Oversight Official.

Balance

Individual performance expectations must include measures of customer/stakeholder and employee perspectives and feedback, and leadership competencies or behaviors that contribute to and are necessary to distinguish outstanding performance, including two-way communication with customers and with employees. For agencies using the Basic SL/ST Performance Appraisal System/Program, compliance with this criterion is built into the appraisal system design and verified by the Oversight Official.

Organizational Assessments and Guidelines

The appraisal system must provide for appropriate assessments of an agency's performance. Such assessments may include reports of the agency's success in achieving its goals or annual organizational performance plans and targets. The appraisal system must also provide for individual performance evaluation guidelines based, in part, upon the assessments. Agencies must communicate the assessments and guidelines to SL/ST employees, rating and reviewing officials, Senior Professional Review Panel members, and appointing authorities at the conclusion of the appraisal period. This must occur before individual performance ratings are recommended so they may serve as a basis for individual performance evaluations. Agencies should involve their Performance Improvement Officers when developing these assessments and guidelines. For agencies using the Basic SL/ST Performance Appraisal System/Program, this criterion will be assessed by the agency with appropriate documentation provided to OPM as instructed.

Oversight

An Oversight Official must be designated to provide oversight over the appraisal system/program. The Oversight Official must either be the agency head or the individual specifically designated under [5 CFR 430.404\(a\)\(5\)](#), who certifies, for the SL/ST performance appraisal system, that—

- the appraisal process makes meaningful distinctions based on relative performance;
- the results of the appraisal process take into account, as appropriate, the agency's organizational performance assessment; and

- pay levels and adjustments and performance awards based on the results of the appraisal process accurately reflect individual performance and/or contribution to agency performance.

The Oversight Official provides assurances that the performance appraisal system is functioning as designed throughout the organization. Agencies should ensure that documents reflecting the delegation of authority to the Oversight Official correctly identify the official who has been so designated. For agencies using the Basic SL/ST Performance Appraisal System/Program, the Oversight criterion will be assessed by the agency with appropriate documentation provided to OPM as instructed.

Accountability

For supervisory SL/ST employees, performance plans must include a critical element that holds them accountable for aligning subordinate performance plans with organizational goals and the rigor with which they appraise subordinate employees. For agencies using the Basic SL/ST Performance Appraisal System/Program, compliance with this criterion is built into the performance system design and verified by the Oversight Official.

Performance Distinctions

Agency-designed appraisal systems must include at least one summary level of performance above fully successful, including a summary level that reflects outstanding performance, as defined in [5 CFR 430.402](#). The annual administration of the system must result in meaningful distinctions based on relative performance that take into account the assessment of the agency's performance against relevant program performance measures, employee performance expectations, and such other relevant factors as may be appropriate. Relative performance does not require ranking SL/ST employees against each other; such ranking is prohibited for the purpose of determining performance ratings. For equivalent systems that do not use summary ratings, the appraisal system must provide for clear differentiation of performance at the outstanding level. For agencies that have adopted the Basic SL/ST Appraisal System/Program, this requirement is incorporated into the system design. Agencies must justify their rating distributions using organizational performance.

Pay Differentiation

The appraisal system must support pay differentiation so that those SL/ST employees who have demonstrated the highest levels of performance and/or contributions to the agency's performance receive the highest ratings of record, and the largest corresponding pay adjustments, performance awards, and levels of pay, particularly above the rate for level III of the Executive Schedule. When reviewing certification requests, OPM also reviews agency pay policies to understand the association between individuals' ratings and their performance pay (i.e., pay adjustments and performance awards). Time-off awards and contribution-based cash awards (special act awards) may not be used to demonstrate pay differentiation.

All agencies requesting certification are expected to demonstrate pay differentiation across all the applicable system's population and the pay differentiation criterion is met only when an agency's data demonstrates—

- every individual with a Level 5 rating must receive *more than* an individual with a Level 4 rating (i.e., All Level 5 > All Level 4; Any Level 4 ≠ Any Level 5), **and**
- every individual with a Level 4 rating must receive *more than* an individual with a Level 3 rating (i.e., All Level 4 > All Level 3; Any Level 3 ≠ Any Level 4).

Methodologies for Demonstrating Pay Differentiation

As part of Certification 2.0, OPM introduced greater flexibility for agencies to demonstrate pay differentiation using the combined total of an SL/ST employee's rating-based pay adjustment and rating-based award, referred to as annual performance-based compensation (APBC).

Alternatively, agencies may choose to continue demonstrating pay differentiation in the rating-based pay adjustments and rating-based awards, separately.

Agencies may demonstrate pay differentiation through one of two methodologies—

- **Separate**, in which each SL/ST employee's rating-based award and rating-based pay adjustment are evaluated independently; or
- **APBC**, which is a combination (i.e., sum) of the rating-based pay adjustment and rating-based award.

Agencies also have the flexibility to demonstrate pay differentiation agency-wide, by component/bureau, or pay tier, as specified in the agency's pay policy or closeout guidance. OPM assesses an agency's compliance with the pay differentiation criterion according to the methodology chosen by the agency, thereby giving an agency maximum flexibility with regard to how it compensates its highest performers.

Demonstrating Pay Differentiation Separately vs. APBC

The table below describes and delineates the methodologies by which agencies may demonstrate compliance with the pay differentiation criterion:

<p style="text-align: center;">APBC <i>Rating-Based Pay Adjustment + Rating-Based Award</i></p>	<p style="text-align: center;">SEPARATE <i>Rating-Based Pay Adjustment and Rating-Based Award, separately</i></p>
<ul style="list-style-type: none"> • All SL/ST employees rated Level 5 receive a combination (i.e., sum) of rating-based pay adjustment(s) and a rating-based award that is <i>more than</i> any SL/ST employee rated at Level 4; • All SL/ST employees rated Level 4 receive a combination of rating-based pay adjustment(s) and a rating-based award that is <i>more than</i> any SL/ST employee rated at Level 3; and <ul style="list-style-type: none"> ○ If any SL/ST employee is rated at Level 3, then all SL/ST employees at Level 4 must receive a higher combination than all individuals at Level 3. <p><i>SL/ST employees rated below Level 3 are ineligible for rating-based pay adjustments or rating-based awards and are not included in the pay differentiation review.</i></p>	<ul style="list-style-type: none"> • All SL/ST employees rated Level 5 receive rating-based pay adjustment(s) and a rating-based award, separately, that are <i>more than</i> that distributed to those SL/ST employees rated at Level 4; and • All SL/ST employees rated Level 4 receive rating-based pay adjustment(s) and a rating-based award, separately, that is <i>more than</i> that distributed to any SL/ST employees rated at Level 3. <ul style="list-style-type: none"> ○ If any SL/ST employee is rated at Level 3, then all SL/ST employees at Level 4 must receive a higher rating-based pay adjustment(s) and a rating-based award, separately than all individuals at Level 3. <p><i>SL/ST employees rated below Level 3 are ineligible for rating-based pay adjustments or rating-based awards and are not included in the pay differentiation review.</i></p>
<ul style="list-style-type: none"> • No overlap of amounts distributed across rating levels (e.g., a Level 4 and a Level 3 cannot both receive APBC of \$0 or 0%). • May demonstrate pay differentiation using \$ amounts or %; however, agencies must use the same approach for both rating-based pay adjustments and rating-based awards. • All SL/ST employees rated at or above Level 3 are assessed for pay differentiation, including those with a salary at the pay/tier cap. <ul style="list-style-type: none"> ○ Since employees at a pay/tier cap may still receive a rating-based award, these individuals are not excluded from the review of the agency's pay differentiation under APBC. 	<ul style="list-style-type: none"> • No overlap of rating-based pay adjustment or rating-based award amounts distributed across rating levels. • May demonstrate differentiation in \$ amounts or %, separately, in rating-based pay adjustments and rating-based awards. • SL/ST employees with a salary at the pay/tier cap are not assessed for pay differentiation in the rating-based pay adjustment review; however, they are assessed in the rating-based award review.

Lack of Pay Differentiation

An agency's SL/ST performance appraisal system must demonstrate compliance with all certification criteria to be eligible for certification. If an agency's appraisal system does not demonstrate compliance with the pay differentiation criterion as described in regulation and guidance, the system will be ineligible for certification until such time as the agency demonstrates compliance. Agencies must demonstrate pay differentiation as described in this guidance utilizing their available budgets. In other words, running out of funds is not an acceptable justification for not showing pay differentiation. It is critical that agencies' SL/ST performance appraisal systems and accompanying pay and awards policies reflect applicable statutory and regulatory requirements, as well as requirements for certification, when seeking certification of such systems. OPM encourages all agencies to continue to engage with the OPM Executive Resources and Performance Management Group (performance-management@opm.gov) to ensure a full understanding of all certification criteria to avoid a lapse or suspension of certification.

Other Requirements

OPM, with OMB concurrence, will certify only those agency performance appraisal systems that comply with relevant laws and regulations.

Agencies should train SL/ST employees on the policies and operation of their performance appraisal and pay systems as well as communicate the results of the previous appraisal period (i.e., overall ratings distribution, average pay adjustments, and average performance awards for each rating level, as applicable). Agencies must protect the privacy of individual SL/ST employees' ratings when communicating these results. An agency with a small population of SL/ST employees (i.e., 10 or less) will need to exercise caution to ensure that average pay adjustment and average award amounts disclosed could not be used to determine an individual SL/ST employee's rating.

Agencies must provide OPM with ratings, pay, and awards data for their SL/ST employees in accordance with the annual data call instructions and at any other time as requested to support a certification request. OPM may also request an agency provide other additional information, as needed.

Expiration of Certification

If an agency's appraisal system certification expires (e.g., due to late submission, incomplete documentation, or a need for corrections), the agency immediately loses its authority to apply the higher maximum rate of pay and higher aggregate limit. Once certification expires, the agency cannot set or adjust an SL/ST employee's pay at a rate that exceeds level III of the Executive Schedule. The rate of basic pay of an SL/ST employee that is already above level III is not reduced upon expiration of certification ([5 CFR 534.509\(b\)](#)). Additionally, the agency must limit aggregate compensation received by an SL/ST employee to the rate for level I of the Executive Schedule (see [5 CFR part 530, subpart B](#) for further information).

OPM, with OMB concurrence, will certify the agency's system once the agency demonstrates the system meets the certification criteria. Granting certification is not an event that authorizes changes in pay (see [Chapter 5](#) for more information on Pay).

Suspension of Certification

When OPM determines that an agency's certified appraisal system is no longer in compliance with certification criteria, OPM, with OMB concurrence, may suspend the agency's certification. OPM will notify the head of the agency at least 30 calendar days in advance of the suspension and indicate the reason(s) for the suspension, as well as any expected corrective action. OPM, with OMB concurrence, may reinstate an agency's suspended certification after the agency has taken appropriate corrective action.

Upon receiving a notice of suspension and until certification is reinstated, the agency cannot set an SL/ST employee's pay at a rate that exceeds level III of the Executive Schedule. The rate of basic pay of an SL/ST employee that is above level III is not reduced upon suspension of certification ([5 CFR 534.509\(b\)](#)). Additionally, the agency must limit aggregate compensation received by an SL/ST employee to the rate for level I of the Executive Schedule.

An agency's certification is automatically suspended when OPM withdraws performance appraisal system approval or mandates corrective action because of misapplication of the system. Upon an agency's compliance with mandated corrective action(s), OPM may reinstate the certification of an appraisal system that had been automatically suspended. Reinstatement of a suspended certification does not alter the certification's original expiration date.

CHAPTER 5 : PAY

Statute: 5 U.S.C. [5307\(d\)](#), [5318](#), and [5376](#)

Regulations: [5 CFR Part 534, Subpart E](#)

SL/ST Pay Provisions

The pay range for senior-level (SL) and scientific and professional (ST) positions has a minimum rate of basic pay equal to 120 percent of the basic pay rate for General Schedule (GS)-15, step 1, and a maximum rate of basic pay equal to the rate payable for level III of the Executive Schedule (EX-III). However, for any agency with a performance appraisal system that is certified under [5 U.S.C. 5307\(d\)](#) as making, in its design and application, meaningful distinctions based on relative performance, the maximum rate of basic pay is the rate payable for level II of the Executive Schedule (EX-II) (see [Chapter 4](#) for more information on Performance Appraisal System Certification). Agencies are required to set and adjust pay for SL/ST employees based on individual performance, contribution to the agency's performance, or both, as determined under a rigorous performance appraisal system. Agencies must also establish written procedures that provide transparency in the processes for making pay decisions (see [5 CFR 534.505](#)).

SL/ST employees are eligible to earn compensatory time off in lieu of overtime pay and compensatory time off for travel (see [Fact Sheet: Compensatory Time Off](#) and [Fact Sheet: Compensatory Time Off for Travel](#)). They may also earn credit hours if an agency's policies for flexible work schedules or union agreements permit (see [Fact Sheet: Credit Hours Under a Flexible Work Schedule](#)).

Setting Pay

Includes pay setting—

- for an individual upon initial appointment to an SL or ST position;
- for a current SL or ST employee upon transfer to another agency; and
- upon reinstatement of a former SL or ST employee to an SL or ST position in any agency.

In these situations, an agency may set pay at any rate within the applicable rate range. An agency must consider the nature and quality of the individual's experience, qualifications and accomplishments as they relate to requirements of the position and its impact on the agency's performance. Pay rates above EX III but equal to or below EX-II are reserved for those individuals who possess superior competencies necessary to address key program and mission requirements and those senior professionals whose pay rate above EX-III must be preserved upon appointment in a new agency that does not have a certified performance appraisal system ([5 CFR 534.509\(a\)](#)).

Annual Increases in Basic Pay

An agency head is required to adjust rates of basic pay for senior professionals within the SL/ST pay range by an amount the agency head considers appropriate on the date statutory pay adjustments are provided for the GS. SL/ST employees do not receive an automatic pay adjustment. This annual pay adjustment is based on individual performance, contribution to agency performance, or both, as determined by the agency under a rigorous performance appraisal system. Rates above EX-III but equal to or below EX-II are reserved for those senior professionals who demonstrate the highest-level performance and make the greatest contribution to agency performance.

It is the Office of Personnel Management's (OPM) view that a senior professional rated Fully Successful or above and properly positioned within the pay range generally should receive a pay increase. We therefore provide that if GS pay rates are increased under [5 U.S.C. 5303](#) (Annual Adjustments to Pay Schedules) and an agency head does not adjust the pay of a senior professional rated Fully Successful or above (i.e., provides a "zero" pay adjustment), the agency must communicate the reasons for that decision to the employee in writing ([5 CFR 534.507\(h\)\(1\)](#)). An exception to this requirement occurs when a senior professional is already compensated within the top 10 percent of the pay range. In such cases, written communication is required only when an SL/ST employee receives the highest possible rating above Fully Successful and the maximum payable rate for senior professionals has also increased due to an increase in Executive Schedule (EX) pay rates. A senior professional employee rated below Fully Successful may not receive a pay increase unless one is required by [5 CFR 534.507\(g\)](#) to avoid paying the employee at a rate below the minimum rate of basic pay.

Controls and Conditions for Setting and Adjusting Pay

- Senior professional pay adjustments must be based on individual performance, contribution to the agency's performance, or both;
- An agency that employs 10 or more senior professionals must provide centralized review of proposed ratings and pay adjustments; and
- Certain pay adjustments may only be approved by the agency head or the designee (Oversight Official) who performs the functions identified in [5 CFR 430.404\(a\)\(6\)](#).

Note: Setting and adjusting pay are also subject to agency-specific restrictions based upon applicable statutes and regulations or administration policy.

Centralized Review of Proposed Pay Increases

Each agency that employs 10 or more senior professionals must conduct an agencywide, centralized review of proposed ratings under [5 CFR 430.208](#) and proposed pay actions under [5 CFR 534.507](#) by a single panel of individuals designated by the agency head. The panel provides advice from an agency-wide perspective (i.e., pertaining to the ratings, pay adjustments, and pay rates for all senior professionals in the agency), which will be considered by agency officials who are authorized to determine final ratings and adjust the pay of senior professionals. Review panels within agency components will **not** meet this requirement.

The panel must have a majority of career appointees (i.e., a career Senior Executive Service (SES) member or a senior professional who holds a career or career-conditional appointment or an appointment of equivalent tenure in the excepted service) when reviewing a senior professional who holds a career or career-conditional appointment. The panel may include senior professional or SES employees, including Federal employees from outside of the agency.

Restrictions on Delegation of Authority for Certain Pay Actions

An agency head may delegate authority to set and adjust senior professional pay except that under [5 CFR 534.505\(c\)](#), only the agency head or the Oversight Official may approve the following pay actions:

- Any pay-setting action under [5 CFR 534.506](#) or any pay increase under [5 CFR 534.507](#) that results in a rate of basic pay that is within the highest 10 percent of the applicable rate range (see calculation instructions at [5 CFR 534.505\(c\)\(1\)](#)).
- A pay increase resulting in a rate of basic pay 10 percent or more above the senior professional's salary at the beginning of the fiscal year, or, if more recent, upon initial appointment in the agency (see calculation instructions at [5 CFR 534.505\(c\)\(2\)](#)).
- A pay increase for a senior professional reappointed within 30 days to the same position or a successor position in the agency ([5 CFR 534.506\(c\)\(2\)](#)).
- An off-cycle pay increase under [5 CFR 534.510](#).

Office of Inspector General (OIG)

The [Inspector General Reform Act of 2008 \(Pub. L. 110-409, November 14, 2008\)](#) provided that each Office of Inspector General (OIG) is a separate agency for purposes of SES statutes and the Inspector General (IG) is the head of that agency. However, this Act did not do the same with respect to statutes pertaining to senior professional positions. OPM therefore lacks authority to designate the IG as an agency head for the purpose of setting pay for senior professionals. OPM also cannot require an agency head to delegate authority for OIG senior professional pay actions to the IG.

The agency head may delegate authority for all pay actions for OIG senior professionals to the IG. An agency head who delegates to the IG authority for all pay actions for OIG senior professionals, including those pay actions reserved to the agency head or the Oversight Official, need not include OIG senior professionals when determining whether the number of senior professionals in the agency requires centralized review of ratings and pay actions. An IG who has been delegated such authority by the agency head need only consider OIG senior professionals when determining whether centralized review is required.

Off-Cycle Pay Increases

An off-cycle pay increase is any increase in a senior professional's rate of basic pay that becomes effective on a date other than the date specified in [5 CFR 534.507\(a\)\(1\)](#). Only an agency head or the Oversight Official may grant an off-cycle pay increase to a senior professional. An off-cycle

pay increase must be supported by factors that distinguish the senior professional's performance from that of peers, and from that previously recognized by the annual pay adjustment. In assessing the warrant for an off-cycle pay increase, the approving official may consider such factors as—

- exceptionally meritorious accomplishments, not captured in the annual appraisal, contributing significantly to the agency's performance;
- reassignment to a position that has a substantially greater impact on agency performance; or
- the need to retain a senior professional whose contributions are critical to the agency and who is likely to leave the agency.

Off-cycle pay increases must be documented and may include use of a performance rating to distinguish the basis for the off-cycle increase from the basis for the annual pay adjustment. Information must be included to specify and explain the additional factor(s) used to support the pay increase.

In accordance with [5 CFR 534.510\(d\)](#), if the maximum rate of basic pay increases during the year for reasons other than certification status, the agency head or the Oversight Official may consider whether to grant an off-cycle pay increase using the same criteria used to determine the senior professional's annual pay increase.

Pay Increases Under a Certified Performance Appraisal System

Pay rates above EX-III are reserved for senior professionals who demonstrate the highest levels of individual performance and/or make the greatest contributions to the agency's performance as determined by the agency through its performance appraisal system. Regulations permit pay increases above EX-III when the—

- rating covers a period of at least 90 days of performance during which the agency's appraisal system is certified (Note: OPM may waive this requirement only for the initial certification of an agency's appraisal system, as provided by [5 CFR 534.507\(e\)](#), and must do so in writing for the waiver to apply);
- rating becomes final while the agency's appraisal system is certified;
- rating and pay increase are approved in accordance with the agency's written procedures by the appropriate official; and
- pay increase becomes effective while the agency's appraisal system is certified.

Pay Upon Transfer to Another Agency or Upon Suspension of Certification

A senior professional may not suffer a reduction in pay if the individual transfers from an agency with a certified appraisal system covering senior professional positions to an agency in which the system covering senior professional positions is not certified (i.e., transfer from an agency with a maximum rate of EX-II to an agency with a maximum rate of EX-III), or as the result of the

suspension or expiration of an agency's performance appraisal system certification ([5 CFR 534.509\(a\) and \(b\)](#)).

The senior professional will continue to receive their current rate of pay and is not eligible for a pay increase until assigned to a position covered by a certified performance appraisal system or their current rate of pay falls within the pay range. These provisions do not apply upon appointment of a senior professional to an SES position or upon appointment of an SES member to a senior professional position.

Reductions in Pay

An agency and employee may voluntarily agree to a reassignment that will involve a current or future pay reduction for the employee. If an SL or ST employee willingly accepts this pay consequence to facilitate a desired assignment and the agency documents the voluntary nature of the reduction, it will not be considered an adverse action subject to [5 CFR part 752, subpart D](#).

An SL/ST employee's rate of basic pay may be reduced for poor performance (see [5 CFR part 432](#)) or conduct subject to adverse action rules in [5 CFR part 752, subpart D](#). An SL/ST employee may also be placed in a GS position under rules for reductions in grade at [5 CFR part 752, subpart D](#) (adverse action) or [5 CFR part 432](#) (performance based actions), with pay determined under applicable rules.

Certain Exemptions from the Requirement to Set and Adjust Pay Based on Performance

Agencies that are excluded by law or regulation from performance appraisal are exempt from the rules for setting and adjusting pay based on performance. Also, an agency that is covered by performance appraisal requirements (e.g., [5 U.S.C. 4301\(1\)](#)) but has particular employees or positions excluded from performance appraisal (e.g., [5 U.S.C. 4301\(2\)](#)), is, with respect to those employees or positions, exempt from the rules for setting and adjusting pay based on performance (see [5 CFR 534.511](#)). These agencies must continue to document in writing the basis for each pay increase (including an off-cycle increase) and follow the agency's written procedures.

The exemption applies only to the extent that the regulation requires an agency to set or adjust pay based upon individual performance, contribution to agency performance, or both. Otherwise, the pay regulations apply. For example, the regulations require the agency to provide its senior professionals written procedures that explain how pay is set and adjusted.

An agency using the exemption may not set a pay rate for a senior professional above the rate for EX-III, except as provided above in "[Pay Upon Transfer to Another Agency or Upon Suspension of Certification](#)."

Written Procedures

Each agency with SL/ST position(s) must establish written procedures for setting and increasing senior professionals' pay (see [5 CFR 534.505](#)). An agency must keep its procedures current,

share them with senior professionals, provide training or additional guidance, and supply a copy to OPM upon request. Guidance on SL/ST Pay Policy and an SL/ST Pay Policy Template are available on the [SES and SL/ST MAX Portal](#).

The agency's written procedures must include—

- criteria used to set and increase a senior professional's rate of basic pay that ensures pay reflects meaningful distinctions among SL and ST employees (e.g., pay reflects meaningful distinctions between performance levels and/or within a single performance level);
- criteria used to set and increase a senior professional's rate of basic pay above EX-III if the agency's appraisal system is certified;
- criteria used to establish pay ranges applicable to different SL or ST positions (e.g., tiers) if used;
- designation of the authorized agency official(s) who has the authority to set and adjust pay, subject to the requirements of [5 CFR 534.505\(c\)](#);
- administrative and management controls that ensure pay actions conform to law, regulations, and agency procedures; and
- requirement to adjust a senior professional's pay at the beginning of the first applicable pay period commencing on or after the first day of the month in which an annual adjustment takes effect for the GS. This does not constitute a requirement or provide authority to adjust all SL and ST employees' pay rates by the same amount (i.e., across the board increases).

Processing SL/ST Pay Actions

SL/ST pay actions are processed under rules found in the [Guide to Processing Personnel Actions](#), the [Guide to Personnel Recordkeeping](#), and the [Guide to Data Standards](#). A table, to be used in conjunction with the appropriate Guides, explaining the proper Nature of Action Codes to use for these pay actions (Table 17-D of [Chapter 17](#)), can be found on the OPM Website in the [Guide to Processing Personnel Actions](#). For additional questions, please contact the Executive Resources and Performance Management Policy (ERPM) Group, by phone at 202-606-8046, or email sespolicy@opm.gov.

CHAPTER 6 : AWARDS

Statute: 5 U.S.C. [4501-4509](#) and [5307](#)

Regulations: 5 CFR [Part 451, Subparts A](#) and [C](#)

An agency may grant a cash, honorary, or informal recognition award, or grant time-off without charge to leave or loss of pay consistent with [chapter 45 of title 5, United States Code](#), and [5 CFR part 451](#) to senior-level (SL) and scientific and professional (ST) employees, as an individual or member of a group, on the basis of—

- a suggestion, invention, superior accomplishment, productivity gain, or other personal effort that contributes to the efficiency, economy, or other improvement of Government operations, or achieves a significant reduction in paperwork;
- a special act or service in the public interest in connection with or related to official employment; or
- performance as reflected in the SL/ST employee's most recent rating of record (as defined in [5 CFR 430.203](#) of this chapter), provided that the rating of record is at the Fully Successful level (or equivalent) or above.

Incentive award payments and forms of recognition for SL/ST employees include performance awards, individual contribution awards (i.e., special act awards), Presidential Distinguished and Meritorious Rank Awards, and other forms of recognition such as ceremonies.

Note: Agency payment of ceremonial expenses in connection with the actual presentation of awards is authorized under [5 U.S.C. 4503](#).

Performance Awards

Performance awards granted under [5 U.S.C. 4505a](#) and [5 CFR Part 451, Subpart A](#) (also known as rating-based awards) recognize and reward excellence in performance that occurred over the performance appraisal period as reflected in the rating of record. Performance awards may be granted to SL/ST employees whose rating of record is at least Fully Successful (level 3) at the end of the performance appraisal period. Performance award programs must be designed to differentiate the award amount based on meaningful distinctions in levels of performance as determined through the performance appraisal program ([5 CFR 451.104\(h\)](#)).

Performance Award Limitations

Awards based solely on a rating of record generally do not exceed 10% of an employee's rate of basic pay. However, an agency head may authorize a rating-based award of more than 10% if they feel it is justified, based on the employee's exceptional performance. These awards may not, under any circumstance, exceed 20% of basic pay ([5 U.S.C. 4505a\(a\)\(2\)](#)). Also, computation of a rating-based award as a percentage of basic pay could result in an award over \$10,000, requiring Office of Personnel Management (OPM) approval (see section on [Cash Awards Over \\$10,000](#)).

Number and Amount of Individual Performance Awards

An agency may determine the number of senior professionals who receive performance awards and the amount of each award consistent with criteria in the agency awards policy and the applicable awards budget. Performance awards are not to be used merely as supplements to basic pay but may be given to recognize performance as reflected in the employee's most recent rating of record and should be commensurate with the contribution of the employee. To support certification of an agency's appraisal system for senior professionals, award amounts must demonstrate appropriate pay differentiation based upon performance. Methods for demonstrating pay differentiation are discussed in the section on [Pay Differentiation](#) in [Chapter 4](#).

Appropriate Use of Awards Other Than Performance Awards

Awards other than performance awards are appropriately used to recognize a single, significant act or contribution the agency head (or designee) finds to be deserving of an award distinct from and in addition to recognition otherwise provided based upon an employee's overall performance over the course of a rating period (e.g., an extraordinary effort on a project not anticipated in the employee's performance plan, or a scientific achievement that may have culminated after a significant period of time). Other forms of recognition, such as time-off awards, should be considered for SL/ST employees in accordance with an agency's awards policy. Receiving one of these forms of recognition does not bar SL/ST employees from receiving a performance award, or vice versa. Agencies must grant the appropriate type of award based on the merits of the contribution and commensurate with the benefits realized from the contribution being recognized. Agencies should carefully document the reasons for any award to make clear that it is not being given in lieu of a performance award or in addition to an award that already sufficiently recognized the same accomplishment.

Cash Awards Over \$10,000

Each agency head may authorize the payment of a cash award (performance award or individual contribution award) for SL/ST employees up to \$10,000. Contribution awards over \$10,000 are quite rare. If an employee's performance or specific contribution is significant enough to warrant a cash award over \$10,000, the agency must submit a request for approval to the Director of OPM prior to paying any amount over \$10,000. The Director of OPM may approve an award for an individual employee up to \$25,000 for a highly exceptional and unusually outstanding contribution, made either as an individual or as a member of a group or for performance over an entire appraisal period.

Note: A combination of two or more cash awards paid to a single employee totaling more than \$10,000 does not require OPM approval so long as each individual award is \$10,000 or less. Agencies may not pay multiple cash awards recognizing the same accomplishment in order to circumvent OPM approval.

Individual agencies may have unique statutory authorities for granting awards over \$10,000. For example the Department of Defense, Internal Revenue Service, and Department of Veterans Affairs may grant awards up to \$25,000 without OPM approval. If the recommended award is over \$25,000, the Director of OPM reviews the nomination and forwards his/her

recommendation to the President for approval. Such award recommendations must rise to the level of warranting Presidential recognition. For additional guidance on requesting approval of awards over \$10,000, see the [Guide to Processing Awards Requiring OPM Approval](#).

Restrictions for Senior Political Appointees

Limitation of Awards During a Presidential Election Year

An employee who holds a schedule C appointment, including an SL appointee, may not receive any award under subchapter I of chapter 45 of title 5 during a Presidential election period, i.e., the period beginning June 1st of a Presidential election year and ending January 20th of the year after the election occurs (see [5 U.S.C. 4508](#) and [5 CFR 451.105\(a\)\(2\)](#)).

Freeze on Discretionary Awards, Bonuses, and Similar Payments for Political Appointees

A Presidential Memorandum dated August 3, 2010, placed a freeze on discretionary awards for Federal employees serving under political appointments, which remains in effect until further notice (see [Guidance on Freeze on Discretionary Awards, Bonuses, and Similar Payments for Federal Employees Serving under Political Appointments](#)).

Examples:

- *Performance Awards.* Agencies may not authorize or pay rating-based performance awards under the authority of [5 U.S.C. 4505a](#) and [5 CFR Part 451, Subpart A](#), to political appointees as of August 3, 2010.
- *Special Act Awards.* Agencies may not authorize or pay single contribution-based special act awards for either individual or group achievements under the authority of [5 U.S.C. 4503](#) and [5 CFR Part 451, Subpart A](#), to political appointees as of August 3, 2010.

Agencies may continue to authorize or grant time-off awards and nonmonetary awards (e.g., a plaque or certificate) to political appointees because these awards are not subject to the freeze. However, time-off awards are among the awards prohibited for certain employees during a Presidential election period, as mentioned above. In addition, agencies should not use time-off awards to circumvent the freeze on discretionary monetary awards, and agencies must consider the productivity cost to the organization when granting them (i.e., agencies should determine the productivity cost is offset by the contribution being recognized).

Presidential Rank Awards

Rank Award Descriptions

The Presidential Rank Award (PRA) under [5 U.S.C. 4507a](#) and [5 CFR 451.302](#) recognizes and rewards senior career SL/ST employees who have demonstrated exceptional performance over an extended period of time.

There are two types of rank awards for senior career employees:

- *Distinguished Senior Professional Rank Award* for “sustained extraordinary accomplishment” granted to no more than one percent of the senior career employees government-wide. The award includes a lump-sum payment equal to 35 percent of annual basic pay, a distinctive gold lapel pin, and a framed certificate signed by the President.
- *Meritorious Senior Professional Rank Award* for “sustained accomplishment” granted to no more than five percent of the senior career employees government-wide. The award includes a lump-sum payment equal to 20 percent of annual basic pay, a distinctive silver lapel pin, and a framed certificate signed by the President.

Eligibility for Senior Professional Distinguished and Meritorious Rank Awards

Nominees must meet the following eligibility requirements on the nomination deadline:

- Hold a career appointment in an SL or ST position on the nomination deadline set by OPM.
- Be an employee of the nominating agency on the nomination deadline set by OPM.
- Have at least 3 years of career or career-type Federal civilian service above General Schedule (GS)-15 or equivalent (service does not have to be continuous). Qualifying service does not include appointments that are time-limited, or appointments to positions that are excepted from the competitive service because of their confidential or policy-making character.

Restrictions

The recipient of either a Distinguished or Meritorious Rank Award may **not** receive the same category of award again during the 4 fiscal years following the one in which they received the award. (For example, if an individual received the rank of Meritorious Senior Professional in FY 2022, they are not eligible for another meritorious rank award until FY 2027.) However, they could be nominated for and receive the other category of rank award during that period. There is no rule requiring that an individual receive a Meritorious Rank award before receiving a Distinguished Rank award or preventing an employee who receives a Distinguished Rank award from subsequently being nominated for and receiving the Meritorious Rank award.

An individual may receive both a rank award and a performance award during the same calendar year since each award has different criteria and recognizes different achievements.

Nomination Limits

In general, an agency may nominate up to nine percent of its career SL/ST employees for Presidential Rank Awards but is not subject to any prescribed ratio of Distinguished to Meritorious nominations. Agencies with fewer than 12 career SL/ST employees may nominate one senior professional. Proposals for nominations of career SL/ST employees in Offices of Inspectors General (OIGs) are submitted by each OIG to the Council of the Inspectors General on Integrity and Efficiency (CIGIE), which may nominate for Presidential Rank Awards a number of career SL/ST employees that is up to nine percent of the total number of career SL/ST employees serving in OIGs government-wide. In determining the ratio of nominations for Distinguished and Meritorious Ranks, agencies should take into account that the statute only

permits one percent of the government-wide career SL/ST population to receive the Distinguished Rank award, and five percent to receive the Meritorious Rank award.

Nomination Criteria

Senior Career SL and ST employees are nominated and evaluated on the following criteria:

- Program Results
- Stature in Professional Field

Specific examples are requested for each criterion cited showing how the nominee has demonstrated qualities of strength, leadership, integrity, industry, and personal conduct of a level that has established and maintained a high degree of public confidence and trust.

Although nominees will come from professional fields too diverse to permit a common definition of unusual accomplishment, their contributions will clearly have to greatly exceed simply “doing the job well.” These awards carry significant prestige — they do **not** simply recognize long and faithful service.

Note: Several agencies have senior career executives in positions that meet the definition of a Senior Executive Service (SES) position at [5 U.S.C. 3132\(a\)\(2\)](#), but the positions are classified as SL due to the agency being excluded from the SES by law. Such agencies receive SL allocations from OPM for these executives but should still use the nomination criteria established for SES members, which can be found in OPM’s annual call for rank award nominations.

Nomination and Selection Procedures

OPM issues an annual call for rank award nominations that can be found on <https://www.chcoc.gov/transmittals>. The current criteria, selection procedures, and deadline for submitting nominations are stated in the call letter. The call letter also includes nomination forms.

Tips for Writing Nominations

Since Review Board members are former and current leaders across the private and public sectors, they will not know the intricacies of each nominee’s program responsibilities and may not be versed in agencies’ missions. Statements must be clear, organized, and well-written to make it easier for your nominee’s achievements to receive the consideration they deserve. We have found that it helps if agencies take the following actions:

- Organize the justification statements in the same order as the PRA criteria, and number the pages of the justification statement (i.e., 1, 2 and 3).
- Ensure examples are specific and supported. Provide information on results achieved (e.g., actions taken, impact on stakeholders, staffing levels, budget amounts, cost-savings – specifying the source of such information, organization size, results, etc.). Include information about customer and employee feedback, as appropriate.
- Use commonly-understood terms. Avoid acronyms, abbreviations, and jargon-laden terms.

Payment Procedures for all Awards

Presidential Rank Awards, performance awards, and other cash awards are paid in a single lump sum. Payments are not subject to retirement, health benefits, or life insurance deductions, nor are they included in the “high-three” average pay computation for retirement benefits or in basic pay for Thrift Savings Plan computations. Payments are subject to income tax withholding and are subject to Federal Insurance Contributions Act (FICA) tax withholding if the individual is in Federal Employees Retirement System (FERS) or Civil Service Retirement System (CSRS) Offset.

Awards are subject to the EX-I aggregate pay limitation for a calendar year for SL/ST employees not covered by a certified appraisal system. For employees covered by a certified appraisal system, awards are subject to an aggregate pay limitation equal to the Vice President’s salary (see [Chapter 4](#) for more information on Performance Appraisal System Certification). If the full award cannot be paid because of the aggregate limit established by law ([5 U.S.C. 5307](#)), the excess amount is carried over and paid at the beginning of the next calendar year. However, the full award is charged against the agency’s award funding for the fiscal year in which the initial payment was made.

For example, if an SL/ST employee received a performance award of \$15,000 in calendar year (CY) 2022 (e.g., August 2022), but \$1,000 could not be paid until the beginning of CY 2023, that \$1,000 counts against the SL/ST employees’ applicable CY 2023 aggregate pay limitation. In addition, the agency would have to obtain the approval of the OPM Director for the amount over \$10,000 before it is paid.

Note: Agencies should pay performance awards as soon as practicable, and generally within 5 months after the end of the applicable appraisal period.

Reporting and Documentation Requirements

Agencies must:

- Report all awards in accordance with the [Guide to Processing Personnel Actions \(chapter 29\)](#).
- Document Presidential Rank Awards on a Standard Form 50 and file it on the right side of the Official Personnel Folder (OPF); agencies do not file documentation for other awards in the OPF, unless they keep it with the temporary documents.
- Submit a report of performance ratings, performance awards, other cash awards, and Presidential Rank Awards to OPM in accordance with instructions in OPM’s annual data call.



U.S. Office of Personnel Management

Employee Services (ES)
1900 E Street NW, Washington DC 20415

[OPM.gov](https://www.opm.gov)