

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT Washington, DC 20415

MEMORANDUM

TO: Heads and Acting Heads of Departments and Agencies

FROM: Scott Kupor, Director, U.S. Office of Personnel Management

DATE: September 16, 2025

RE: Issuance of Regulations on Assuring Responsive and Accountable

Federal Executive Management and Additional Guidance and Fiscal Year 2026 Senior Executive Service Rating Level Distribution Cap

The U.S. Office of Personnel Management (OPM) is pleased to announce the issuance of its final rule on Assuring Responsive and Accountable Federal Executive Management, which is effective on October 15, 2025, and is accessible on the Federal Register website. These regulations amend subpart C of part 430 of title 5, Code of Federal Regulations, by removing the prohibition of a forced distribution of Senior Executive Service (SES) performance rating levels and allowing OPM to require and enforce a pre-established distribution of SES performance rating levels to be applied across agencies. Changes to subpart C also include the elimination of diversity, equity, and inclusion (DEI) provisions from SES performance management. Pursuant to the issuance of these regulations, OPM is issuing the following additional guidance.

I. Limitation of Certain SES Rating Levels

Inflated SES ratings have diminished the integrity of SES performance management, leading to the vast majority of SES receiving the highest rating levels (i.e., Levels 4 and 5). For SES performance management to be effective, it is critical that executive performance be appraised fairly and objectively, with only the highest performers receiving the highest ratings. Therefore, in accordance with the new SES appraisal system and performance plan, beginning with the closeout of the Fiscal Year (FY) 2026 SES appraisal cycle, agencies with five or more career SES may not rate more than 30% of their career SES members at Levels 4 and 5, unless the President waives the cap by certifying outstanding SES performance. Noncareer SES appointees are excluded from this forced distribution requirement and are not included in calculating an agency's 30% limitation. An Office of Inspector General should calculate its 30% limitation separately from its parent agency. Agencies should update their FY 2026 SES performance guidance accordingly.

¹ OPM memorandum titled, "<u>New Senior Executive Service Performance Appraisal System and Performance Plan, and Guidance on Next Steps for Agencies to Implement Restoring Accountability for Career Senior Executives"</u> (Feb. 25, 2025).

II. Elimination of DEI from SES Performance Management

President Trump's January 20, 2025, Executive Order (E.O.) 14151 titled, "Ending Radical and Wasteful Government DEI Programs and Preferencing" directed the termination of all DEI policies, programs, and preferences in the Federal Government. In conformance with this E.O., OPM amended the SES performance management regulations by deleting 5 CFR 430.308(d)(7), which required agencies to consider leadership effectiveness in promoting DEI as a factor in appraising senior executive performance. Additionally, OPM amended 5 CFR 430.311(a) by removing language that encouraged agency heads to "consider diversity and inclusion" in establishing their performance review boards (PRBs). The regulation now encourages agency heads to consider selecting PRB members who are committed to applying the requirements in the new SES appraisal system and plan and assuring an SES of the highest caliber, consistent with the President's Memorandum on Restoring Accountability for Career Senior Executives.³

III. The Role of the Performance Review Board (PRB)

Each agency is required to establish one or more performance review boards to promote fair and effective performance appraisal (see 5 U.S.C. § 4314(c)). The reconstituted PRBs will play a critical role in ensuring agency compliance with OPM-established forced distribution requirements. The PRB(s) should be staffed with people committed to rigorous performance management who are committed to a fair and thorough process, and political leadership should be actively involved as members. As a reminder, while there is no expectation that agencies apply a forced distribution of SES ratings for FY 2025, agencies should treat the 30% cap on Levels 4 and 5 for career SES set forth in OPM's SES Performance Appraisal System as general guidance for ensuring "performance evaluation results that make meaningful distinctions based on relative performance." Additionally, please remember that notice of the appointment of an individual to serve as a PRB member must be published in the Federal Register prior to that individual serving on the PRB.

IV. Questions

Agency headquarters-level human resources offices may contact OPM at <u>SESpolicy@opm.gov</u>. Component-level human resources offices must contact their agency headquarters for assistance. Employees must contact their agency human resources office for assistance.

cc: Chief Human Capital Officers (CHCOs), Deputy CHCOs, Human Resources Directors, and Chiefs of Staff

² President Trump, Executive Order 14151 titled, "Ending Radical and Wasteful Government DEI Programs and Preferencing" (Jan. 20, 2025).

³ President Trump, Memorandum for the Heads of Executive Departments and Agencies titled, "<u>Restoring Accountability for Career Senior Executives</u>" (Jan. 20, 2025).

⁴ 5 C.F.R. § 430.405(b)(1)(iii); see also OPM memorandum titled, "New Senior Executive Service Performance Appraisal System and Performance Plan, and Guidance on Next Steps for Agencies to Implement Restoring Accountability for Career Senior Executives" (Feb. 25, 2025) (Attachment 1, footnote 1).