

A Guide to Submitting Non-SES Performance Appraisal Systems for OPM Review and Approval

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Introduction

The Federal Government's performance management regulations allow agencies flexibility in the design of their performance appraisal systems. With greater flexibility, agencies have more discretion in designing appraisal systems and in establishing how their appraisal programs will operate. However, greater flexibility does not equate necessarily to easy design tasks, as design issues can become complicated and require in-depth understanding of appraisal processes and purposes.

When designing a performance appraisal system, one of the first factors agencies must address is the degree of discretion and flexibility they will allow appraisal programs established under the system. The Office of Personnel Management (OPM) encourages agencies to design systems that give their program designers the greatest flexibility permissible under the regulations for designing effective performance management programs. If systems give maximum design flexibility to their systems, program designers will be able to tailor programs that can support the organization's strategic plans, goals, culture, and type of work. OPM advises agencies to design systems that allow the greatest amount of discretion for designing their programs across components and for adapting them over time.

While agencies may design appraisal systems to provide for maximum flexibility in program design, that does not mean that appraisal programs may be loose and unstructured, or that programs will not be required to comply with law and regulation. Agencies must ensure that their programs comply with all legal and regulatory requirements, and that their programs clearly define how they will plan, monitor, and appraise performance. The flexibility in the system merely provides additional program design options, not permission for noncompliance.

To clarify and promote discretion in appraisal program design, this Guide defines the flexibility that an agency can establish for each particular aspect of an appraisal system. The Guide is written for agency performance appraisal system designers and also includes citations, design questions, and supplementary instructions for submitting appraisal systems to OPM for review and approval. OPM Form 1631 (see Appendix A), also available from OPM by emailing performance-management@opm.gov facilitates easy OPM review and approval of agency appraisal systems. Basic instructions (see Appendix B) for completing OPM Form 1631 are available separately, but this Guide provides additional instructions and illustrations for specific parts of the form.

The Guide includes the following material:

- Background and definition of terms
- Considerations for system design
- A section-by-section guide to OPM Form 1631, including—
 - cross-references to relevant regulations
 - supplementary instructions for completing the form

- how to provide maximum flexibility for appraisal program design
- questions to consider and think through, and
- examples of restrictions or requirements that systems might place on their programs
- Instructions for submitting revisions to appraisal systems that have already been approved.

PERFORMANCE APPRAISAL SYSTEMS THAT COVER
SENIOR EXECUTIVE SERVICE (SES) EMPLOYEES:

OPM Form 1631 and this Guide only apply to submitting performance appraisal systems for ***non-SES Employees*** and do ***not*** apply to SES performance appraisal systems. Rules governing performance appraisal for SES are found in 5 CFR 430, subpart C. OPM also must review and approve SES performance appraisal systems and has provided agencies the opportunity to adopt a Basic SES Appraisal System that meets regulatory requirements. Email performance-management@opm.gov for more information.

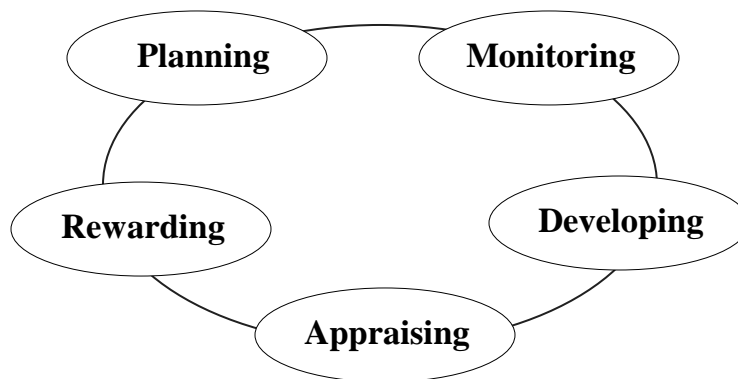
Background

OPM gives agencies a great deal of flexibility for designing their appraisal systems and programs. Flexible policies establish a decentralized environment where the performance management procedures for planning, monitoring, developing, appraising, and rewarding individual, team, and organizational performance can be tailored to specific objectives, work technologies, and cultures.

The regulations define performance management as 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. OPM regulations have the right processes in place and, conducted effectively, performance management provides for improved employee engagement. Agencies need to empower and encourage supervisors to make employee engagement a key component of all the steps within the performance management process.

Five key processes comprise performance management—planning, monitoring, developing, appraising, and rewarding.

Performance Management Key Processes



Planning performance includes establishing elements and standards and setting goals and expectations for individuals and groups.

Monitoring performance includes measuring performance and providing feedback to employees on their performance.

Developing performance includes identifying areas to be improved and then addressing them through formal training, on-the-job training, details, work process improvement, and/or other methods.

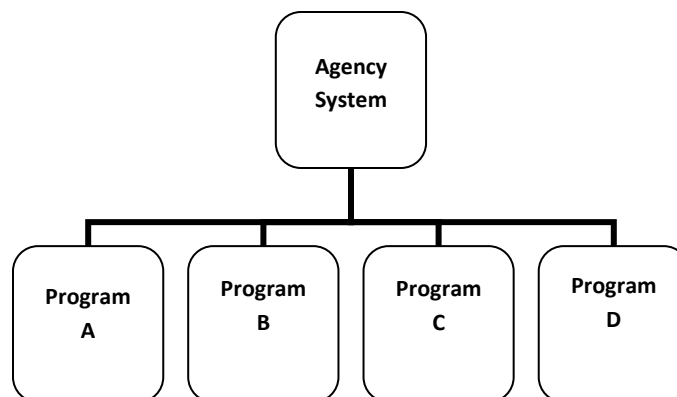
Appraising performance includes evaluating employee or group performance against elements and standards in an employee's performance plan and coming to a formal, summary performance rating of record.

Rewarding performance includes recognizing and rewarding employees, individually and as members of groups, for their performance and contributions.

Agency appraisal systems include at least some aspects of each of these key processes. The regulations on performance management focus on the appraisal system requirements set forth in statute in subchapter I of chapter 43 of title 5, United States Code. Agencies also should consider the broader opportunities for examining and improving their full range of performance management processes and practices.

System vs. Program.

One way OPM deregulated performance appraisal is through the definitions of "system" and "program" at 5 CFR 430.203. An appraisal system is the framework of policies and parameters established by an agency for the administration of performance appraisal programs. An appraisal program contains the specific procedures and requirements established under the policies and parameters of an agency appraisal system. OPM must review and approve an appraisal system before an agency can implement its appraisal program(s). The illustration below shows the relationship of a system to its programs.



System. An appraisal *system* covers an Executive agency's employees not otherwise excluded by statute or regulation (e.g., Foreign Service, Senior Executive Service) and sets broad parameters within which appraisal programs must operate. An agency may have more than one system, but its systems cannot cover the same employees — they must be mutually exclusive. Agencies excluded from the coverage of subchapter I of chapter 43 of title 5, United States Code, include the Government Accountability Office, Government corporations, the Central

Intelligence Agency, the Defense Intelligence Agency, the National Geospatial-Intelligence Agency, the National Security Agency, and any Executive agency or unit which conducts foreign intelligence or counterintelligence activities.

An appraisal **system** must specify at least the following—

- the patterns of summary levels appraisal programs may use (i.e., of the patterns A through H that are specified in Governmentwide regulation, which ones are authorized under the system);
- the number(s) of levels at which elements may be appraised;
- the range of permissible lengths for the minimum period that must be completed before assigning a performance rating; and
- the criteria and procedures for program approval and operation should the agency permit more than one program.

Later portions of this Guide will discuss these areas in detail.

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

Program. In comparison, an appraisal **program** establishes specific criteria and procedures for applying the appraisal process to a set of individual employees within the parameters set by the appraisal system. First, an appraisal program must specify employee coverage. The coverage among all appraisal programs must be mutually exclusive; that is, more than one appraisal program cannot cover the same employee.

Appraisal **programs** must specify at least the following—

- the effective date of the program;
- the specific pattern of summary levels that the program will use (i.e., which one of the patterns A through H allowed by the agency system applies);
- the method(s) for deriving summary levels;
- the performance levels for appraising critical, non-critical, and additional performance elements;
- the program's minimum period(s) that must be completed before assigning a performance rating;
- a provision for the program comparable to the "savings" provision at 5 CFR 430.201(b) to ensure completion of administrative actions in the event of changes in program procedures or coverage;
- how to establish and communicate employee performance plans;
- how to evaluate employees during and at the end of the appraisal period;
- how to determine whether employee performance warrants recognition and reward;
- how to assist employees whose performance is determined to be unacceptable;
- how to take appropriate actions in situations where, after an opportunity to improve, an employee's performance continues to be unacceptable; and

- the criteria and procedures for addressing employee performance when on detail, transferred, and as needed for other special circumstances.

Any variation in employee coverage, ratings derivation, or the pattern of summary levels 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 program designers. For further guidance about appraisal program design, contact OPM's Executive Services and Workforce Development team at performance-management@opm.gov.

Considerations for System Design

OPM Form 1631

Agencies covered by subchapter I of chapter 43 of title 5, United States Code, will use OPM Form 1631 to provide OPM with the information it needs to fulfill its statutory responsibility to review agency appraisal systems to ensure they comply with law and regulation. Provided all requirements are met, OPM will approve a *system* based on the information included on the form and in the necessary attachments. Basic instructions for submitting performance appraisal systems to OPM for review and approval are available with the form. This Guide provides supplementary instructions for completing each section of the form.

In addition to supplementary instructions, this Guide addresses design considerations for sections of OPM Form 1631. The most important universal design issue for agencies to deal with is the level of discretion to give program designers. System designers should specify few restrictions if they want to provide maximum flexibility for program designers — to allow for tailoring and adapting programs to support organizational strategic plans, goals, work structures, and cultures over time.

Transition Statement. When an agency establishes a new or revised system, it must assure the continued coverage of employees by some appraisal program. The simplest default is to leave all employees under a pre-existing appraisal program developed under a system previously approved by OPM. To accomplish this, OPM Form 1631 includes the following statement:

Between the date the Office of Personnel Management approves this system and the effective date of any new appraisal program established under this system, [Agency] will continue to use the appraisal program(s) developed under the performance appraisal system approved by OPM, on [date], as its appraisal program(s).

Attachments to OPM Form 1631

The instructions for OPM Form 1631 direct attachment to the form of material describing certain aspects of an agency's system. Agencies can approach this in different ways. OPM suggests agencies submitting system descriptions for approval attach to the OPM Form 1631 only the required additional information, label that material appropriately by reference to the applicable section of the form, and check "see attached description" box on the form. This approach means that agencies might develop material that applies to this form only, i.e., material that might not be used as a stand-alone document, but that would satisfy system description and review requirements.

System Restrictions/ Requirements

Agencies that choose to establish centralized restrictions or requirements for their appraisal programs — beyond those established by Governmentwide regulations — will establish those limits as part of their appraisal system. Examples of such limits include—

- permitting the use of a particular regulatory flexibility only with specific approval
- prohibiting the use of a particular regulatory flexibility or
- requiring the use of a particular program feature.

In each case, the agency would include these limits as part of the system that OPM reviews and approves. Most sections of OPM Form 1631 include a place to indicate whether or not the appraisal system has **Other restrictions/requirements** beyond those covered by the Governmentwide regulations. Appropriate attachments to OPM Form 1631 would describe the limits with cross-references as noted above. OPM staff will review OPM Form 1631 for its consistency with its attached material.

It is important to assure the form properly reflects any flexibility described in an attachment. For example, an agency's attached internal instruction may state that the minimum period before a performance rating generally must be 90 days, but that exceptions may be approved for specific programs. (The agency might include this flexibility in anticipation of different minimum periods negotiated for different bargaining units.) In this case, Section 5 of OPM Form 1631, "Minimum Period" should **not** indicate "90" as both the minimum and the maximum number of days (see instructions for [Section 5](#)). Rather, the form would show a lower minimum and higher maximum to accommodate specific exceptions the agency might make. If the form has a fixed 90-day minimum period in Section 5 and the agency approves exceptions, OPM would have to review and approve a system revision before the agency could implement the exceptions.

In some instances, an agency's attachment to OPM Form 1631 may simply reiterate a restriction or requirement from the Governmentwide regulations (e.g., no more than five summary levels, higher-level review of a Level 1 ("Unacceptable") rating of record) or the form itself. Do not cross-reference these restatements between the form and the attachment. In other words, for a given section of OPM Form 1631, check the "none" box at **Other restrictions/requirements** for that section when the only limits contained in the form's attachments are those established by Governmentwide regulation or already included on OPM Form 1631.

Employee Involvement. The regulations encourage employee involvement in the design and implementation of their systems and programs to the extent permitted by law. Of course, where a union has been granted exclusive recognition, such involvement for bargaining unit employees must be through their elected union representatives. In addition, agencies must ensure that their programs conform to law, regulation, and the requirements of the agency's system. System designers will need to ensure that the system is flexible enough to allow for establishing various types of programs under it, including those involving collective bargaining.

A Section-by-Section Guide to OPM Form 1631

1. System Coverage

1. SYSTEM COVERAGE

- All agency non-SES employees, other than those excluded by 5 U.S.C. 4301(2) or excepted service employees excluded by OPM regulation or with specific OPM approval (description of OPM-approved exclusions attached)
- All agency non-SES/SL/ST employees, other than those excluded by 5 U.S.C. 4301(2) or excepted service employees excluded by OPM regulation or with specific OPM approval (description of OPM-approved exclusions attached)
- All agency SL/ST employees other than those excluded by 5 U.S.C. 4301(2) or excepted service employees excluded by OPM regulation or with specific OPM approval (description of OPM-approved exclusions attached)
- Other (description of coverage with applicable exclusions attached)

Section 1 of OPM Form 1631

Regulatory Citations. 5 CFR 430.202(a)-(d) and 5 CFR 430.204(b)(2)

Supplementary Instruction. Section 1 describes the employees covered by the agency's performance appraisal system. Check the first box when the system covers all employees except those excluded at 5 U.S.C. 4301(2); exclusions include

- members of the Senior Executive Service
- Presidential appointees
- Veterans Health Administration employees whose pay is fixed under chapter 73 of title 38, United States Code
- administrative law judges
- employees outside the United States paid in accordance with local native prevailing wage rates
- members of the Foreign Service, and
- employees excluded at 5 CFR 430.202(c), i.e., employees in excepted service positions not expected to work for the agency-established minimum period during the appraisal period (usually within a 12-month period).

In making an exclusion determination under 5 CFR 430.202(c), the regulation does not specify the length of the minimum period for these employees. One must first determine the appraisal program otherwise covering them and then, within that appraisal program, what minimum period applies were they not excluded. (See [Section 5](#), Minimum Period.)

OPM has granted some agencies permission to exclude additional excepted service positions in the interest of good administration. Agencies with such approved exclusions would provide a description of the covered employees and the applicable exclusions in an attachment.

More Than One Agency Appraisal System. When an agency determines that it requires more than one appraisal system for its non-SES employees, the agency would specify in its attachment the specific employee population covered by this system, as well as the employee population the agency is excluding. The agency would describe appraisal systems individually, using separate OPM Forms 1631 and appropriate attachments for each.

Single Agency System with Multiple Programs. A single system description could provide for multiple programs. Each program, in turn, could permit several variations.

For example, the appraisal system description that covers an agency's non-SES employees could allow each component to have one or more separate programs. Based on the features that constitute a separate program, those programs would be distinguished by their unique employee coverage, their derivation method, and their single pattern of summary levels. If the agency's components wanted to allow variations within their applicable programs (e.g., different minimum appraisal periods or different levels for appraising elements), a single program can still apply as long as the variations do not affect the employee coverage, the pattern of summary levels, and derivation method

System/Program Note. The employee coverage for each system must be inclusive of all the employees covered by all its subordinate programs, but program coverage must be exclusive. That is, no employee may be covered by more than one appraisal program or system at any time.

Excluded Employees. If an agency previously requested and received OPM approval to exclude a group of employees in accordance with Governmentwide regulation at 5 CFR 430.202(c), such exclusions continue to apply to a successor performance appraisal system, unless the agency requests a change. In Section 1 of OPM Form 1631, the appropriate box would be checked. The attachment to OPM Form 1631 would specify the group(s) of excluded employees.

Example. An agency previously received OPM's permission to exclude experts and consultants and members of a Board of Contract Appeals.

In Section 1 of OPM-Form 1631,

- the first box is checked, and
- the attachment is cross-referenced.

In the attachment, those OPM-approved exclusions are listed and the earlier exclusion action is referenced with its date.

2. Appraisal Period

2. APPRAISAL PERIOD

- All programs will have a 1-year appraisal period, except as needed to accommodate program transition.

Section 2 of OPM Form 1631

Regulatory Citations. 5 CFR 430.204(b)(3)(i) and 5 CFR 430.206(a) and (b).

Supplementary Instruction. Section 2 describes the length(s) of time allowable for the program appraisal period under an agency's system (not to be confused with the minimum period covered in section 5). All programs under its system must use an annual appraisal period, check the box that indicates "All programs will have a 1-year appraisal period, except as needed to accommodate program transition." (See [Section 6D](#) for transition statement)

One-Year Appraisal Periods. Historically, ratings of record have been assigned annually. Legislative history shows that during Committee hearings on the Civil Service Reform Act of 1978, the Civil Service Commission in response to questions assured Congress that it would interpret and apply the provisions of the Act requiring "periodic appraisal" as requiring appraisal to be done at least annually. Recognizing that there might be specific exceptions that require an adjustment in an appraisal period (such as a start-up or a close-out cycle), regulations state that appraisal (i.e., a formal rating) *generally* should be done annually. Conducting appraisals at least annually also makes it possible for other administrative personnel systems to function effectively, such as promotions, reduction-in-force determinations, staffing selections, within-grade increases, and, in some cases, pay increases and awards. The reduction-in-force regulations at 5 CFR 351.504 *presume* that annual ratings of record are available.

Performance Cycle Dates. Note the form does not include the beginning and ending dates of appraisal periods or cycles. If an agency wishes to include that information, it may. However, cycle dates appear more appropriately in the specific procedural information found in an appraisal program description. OPM advises against including such information in the attachment to OPM Form 1631 to avoid having to submit a revised appraisal system to OPM for review and approval should the agency want to change the dates of an appraisal period in the future. Agencies can avoid this additional paperwork by not including these dates in the system description.

3. Summary Levels

3. SUMMARY LEVELS

Each appraisal program under this system will use any one, but only one, of the following patterns for assigning summary levels (mark all that apply).

Pattern Selection	Pattern	Summary Level 1	Summary Level 2	Summary Level 3	Summary Level 4	Summary Level 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

Other restrictions/requirements for using patterns and/or deriving summary levels: ☐ none ☐ see attached description

Section 3 of OPM Form 1631

Regulatory Citations. 5 CFR 430.204(b)(3)(iv) and 5 CFR 430.208

Supplementary Instruction. Section 3 establishes the summary level patterns that programs may use under the agency's system. This is where agencies address in the attachment to OPM Form 1631 and cross-referenced from the form any system requirements for using a pattern or how to assign or derive particular summary levels.

If an agency does not wish to place any limitations on the patterns of summary levels used by programs established under the system, it should check every box from A through H. If, however, an agency decides to restrict programs under the system to the use of specific patterns of summary levels, it should check only the boxes of the patterns the agency's system allows.

Other restrictions or requirements could address issues such as constraints on the use of certain patterns or a system-wide requirement that the method for deriving a summary level from element appraisals must meet. If no additional restrictions or requirements about summary level patterns are specified in the system, at **Other restrictions/requirements...**, check "none." However, if the system specifies unique or additional restrictions or requirements, include the restrictions or requirements in the attachment to OPM Form 1631.

Maximum Flexibility. An agency would give maximum flexibility to programs by allowing all patterns A through H and placing no additional restrictions on the use of the patterns or summary levels. In Section 3 of OPM Form 1631, the agency would—

- check each box for patterns A through H; and
- check "none" at **Other restrictions/requirements** for using patterns and/or deriving summary levels.

A system needs to be flexible enough to accommodate its programs' requirements. If system designers eliminate some of the patterns from the system, components may not be able to design programs that meet their needs, and programs may not be able to adapt easily over time as needs and issues change.

Carryover Program. When getting a new approval for a revised system, agencies need to remember that the new system needs to include patterns already in use to assist in transition.

System/Program Note. A system can authorize the use of any or all of the eight summary level patterns. Each program may use one, and only one, pattern. If and when a program changes its summary level pattern, it must do so for all covered employees. Agencies may establish separate programs to cover different employees under different patterns.

Reduction-in-Force. In some agencies, Governmentwide reduction-in-force (RIF) rules could influence which pattern(s) of summary levels the agency will allow. If RIF rules for granting additional service credit based on performance are a significant issue to an agency, system designers must take that into consideration when deciding which patterns to allow, how to use any available flexibilities in the regulations, and whether they might need any additional restrictions or requirements.

Deriving Summary Levels. Some agencies may decide that the method for deriving summary levels must be consistent across programs. For example, an agency may determine that programs using patterns that include Level 5 (patterns B, E, F, and H) must specify that before assigning a Level 5 rating, a performance review board must review and approve the proposed rating. In Section 3 of OPM Form 1631, the agency would—

- check each box for patterns A through H; and
- check "see attached description" at **Other restrictions...** In their attachment, the agency would describe the performance review board requirement and the procedures that programs must use for determining Level 5 ratings.

What are the advantages and disadvantages of prescribing in the system a method for deriving a summary level?

One advantage for using the system to prescribe a method or process for deriving summary levels is to establish common values and principles across-the-board with all programs. For example, if an agency wants to focus on the importance of measuring results, it could do so by requiring that measurable results be the primary focus of at least one critical element and that critical element is the most important determinant of the summary level. In this case, if the

agency's system allows non-critical elements to measure competencies, the agency might require that summary derivation methods place more weight on critical elements than non-critical elements. Or, if an agency is stressing the importance of group or team work, the agency might first disallow patterns A and D (because they do not allow summary levels above Level 3) and require giving non-critical elements measuring group results more weight than critical elements in determining the summary level. In both these cases, the agency is placing emphasis on a particular principle it values and is aligning summary level determination with that principle.

A disadvantage to prescribing summary level determination is that it further restricts program design. Also, the method or process prescribed may not support the type of work or the work culture of the organization.

Examples

1. An agency wants to eliminate the use of Level 2 (i.e., less than Fully Successful, but not Unacceptable) as a summary level. On OPM Form 1631, check only patterns A, B, C, and E because these patterns do not use Level 2.
2. An agency allows all patterns A through H, and requires programs using a pattern without a Level 5 (pattern A, C, D, or G) to provide specific justification for not allowing that level. In Section 3 of OPM Form 1631,
 - Check all the pattern boxes, A through H; and
 - at **Other restrictions/requirements...**, check "see attached description" and cross-reference the attachment.

Include the requirement to justify not using Level 5 in the attachment to OPM Form 1631.

3. An agency wants to restrict how to derive summary levels from the appraisal of elements. It allows all patterns A through H, and sets a system-wide restriction that if any program elects to use a pattern with a Level 5 (pattern B, E, F, or H), the program must require assigning Level 5 only when performance on a non-critical element(s) that assesses performance indicators implemented under the GPRA Modernization Act of 2010 (GPRAMA) reaches specific GPRAMA targets. (This implies the inclusion of the GPRAMA-related non-critical element(s) in each employee's performance plan, which would be a requirement set in the system at Section 4.) In Section 3 of OPM Form 1631,
 - Check all the pattern boxes, A through H; and
 - at **Other restrictions/requirements...**, check "see attached description" and cross-reference the attachment.

The attachment to OPM Form 1631 includes language requiring reaching GPRAMA targets reflected in appropriate non-critical elements before assigning a Level 5 summary.

4. An agency chooses to establish use of only the term "Outstanding" to describe a Level 5 summary. In Section 3 of OPM Form 1631,
 - Check all the pattern boxes, A through H; and

- at **Other restrictions/requirements...**, check "see attached description" and cross-reference the attachment .

The attachment to OPM Form 1631 includes language requiring that the Level 5 summary must use "Outstanding" as its descriptive label and prohibits any other label.

5. An agency decides to balance flexibility with some central consistency by permitting appraisal programs that eliminate making summary level distinctions among employees who are at least "Fully Successful" on their performance elements, but only in circumstances where senior agency management agrees. The system will require a justification for using patterns A or D (which have no summary levels above Level 3). In Section 3 of OPM Form 1631,

- Check all the pattern boxes, A through H; and
- at **Other restrictions/requirements...**, check "see attached description" and cross-reference the attachment.

The attachment to OPM Form 1631 includes language requiring that a program proposing to use summary level pattern A or D must apply to the Director of Human Resources for prior approval and include a written justification for the proposal.

4. Element Appraisal

4. ELEMENT APPRAISAL

Within the following parameters, each appraisal program will provide for establishing employee performance plans that include at least one critical element and, where applicable, non-critical element(s):

Restrictions/requirements: ☐ none ☐ see attached description

Minimum number of appraisal levels: _____ Maximum number of appraisal levels: _____

Section 4 of OPM Form 1631

Regulatory Citations. 5 CFR 430.204(b)(3)(iii) and 5 CFR 430.206(b)(4)-(7)

Supplementary Instruction. Section 4 addresses how to establish and appraise performance elements (critical, non-critical, and additional). Specifically, a system must describe the range of appraisal levels that appraisal programs may use for evaluating elements. A system that imposes any other requirements or restrictions for elements and element appraisal across programs would cross-reference them from this section. Since regulation requires at least two levels for element appraisal, agencies must fill in at least "two" for the minimum number of appraisal levels on OPM Form 1631. The regulations do not restrict the maximum number of appraisal levels for elements — agencies have full discretion to make that determination.

Maximum Flexibility. An agency gives maximum flexibility to its program designers by placing no restrictions on element appraisal. That is, in Section 4 of OPM Form 1631, the agency would—

- check "none" for **Restrictions/requirements**;
- enter "two" for **Minimum number of appraisal levels**; and
- enter "none" for **Maximum number of appraisal levels**.

Carryover Programs. When transitioning from one system to another, the new system must allow for the element appraisal levels currently used in the existing program(s).

Flexible Terminology. Occasionally, an agency may choose to use some terminology that is different from the terms used in the regulations for describing and using elements. For example, an agency may want to give non-critical elements a label such as "other appraisal elements." In such cases, the agency must provide appropriate equivalency statements defining the agency's terms within the meaning of the terms established in regulation in the attachment to the Form.

Regulatory Requirements for Elements. There are three types of elements: critical, non-critical, and additional. The following requirements and characteristics distinguish them:

Type of Performance Element

	Critical	Non-Critical	Additional
Required?	yes, at least one	No	No
Used in deriving summary level?	yes	Yes	No
Permissible levels of measurement	individual only	individual, group/team, or organization	individual, group/team, or organization
Number of appraisal levels	at least two	at least two	at least two
Any Required levels?	yes, "Fully Successful" and "Unacceptable"	No	No
Established standards required?	yes, at least one at the "Fully Successful" level	yes, at least one, no specific level required	yes, at least one, no specific level required

Agencies must ensure that appraisal programs under their system require employee performance plans to contain at least one critical element that establishes some measure of individual accountability. (A critical element is a work assignment or responsibility of such importance that unacceptable performance on the element would result in a determination that an employee's overall performance is unacceptable.) Beyond this minimum requirement, agencies can incorporate other types of elements at their discretion and use them as tools to plan work and set goals, monitor performance and provide feedback, determine where to develop additional performance capacity, and make decisions about distributing rewards.

Although critical elements must address individual work assignments or responsibilities, non-critical elements can measure a dimension or aspect of individual, team, or organizational performance for which expectations will be set and feedback provided, and which will have an impact on the summary level assigned at the end of the appraisal period.

In the past, "non-critical" meant "not as important." However, agencies can design programs so that non-critical elements have as much weight or more weight than critical elements in determining a final summary level other than Level 1, which can only be assigned on the basis of performance on a critical element appraised as "Unacceptable." Since it is **only** through non-critical elements that an agency can factor performance measured at the group level into an individual employee's summary level determination, using non-critical elements can be a useful tool for setting group goals, planning group work, monitoring and providing feedback on group performance, factoring group performance into summary ratings of record, and distributing rewards based on group accomplishments.

A third type of element is the additional performance element. These elements are a dimension or aspect of individual, team, or organizational performance not used in assigning summary

levels yet used for various other purposes, such as setting goals, providing feedback on individual or group performance, and recognizing individual or group achievements. Technically, agencies may not consider additional performance elements part of the formal performance appraisal conducted under 5 CFR 430, subpart B, because they cannot use them in determining the summary level. However, they can use them in employee performance plans for any or all of the reasons listed above. Additional performance elements are not required, and agencies may use them as needed. System silence on the use of additional performance elements does not prohibit programs from using them.

System designers need to be aware of the consequences of limiting the use of any of these three types of elements or the levels for appraising them. Limiting the ability of components to use their appraisal programs for setting goals or for factoring group or organizational performance into individual appraisal and employee ratings of record might affect a program's effectiveness for managing and improving performance. Note that the system will probably need to accommodate the elements and appraisal approaches that correspond to any used in previously existing appraisal programs in effect when OPM reviews and approves a new appraisal system.

Setting Goals and Planning Work. Establishing elements and standards in employee performance plans is one way Federal agencies can plan work and set goals for employees. Agencies can use the standards for levels above the "Fully Successful" level to communicate targets and goals for continuous improvement (e.g., define the "Outstanding" level for a non-critical element measuring group results as "10% improvement over previous year's results"). Unnecessary restrictions on types of performance elements or levels for appraising them or deriving summary levels from element appraisal could limit the utility of elements for goal setting.

Limitations When Using Only Two Summary Levels. Some appraisal programs use only two summary levels (e.g., a "pass/fail" program, which must use the two-level pattern A). Such programs **cannot use non-critical-elements (5 CFR 430.206(b)(6))**. This limitation is due to the interaction of two different regulatory requirements. By regulation,

- non-critical elements must affect the summary level (5 CFR 430.203), and
- non-critical elements cannot be used to determine a Level 1 summary (5 CFR 430.208(b)(2)).

When a program does not allow assigning a summary level other than Level 1 or Level 3, any element not considered critical can have no effect on the summary level. That is, an employee appraised as "Unacceptable" on an element intended to be "non-critical" could not receive a Level 1 summary (unless at least one critical element also was appraised as "Unacceptable"), and the would-be "non-critical" element will have had **no** effect on the summary level.

Consequently, such an element does not meet the definition of "non-critical." So long as it is measuring performance at the individual level, such an element might be considered another critical element. However, if that element measures performance at the group, team, or organizational level, an employee's performance plan cannot include it as a critical element. Instead of non-critical elements, agencies using only two summary levels can use additional

performance elements to plan, monitor, develop, assess, and reward performance other than the individual performance addressed in critical elements (e.g., team or organizational performance).

Should there be a limit on the maximum number of levels for element appraisal?

Limiting the maximum number of appraisal levels, either arbitrarily or to match the levels that existing appraisal programs use, could create an unnecessary and counterproductive restriction. For example, 360-degree-appraisal approaches commonly use response scales that have well over five levels. To use such measures under a system that has a low maximum number of levels would require an otherwise unnecessary step to convert the initial appraisal results to fit the limited number of appraisal levels. If concerned about controlling the use of complicated scoring approaches, the system could indicate "none" on OPM Form 1631 for the **Maximum number of appraisal levels** in Section 4, and also establish a requirement that any element appraisal approach that uses more than a specified number of levels (e.g., five) would require specific approval before implementing it.

Must the number of appraisal levels be the same for critical, non-critical, and additional performance elements?

No. An agency system that requires appraising all elements at five levels, for example, could require making performance distinctions for some elements that are not credible, practical, or useful. Programs may not need the same number of appraisal levels for non-critical elements as they would for critical elements, or vice versa. For example, there may be utility in appraising certain elements at two levels (pass/fail) because "Outstanding" is difficult to define (e.g., an element addressing a task where it is only important to measure *whether* the task is done-not *how well* or *how timely*). When allowing additional performance elements in a wide variety of ways (except for assigning the summary level), it might not be logical to require them to have the same number of appraisal levels as the other types of elements. Developing a system that sets a specific number of appraisal levels for all elements might result in problems that may be avoidable when designing systems with more flexibility.

Examples. *NOTE: For each example presented below, in Section 4 of OPM Form 1631, check "see attached description" for **Restrictions/requirements**; cross-reference the location of the restriction or requirement in the attachment; and include the restriction/requirement in the attachment to the form.*

- All supervisors must have a critical element covering "Supervisory Responsibilities."
- Employees must have at least one non-critical element in their performance plans. *(NOTE: This could not occur in a program that uses "Pass/Fail" ratings of record, summary level pattern A with only its two summary levels.)*
- Each employee performance plan must have an odd number of elements to facilitate summary level determination by avoiding "ties" in element ratings.
- Programs with organizations using teams must use a critical element that addresses the individual's contribution to the team in team members' performance plans.

- Critical elements must be appraised at two or more levels for non-management employees, and at three or more levels for management employees.
- Unless exempted by headquarters, programs must establish an additional performance element in each employee's performance plan that communicates expectations for group results.
- Programs must use some form of multi-rater assessment to appraise elements, unless otherwise exempted by headquarters.
- Programs must include relevant performance indicators and targets established under the GPRA Modernization Act of 2010 as part of the performance planning and monitoring conducted in compliance with regulations at §§ 430.206 and 430.207, at a minimum as additional performance elements and, whenever appropriate, as non-critical elements.
- To comply with Section 5.4(d)(7) of Executive Order 13526, "Classified National Security Information," dated December 29, 2009, performance plans must include a critical element covering the designation and management of classified information for original classification authorities, security managers or security specialists, and all other personnel whose duties significantly involve the creation or handling of classified information, including personnel who regularly apply derivative classification markings.

5. Minimum Period

5. MINIMUM PERIOD

Within the following parameters, each appraisal program will establish a minimum period of performance that must be completed before a performance rating can be given:

Minimum number of days: _____ Maximum number of days: _____

Other restrictions/requirements: ☐ none ☐ see attached description

Section 5 of OPM Form 1631

Regulatory Citations. 5 CFR 430.204(b)(3)(ii) and 5 CFR 430.207(a)

Supplementary Instruction. Section 5 describes the permissible range for the length of the minimum appraisal period, i.e., the period of performance that must be completed before a performance rating can be assigned. If the system establishes a single minimum period, such as 90 days, fill in "90 days" for both the minimum and the maximum number of days. If the system allows a range of options for the minimum appraisal period, fill in the desired limits. If the system places restrictions on the minimum period, check the box for "see attached description" under **Other restrictions/requirements** and include a summary of those restrictions or requirements in the attachment.

Maximum Flexibility. To give programs maximum flexibility (e.g., to accommodate negotiated minimum periods as part of a collective bargaining agreement), the system might establish neither a minimum nor a maximum number of days for the minimum period. That is, in Section 5 of OPM Form 1631, the agency would—

- enter “none” for both the **Minimum number of days** and the **Maximum number of days**; and
- check "none" at **Other restrictions/requirements**.

Carryover Programs. When transitioning from one system to another, the new system must allow for the minimum period used in an existing program(s).

Ranges of Time or Specific Lengths. The minimum period established by a system can be a range of time or a specific length of time. When a system establishes a specific length of time, the designers have chosen to disregard any differences among the various programs that might influence their determining the period of performance that must be completed before a performance rating can be assigned.

De Facto Maximum Length for Prevailing Rate System Employees. Prevailing rate system employees paid at the step 1 rate of their grade are eligible for advancement to step 2 after 180 days so long as they have a work performance rating of satisfactory or better. In practical terms, this eligibility means that the agency must be able to complete a performance rating within 180 days. If a system covering prevailing rate employees' has established a range for the minimum period that allows for exceeding 180 days and a program for some reason has a minimum period longer than 180 days, that satisfactory performance rating will not be available and the periodic

step increase must be delayed. One can easily conclude that delaying the step advancement would serve no interest. Consequently, establish a de facto maximum length of 180 days for the minimum period for any appraisal program that covers prevailing rate employees. This situation could also be accommodated by leaving no maximum specified in Section 5, and including a specific system requirement that prevailing rate employees must have minimum periods no longer than 180 days.

"None" Does Not Mean "Zero." If a system puts "none" for minimum or maximum number of days in this section, the agency has chosen to set no specific limits. However, this does not mean that minimum periods can be "0" days. Program designers must select a reasonable minimum length of time before allowing the assignment of a performance rating.

Design Questions. Is the range established for the minimum period flexible enough to accommodate the work requirements of the various programs under the system?

An agency might want some flexibility in the system for minimum periods to allow for the various types of work covered by different programs. Since a single program can have a range of minimum periods, the system could create maximum flexibility for its programs by placing no time limitations on the minimum period. If, however, the agency wants to set some limits on the minimum period flexibility, the agency's system could set a minimum limit (floor), a maximum limit (ceiling), or select a range of time, such as from 60 to 120 days. Both these options — placing no time restrictions or defining some — would give program designers the opportunity to select a minimum period that fits their types of work.

Is the range established for the minimum period flexible enough to accommodate collective bargaining agreements?

In situations where unions represent employees, an agency has a duty to bargain the length of the minimum period. Establish the range with enough flexibility to accommodate any minimum periods included in existing bargaining unit contracts that may be in effect and will continue in effect after approval of the appraisal system. Beyond that, and perhaps more important than taking into account the status quo, provide flexibility to anticipate possible changes in minimum periods that may be established through collective bargaining in the future.

Example 1. *NOTE: For each example presented below, in Section 5 of OPM Form 1631, enter "none" for both the **Minimum number of days** and the **Maximum number of days**; check "see attached description" at **Other restrictions/requirements**; cross-reference the location of the restriction or requirement in the attachment; and include the restriction/requirement in the attachment to the form.*

- All employees under a given appraisal program must have the same minimum period.
- Different minimum periods are established for different occupations. Programs will set a shorter minimum period for clerical or technical work and a longer minimum period for legal or regulatory work.

- Any program that covers prevailing rate system employees must set a minimum period for them no longer than 120 days.
- No program may establish a minimum period longer than 90 days for non-bargaining unit employees unless approved by headquarters.

Example 2. If the agency has a specific range of time within which it is willing to negotiate the minimum period, enter those restrictions on the form and cross-reference them in the attachment. For example, for an agency where the minimum period is subject to negotiation and it is willing to have a minimum period fall between 60 days and 180 days, in Section 5 of the OPM Form 1631, the agency would —

- enter “60 days” for the **Minimum number of days** and “180 days” for the **Maximum number of days**; and
- check “see attached description” at **Other restriction/requirements** where it would note the minimum period is subject to negotiation with the representing union, and cross-reference it to the form.

6. Appraisal Programs

6A. Standard Program Requirements

6. APPRAISAL PROGRAMS

A. ☐ In accordance with 5 CFR 430.205-208, each appraisal program under this system will:

- (1) specify the employees covered by the program;
- (2) specify an effective date;
- (3) specify the procedures and requirements for planning, monitoring, and rating performance, including how elements and standards will be established and appraised and the pattern and method(s) for assigning summary levels;
- (4) designate the length of the program's appraisal period;
- (5) establish criteria and procedures to address employee performance for employees who are on detail, who are transferred, and, as needed, for other special circumstances; and
- (6) establish a savings provision for the program comparable to 5 CFR 430.201(b), i.e., The processing of any administrative action already initiated when this program becomes effective shall continue consistent with the procedures and requirements of the program in effect when initiating the action.

Section 6A of OPM Form 1631

Regulatory Citations. 5 CFR 430.205, 5 CFR 430.206, 5 CFR 430.207, and 5 CFR 430.208

Supplementary Instruction. Section 6A provides a means for the agency to include as part of its appraisal system an affirmation that all the programs established under its system will meet basic regulatory and administrative requirements. That affirmation is necessary for OPM to approve the system as meeting statutory requirements. Consequently, the box in this section **must** be checked.

An agency's system must ensure that its appraisal programs will comply with regulatory requirements. By checking the box at Section 6A, the agency is indicating that it will require programs established under its system to comply with the items listed. Any internal guidance to program designers (whether as an internal instruction, program design guidelines, or incorporated as part of the formal system description and attached to OPM Form 1631) should explain thoroughly that each program must address each item in Section 6A. The items included under Section 6A are discussed below.

1. Programs must specify the employees covered by the program to ensure that no employee is covered by more than one program. In practical terms, the procedures for establishing separate appraisal programs ([see Section 6B](#)) will probably address this requirement.
2. Programs must specify an effective date. It must be very clear when old programs retire and new programs take effect. This will help ensure the execution and review, as needed, of administrative actions, including performance-based adverse actions, in proper alignment with the specific procedures in effect when initiated.
3. Programs must specify the procedures and requirements for how they will provide for planning, monitoring, and rating performance. If an agency wants to allow program designers maximum flexibility, its system would place no further restrictions

(See [Section 6C](#)) on how programs plan, monitor, and rate employee performance; the system would only require that programs explain how they would do so.

4. Each program must define the length of its appraisal period. As explained in [Section 2](#) of OPM Form 1631, OPM expects that appraisal periods will be 1 year.
5. The system must require its programs to define how they will address employee performance for employees who are on detail. Programs also must determine how appraisals will be handled for employees transferring in or out of the organization. In the interest of creating some agencywide equity in this regard, an agency may choose, but is not required, to use its appraisal system to establish uniform requirements (See [Section 6C](#)) for how programs will handle these matters.
6. Programs must include a provision similar to the savings provision at 5 CFR 430.201(b) to ensure no adverse effect on administrative actions that are pending on the effective date of a new program. Here, the idea of “savings” applies to preserving the effect of an administrative action. To accomplish this, OPM Form 1631 includes the following statement:

“The processing of any administrative action already initiated when this program becomes effective shall continue consistent with the procedures and requirements of the program in effect when initiating the action.”

In addition to the regulatory requirements that Section 6A repeats, system and program designers must bear in mind the statutory requirement at 5 U.S.C. 4302(a)(2) for agencies to encourage employee participation in establishing performance standards.

6B. Establishing Appraisal Programs

B. Establishing separate appraisal programs under this system.

- ☐ See attached description of criteria and procedures for establishing separate appraisal programs.
- ☐ Not applicable—at no time will there be more than one appraisal program established under this system.

Section 6B of OPM Form 1631

Regulatory Citations. 5 CFR 430.204(b)(4)

Supplementary Instruction. Section 6B addresses the criteria and procedures for establishing performance appraisal programs under the agency system. If an agency determines that there will be only one appraisal program for all employees covered by its system, check the second box, "Not applicable." However, systems that allow for establishing more than one appraisal program must develop criteria and procedures for establishing those programs and include them in the attachment to OPM Form 1631.

Maximum Flexibility. An agency that wishes to allow the maximum amount of flexibility possible to its components and across time will delegate the authority for establishing appraisal programs to lower levels of the organization. At Section 6B of OPM Form 1631, the agency would check "See attached description..." and include cross-referenced criteria and procedures in the form's attachment.

Whether and How to Establish Multiple Programs. Section 6B addresses two related questions.

- First, will the system allow more than one program?
- Second, if the answer to the first question is "Yes", what are the criteria and procedures for establishing programs?

The key to increasing the utility, credibility, and acceptance of an appraisal program lies in tailoring it to the work technology and work culture of the employees it covers. The sense of ownership and commitment cultivated by giving components the authority to "build their own" programs is an essential benefit of the decentralized approach that the regulations permit. In program design terms, it will not be uncommon for the differences across programs developed in such a decentralized setting to be relatively minor with respect to administrative features. What's important is the perception among those who use a program that it is unique to their needs. OPM encourages agencies to at least allow for multiple programs. Doing so would not mean that the agency must establish more than one program.

Having the multiple-program option available can also be useful when an agency wants to permit limited, controlled experimentation with an alternative to an agencywide program. For example, the agency may want to pilot using a different pattern of summary levels before adopting it agencywide or allowing its use permanently for a specific component or set of employees.

The Case for a Single Program. At Section 6B, the "not applicable" category most likely would apply to small agencies or agencies with highly centralized administrative and human resources functions. In these situations, an agency may choose the single program option in the interest of controlling costs and assuring uniformity.

Another "single program" situation could result if a system were defined so narrowly that it would operate as a de facto single program. For example, the system might

- cover all non-SES employees (other than those excluded by 5 U.S.C. 4301 or excepted service employees excluded by OPM regulation),
- select only one pattern of summary levels, and
- set substantial requirements and restrictions for program design.

When defining a system this narrowly, its program(s) could still contain variations in the length of minimum periods and in the levels for element appraisal. System designers must determine the needs within the agency for establishing different programs.

Internal Review and Approval Before Implementation. Appraisal programs are the specific policies and procedures implemented that conform to the requirements of law, regulation, and the agency system. Just as the law requires OPM approval of agency appraisal systems before their implementation, agencies should have policies requiring internal approval of appraisal programs. The official who signs the OPM Form 1631 (See [Certification and Signature](#) Section)—as well as successors to the same role/responsibility—is accountable for all programs established under the system being in full compliance with law and regulation, as well as any particulars of that agency system.

From an administrative perspective, the effective dates and coverage statements of specific appraisal programs are the most obvious features that would need some internal oversight and control to ensure an employee is not covered by more than one program at the same time. Beyond that, however, review of programs is also appropriate to ensure that they do not inadvertently violate some of the more technical aspects of appraisal law and regulation. Examples of such technical aspects include

- no rating by exception;
- no non-critical elements when using summary level pattern A ["Pass/Fail"];
- no critical elements measuring performance at the group level; and
- no delay of "acceptable-level-of-competence" (ALOC) determinations for granting a within-grade increase when an employee (1) is on an opportunity to improve after a determination performance on a critical element is "Unacceptable" or (2) has received notice of a proposed performance-based adverse action under either 5 CFR 432 or 5 CFR 752 procedures.

Of course, the signing official may reasonably delegate that review and approval to appropriate levels, especially in large, complex agencies that plan to decentralize appraisal program design to very low levels in the organization.

Criteria and Procedures. If an agency system allows for more than one program, the criteria and procedures for establishing separate programs under the system might include any, or a combination, of the following:

- the organizational limitations or restrictions for program coverage (e.g., permitting programs for organizational components, for geographical locations, for occupations);
- whose approval is necessary to authorize a program;
- the format for documenting a program;
- the procedures for submitting revisions to established programs; and
- a list of any other restrictions or requirements established by the agency for getting a program approved and implemented.

Design Questions. If allowing multiple programs under the system, have the system designers considered the following?

- Will there be a default program?
- What will be the determining factor for the level in the agency for establishing programs?
- Who will have the authority for approving programs?
- How will the agency ensure that programs are mutually exclusive in their coverage?
- Is there a specific format for submitting programs (e.g., a specific written format)?
- Who will approve and process revisions to programs, and how?
- Are there any additional criteria established by the system for establishing programs?

Examples. *NOTE: For each example that follows, in Section 6B of OPM Form 1631, check "See attached description..." and include the requirement/authority in the attachment to the form.*

- An agency system establishes a requirement that its programs obtain review and approval by submitting an approval form to Headquarters before implementation of the program.
- An agency system requires the following:
 - Establishing programs at each Regional Office and at the Headquarters Office;
 - Submitting programs to the Director of Human Resources for review and approval before implementation;
 - Submitting programs in writing, following a specific format as outlined in the agency's internal instruction to program designers; and
 - Submitting revisions to established programs to the Director of Human Resources before implementation.
- An agency delegates authority to review and approve separate programs to component Associate Directors.

6C. Additional Program Restrictions or Requirements

C. Additional appraisal program restrictions or requirements beyond the regulatory requirements in 6A and 6B above.

- ☐ Appropriate policy documents specifying additional restrictions, requirements, criteria, and procedures by which separate appraisal programs may operate under this appraisal system are attached.
- ☐ Not applicable—this system establishes no additional restrictions or requirements for appraisal program design or operation.

Section 6C of OPM Form 1631

Regulatory Citations. 5 CFR 430.204(b)(5)

Supplementary Instruction. Section 6C provides a place for establishing any additional appraisal program restrictions or requirements not specified in any other section of OPM Form 1631. If there are other procedures, rules, restrictions, or criteria that the agency system requires of all its programs, the attachment to the form must describe them.

Maximum Flexibility. For maximum flexibility, system designers would place no further restrictions on programs. In Section 6C of OPM Form 1631, the agency would check "Not applicable — this system...."

Minimizing Systemwide Requirements. OPM recommends that larger agencies minimize highly specific systemwide requirements as much as possible. Any limits that a system places on all its programs may cause program designers to perceive they cannot implement the most effective program for their organization.

6D. Transition Statement Requirement

D. ☐ The following **transition statement** assures the continued coverage of employees by an appraisal program while the agency establishes a new or revised system.

Between the date the Office of Personnel Management approves this system and the effective date of any new appraisal program established under this system, (Agency)_____ will continue to use the appraisal program(s) developed under the performance appraisal system approved by OPM, on (date)_____, as its appraisal program(s).

Section 6D of OPM Form 1631

Regulatory Citations. 5 CFR 430.204(b)(5)

Supplementary Instruction. Section 6D provides for the transition statement. The language about accommodating program transition allows some flexibility when implementing new programs with start-up and closeout cycles somewhat shorter or longer than 1 year. This accommodation language also covers situations where individual employees move between programs or different cycles within the same program (e.g., where an employee is promoted from a position that is appraised on a calendar year cycle to a position that is appraised on a fiscal year cycle).

This transition statement will be useful even for systems that use the single-program option because only very rarely will the effective date of the agency's new appraisal program exactly coincide with OPM's approval date for the appraisal system.

Carryover and Default Programs. When an agency establishes a new or revised system, it must assure the continued coverage of employees by some appraisal program. The simplest default is to leave all employees under a pre-existing appraisal program developed under a system previously approved by OPM.

7. Statutory Requirements

7. STATUTORY REQUIREMENTS

- ☐ In accordance with 5 U.S.C. 4302, this appraisal system, and its associated appraisal program(s), established by _____ provide or will provide for—
(Agency)
- establishing employee performance plans, including, but not limited to, critical elements and performance standards;
 - communicating performance plans to employees at the beginning of an appraisal period;
 - evaluating each employee during the appraisal period on the employee's elements and standards;
 - recognizing and rewarding employees whose performance so warrants;
 - assisting employees in improving unacceptable performance; and
 - Reassigning, reducing in grade, or removing employees who continue to have unacceptable performance, but only after an opportunity to demonstrate acceptable performance.

Section 7 of OPM Form 1631

Regulatory Citations. 5 CFR 430.204(b)(1)

Supplementary Instruction. Section 7 requires the agency to affirm the performance appraisal system and the appraisal program(s) established under that system will include the appraisal parts specified in law at 5 U.S.C. 4302(b). That affirmation is necessary for OPM to approve the system as meeting statutory requirements. Consequently, agencies **must** check the box in this section.

The agency name entered in the space provided must match the entry on the front of the form.

An agency's appraisal system and its appraisal programs must comply with statutory requirements. By checking the box at Section 7, the agency indicates that its system and programs will include the items listed. Regulatory requirements at subpart B of 5 CFR 430 cover the first three statutory requirements in more detail. They also cover any additional systemwide requirements that the agency may have chosen to add.

The final three statutory requirements focus on using the results of performance appraisal to reward excellent performance and to take appropriate steps to deal with unacceptable performance. These last requirements relate directly to two merit system principles that are an integral feature of the Government's basic policies about performance management, and agencies often may overlook:

- *"...Appropriate incentives and recognition should be provided for excellence in performance." -5 U.S.C. 2301(b)(3)*
- *"Employees should be retained on the basis of the adequacy of their performance, inadequate performance should be corrected, and employees should be separated who cannot or will not improve their performance to meet required standards."*
- U.S.C. 2302(b)(6)

These merit system principles, appearing as they do among the fundamental statutory tenets of human resource management for the Federal Government, underscore performance management's dual objectives of establishing and maintaining individual accountability and encouraging excellent performance.

Certification and Signature

I certify that this appraisal system, all its related appraisal programs, and the use of appraisal results conform or will conform to applicable law and regulation and request OPM approval of this appraisal system.

(Signature of agency head or designee)

(Date)

FOR OPM USE ONLY

This performance appraisal system has been reviewed in accordance with 5 U.S.C. 4304(b)(1) and conforms to the requirements specified in 5CFR part 430, subpart B.

Date Approved: _____

Approving Official Initials: _____

Regulatory Citations. 5 CFR 430.204(b)(5) and 5 CFR 430.209(a)

Supplementary Instructions. This section of the form is a certification by the head of the agency or his or her designee that the performance appraisal system, the appraisal program(s) established under that system, and the use of appraisal results are and will be in compliance with applicable law and regulations. It also includes the formal request for OPM approval of the system. The appropriate official must sign this certification for OPM to review and approve the system.

Typically, before submitting the signed and dated form, agency staff will have conferred with OPM staff and shared draft materials. OPM recommends this approach so that agency staff can obtain the original signature on a version of the form that OPM has already thoroughly reviewed.

Conformance with Applicable Law and Regulation. The statement signed here seems fairly straightforward. However, it represents a commitment to abide by a substantial number of related requirements and restrictions found in statute, Executive order, and regulation. OPM takes a signature on OPM Form 1631 as a pledge of conformity.

By signing the statement on OPM Form 1631, the designated agency official accepts responsibility for assuring the agency will carry out properly these required applications of performance appraisal results.

OPM Review and Approval. After reviewing the OPM Form 1631 and its attachments for completeness and consistency and requesting any additional information required, OPM approves the agency's appraisal system. OPM [enters the effective date and initials the approved system on the OPM Form 1631], returns a copy of the form, approval letter, and its attachment to the agency, and files the original the OPM form 1631 in OPM files.

Revisions to Appraisal Systems

When an agency wishes to make changes to its appraisal system impacting a regulatory requirement or changing one of the items on OPM Form 1631, it must submit those changes to OPM for approval prior to their implementation. The agency should alert OPM staff and forward the following to OPM:

- a cover letter referencing the existing appraisal system by its approval date and describing the changes;
- OPM Form 1631, revised as necessary; and
- appropriate attachments to OPM Form 1631, which, at agency option, may consist of replacement pages for the attachments previously reviewed and approved.

OPM must approve changes to an appraisal system that impact a regulatory requirement or changes the content of OPM Form 1631 prior to their implementation. OPM approval establishes a new effective date for the agency's system as shown on the revised OPM Form 1631 unless OPM specifies a different date in the approval letter. OPM will provide a letter to the agency acknowledging approval of the system and a copy of the amended system. OPM will retain the original submission for its files.

When an agency wishes to make changes to its appraisal system contained in the additional documentation attached to the original, approved OPM Form 1631, it must notify OPM of those changes and get approval prior to their implementation. The agency should discuss such changes with OPM staff to determine what is needed. Generally, an agency will send the following to OPM:

- notification of the changes, including a description; and
- revised attachments to OPM Form 1631, which, at agency option, may consist of replacement, or annotated, pages for the attachments previously reviewed and approved.

OPM will provide notification to the agency acknowledging approval of the changes to the attachments. OPM will retain a copy of the revised documents for its files.

OPM Form 1631, Performance Appraisal System Description

Agency: _____

1. System Coverage

All agency non-SES employees, other than those excluded by 5 U.S.C. 4301(2) or excepted service employees excluded by OPM regulation or with specific OPM approval (description of OPM-approved exclusions attached)

All agency non-SES/SL/ST employees, other than those excluded by 5 U.S.C. 4301(2) or excepted service employees excluded by OPM regulation or with specific OPM approval (description of OPM-approved exclusions attached)

All agency SL/ST employees other than those excluded by 5 U.S.C. 4301(2) or excepted service employees excluded by OPM regulation or with specific OPM approval (description of OPM-approved exclusions attached)

Other (description of coverage with applicable exclusions attached)

2. Appraisal Period

All programs will have a 1-year appraisal period, except as needed to accommodate program transition.

3. Summary Levels

Each appraisal program under this system will use any one, but only one, of the following patterns for assigning summary levels (mark all that apply):

Pattern Selection	Pattern	Summary Level 1	Summary Level 2	Summary Level 3	Summary Level 4	Summary Level 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

Other restrictions or requirements for using patterns or deriving summary levels: none see attached description

4. Element Appraisal

Within the following parameters, each appraisal program will provide for establishing employee performance plans that include at least one critical element and, where applicable, non-critical element(s):

Restrictions or requirements: none see attached description

Minimum number of appraisal levels: _____ **Maximum number of appraisal levels:** _____

5. Minimum Period

Within the following parameters, each appraisal program will establish a minimum period of performance that must be completed before a performance rating can be given:

Minimum number of days: _____ **Maximum number of days:** _____

Other restrictions/requirements: none see attached description

6. Appraisal Programs

A. In accordance with 5 CFR 430.205–208, each appraisal program under this system will:

- (1) specify the employees covered by the program;
- (2) specify an effective date;
- (3) specify the procedures and requirements for planning, monitoring, and rating performance, including how elements and standards will be established and appraised and the pattern and method(s) for assigning summary levels;
- (4) designate the appraisal period, including any exceptions permitted for special circumstances;
- (5) establish criteria and procedures to address employee performance for employees who are on detail, who are transferred, and, as needed, for other special circumstances; and
- (6) establish a savings provision for the program comparable to 5 CFR 430.201(b), i.e., The processing of any administrative action already initiated when this program becomes effective shall continue consistent with the procedures and requirements of the program in effect when initiating the action.

B. **Establishing separate appraisal programs under this system.**

See attached description of criteria and procedures for establishing separate appraisal programs.

Not applicable—at no time will there be more than one appraisal program established under this system.

C. **Additional appraisal program restrictions or requirements beyond the regulatory requirements in 6A and 6B above.**

Appropriate policy documents specifying additional restrictions, requirements, criteria, and procedures by which separate appraisal programs may operate under this appraisal system are attached.

Not applicable—this system establishes no additional restrictions or requirements for appraisal program design or operation.

D. The following **transition statement** assures the continued coverage of employees by an appraisal program while the agency establishes a new or revised system.

Between the date the Office of Personnel Management approves this system and the effective date of any new appraisal program established under this system, (Agency) _____ will continue to use the appraisal program(s) developed under the performance appraisal system approved by OPM, on (Date) _____, as its appraisal program(s).

7. Statutory Requirements

In accordance with 5 U.S.C. 4302, this appraisal system, and its associated appraisal program(s), established by (Agency) _____ provide or will provide for—

- establishing employee performance plans, including, but not limited to, critical elements and performance standards;
- communicating performance plans to employees at the beginning of an appraisal period;
- evaluating each employee during the appraisal period on the employee's elements and standards;
- recognizing and rewarding employees whose performance so warrants;
- assisting employees in improving unacceptable performance; and
- reassigning, reducing in grade, or removing employees who continue to have unacceptable performance, but only after an opportunity to demonstrate acceptable performance.

I certify that this appraisal system, all its related appraisal programs, and the use of appraisal results conform or will conform to applicable law and regulation and request OPM approval of this appraisal system.

(Signature of agency head or designee)

(Date)

For OPM Use Only

This performance appraisal system has been reviewed in accordance with 5 U.S.C. 4304(b)(1) and conforms to the requirements specified in 5 CFR part 430, subpart B.

Date Approved: _____

Approving Official Initials _____

Appendix B

Instructions for Submitting a Non-SES Performance Appraisal System for OPM Review and Approval – OPM Form 1631

Agencies will use **OPM Form 1631, Performance Appraisal System Description**, to provide OPM with the information it needs to fulfill its statutory responsibility under 5 U.S.C. 4304(b)(1) for reviewing agency performance appraisal systems to ensure they comply with law and regulation. Provided all requirements are met, OPM will approve a system based on the information included on the OPM Form 1631 and any necessary attachments. We encourage agencies to develop systems with maximum flexibility. A system with maximum flexibility gives program designers the ability to tailor programs that can support the organization's strategic goals, culture, and type of work.

Instructions for completing each section of the OPM Form 1631 follow. Detailed guidance on requesting OPM review and approval is contained in "A Guide to Submitting Non-SES Performance Appraisal Systems for OPM Review and Approval," a copy of which can be requested by emailing performance-management@opm.gov.

PERFORMANCE APPRAISAL SYSTEM DESCRIPTION (name of submitting agency)

Enter the name of the submitting agency (i.e., Executive department or independent establishment).

- 1. SYSTEM COVERAGE** defines the employees covered by the system. Check the box that applies. If agency has excepted service employees specifically excluded by OPM or if "Other" is selected, provide a description of the covered employees and the applicable exclusions in an attachment cross-referencing this section of the OPM Form 1631.
- 2. APPRAISAL PERIOD** establishes the length of performance cycles as 1 year, for which ratings of record will be prepared. Check this box to indicate that programs under the system will incorporate an automatic exception to accommodate a start-up or close-out cycle when initiating or discontinuing an appraisal program. This could also apply to an individual employee who transitions between programs (e.g., due to reassignment or transfer).
- 3. SUMMARY LEVELS** establishes the patterns of summary levels that appraisal programs under the system may use. Additionally, this section establishes any system-wide restrictions or requirements for using particular patterns or methods programs may use for assigning a summary level on the basis of element appraisals (see 4 below). Check the appropriate box to indicate whether the system includes any such restrictions or requirements, and, as needed, attach a description. For maximum flexibility: check each box for patterns A through H and check "none" at **Other restrictions or requirements for using patterns and/or deriving summary levels**.
- 4. ELEMENT APPRAISAL** describes system parameters within which appraisal programs will use critical and non-critical elements to establish employee performance plans and appraise performance. Check the appropriate box to indicate whether the system includes any restrictions or requirements about numbers of appraisal levels, how particular elements may or may not be used or appraised, etc., and, as needed, attach a description. Indicate on the form the minimum and maximum number of levels at which elements, both critical and non-critical, may be appraised. The lowest minimum number of appraisal levels is two. For maximum flexibility: check "none" for **Restrictions or requirements**; enter "two" for **Minimum number of appraisal levels**, and "none" for **Maximum number of appraisal levels**.

5. MINIMUM PERIOD establishes the range for the length of time programs under the system may use as the period of performance that must be completed before a performance rating can be prepared. If these numbers are to be left entirely to the discretion of program designers (e.g., to accommodate minimum periods that may be negotiated as part of a collective bargaining agreement), enter “*none*” for both the minimum and the maximum number of days. Check the appropriate box to indicate whether the system includes any other restrictions or requirements for setting minimum periods, and, as needed, attach a description. If the program establishes a single minimum period, such as 90 days, fill in “*90 days*” for both minimum and maximum number of days.

6. APPRAISAL PROGRAMS

A. Check this box to indicate that programs under the system will comply with regulations.

B. Establishing separate appraisal programs under this system. Check the box that applies. As needed, attach a description of criteria and procedures required when components or organizations want to establish different appraisal programs under the system.

C. Additional appraisal programs restrictions or requirements beyond the regulatory requirements in 6A and 6B above. Check the box that applies. As needed, attach a description of any additional restrictions, requirements, criteria, or procedures programs established under the system must address

D. Check this box to indicate the agency assures the continued coverage of employees by an appraisal program while the agency establishes a new or revised system or program. Enter the name of the submitting agency and date in the transition statement.

7. STATUTORY REQUIREMENTS Check this box to indicate that the system and the programs established under the system will comply with statutory requirements. Enter the name of the submitting agency.

OBTAINING OPM APPROVAL When an agency wishes to establish a new system, make changes to its current appraisal system impacting a regulatory requirement, or change one of the items on OPM Form 1631, it must submit those changes to OPM for approval prior to their implementation. The agency should alert its designated OPM Agency Operations and Services POC and email the following to performance-management@opm.gov:

- 1) A copy of the letter requesting approval signed by the agency head or designee addressed to Veronica Hinton, Associate Director, Workforce Policy and Integration;
- 2) The completed, signed OPM Form 1631 (Obtain a dated, original signature on OPM Form 1631 by the agency head or designee. This will confirm the performance appraisal system, its related programs, and the use of appraisal results will conform to applicable law and regulation, and will serve as the formal request for OPM approval); and
- 3) All appropriate attachments to the OPM Form 1631. When an agency wishes to replace pages for the attachments previously reviewed and approved, it should discuss such changes with OPM staff to determine what is needed and how to proceed.

OPM will review the system and consult with the agency as needed until the system can be approved. Once approved, OPM will return a copy of OPM Form 1631 and a letter indicating the date upon which the system was approved by OPM.