

**IRS PERFORMANCE MANAGEMENT SYSTEM:
GUIDE FOR EVALUATING
EMPLOYEES**



**Department of Treasury
Internal Revenue Service**

April 2000

Note: This guide has been developed in accordance with applicable statutes (including RRA '98), NORD/NC V and Office of Personnel Management (OPM) regulations. Where this Guide is silent, the bargaining contract, applicable OPM regulations, and Department of Treasury directives govern. Where this Guide conflicts with the IRM, this Guide governs. Specific sections referenced in writing in this document are as follows:

- 5 USC Sections 3132, 4300, 4500, 5300, 7103
- 5 CFR Parts 293, 315, 335, 339, 351, 359, 430, 432, 451, 531, 771, 792
- IRM Sections 315, 335, 0.4.3, 0.4.5, 430, 432, 434, 531, 700
- Section 1204, RRA '98
- NORD V/ NC V



TABLE OF CONTENTS

- 1.0 INTRODUCTION..... 1**
- 2.0 OVERVIEW OF THE PERFORMANCE MANAGEMENT SYSTEM..... 2**
 - 2.1 Performance Management System Roles and Responsibilities 3**
 - 2.2 Key Changes to the Performance Management System for FY 2000 4**
- 3.0 STEPS IN THE PERFORMANCE MANAGEMENT SYSTEM 5**
 - 3.1 Step 1: Planning Expectations 5**
 - 3.1.1 Starting the Performance Management Cycle..... 6
 - 3.1.2 Providing a Performance Plan..... 6
 - 3.1.3 Changes to a Performance Plan..... 9
 - 3.1.4 “Getting Behind the Numbers” 9
 - 3.1.5 Discussing the Fair and Equitable Treatment of Taxpayers Retention Standard 10
 - 3.2 Step 2: Monitoring Progress 12**
 - 3.2.1 Monitoring Critical Job Elements 13
 - 3.2.2 Addressing the Need for Performance Improvement 13
 - 3.2.3 Conducting Progress Reviews..... 16
 - 3.2.4 Employee Performance Folders 19
 - 3.2.5 Understanding the Role of a Coach..... 20
 - 3.3 Step 3: Evaluating Performance..... 21**
 - 3.3.1 Annual Performance Appraisals..... 21
 - 3.3.2 Other Types of Performance Appraisals 28
 - 3.3.3 Rating Performance Against The Retention Standard..... 29
 - 3.3.4 Rating Critical Job Elements..... 29
 - 3.3.5 Assigning the Summary Rating..... 30
 - 3.3.6 Assigning Interim or Other Ratings 30
 - 3.3.7 Holding the Performance Appraisal Meeting..... 32
 - 3.3.8 Processing the Signed Performance Appraisal..... 32
 - 3.3.9 Tracking Performance Appraisals 32
 - 3.3.10 Rebuttals/Grievances 33
 - 3.3.11 Amending the Rating 34
 - 3.4 Step 4: Recognizing Performance 35**
 - 3.4.1 Quality Step Increases..... 35

APPENDIX A—GLOSSARY OF KEY TERMS

APPENDIX B—FORMS 6774 AND 12337

- Form 6774, Receipt of Performance Plan and/or Numerical Aspects
- Form 12337, Retention Standard

APPENDIX C—PERFORMANCE APPRAISAL FORM AND GUIDELINES

- Form 6850, Performance Appraisal
- Manager Guidelines for Completing Form 6850, Performance Appraisal

APPENDIX D—GUIDELINES FOR COMPETITIVE ACTION PERFORMANCE APPRAISAL

APPENDIX E—DEPARTURE PERFORMANCE APPRAISAL PROCESS



LIST OF EXHIBITS/ FIGURES/ TABLES

Exhibit 1—Performance Management Milestones 7

Exhibit 2—Sample Completed Form 6774 8

Exhibit 3—Examples of Retention Standard Behavior 11

Exhibit 4—Guidelines for Processing Within-Grade Increases (WGI) 14

Exhibit 5—Optional Progress Review Worksheet 17

Exhibit 6—Sample Completed Progress Review Worksheet 18

Exhibit 7—Optional Appraisal Worksheet 25

Exhibit 8—Sample Completed Appraisal Worksheet 26

Figure 1—Key Features of the Performance Management System 2

Figure 2—“Getting Behind the Numbers” 9

Table 1— Performance Management System Roles and Responsibilities 3

Table 2—Appraisal Schedule for BU/NBU Non-Supervisory Employees 22

Table 3—Rating Definitions for Critical Job Elements 29

Table 4—Rating Definitions for Summary Ratings 30

Table 5—Assigning Interim or Other Ratings 31



1.0 INTRODUCTION

An important responsibility of IRS supervisors is to enhance organizational and individual performance by setting clear expectations, providing managerial support, fostering open communications, and linking individual and organizational objectives. The foundation of our Performance Management System rests on four guiding principles:

- ☛ Strengthen the linkages between Performance Management and the Service's mission, strategic business goals, business plans, and Balanced Measures.
- ☛ Shift the focus of performance management from a single event (the annual performance appraisal) to a systematic, ongoing process that supports the Service's culture and enhances results.
- ☛ Change the perception of performance management as a time-consuming, stressful human resource activity to a process for helping achieve business objectives.
- ☛ Ensure long-term success by balancing the achievement of results with demonstration of actions taken to achieve them.

The IRS Restructuring and Reform Act of 1998 (RRA '98) required the IRS to establish a Retention Standard for Fair and Equitable Treatment of Taxpayers for employees.



The remainder of this Guide describes the Performance Management System for the IRS workforce (excluding executives, managers, and management officials) and presents the performance forms used in this system.

The Performance Management System will continue to evolve as we gain more experience in implementing our new culture, organization, and processes. You should routinely visit the Support Services Web Site at <http://www.dss.swro.swr.irs.gov/acss/web/personnel/performance.html> for updates on Performance Management initiatives and to submit questions on any aspect of this system. Your servicing Personnel Office can provide support and guidance in administering the new Performance Management System. Please visit the above web site to see a list of Personnel Office contacts who will be glad to provide assistance.

Appendix A presents a glossary of key terms used this Guide.

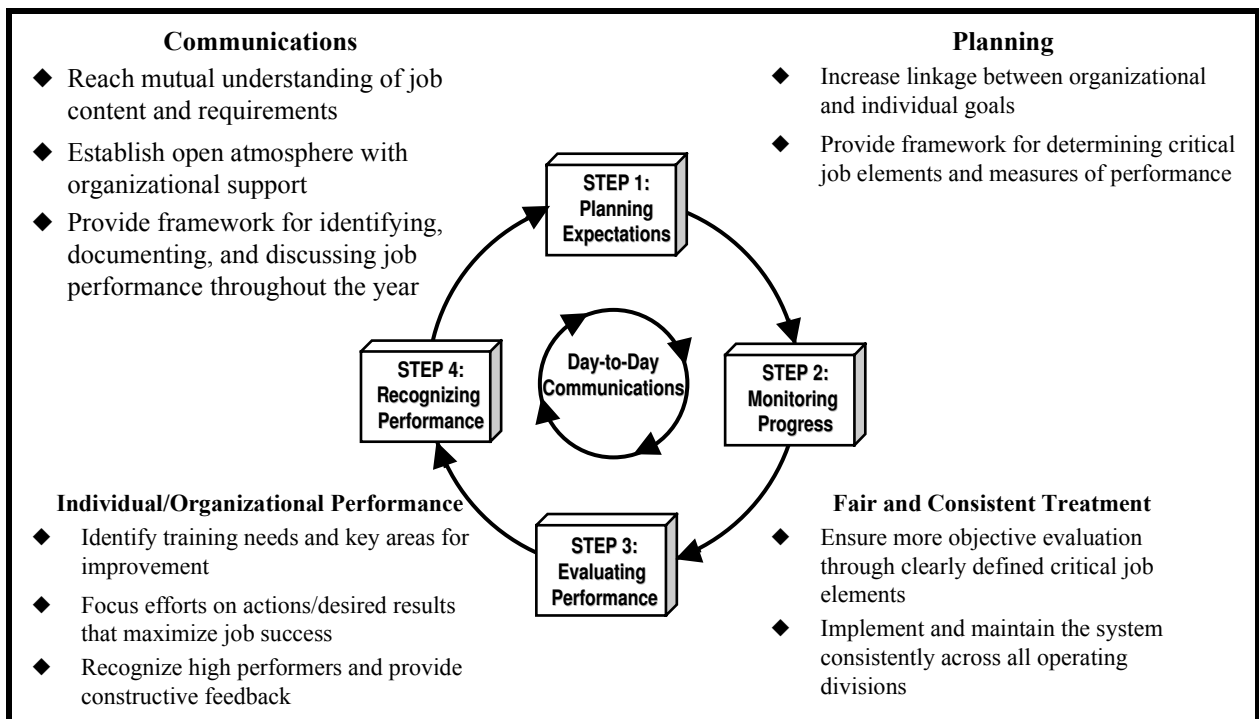


2.0 OVERVIEW OF THE PERFORMANCE MANAGEMENT SYSTEM

The Performance Management System is an ongoing process of planning critical job elements and monitoring, evaluating, and recognizing performance. Evaluating performance—completing forms and assigning a summary appraisal rating—is only one step in the Performance Management System.

The Performance Management System provides a framework for supervisors and employees to improve communications, coordinate planning activities, link individual and organizational performance, and ensure fair and consistent treatment. Figure 1 shows the key features of the Performance Management System.

Figure 1—Key Features of the Performance Management System





2.1 PERFORMANCE MANAGEMENT SYSTEM ROLES AND RESPONSIBILITIES

Many people have a role in the successful implementation of our Performance Management System. Table 1, below, shows the roles and responsibilities for each participant or office.

**Table 1—
Performance Management System Roles and Responsibilities**

PARTICIPANT/OFFICE	ROLE AND RESPONSIBILITIES
Commissioner	<ul style="list-style-type: none"> Ensures system conforms to applicable laws, regulations, and Department of Treasury policy
National Director, Personnel Policy Division	<ul style="list-style-type: none"> Establishes IRS Performance Management System program and reviews program to identify areas for improvement
Servicing Personnel Offices	<ul style="list-style-type: none"> Implement, review, and improve administration of IRS Performance Management System program within area of jurisdiction Advise and guide employees on the system and related laws, regulations, and policies
Chief Officers and Regional Commissioners	<ul style="list-style-type: none"> Ensures performance management program policies and procedures are administered effectively
Rating and Reviewing Officials	<ul style="list-style-type: none"> Review and approve summary appraisals Review employee's critical job elements
Labor Relations Specialist	<ul style="list-style-type: none"> Consults on unacceptable performance issues
Field Educational Office	<ul style="list-style-type: none"> Consults on developmental resources
Transactional Processing Center (TPC)	<ul style="list-style-type: none"> Inputs summary appraisal rating level into the automated personnel system
Supervisor	<ul style="list-style-type: none"> First level supervisor who explains and documents performance expectations including the Retention Standard and critical job elements; monitors progress; evaluates and recognizes performance and discusses development needs Conducts ongoing and midyear progress reviews
Team Leader	<ul style="list-style-type: none"> May provide input to the employee's rating official, either verbal or written, on the establishment of CJE's and/or the appraisal of performance May use a variety of coordinating, coaching, facilitating, consensus building, and planning techniques to ensure work is carried out by team members
Union Representative	<ul style="list-style-type: none"> Review new CJE's prior to implementation Attends meetings with BU employees and their supervisors on CJE implementation
Employee	<ul style="list-style-type: none"> Works with supervisor to develop critical job elements and expectations for successful performance including training needs and career goals Keeps supervisor informed of progress and ideas for improving performance or impediments to getting assignments accomplished Communicates required resources and support May initiate discussions with supervisor about performance Completes self-assessment



2.2 KEY CHANGES TO THE PERFORMANCE MANAGEMENT SYSTEM FOR FY 2000

This section held in reserve. Under development.



The next sections guide you through each step in the Performance Management System for IRS employees.

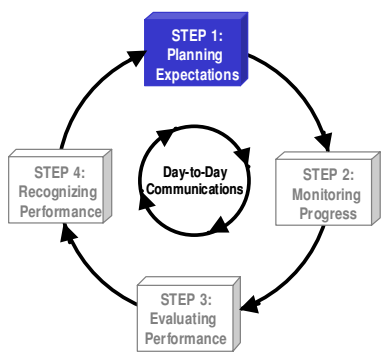


3.0 STEPS IN THE PERFORMANCE MANAGEMENT SYSTEM

Supervisors in the IRS are accountable for supporting the Service’s mission to “provide America’s taxpayers top quality service by helping them understand and meet their tax responsibilities, and by applying the tax laws with integrity and fairness to all.” The following sections describe the key activities that should be conducted during each step in the Performance Management System.

3.1 STEP 1: PLANNING EXPECTATIONS

The supervisor provides to the employee position-specific critical job elements (CJEs) to be achieved during the employee’s performance period.



SUPERVISORY ACTIVITY	PERFORMANCE APPRAISAL REFERENCE
<div style="border: 1px solid blue; padding: 5px; display: inline-block; width: 80%; margin-bottom: 10px;"><i>Provide CJEs to Employee</i></div>	<ul style="list-style-type: none"> ◆ CRITICAL JOB ELEMENTS: <ul style="list-style-type: none"> – Derived from IRS mission, strategic business goals, and business plan and Balanced Measures** – Address timing, expected performance levels, and measurement methods for each CJE – Discuss organizational resources needed to meet the critical job elements. ◆ **See IRM 105.4, Managing Statistics in a Balanced Measurement System, for guidance on appropriate measurement methods.
<div style="border: 1px solid blue; padding: 5px; display: inline-block; width: 80%; margin-bottom: 10px;"><i>Discuss Retention Standard with Employee</i></div>	<ul style="list-style-type: none"> ◆ FORM 12337, RETENTION STANDARD: Ensure common understanding of the Retention Standard.
<div style="border: 1px solid blue; padding: 5px; display: inline-block; width: 80%; margin-bottom: 10px;"><i>Document Performance Plan</i></div>	<ul style="list-style-type: none"> ◆ FORM 6774, RECEIPT FOR PERFORMANCE PLAN: Signed by the supervisor and employee. ◆ Retain a copy of the CJEs to guide performance and to help document accomplishments.



3.1.1 Starting the Performance Management Cycle

The Performance Management Cycle includes several key milestones, as shown in Exhibit 1. For each Bargaining Unit (BU) position and Non-Bargaining Unit (NBU) position covered by critical job elements and performance aspects that you supervise, you must document and implement a performance plan. Often performance plans are developed and used for all of the positions in the same career ladder. Career ladder positions are usually identified in the position description and the vacancy announcement. When performance plans do not change in conjunction with career ladder and competitive promotions, the supervisor should clarify with employees the higher graded requirements and expectations.

3.1.2 Providing a Performance Plan

Providing the appropriate performance plan is a three-step process: 1) identifying the appropriate set of critical job elements, 2) sharing and discussing the plan with the employee, and 3) finalizing the performance plan with the employee.

Providing the performance plan is critical. Your assessment of an employee against his or her job elements and performance aspects forms the basis for several actions, including recognizing and rewarding the employee, determining employee development needs, helping the employee improve, resolving performance deficiencies, or removing an employee who continues to perform in an unacceptable manner.

Step 1—Identifying the Appropriate Set of Critical Job Elements

You can either start from an existing plan that is appropriate for the employee's position or obtain a new performance plan if an appropriate set of critical job elements for the employee's position description does not exist. In the latter case, you must contact your servicing Personnel Office for guidance in obtaining the appropriate CJE s.

You can obtain the appropriate forms from your servicing Personnel Office or from the Multimedia Production Division web site at <http://publish.no.irs.gov/>. You can obtain standard position descriptions from the National Classification Center by calling 404-338-7250 or from their web site at <http://www.dss.swro.swr.irs.gov/acss/web/personnel/spd/spds.html>.

Step 2. Sharing and Discussing the Plan with the Employee

You must share the performance plan with the employee within 30 days of the beginning of the rating period. This timeframe ensures that the employee understands your expectations for job performance and what performance is needed to achieve a specific rating.

Within the first 30 days of the cycle, you should set up a meeting with your employee. Encourage your employee to come to the meeting with preliminary ideas of how he or she can contribute to the overall success of the IRS mission, strategic business goals and business plan. You should bring the Receipt of Performance Plan and/or Numerical Aspects, Form 6774, to the meeting as well as the employee's new or existing CJE s and the Retention Standard, Form 12337. These meetings can occur as a group meeting or as a one-on-one session between the employee and the manager. The supervisor decides the type of meeting on a case-by-case basis. Each union chapter whose Bargaining Unit members are attending the meeting will be provided reasonable notification and an opportunity to attend the meeting. Exhibit 2 provides a sample of a completed Form 6774. Appendix B contains blank Forms 6774 and 12337.



Exhibit 1—Performance Management Milestones

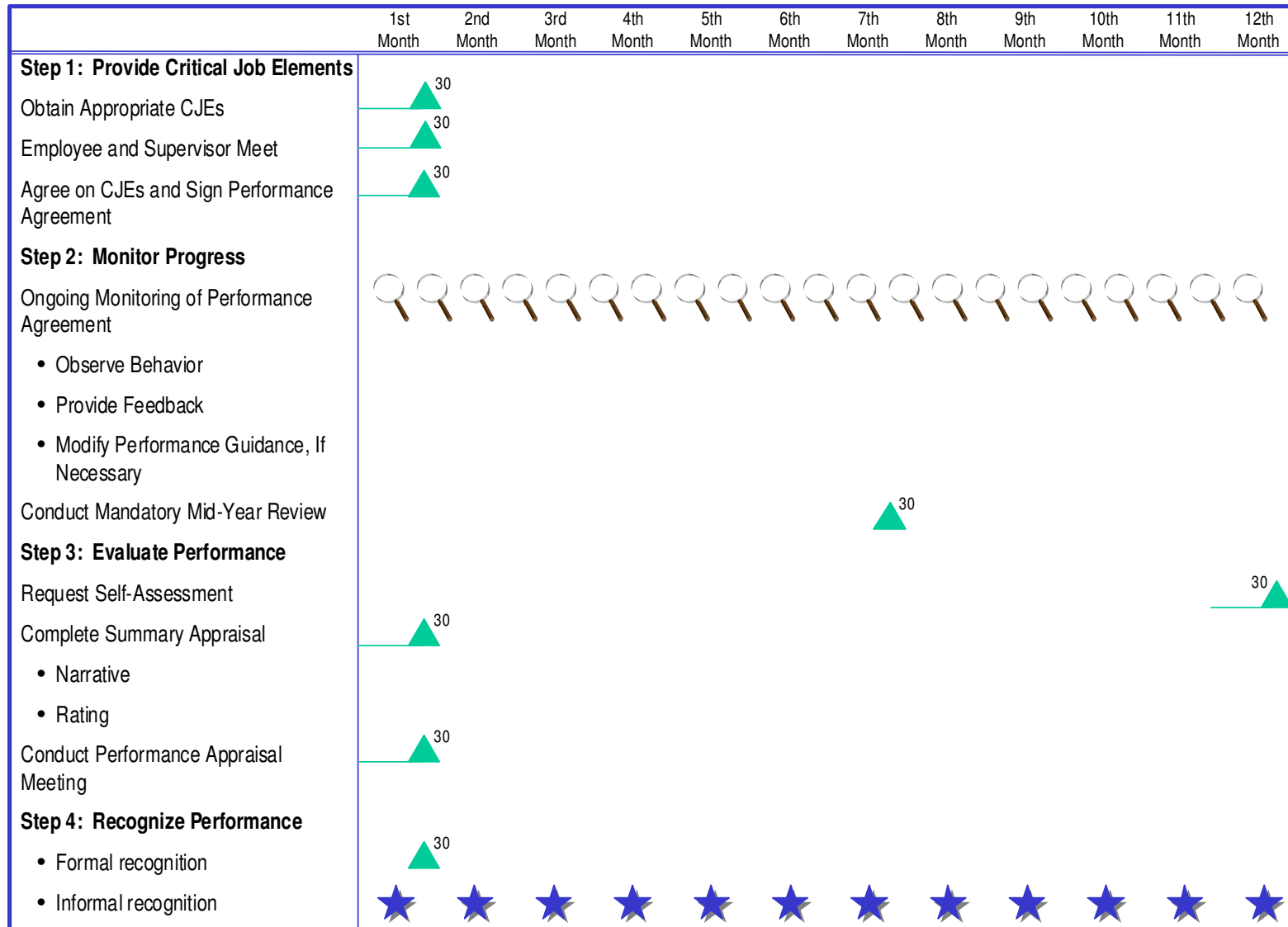




Exhibit 2—Sample Completed Form 6774

Receipt for Performance Plan and/or Numerical Aspects		
Name	Title of Position	
Michelle R. Leslie	Program Analyst	
3		
Series and Grade	Organization	SPD/PD No.
GS-343-11	Support Services/Personnel Branch	97500
4		
Complete Only for Assignments with Numerical Aspects		
<input type="checkbox"/> Performance Plan	<input type="checkbox"/> Change to Numerical Performance Aspect	
<input type="checkbox"/> Numerical Performance Aspects		
5		
I have received a copy of my job elements and performance aspects, and have discussed them with my supervisor.		
6		
Employee	Date	
/s/ Michelle R. Leslie	October 4, 1998	
7		
Supervisor	Date	
/s/ Joan Cagney	October 4, 1998	
FORM 6774 (Rev. 10/98)	Department of the Treasury—Internal Revenue Service	
8		

Per contract requirements, you must invite an NTEU representative to attend any meetings you hold with BU employees concerning their performance plans or critical job elements.

This portion of the performance system ensures that you identify, determine, and discuss with your employees current and future projects and timeframes to meet your organization's mission. This is accomplished through a two-way discussion, explaining your commitments to higher management, and the role your employees play in helping you meet and exceed those goals and objectives. This linkage is referred to as "upward consistency." These assignments will relate to both long- and short-term Servicewide, division or other organizational performance initiatives.

You and your employee should also discuss the organizational resources (e.g., dollars, staff, training) needed to support the accomplishment of each CJE. In some cases, no extra resources will be needed to accomplish the CJE. In other cases, you should commit to providing the necessary resources to allow the employee to accomplish the CJE's in the performance plan.

Step 3. Finalizing the Performance Plan with the Employee

After discussing the performance plan and expectations for each CJE in the performance plan with the employee, you and the employee must sign Form 6774, Receipt for Performance Plan and/or Numerical Standards and Form 12337, Retention Standard. This is the contract between you and your employee outlining expectations for the next rating cycle. These forms acknowledge receipt and discussion of the performance plan between you and the employee.

You must both sign Forms 6774 and 12337 each year, even if the plan does not change.

You should provide the employee with a copy of the performance plan and Forms 6774 and 12337. This will help the employee to guide his or her performance and document accomplishments and other events of significance.



You should attach the original documents to the employee’s position description and keep it in the Employee Performance File (EPF), which is discussed later in this guide.

3.1.3 Changes to a Performance Plan

If during the rating cycle it is necessary to make changes to the employee’s performance plan, it is important that you document the changes that occur throughout the cycle as necessitated by organizational, environmental, personal, or other conditions. You must document these discussions either on the Progress Review Worksheet (See Section 3.2.3) or a separate sheet of paper. At all times you should provide a copy to your employee.

Changes should be made at least 60 days before the end of the employee's rating period to prevent having to extend the rating period.

For BU positions only, you must communicate to an NTEU representative any changes to the performance plan that you make during the rating period.

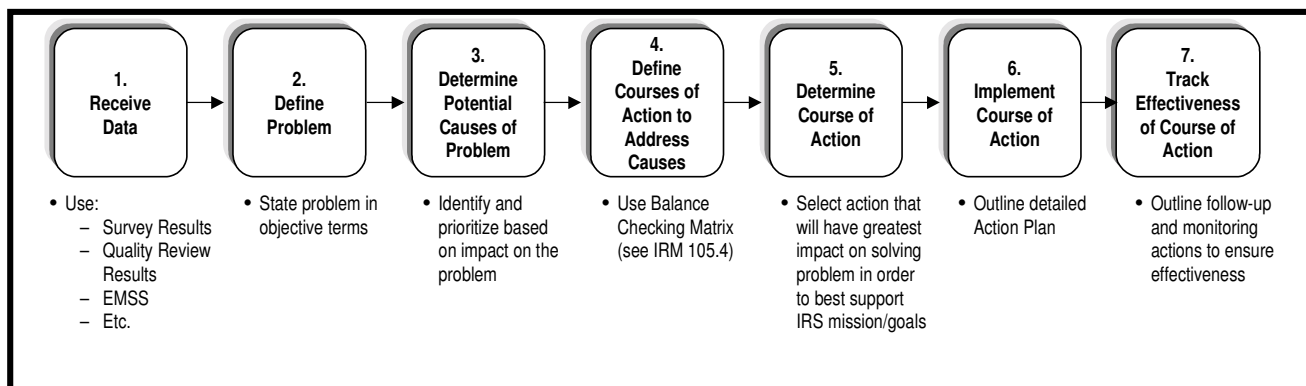
3.1.4 “Getting Behind the Numbers”

Critical job elements should be qualitative in nature, but they can and should be guided and informed by the organization’s quantitative performance measures. The reason for this restriction is fundamental to the intent of the Balanced Measurement approach and critical to changing behaviors. If individuals are held accountable solely for achieving specific numeric targets, the natural response is to focus attention on the numbers and not on the actions.

“Getting behind the numbers” is a seven-step problem-solving process, as shown in Figure 2. Throughout this process, numbers are only a starting point. The objective is to identify the activities that apply to the individual critical job elements and that improve organizational performance.

In evaluating the performance of an employee, the numeric results achieved with any of the Balanced Measures (Employee Satisfaction, Customer Satisfaction, and Business Results) will never equate directly to a particular rating. Rather, an appraisal should focus on the actions that were taken (critical job elements) against the objectives and the results achieved to improve performance.

Figure 2—“Getting Behind the Numbers”



Chapter 2 of IRM 105.4, Managing Statistics in a Balanced Measurement System, provides more detail on how to use numbers appropriately in evaluating organizational and individual performance.



3.1.5 *Discussing the Fair and Equitable Treatment of Taxpayers Retention Standard*

Supervisors should discuss with their employees behaviors that meet and do not meet the Fair and Equitable Treatment of Taxpayers Retention Standard. Exhibit 3 provides examples of behavior that may result in a “Met” or “Not Met” rating.



HELPFUL HINTS FOR DISCUSSING THE RETENTION STANDARD

- ✓ Note the potential impacts of not meeting the standard.
- ✓ Avoid using the words “deliberately” or “intentionally” in describing behavior that does not meet the standard.
- ✓ Explain that infrequent lapses that are inadvertent or unavoidable will not result in a “Not Met” rating.
- ✓ Explain that a “Met” rating will have no effect on the summary appraisal, ranking in merit promotion actions or entitlement to performance awards.
- ✓ Explain that a “Not Met” rating for the Retention Standard will result in a “Not Met” summary appraisal rating. A “Not Met” summary appraisal rating makes the employee ineligible for a performance award, within-grade increase, career ladder promotion; to compete for a promotion opportunity or to complete a probationary period and may result in the employee’s removal.





Exhibit 3—Examples of Retention Standard Behavior

Standard: Fair and Equitable Treatment of Taxpayers

Administer the tax laws fairly and equitably, protect all taxpayers' rights, and treat each taxpayer ethically with honesty, integrity, and respect.

EXAMPLES OF PERFORMANCE THAT MEET THE STANDARD:

As observed in case file or Integrated Data Retrieval System actions, through managerial monitoring of phone calls, and through feedback received from the taxpayer and other outside sources, the employee:

- ❖ Responds to taxpayers in a timely manner.
- ❖ Protects taxpayer rights to privacy by following disclosure procedures.
- ❖ Uses communication techniques that are appropriate for the listener's level of understanding.
- ❖ Oral and written communications with the taxpayer are professional, courteous, and accurately state the facts.
- ❖ Listens to and considers the taxpayer's point of view.
- ❖ Advises taxpayers of full personal impact, such as interest and penalty accumulation, when the taxpayer advises they cannot pay their liability in full.
- ❖ Identifies self by providing name and badge number, as required by RRA '98 §3705.
- ❖ Identifies taxpayers whose circumstances and/or account history meet Taxpayer Advocate case criteria.
- ❖ Advises taxpayers and their representatives of appeal rights and actions necessary to pursue and protect their rights.
- ❖ Takes or recommends appropriate actions in a timely fashion which will resolve taxpayer filing and payment delinquencies, addressing all issues with the taxpayer to ensure they remain compliant.
- ❖ Identifies when action is required by another function to resolve the taxpayer's issue/inquiry, and ensures that the transfer of contact is made in a timely manner.

EXAMPLES OF PERFORMANCE THAT FAIL THE STANDARD:

*NOTE: The IRS has determined that infrequent lapses that are inadvertent or unavoidable should **not** result in a "Not Met" rating on the Retention Standard. Instead, they will result in a discussion between the supervisor and employee to reinforce the importance of the standard and explore ways to prevent a recurrence.*

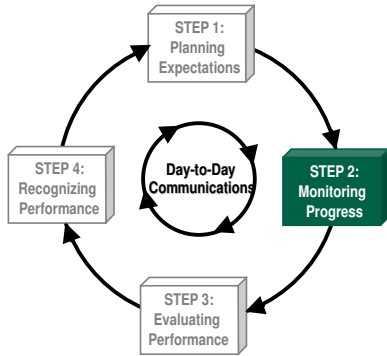
As observed in case file or Integrated Data Retrieval System actions, through managerial monitoring of phone calls, and through feedback received from the taxpayer and other outside sources, the employee:

- ❖ Discusses specific taxpayer information with others who do not have an official "need-to-know."
- ❖ Oral and/or written responses contain wording or tone which is discriminatory, discourteous, disrespectful, intimidating; which misstate the facts; or are inappropriate to the taxpayer's level of understanding.
- ❖ Does not follow installment agreement procedures when responding to installment agreement requests from taxpayers and their representatives.
- ❖ Does not convey personal impact information to taxpayers, such as penalty and interest accumulation, when the taxpayer advises they cannot pay their liability in full.
- ❖ Fails to identify taxpayers whose circumstances and/or account history meet Taxpayer Advocate case criteria.
- ❖ Takes improper actions that place taxpayer in a hardship condition.
- ❖ Does not apply appeal rights, or advise taxpayers and their representatives of those rights. Does not take or recommend appropriate actions that will resolve taxpayer filing and payment delinquencies, or consistently takes/recommends those actions in an untimely fashion, or fails to address all issues with the taxpayer to ensure they remain compliant.
- ❖ Fails to consider all relevant information provided by the taxpayer.



3.2 STEP 2: MONITORING PROGRESS

The supervisor continuously monitors progress against the Retention Standard and critical job elements and performance aspects, notes areas of significant achievement, identifies deficiencies, and initiates corrective actions



SUPERVISORY ACTIVITY

KEY POINTS TO REMEMBER

Observe and Document Employee Behavior During Performance Period

- ◆ Identify what **actions** were taken to accomplish critical job elements.
- ◆ DO NOT USE Records of Tax Enforcement Results (ROTERTs) in monitoring progress against critical job elements (see IRM 105.4 for guidance on use of ROTERTs). ROTERTs do not convey any appraisal as to whether an individual performed well under his or her critical job elements.
- ◆ Document observations throughout the performance period to aid in completing the mandatory mid-year progress review and the annual appraisal.

Provide Feedback and Ongoing Coaching to Employee

- ◆ Focus on performance as it relates to the Retention Standard and progress toward achieving critical job elements. Identify improvement opportunities.
- ◆ In addition to ongoing, informal feedback, conduct the mandatory mid-year progress review with employees.
- ◆ Notes areas of significant achievement.
- ◆ Coach employees in ways to improve performance.

Discuss Applicability of CJEs, If Necessary, with Employee

- ◆ Contact your servicing Personnel Office for guidance if the:
 - Assumptions behind critical job elements change.
 - Service's mission, strategic business goals, or business plans change.
 - Control employee has over factors that influence performance and achievement of critical job elements changes.
- ◆ Changes to critical job elements should be made at least 60 days before the end of the performance period to avoid having to extend the period.



HELPFUL HINTS FOR GIVING FEEDBACK

- ✓ Provide meaningful feedback, relating it specifically to critical performance expectations, opportunities for improvement, and the manner in which progress is being achieved.
- ✓ Cite results and specific examples, not conduct or general impressions.
- ✓ Be timely and objective so appropriate corrective actions can be implemented before the end of the performance cycle.
- ✓ Combine formal and informal feedback often throughout the performance period to highlight performance improvements and next steps; monthly or quarterly one-on-one sessions may be appropriate in addition to the mandatory mid-year review.
- ✓ Offer feedback when you can discuss it and when it will be most useful—as soon as work is completed or before employee will be doing similar task.
- ✓ Offer support to ensure employee has the organizational resources needed to accomplish the critical job elements.



HELPFUL HINTS FOR MONITORING PROGRESS AGAINST CRITICAL JOB ELEMENTS

- ✓ Write down observations as they happen—recalling past behavior is often difficult.
- ✓ Focus on specific actions employee took to accomplish critical job elements; avoid evaluating personality traits. Cite performance or results, not conduct or general impressions.
- ✓ Document observations in sufficient detail to be understood by another supervisor.
- ✓ Be consistent in the way you document performance for all employees. Avoid comparing one employee to another.
- ✓ Keep performance data organized in the Employee Performance File (EPF).

3.2.1 Monitoring Critical Job Elements

After you and your employee have discussed his or her set of critical job elements, you should monitor your employee's progress in achieving the critical job elements throughout the performance period. At a minimum, you must conduct a mandatory mid-year progress review. This progress review generally occurs at the mid point of the rating period and should include a discussion on progress in meeting expectations (critical job elements and the Retention Standard). Progress reviews may not be disputed. Appraisals of performance at the time of progress reviews may be changed before the end of the rating period and disputes filed before that time would be premature. However, employees may attach documentation regarding matters of concern.

3.2.2 Addressing the Need for Performance Improvement

Employees who do not meet the Retention Standard or established critical job elements should be counseled as early as possible in the performance period. Failure to improve or to sustain a "Fully Successful" rating could impact an employee's ability to remain in his or her position.

Employees who do not meet the Retention Standard and/or critical job elements must be given a minimum of 60 days to improve performance. Failure to improve or to sustain the "Fully Successful" level of performance could impact the employee's ability to remain in the current position or to continue employment with the Service. A rating of "Unacceptable" or "Minimally Successful" also will impact an employee's eligibility to receive a within-grade increase or career ladder promotion, to compete for a promotion or to complete a new employee probationary period. Exhibit 4 provides guidelines for processing within-grade increases.

Exhibit 4—Guidelines for Processing Within-Grade Increases (WGI)¹

If the monthly performance management list indicates WGI is due...

Within...	and the employee's last rating is...	and the employee's performance is projected as...	You must:
90 days	"Fully Successful" or above	"Fully Successful" or above	Do nothing. WGI will be automatically generated.
90 days	"Fully Successful" or above	below "Fully Successful"	<ol style="list-style-type: none"> 1. Refer to WGI denial procedures in Article 17, Section 2 for BU employees and IRM for NBU employees. 2. Consult with Labor Relations (LR) and issue a letter of intent to deny the WGI 60 days prior to WGI due date. 3. If a "Fully Successful" rating is achieved after issuing intent letter, consult with LR regarding written notification to employee that WGI will become effective on original due date. 4. If a "Fully Successful" rating is not achieved after 60 days following issuance of intent letter: <ul style="list-style-type: none"> ◆ Consult with LR regarding written notification to employee that WGI will be denied; ◆ Prepare Form 6850 as you would at the end of the performance management period except: <ul style="list-style-type: none"> – Block 6 indicate Period Covered From as date last annual rating and Period Covered to as date WGI due; and – Block 10 check "Other" and annotate "WGI Denied" on line provided. ◆ Submit signed form to the TPC (without narratives) at least 15 days prior to the WGI due date to ensure that the WGI is not processed. Write "Special Handling Required" on top of form; and 5. Review Monthly Performance Management Listing and take action, as needed.
59 days or less	"Fully Successful" or above	below "Fully Successful"	<ol style="list-style-type: none"> 1. Refer to WGI denial procedures in Article 17, Section 2 for BU employees and IRM for NBU employees. 2. Consult with LR and issue letter of intent to deny WGI. Letter will provide for required 60-day notice period. 3. As soon as possible, prepare Form 6850. Complete only Blocks 1,2, 10 and 14. For Block 10, check "Other". Annotate "Postpone WGI" on line provided and sign the form. Write "Special Handling Required" on top of the form. 4. Submit completed form to the TPC at least 15 days prior to the WGI due date to ensure WGI does not process. 5. If a "Fully Successful" rating is achieved at end of 60-day notice period: <ul style="list-style-type: none"> ◆ Consult with LR regarding written notification to employee that WGI will become effective retroactive to original due date; ◆ Prepare Form 6850. Complete only Blocks 1,2, 10 and 14. For Block 10, check "Other" and annotate "Release WGI" on line provided and sign the form. Write "Special Handling Required" on top of the form; and 6. Immediately submit signed form to the TPC within 3 days of advising employee.

¹ Check with Labor Relations regarding unique situations not covered above



Exhibit 4—Guidelines for Processing Within-Grade Increases (WGI)¹ (cont'd)

If the monthly performance management list indicates WGI is due...

Within...	and the employee's last rating is...	and the employee's performance is projected as...	You must:
59 days or less	"Fully Successful" or above (continued)	below "Fully Successful" (continued)	<p>7. If a "Fully Successful" rating is not achieved at end of 60 day notice period:</p> <ul style="list-style-type: none"> ◆ Consult with LR regarding written notification to employee that WGI is being denied; ◆ Prepare Form 6850 as if annual rating except: <ul style="list-style-type: none"> – Block 6 indicate "Period Covered From" as date last annual rating and "Period Covered To" as date WGI due; – Block 10 check "Other" and annotate "WGI Denied" on line provided and sign the form. Write "Special Handling Required" on top of the form. ◆ Submit completed form to the TPC (without narratives) within 3 days after denial letter is issued to the employee; and ◆ Immediately prepare SF-52, Denial of WGI (NOAC 888). <p>8. Review Monthly Performance Management Listing and take action, as needed.</p>
59 days or less	below "Fully Successful" and the WGI was previously denied	"Fully Successful" or above	<p>1. Prepare Form 6850 as if annual rating except:</p> <ul style="list-style-type: none"> ◆ Block 6 indicate Period Covered From as date WGI was last due and the "Period Covered To" as date the form is prepared; and ◆ Block 10, check "Other" and annotate "WGI Released" on the line provided and sign the form. Write "Special Handling Required" on top of form. <p>2. Advise employee that the WGI will become effective the following pay period.</p> <p>3. Submit completed form to the TPC (without narratives) within 3 days of completing form.</p>
59 days or less	below "Fully Successful"	"Fully Successful" or above	No action required.

¹ Check with Labor Relations regarding unique situations not covered above



You should consult with your Labor Relations Specialist regarding any performance rating of “Unacceptable” or “Minimally Successful” to ensure that all parties understand the implications of failing to improve.

The NORD/NC Agreements require that all BU employees be given at least one annual progress review, generally at mid-year. This progress review requirement is also extended to include NBU employees.

3.2.3 Conducting Progress Reviews

Exhibit 5 provides a blank Progress Review Worksheet for your use. Exhibit 6 provides a sample completed optional Progress Review Worksheet. This worksheet is optional but may be useful in monitoring performance. Refer to NORD/NC V, Article 12, Section 2.L. for more information about the requirements of a progress review.

As a manager, you should observe the performance of your employees on a regular, daily basis. For each employee, you should conduct a progress review midway through his or her rating period. This is a review of the employee’s work based on your observation of measurable behaviors related to the critical job elements and performance aspects of the position.

It is your responsibility to keep the employee informed of any increase in work performance or whenever you observe a decrease in work performance from either the prior year’s appraisal or from the mid-year progress review.

3.2.3.1 Acknowledging Superior Work Performance

When you observe superior performance, you should acknowledge the behavior and encourage continued performance at this level.

3.2.3.2 Acknowledging Decreased Work Performance

When you observe a decrease in the level of work performance, compared to the prior year’s appraisal or mid-year review, you should take the following steps:

- ☛ Counsel the employee regarding the decrease in performance or any performance deficiencies that you have identified. Fully document, in writing, the specific examples of decreased performance that you observed and any discussions with the employee about them.
- ☛ Identify any area or areas of decreased performance that are related to the critical job elements and performance aspects of the employee’s performance plan.
- ☛ Discuss with the employee your recommendations for improved work performance. This could include identifying and providing supplemental training/reading, on-the-job training, and other developmental activities, as appropriate, to help improve employee performance, especially when performance falls below the “Meets” level in one or more aspect.
- ☛ Continue to monitor the employee’s work performance until the employee’s performance shows improvement. Frequently review and discuss work performance with the employee.
- ☛ If performance is below the “Fully Successful” level and the employee does not improve his or her performance, continue to hold progress reviews to provide the employee an opportunity to raise the level of his or her work performance.
- ☛ If the employee’s performance has dropped to the “Unacceptable” level, you must issue an opportunity letter that gives the employee a minimum of 60 days during which to raise his or her work performance to an acceptable level. If an employee’s performance does not improve to an acceptable level, adverse action may result, (e.g., reduction in grade, reassignment, or removal).



Exhibit 5—Optional Progress Review Worksheet¹

Name:		Series/Grade:	Progress Review Period:			
CRITICAL ELEMENT	ASPECTS		EXCEEDED	MET	FAILED	N/A

This information has been shared with me. _____ (Employee's initials and date)

A progress review has been conducted with employee on this date. _____ (Supervisor's initials and date)

¹ Can be used to document progress review with employee. Refer to NORD/NC V, Art. 12, Sec. 2.L. for more information.



Exhibit 6—Sample Completed Progress Review Worksheet¹

Name: John Doe		Series/Grade: GS-303-04	Progress Review Period: 10/01/97-03/31/98			
CRITICAL ELEMENT	ASPECTS	EXCEEDED	MET	FAILED	N/A	
1. Office Management	a. Workload management	X				
	b. Timeliness and accuracy of work	X				
	c. Initiative	X				
2. Administrative Services	a. Administrative services		X			
	b. Gathers, complies, reports on factual information		X			
	c. Implementation of changes	X				
3. Communications	a. Interpersonal skills	X				
	b. Written Communications		X			
	c. Verbal and nonverbal communication		X			
4. Customer Service	a. Problem identification and resolution		X			
	b. Prompt courteous service	X				
	c. Follow-up and feedback	X				

This information has been shared with me. _____ (Employee's initials and date)

A progress review has been conducted with employee on this date. _____ (Supervisor's initials and date)

¹ Can be used to document progress review with employee. Refer to NORD/NC V, Art. 12, Sec. 2.L. for more information.



You must make the implications of failing to improve perfectly clear to the employee and document them. You should coordinate these types of actions with your servicing Labor Relations Specialist.

A rating of “Minimally Successful” or “Unacceptable” will also lead to the employee’s ineligibility to receive a within-grade increase, career ladder promotion, or to complete his or her probationary period.

Exhibit 4 shows the within-grade increase process and what to do if performance is below “Fully Successful”.

Employees rated below “Fully Successful” on the same or a similar critical job element required for a job may not compete for a promotion opportunity in that job.

3.2.4 Employee Performance Folders

The Employee Performance Folder (EPF) is a system consisting of all performance ratings and other performance-related records maintained on an agency employee in accordance with 5 CFR 293, Sub-Part D. Except as prescribed below and/or in existing agreements for Bargaining Unit employees, the EPF shall be maintained as indicated in IRM 0.4, Performance Management, Subsection 0.4.3.6.1 Employee Performance Files and in accordance with 5 CFR 293, Subpart D. *NORD V/ NC V*, Article 7, Section 4, contains more information about EPFs.

Management is responsible for creating records concerning employee performance and maintaining them in accordance with the Privacy Act and Freedom of Information Act regulations.

At a minimum, the EPF will contain those forms and documents which:

- ☛ Record and support the performance appraisal and individual performance plans;
- ☛ Are used by rating officials to recommend a personnel action affecting an employee when the basis for the action is performance related; and
- ☛ Are furnished in support of recommended actions and the agency’s final decision on the matter.

Note: Other types of documents and forms may include Individual Development Plans (IDP), recommendations for training that are performance-related, and copies of supervisory counseling session records resulting in performance-based personnel actions.

The following documents must be maintained for four (4) years:

- ☛ The official rating of record on Form 6850 issued for the performance appraisal process,
- ☛ The form which identifies critical job elements and performance aspects to support the ratings,
- ☛ Progress review(s) and other descriptions of performance, and
- ☛ Supporting documentation for performance appraisals.

You may keep performance records in the EPF as long as necessary if needed in connection with a grievance appeal or judicial proceeding.

For employees who are permanently changing positions within the IRS, the manager will ensure the employee’s entire EPF is forwarded to the gaining supervisor within 5 days of the effective date of the employee’s departure. For employees who are permanently changing positions outside the IRS or who are resigning or retiring from the IRS, the manager must forward the entire EPF to their TPC.

The TPC will remove the last four appraisals and forward with the OPF to the Federal Records Center if the employee resigns or forward the last four appraisals to another agency if the employee transfers.



The TPC will destroy the remaining documents. These procedures are required by the Code of Federal Regulations.

3.2.5 Understanding the Role of a Coach

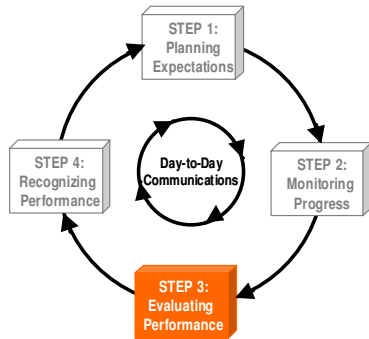
Coaching is the ongoing process of giving employees support, encouragement, and information so they can:

- ☛ Solve problems on their own
- ☛ Take initiative
- ☛ Make better decisions
- ☛ Tackle new challenges
- ☛ Work to their potential.

After giving your employee performance feedback, you may need to coach that employee in ways to improve performance. This coaching may include identifying more efficient work strategies or determining the specific impediments that are inhibiting performance.



3.3 STEP 3: EVALUATING PERFORMANCE



The supervisor prepares the performance appraisal and holds a performance appraisal meeting with the employee. This meeting should be completed within 30 days after the end of the performance period.

SUPERVISORY ACTIVITY	KEY POINTS TO REMEMBER
<div style="border: 1px solid orange; padding: 5px; display: inline-block; width: 80%;">Request Self-Assessment</div>	<ul style="list-style-type: none"> ◆ During the final 30 days of the annual appraisal period, ask the employee to prepare a self-assessment covering performance on the Retention Standard and critical job elements. ◆ The manager considers the self-assessment in determining the rating of record.
<div style="border: 1px solid orange; padding: 5px; display: inline-block; width: 80%;">Complete Performance Appraisal</div>	<ul style="list-style-type: none"> ◆ Complete the Form 6850, Performance Appraisal, and Form 12337, Retention Standard, and consider: <ul style="list-style-type: none"> – Performance against Retention Standard and critical job elements—actions taken and results achieved – Team assignments and contributions to work group – Special achievements – Only address the Retention Standard if not met ◆ DO NOT include ROTERs in evaluating employee performance (see IRM 105.4 for guidance). ◆ Assign a summary rating level in Section 12 of Form 6850.
<div style="border: 1px solid orange; padding: 5px; display: inline-block; width: 80%;">Conduct Appraisal Meeting with Employee</div>	<ul style="list-style-type: none"> ◆ Discuss accomplishments and overall performance but focus on future/prospective actions based on lessons learned <ul style="list-style-type: none"> – Provide suggestions for development – Jointly determine future course of action – Agree on performance appraisal ratings ◆ Sign and date form: <ul style="list-style-type: none"> – First and second level supervisors certify that ROTERs were not used – Employee signs

3.3.1 Annual Performance Appraisals

All employees are entitled to at least an annual performance appraisal. There are other circumstances under which employees are entitled to appraisals, such as when employee changes performance appraisal systems, when you or the employee leaves a position, when the employee is on a temporary assignment, when an employee needs to provide an appraisal because he or she is applying competitively for a position or if the Service undergoes a reduction in force. Those circumstances are discussed in this section.

3.3.1.1 The Timing of the Performance Management Cycle

All BU and NBU employees covered by critical elements and performance aspects will be evaluated in accordance with the schedule shown in Table 2. In addition, the period will begin each time an employee is assigned to a supervisor for at least 60 days (e.g., temporary promotions, details, projects, or task forces).



Whenever an employee's performance has not been observed under a signed performance plan for a minimum of 60 days within the performance period, the rating period for that employee is extended until a minimum of 60 days has been reached. Completed interim performance appraisals must be forwarded to the rating official responsible for assigning the summary rating level.

Table 2—Appraisal Schedule for BU/NBU Non-Supervisory Employees

LAST DIGIT OF SSN	ANNUAL PERFORMANCE PERIOD ENDS*	APPRAISAL DUE DATE TO EMPLOYEE	APPRAISAL DUE TO TRANSACTIONAL PROCESSING CENTER
0	September 30	October 31	November 5
1	October 31	November 30	December 5
2	November 30	December 31	January 5
3	December 31	January 31	February 5
4	January 31	February 28	March 5
5	February 28	March 31	April 5
6	March 31	April 30	May 5
7	April 30	May 31	June 5
8	May 31	June 30	July 5
9	June 30	July 31	August 5

*Note: The date that the annual performance period ends will normally be the "to" date under period covered on Form 6850. If an employee's departure from a permanent position is within 60 days from the date the period ends, please ensure the "to" date reflects the scheduled ending date, not the actual departure date.

3.3.1.2 Performance Appraisal Due Dates

Completion of Form 6850, Performance Appraisal, and Form 12337, Retention Standard, is required at the end of the employee's annual performance period provided the employee has been observed for 60 days or more against his or her performance plan. If employee has not been observed for 60 cumulative days on his or her performance plan, you should issue a performance plan immediately and postpone a rating until the employee has been observed for 60 days. The last digit of the employee's SSN determines the annual performance cycle.

A new performance plan is not required for an employee returning to his or her permanent position, following a temporary personnel action, if the employee is returning during the same appraisal year. In this case, the rating official for the employee's permanent position may reinstate the appraisal previously in effect, rather than completing a new performance plan. The time previously accrued under that plan would count toward the 60-day period for rating eligibility.

A performance plan must be completed when an employee returns to duty from an absence that began during a previous rating period.

You must complete annual employee appraisals within 30 days of the end of the employee's rating period, provided the employee has been observed for 60 days or more against his or her performance plan.

If the employee has not been observed for 60 days on his or her performance plan, you should issue a performance plan immediately and postpone any rating until the employee has been observed for a minimum of 60 days.

Completed annual appraisals are due in the servicing Transactional Processing Center no later than 35 days after the end of the employee's rating period.



3.3.1.3 Minimum Appraisal Period for Full Time and Virtually Full Time Union Stewards

Full time and virtually full time union stewards may receive a new or revalidated annual appraisal based upon a minimum of 120 hours of work during the rating period. The work must be related to at least one of the steward's critical job elements. Full time and virtually full time union stewards desiring rated annual appraisals are encouraged to discuss work assignments with their manager that will be sufficient to satisfy the 120 hours requirement. In all cases, the manager will make the final determination as to whether or not he or she has enough observable data to determine a bona fide new rating or revalidate the previous appraisal. To meet the requirement, the 120 hours must all be direct hours.

3.3.1.4 Gathering Information

You should use some or all of the following documents to complete an annual appraisal:

- ☛ Prior year's annual appraisal
- ☛ Work records
- ☛ Measured work reports
- ☛ Mid-year and other progress reviews
- ☛ Job description and critical job elements
- ☛ Employee self-assessment (described in Section 3.3.2)
- ☛ Appraisal Worksheet (if the employee is on the same performance plan as the previous year; described below)

Appendix C to this Guide provides a blank Performance Appraisal Form (Form 6850) as well as guidelines for completing the form.

3.3.1.5 Using Self-Assessments

Self-assessments are employee-generated narratives that allow the employee to describe his or her goals, objectives, achievements, and significant accomplishments or shortfalls during a specified rating period. As the end of the performance period approaches, you should ask your employee to prepare a written summary of his or her performance. An employee can submit a self-assessment to the manager during the final 30 days of his or her annual rating period. Employees must be given up to four hours of official time to prepare a self-assessment.

Self-assessments should address all significant accomplishments as they relate to the critical job elements and performance aspects from the time the employee received the performance plan to the ending date of the rating period.

Providing a self-assessment ensures that an accurate summary appraisal can be prepared. Employees are not required to submit a self-assessment for their for annual appraisal; it is entirely up to the employee to decide whether or not to submit a self-assessment. If one is submitted, you must consider it when preparing the employee's annual appraisal but you should not attach it to the annual appraisal.

In some cases, an employee may include ROTERs in their self-assessment. Including a ROTER in a self-assessment does not violate Section 1204 of RRA '98 or 26 CFR Part 801. However, using ROTERs to evaluate the employee would constitute a violation of Section 1204 and 26 CFR Part 801. To avoid any misunderstanding, you should discourage employees from using ROTERs in their self-assessments.



3.3.1.6 Completing Appraisal Narratives

Determine Need for Appraisal Narrative

The use of narratives can reinforce corporate values, particularly customer service. Therefore, it is beneficial to comment on significant accomplishments, even though narratives may not be required.

If the employee is on the same performance plan as the previous year...

- ☛ You should complete the optional Appraisal Worksheet as shown in Exhibit 7. If you award a "4" or "5" in a critical job element to an employee, and that same score or a lower score was awarded the prior year, no narrative is required.

Exhibit 8 provides a sample completed Appraisal Worksheet. Refer to NORD/NC V Article 12, Section 5 for more information.

In the Merit Promotion competitive process, a narrative is required. If a narrative was not completed at the time the employee received his or her annual rating, then you must write a narrative at the time the employee applies for a job. Appendix D provides additional guidelines on preparing competitive action performance appraisals.

You must provide a narrative to justify any change in an overall critical job element rating from the prior year appraisal.

- ☛ Transfer the information from the Appraisal Worksheet to Form 6850, Performance Appraisal.
- ☛ Calculate the appropriate summary rating based on Form 6850 instructions and round to the nearest two decimal places.
- ☛ When you complete Form 6850, Performance Appraisal, and Form 12337, Retention Standard, you (the immediate manager) and the employee's second-level supervisor sign it.
 - Discuss the annual appraisal with the employee.



Exhibit 7—Optional Appraisal Worksheet¹

Name:		Series/Grade:		Evaluation Period:			
Critical Element	Aspects	<i>Exceeded</i>	<i>Met</i>	<i>Failed</i>	<i>N/A</i>	Critical Element Rating (Form 6850, Block 11) Refer to Art. 12, Sec. 5.a.	
Summary Rating (Form 6850, Block 12)							<i>Refer to Article. 12, Sec. 5.b.</i>
Average of Critical Element Ratings (Form 6850, Block 13)							

¹ Can be used in preparation of annual Performance Appraisal, Form 6850.
Refer to Article 12, Section 5 for more information.

Exhibit 8—Sample Completed Appraisal Worksheet¹

Name: Jeff Derian		Series/Grade: GS-303/04	Evaluation Period: 07/01/98 B 06/30/99			
Critical Element	Aspects	Exceeded	Met	Failed	N/A	Critical Element Rating (Form 6850, Block 11) Refer to Art. 12, Sec. 5.a
1. Office Management	a. Workload Management	X				5
	b. Accuracy of Work	X				
	c. Initiative	X				
2. Administrative Services	a. Support Activities		X			3
	b. Reports		X			
	c. Equipment Operation	X				
3. Communications	a. Oral Skills	X				3
	b. Written Skills		X			
	c. Customer Relations		X			
4. Job Knowledge	a. Office Procedures		X			4
	b. Problem Resolution	X				
	c. Implementation of Changes	X				
Summary Rating (Form 6850, Block 12)						Fully Successful Refer to Art. 12, Sec. 5.b.
Average of Critical Element Ratings (Form 6850, Block 13)						3.75

¹ Can be used in preparation of annual Performance Appraisal, Form 6850.
Refer to NORD/NC V, Article 12, Section 5 for more information.



- Have the employee sign the Forms 6850 and 12337, place the originals in the EPF, and give a copy of each to the employee.
- Place the Form 6850, the Form 12337, the Appraisal Worksheet, and any accompanying narratives or self-assessments in the employee's EPF.
- Send a completed copy of Form 6850 (without narratives) and the Form 12337 to the Transactional Processing Center no later than 35 days after the end of the employee's rating period.

If the employee is *not* on the same performance plan as the previous year...

- ☛ Prepare the annual appraisal based on a review of the self-assessment, if available, plus any work records, mid-year progress review(s), customer feedback, departure rating, and any other written performance documentation.
- ☛ Review each performance aspect and prepare a written narrative describing the level of performance for each performance aspect, if appropriate.
- ☛ Proceed per the steps above under "When the employee is on the same performance plan as previous year," beginning with "provide a narrative to justify any change in an overall critical job element rating from the prior year appraisal."

When the Employee is Changing Performance Appraisal Systems...

This section held in reserve. Under development.

Write the Appraisal Narrative

Before you begin writing the narrative, you should consider all measurable and observable information including the self-assessment, the previous year's appraisal, all formal progress reviews, and customer feedback. In addition, all documentation must be reviewed, considered, and summarized for work performed during the rating period. These documents support any numerical ratings assigned, possible performance awards, and merit promotion opportunities, and help to identify continuing educational needs.

You should write the narrative before assigning values to performance aspects. Your narrative should contain brief highlights of an employee's performance for a specified rating period and should contain a paragraph or two for each critical element. It must describe performance as it relates to the employee's critical job elements and performance aspects during the rating period.

Well-written narratives contain specific goals and objectives, examples of achievements, and significant accomplishments and/or, if necessary, performance shortfalls of measurable and observable performance during the rating period. These narratives are permanent documents that become part of the original performance appraisal. Once completed, you should attach them to the Form 6850.

Narratives must NOT contain records of tax enforcement results (ROTERRs).



**HELPFUL HINTS FOR
COMPLETING THE
APPRAISAL NARRATIVES**

- ✓ Be concise, but descriptive enough to give the next level reviewer an accurate picture of the strengths, development needs, and overall effectiveness of the employee in every CJE.
- ✓ Focus on what's important for that particular job and the critical job elements.
- ✓ Be clear about whether the employee "Exceeds," "Meets" or "Fails" each critical job element.
- ✓ Ensure each CJE narrative is consistent with the focus of the critical job element outlined in the performance plan.



You must prepare narratives at least biannually for all subordinate employees who are at the journey level or above position, regardless of the previous numerical values assigned. You must prepare narratives annually for all other subordinate employees.

3.3.2 Other Types of Performance Appraisals

In addition to annual appraisals, you may need to prepare two other types of appraisals: 1) revalidated annual appraisals, and 2) competitive action appraisals.

Revalidated Annual Appraisals

If a journey level or above employee in at least the second year of his or her position would receive an annual appraisal for the current rating period identical to the annual appraisal received for the previous period, you may recertify (revalidate) that the most recent annual appraisal is valid for performance in the current rating period. This process requires the same thorough review and calculations be repeated to determine if the rating remains the exactly the same. While a narrative summary is not required for revalidation, you must still conduct a performance discussion with your employee.

You must advise the employee at least five (5) days before the revalidation that you are revalidating his or her appraisal. The employee may prepare a narrative summary or self-assessment that you should attach to the revalidated Form 6850. If you object to its accuracy, you may prepare a full appraisal (ratings with narratives). In these instances, the employee may prepare a narrative self-assessment and it will be attached to the revalidated appraisal for all purposes.

If the critical elements and the above journey level career path/occupation are identical to the previous year, the rating can be revalidated. A change in career path/occupation or elements prohibits a revalidation. You may only revalidate an annual appraisal once. If performance has not changed, the journey level or above employee must receive a new annual appraisal (narrative and rating) every other year. Refer to Section 3.3.1.6 for guidance on writing appraisal narratives.

Competitive Action Appraisals

When an employee needs to provide an annual appraisal because he or she is applying competitively for a position, that appraisal can be:

- ☛ The employee's annual appraisal if current and accurate (within the last 6 months for BU positions and 12 months for NBU positions)
- ☛ A revalidated annual appraisal
- ☛ A competitive action appraisal, if last annual rating is not accurate or cannot be revalidated.

Before you submit an appraisal used in a competitive action appraisal (annual, revalidated, or competitive action appraisal) to the ranking panel/officer, you must allow the employee to have it for at least three (3) workdays to allow for the employee's comments. You must attach any comments to the appraisal as well as the Retention Standard.

For an unrateable employee who has served 90 days on a competitive appointment but not served 60 cumulative days under a performance plan (i.e., seasonal or full time steward), the manager must sign a presumptive rating for use in a competitive action only.

Appendix D describes in more detail the Competitive Action Appraisal process. Refer to Section 3.3.1.6 for guidance on writing appraisal narratives.



The following are conditions under which an employee is ineligible to compete for a promotion:

- ☛ An employee who is rated below “Fully Successful” in a similar critical element required for a position may not compete for a promotion in that BU position.
- ☛ An employee who is rated as “Not Met” on the Retention Standard is treated as if he or she failed a critical element and therefore is ineligible to compete for a promotion.

You should not prepare an employee’s appraisal under the following conditions:

- ☛ If you are the employee’s immediate manager and you are applying for the same vacant position as your employee.
- ☛ If you are a BU employee and have served as an acting manager for less than 60 consecutive days on a detail or a temporary promotion and the appraisal is for another BU employee. This 60-day restriction does not apply to NBU employees who serve as acting managers.

In either of the above cases, the next higher level manager must prepare the appraisal as follows:

- ☛ Determine that the latest annual appraisal is still accurate, if less than six months old for BU positions and 12 months for NBU positions, by the closing date of the announcement, or
- ☛ Revalidate the latest annual appraisal, if over six months old for BU positions, by the closing date of the announcement, provided it is still accurate, or
- ☛ Determine that the latest annual appraisal is no longer accurate and prepare a competitive action appraisal.

3.3.3 Rating Performance Against The Retention Standard

You should determine whether your employee has performed duties with potential impact on taxpayer issues or outcomes during the performance period. If the employee has performed such duties, you should determine whether the Retention Standard has been met. If a rating of “Not Met” is determined, you should contact Labor Relations for guidance on developing a Performance Improvement Plan. If the employee has not conducted duties with potential impact on taxpayer issues or outcomes during the performance period, you should check the “Not Applicable” block on the Retention Standard, Form 12337.

3.3.4 Rating Critical Job Elements

Table 3 below shows the rating definitions to be used in assigning a rating for critical job elements. Supervisors are reminded that they should not allow one incident to unduly influence the rating of an element. Judgment must always be exercised in determining whether or not the employee has exceeded, met, or failed to meet each aspect of the overall critical job element.

Table 3—Rating Definitions for Critical Job Elements

RATING	DEFINITION
5	Outstanding – Exceeds all the aspects of the overall element.
4	Exceeds Fully Successful – Exceeds more than half of the performance aspects of the element and meets the other performance aspects
3	Fully Successful – Meets all of the performance aspects.
2	Minimally Successful – Fails one performance aspect.
1	Unacceptable – Fails two or more performance aspects.



3.3.5 Assigning the Summary Rating

The summary rating provides one rating for the combined performance against the Retention Standard and the critical job elements. Table 4 provides the rating definitions for the summary ratings.

You should assign the annual summary rating at the end of the performance period only if you are the permanent supervisor or temporary promotion supervisor (not a detail or other temporary assignment). Regulations prohibit setting quotas for summary ratings. It is not necessary for you to have observed the employee’s performance under a signed performance plan for 60 days or more. However, your employee’s performance must have been observed by at least one other supervisor under a signed performance plan for a minimum of 60 days within the performance period. In rare cases, it may be necessary to extend the rating period until the minimum 60 days has been met.

Table 4—Rating Definitions for Summary Ratings

RATING	DEFINITION
Outstanding	The employee met the Retention Standard and is rated “Outstanding” in more than half of the critical elements and “Exceeds Fully Successful” in the other critical elements.
Exceeds Fully Successful	The employee met the Retention Standard and is rated “Exceeds Fully Successful” or above in more than half of the critical elements and “Fully Successful” in the other critical elements.
Fully Successful	The employee met the Retention Standard and is rated “Fully Successful” or more in all of the critical elements.
Minimally Successful	The employee met the Retention Standard and is rated “Minimally Successful” in one or more critical elements, but not “Unacceptable” in any critical elements.
Unacceptable	The employee failed to meet the Retention Standard or is rated “Unacceptable” in one or more critical elements. Immediate improvement is essential.

3.3.6 Assigning Interim or Other Ratings

An interim or other than annual summary rating may be necessary under situations shown in Table 5. With the exception of WGI Release, the employee’s supervisor must have had an opportunity to either observe and/or consider the employee’s performance under a signed performance plan for a period of at least 60 days.

All other ratings should be filed in the EPF for consideration by the rating official responsible for the annual performance appraisal summary rating.

Appendix E describes in more detail how to complete the Departure Performance Appraisal.



Table 5—Assigning Interim or Other Ratings

SITUATION	REQUIREMENT FOR INTERIM RATING FOR EMPLOYEE
Employee Departure	<ul style="list-style-type: none"> ◆ A departure rating is issued when an employee is departing from a permanent assignment to another permanent assignment or assignment known to last the remainder of the performance period and the performance has been observed under a signed performance plan for at least 60 days. ◆ If a departure rating is prepared within 60 days of the end of performance period, this rating will become the annual Summary Rating.
Temporary Assignments	<ul style="list-style-type: none"> ◆ A rating for a temporary assignment is issued when the employee is departing from a temporary assignment of at least 60 days or at the end of an existing performance period, and ◆ The employee's temporary supervisor has observed the employee's performance under a signed performance plan for at least 60 days.
Supervisor's Departure	<ul style="list-style-type: none"> ◆ A departure rating is also issued when a supervisor is permanently departing from his or her position and has observed the employee's performance under a signed performance plan for at least 60 days. ◆ The current supervisor uses this departure rating when preparing the annual Summary Appraisal.
Competitive Action **See note below	<p>A rating for merit promotion purposes is issued when an employee has applied for a job and:</p> <ul style="list-style-type: none"> ◆ The announcement requires an performance appraisal; and ◆ A current appraisal (within the last 12 months for NBU vacancies and within the last 6 months for BU vacancies) is not on file; and ◆ The supervisor has observed the employee's performance under a signed performance plan for at least 60 days. <p>If supervisor has not had an opportunity to observe and/or consider the employee's performance under assigned performance plan for at least 60 days, an existing appraisal more than 12 months old may be revalidated for merit promotion purposes only.</p> <p>If there is no existing appraisal, a presumptive rating of "Fully Successful" must be assigned for use in the merit promotion action.</p>
WGI Release	<ul style="list-style-type: none"> ◆ When a within-grade increase has been denied and is now to be granted based on performance that meets the critical job elements. ◆ See Exhibit 4 for guidelines on processing WGIs.

*NOTE: If an employee applies for a vacancy announcement, narratives are required. This helps ensure equity and fairness in the ranking process. This requirement does not apply to employees applying for a GS-7 and below NC-V covered positions in the Submission Processing Centers or to service center employees who received measured ratings in quality and quantity provided by TEPS.



3.3.7 *Holding the Performance Appraisal Meeting*

You should begin the performance appraisal meeting by reviewing the employee's self-assessment, focusing on the areas of agreement between the self-assessment and the evaluator's assessment of the employee's performance. The focus of this meeting should not only be on the past performance but also on future performance and areas for improvement during the upcoming performance period. While it is important to document accomplishments and past performance, this documentation should focus on "lessons learned" for improving future performance.

During the performance appraisal meeting you should share a copy of the completed Performance Appraisal, Form 6850, and Form 12337, Retention Standard, with your employee and discuss openly the ratings and rationale for those ratings with an eye towards reaching consensus. For areas of disagreement, you should determine if information might have been overlooked. While managers have the final judgment over ratings, you may change a rating if a compelling argument is made or additional information is presented.

At the conclusion of the performance appraisal meeting, your employee should sign and date the Performance Appraisal. It may be useful to start the next performance rating cycle at this time by conducting the activities outlined in Step 1, Planning. Often a separate meeting is required to plan future performance goals and should be scheduled as soon as practical to ensure improvement actions are clear from the previous performance period. If extensive planning is needed or if the appraisal was negative, you should consider scheduling a separate planning meeting.

3.3.8 *Processing the Signed Performance Appraisal*

Original completed Performance Appraisals, Form 6850, and Retention Standard, Form 12337, should be filed in the Employee Performance File (EPF). If the employee's Performance Appraisal was completed at the end of a performance period or as a departure rating within the last 60 days of the employee's performance period, copies of these forms should be forwarded within five days to the Transactional Processing Center (TPC). The TPC inputs the summary rating into the personnel system.

3.3.9 *Tracking Performance Appraisals*

You should review and take the actions indicated in the Monthly Performance Management Listing provided by your Servicing Personnel Office or TPC. This listing alerts you to performance management responsibilities including:

- ☛ Annual ratings due within the next 60 days



HELPFUL HINTS FOR HOLDING THE APPRAISAL MEETING

- ✓ Always acknowledge the areas of superior performance, as well as the areas for improvement to give balance to the appraisal.
- ✓ Cite specific examples to demonstrate current performance, as well as examples of behavior/results that might occur at the next higher level of performance.
- ✓ Focus on the future by jointly developing a plan of action to improve performance.
- ✓ Follow a problem-solving approach. Discuss key areas for improvement by defining specific solutions to performance issues without assigning blame.
- ✓ Manage the emotions involved with evaluating performance. Allow employee to vent, listen carefully to the concerns, and provide constructive feedback. In some cases, it may be useful to postpone the remainder of the meeting so both participants can regroup.



- ☛ Within-grade increases eligibility within the next 90 days
- ☛ Annual ratings that are up to 364 days past due
- ☛ Last summary rating and summary rating dates input by the TPC.

3.3.10 Rebuttals/ Grievances

Employees are encouraged to resolve matters of disagreement concerning the summary ratings with their rating official and reviewing official. An employee who is dissatisfied with his or her summary rating may ask for reconsideration from the recommending official in lieu of, or in addition to, adding comments to the performance appraisal.

Employees may make written comments concerning their disagreement with an annual or revalidated appraisal (as covered in NORD/NC V Article 12, Section 4G) within 15 workdays of issuance. In the case of any appraisal which will be used in a pending competitive promotion action, written comments concerning disagreements must be submitted to the manager within three (3) workdays of issuance. You must attach these comments to the annual appraisal and they become part of the appraisal.

Annual ratings and departure ratings for BU employees prepared within the last sixty (60) days of the rating period and revalidated appraisals may be grieved within fifteen (15) workdays of their receipt by employees **or** within fifteen (15) workdays of their use in a completed personnel action (for example, when a selection has been made and announced in a promotion action or a roster established), but not both. All other performance appraisals may be grieved only within fifteen (15) workdays of their use in a completed personnel action.

Employees are entitled to a reasonable amount of official time, not to exceed four hours, to prepare written comments concerning any performance appraisal. You must attach such comments to the annual appraisal.

You do not have to make changes to an annual appraisal based on the employee's written comments and you should not prepare a rebuttal to an employee's written comments.

NBU employees must submit their request for reconsideration in writing on Form 5877, Agency Grievance and Authorization for Representative's Access to Official Records, directly to the approving official within 15 days from the receipt of the rating. Failing resolution of the matter, the employee may file a performance disagreement. These individuals must file a written statement on Form 5877 if they wish for their disagreement to be considered under the agency grievance procedure. All employees have the responsibility to inform their supervisors of when a disagreement with a summary rating is considered to be a grievance by the employee.

NBU employees who are dissatisfied with the approving official's decision may file a formal agency grievance to the reconsideration official within 5 days of receipt of the approving official's decision using the formal agency grievance procedures in IRM 771. The reconsideration process is the informal step of the grievance procedure. The reconsideration official is the management official at a higher level in the organization than the rating or approving official. The authority of the reconsideration official may not be delegated.

Employees may also consult their Labor Relations Specialist to discuss appeal procedures, especially for personnel actions based on unacceptable performance.

Any change to the summary appraisal rating must be reviewed against the critical job elements of the position to ensure the appropriateness of the changed rating.



3.3.11 Amending the Rating

A rating may be amended after it is released to the employee for reasons such as: (1) reconsideration by the rating official resulting from discussion with the employee when the rating was released; (2) discovery of a typographical error or (3) changes directed via a formal complaint procedure. A change in the employee's performance after the end of the rating period is not a justification for amending the rating.

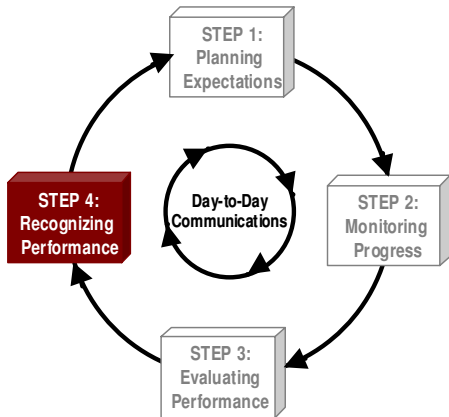
Completing a new Performance Appraisal form showing the amended rating will amend a rating. All parties of the original rating must sign the amended rating (employee, rating official, and reviewing official). The amended rating must not contain documentation in any section of the form that would indicate the rating is the result of a grievance or any similar action.

The official amending the rating must provide the original of the corrected form to the TPC and place a copy of the amended form in the employee's EPF.

In these cases, you must submit a new Performance Appraisal form to the TPC with a note at the top of the form stating "Amended Appraisal." The previous rating will be destroyed and replaced with the corrected rating.



3.4 STEP 4: RECOGNIZING PERFORMANCE



The supervisor recognizes strong performance through informal acknowledgements and formal performance awards.

Informal recognition of strong performance should happen throughout the performance period and should be tailored to the specific accomplishments and the person being recognized. Informal recognition may include:

- ◆ Private or public verbal recognition of accomplishments (e.g., staff meetings)
- ◆ Informal notes or E-mail
- ◆ Letters or memoranda to the employee and/or senior management (e.g., letters of commendation).

Performance award determinations are based upon the employee’s performance as documented in the Performance Appraisal, Form 6850. The granting of performance awards for BU employees is determined by the local office’s agreement with NTEU under the IRS-NTEU Contract Awards Program. Awards for NBU awards are based on the local office’s practices.

3.4.1 Quality Step Increases

A Quality Step Increase (QSI) is an increase in an employee’s rate of basic pay from one step of the grade to the next higher step of that grade and may be used to recognize excellent performance. A QSI may be granted to any employee who received an “Outstanding” summary level rating, occupies a permanent General Schedule position, is paid less than the maximum rate in the grade and is not paid under an incentive pay system.

A QSI is not automatic for every “Outstanding” rating. Supervisors have the discretion to award QSIs to that portion of the “Outstanding” performers whose sustained performance is expected to continue and whose superior performance warrants this special form of recognition and incentive. A BU employee who is recommended for a QSI may choose a cash award instead of the QSI, which will be two percent (2%) of the employee’s salary.



**APPENDIX A—
Glossary of Key Terms**



Appendix A—Glossary of Key Terms

Acceptable Level of Competence — Performance by an employee that warrants advancement of the employee's rate of basic pay to the next higher step of the grade or the next higher rate within the grade of his or her position.

Additional element — A dimension or aspect of individual, team or organizational performance that is not a critical element. Such elements are not used in assigning a summary rating but, like critical elements are useful for the purposes such as communicating performance expectations and serving as the basis for a Special Act or Manager's Award. Additional elements may reflect team standards and may include objectives, goals, program plans, work plans, and other means of expressing expected performance.

Adverse Action—A reduction in grade or a removal that is taken when an employee's performance is unacceptable in one or more of the critical job elements or the Retention Standard.

Annual Rating of Record—A written record of the appraisal of each critical job element, the Retention Standard and overall performance rating normally conducted once a year.

Appraisal — The act or process of reviewing and evaluating the performance of an employee against the described performance standards.

Appraisal Period — The period of time covered by a specific performance plan during which performance will be evaluated against critical job elements and aspects and the Retention Standard and for which a rating of record will be prepared. An employee must be in receipt of his or her performance plan for 60 days before he or she can be evaluated against it. For non-management IRS employees, the appraisal rating period ending date is based upon a month defined by the last digit of the employee's SSN.

Award—An action taken to recognize and reward individual or team achievements that contribute to meeting organizational goals or improving the efficiency, effectiveness or economy of the Government or is otherwise in the public interest.

Balanced Measures—Indicators of organizational performance for Customer Satisfaction, Employee Satisfaction and Business Results.

Critical Element—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. Critical elements are the only elements upon which "unacceptable performance" actions can be based. These must measure individual, not team, performance.

Critical job elements—A limited number of critical actions, objectives and/or results that the employee will be expected to accomplish during the upcoming appraisal year (see critical elements.)

Denial of Within Grade Increase — Employer determination that an employee's performance is not at an acceptable level of competence following a WGI postponement period.

Departure Rating—Prepared when either the manager or employee moves to a permanent position or a temporary assignment that will last the remainder of the employee's rating period. If the employee's rating period ending date is within the last 60 days of the employee's departure, it will become the summary rating for that period.

Detail—A temporary assignment of an employee to a different position for a specified period of time.



Appendix A—Glossary of Key Terms (Cont'd)

Element Rating — Managers will assign a rating to each element. Following the rating of each CJE, the manager will assign a summary rating using the scale found in the instructions on Forms 6850 and in this guide.

Employee Performance File (EPF)—A file maintained by the employee's manager consisting only of performance-related documents covering the past four years.

Equivalent Increase — An equivalent increase means an increase or increases in an employee's rate of basic pay equal to or greater than the difference between the employee's rate of basic pay and the rate of pay for the next higher step of that grade or the next higher rate within the grade.

Executives — Employees who are covered by the Senior Executive Service (SES). Employees occupying these positions are not covered by the system outlined in this guide.

Interim Ratings—Ratings given other than at the end of a rating cycle. Situations requiring an interim rating include, but are not limited to, employee departure, supervisor departure, employee application for a competitive action or temporary assignment.

Manager — An employee who directs the work of others to accomplish a mission or task. Employees occupying these positions are not covered by the system outlined in this guide.

Management Official— An employee who formulates, determines and/or influences Service-wide policies. Employees occupying these positions are not covered by the system outlined in this guide.

Minimum Appraisal Period— Minimum period of time for which an employee can be covered by a Performance Plan and receive a summary rating. For the IRS workforce except for executives, this period is 60 days. For full time and virtually full time union stewards, the period is 120 hours of direct work.

Opportunity Period— A period of time for improvement provided to an employee whose performance has been identified as unacceptable in one or more of the critical job elements or the Retention Standard. This period is a minimum of 60 days.

Organizational Support— The dollars, training, people and other resources that are needed to meet an employee's critical job elements.

Performance Aspect — A portion of the critical job element that clearly tells employees how they are to perform in that critical job element.

Performance Plan— The document that communicates to the employee what is expected in the job. The performance plan includes the critical plus any additional elements, on which the employee will be evaluated. IRS has three performance plans

Performance Award—An award based on the employee's most recent summary appraisal.

Performance Management Cycle— The one-year period established by the employee's SSN during which the employee's performance is evaluated.

Performance Management System— The on-going process of planning expectations and monitoring, evaluating and recognizing performance.



Appendix A—Glossary of Key Terms (Cont'd)

Probationary Period—The first year of service of an employee who is given a career or career-conditional appointment under 5 CFR part 315. During this period, the agency determines the fitness of the employee. Probationary employees should be advised of their progress prior to the end of the 10th month of their probationary period.

Progress Review—Feedback related to the critical job elements of an employee's Performance Plan. Progress reviews can occur throughout the rating period with one required mid-year review session.

Quality Step Increase (QSI) — A one-step increase in base pay supported by an “Outstanding” rating. Management determines whether to offer the employee the choice of a QSI in lieu of a cash award. A QSI may be granted to any non-SES employee who receives an “Outstanding” summary appraisal, occupies a permanent General Schedule position, is paid less than the maximum rate of his/her grade and is not paid under an incentive pay system.

Rating Official — The employee's immediate supervisor who evaluates performance and assigns the ratings for each critical job elements and a summary appraisal.

Rating Period — The period of time covered by a Performance Plan for which a summary appraisal will be prepared. (See Minimum Rating Period)

Reconsideration Official—A manager at a higher level in the organization than the reviewing official for the summary appraisal and/or the denial of a within-grade increase who may reconsider the recommendation of the reviewing official.

Retention Standard—An employee standard developed in response to Section 1204 of the IRS Restructuring and Reform Act of 1998 which requires all IRS employees to administer the tax laws fairly and equitably, protect taxpayers' rights and treat taxpayers ethically with honesty, integrity and respect.

Revalidated Appraisal for Competitive Action —When an annual appraisal is more than 6 months old for a BU employee on or before the date of a vacancy announcement, it may be revalidated, if accurate, and be used for an additional 6 months. For NBU employees, appraisals are considered current for 12 months.

Revalidation of Rating of Record — If a manager determines that journey level or above employee in at least the second year of his or her position would receive a Rating of Record for the current appraisal period identical to the Rating of Record received for the previous period, the manager may re-certify that the most recent Rating of Record is valid for performance in the current appraisal period. The employee's annual appraisal can only be revalidated every other year.

Reviewing Official—The second line supervisor who reviews and approves the critical job elements at the beginning of the rating period.

ROTERRs (Records of Tax Enforcement Results)—Data, statistics, compilations of information or other numerical or quantitative records of the tax enforcement results reached in one or more cases. ROTERRs do not include tax enforcement results when used to determine whether an employee exercised appropriate judgment in pursuing enforcement of the tax laws based upon a review of the employee's work on an individual case. (See IRM 105.4)

Self-Assessment—A summary prepared by the employee and given to the manager for use in preparing the summary rating. The summary outlines the actions taken by the employee in achieving the critical job elements.



Appendix A—Glossary of Key Terms (Cont'd)

Summary Rating Levels —The designators assigned to the summarization of the element appraisals of employee performance done by comparing actual performance to the critical job elements and performance aspects in the employee's performance plan. All employee performance plans except for executives, managers and management officials contain five rating levels "Outstanding," "Exceeds Fully Successful," "Fully Successful," "Minimally Successful," and "Unacceptable."

Supervisor—(See Manager)

Timeliness of Appraisals — Ratings of record must be prepared and provided to the employee within thirty (30) days after the end of the employee's appraisal period. Managers are to forward appraisal forms to the TPC within 5 days after completion for input into the personnel system.

Unacceptable Performance— An employee's performance that fails to meet the Retention Standard and/or one or more of the established critical job element of his or her position.

Unrateable Employees/ Not Ratable —An employee whose performance has not been observed for a minimum of 60 days or has not been in receipt of his or her performance plan for a minimum of 60 days. This applies primarily to an employee who is a virtually full time Union Representative and who has not made arrangements with his or her manager to work a reasonable and sufficient amount of time necessary to receive a rating during the appraisal period. This period has been defined by agreement with NTEU as 120 hours. If the minimum period cannot be met, the Union Representative will receive a Not Ratable (NR) rating.

Withholding of Within Grade Increase—Occurs when a within grade increase is due and the manager determines that the employee's summary appraisal is less than "Fully Successful". The employee must have been given at least 60 days notice prior to withholding the within grade increase.

**APPENDIX B—
Forms 6774 and 12337**

- ✓ Form 6774, Receipt of Performance Plan and/or Numerical Aspects
- ✓ Form 12337, Retention Standard



Receipt for Performance Plan and/or Numerical Aspects

Name

Title of Position

Series and Grade

Organization

SPD/PD No.

Complete Only for Assignments With Numerical Aspects

Performance Plan

Change to Numerical Performance Aspect

Numerical Performance Aspects

I have received a copy of my job elements and performance aspects, and have discussed them with my supervisor.

Employee

Date

Supervisor

Date

Signature validates tax enforcement statistics will not be used to evaluate employee's performance.

Form **6774** (Rev.11-98)

Cat. No. 610520

Department of the Treasury - Internal Revenue Service

Retention Standard: Fair and Equitable Treatment of Taxpayers

Administer the tax laws fairly and equitably, protect all taxpayers' rights, and treat each taxpayer ethically with honesty, integrity, and respect.

Part I Identifying Information

Name	SSN	Position title
Series and grade	Organization segment (<i>Office code symbols</i>)	

Part II Acknowledgement of Receipt

This is to acknowledge receipt of the above retention standard to be effective on or after July 1, 1999. I certify that my manager discussed with me the examples of behavior that will allow me to meet the standard; circumstances that may result in a determination that I do not meet the standard; and potential impact of not meeting the standard.

(Employee initials)

(Date initialed)

Part III Retention Rating (*A narrative is required for a rating of Not Met*)

Period covered	Period covered to
<input type="checkbox"/> Met <input type="checkbox"/> Not met <input type="checkbox"/> Not applicable	

Comments: (*Attach additional sheets, if necessary*)

I certify that tax enforcement statistics were not used in assigning the above rating.	Date
Rating Official Signature	
I certify that tax enforcement statistics were not used in assigning the above rating.	Date
Reviewing Official Signature	
I certify that the above rating has been discussed with me and I have been given a copy. My signature does not indicate agreement with the rating. I am aware that if I decide to submit a narrative response, it must be submitted in writing within fifteen (15) workdays of receipt of the above rating.	Date
Employee Signature	

Supplemental Privacy Act Statement

Our authority to request this information is 5 U.S.C. 301 and Executive order 9397. Section 1204 (b) of the Internal Revenue Service Restructuring and Reform Act of 1998 requires that IRS establish a retention standard for all employees which requires the "fair and equitable treatment of taxpayers." This document is to be used for initial implementation of the retention standard. The above retention standard supplements your existing employee performance plan form. The information contained in Part II, Acknowledgement of Receipt, will be used to document that you acknowledged receipt of the retention standard and to certify that your manager discussed the examples of behavior that will allow you to meet the standard; circumstances that may result in a determination that you do not meet the standard; and potential impact of not meeting the standard. Part III, Retention Rating, will supplement your performance appraisal. Such information may be used in a personnel action that

may adversely impact your career, including affecting the retention of your job. This document may be used in administrative or judicial proceedings affecting your personnel rights. The information may be disclosed to the Office of Personnel Management, Merit Systems Protection Board, Equal Employment Opportunity Commission, and General Accounting Office for the purpose of properly administering Federal Personnel systems in accordance with applicable laws, and to officials of labor organizations recognized under 5 U.S.C. Chapter 71 when relevant and necessary to their duties of official representation. Providing the requested information is mandatory. Failure to complete all or part of the information may result in disciplinary and/or adverse action.

**APPENDIX C—
Performance Appraisal Form and Guidelines**

- ✓ Form 6850, Performance Appraisal
- ✓ Manager Guidelines for Completing Form 6850,
Performance Appraisal

Performance Appraisal

Complete only if employee served on a performance plan for 60 days or more
(Please review instructions on reverse before completing form)

1. Name of employee	2. SSN	3. Date of appraisal and overall departure rating (if applicable)
---------------------	--------	---

4. Title of current position	5. Organizational segment (Office Symbol)
------------------------------	---

6. Period covered From: _____ To: _____	7. Pay plan/series	8. Grade	9. SPD/PD No.
--	--------------------	----------	---------------

10. Reason for appraisal
 Annual rating _____ Departure rating _____ Other _____

11. Job element of position	Job Element Rating						Element	
	NA	5	4	3	2	1	Critical	Additional
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								

12. Summary Level Outstanding Exceeds Fully Successful Fully Successful Minimally Successful Unacceptable	13. Average of Critical Elements <hr/> 15. Revalidation Period Covered From: _____ To: _____
--	--

14. Rater Name/Signature/Date <i>(Tax enforcement statistics were not used to prepare this appraisal)</i>	15a. Rater Name/Signature/Date <i>(Tax enforcement statistics were not used to prepare this appraisal)</i>
---	--

14a. Reviewing Official Name/Signature/Date <i>(Tax enforcement statistics were not used to prepare this appraisal)</i>	15b. Reviewing Official Name/Signature/Date <i>(Tax enforcement statistics were not used to prepare this appraisal)</i>
---	---

14b. This evaluation has been discussed with me and I have been given a copy. Employee signature/Date	15c. This evaluation has been discussed with me and I have been given a copy. Employee signature/Date
--	--

Instructions

Appraise the employee against the elements/standards of his/her position and/or other assignment(s) if applicable, for the rating period. Guidelines for assisting the evaluator in applying multi-graded elements/standards to a specific grade level are listed below:

- ✓ Grade of Employee/Level of Assignments - Consider the grade level of the employee and the level of difficulty of the case/work assigned.
- ✓ Experience - As experience or exposure to various issues and responsibilities increases, the employee should be able to accomplish work more efficiently and with less assistance or supervision. Consider repetition of mistakes, excessive time, and need for continuous assistance (either from the manager or senior employees) in relation to experience.
- ✓ Also, some issues, problems or work situations recur regularly, while others are not frequently encountered. Consider novelty of issues and problems, new or extensively revised procedures and guides, and assignment complexities.
- ✓ Training - Consider the training the employee has or has not received-basic, advanced, specialized.
- ✓ Counseling Received -Consider whether the employee has been clearly informed of your expectations; whether errors are quickly corrected and seldom repeated; whether performance has improved or worsened; whether praise or recognition has been given for good performance; whether counseling sessions have been documented to support instances of poor performance.

Block 1- 10. Self-Explanatory

Block 11. Job Elements

- ✓ Enter one job element on each line.
- ✓ Identify each element as CRITICAL (Yes) or ADDITIONAL (No) as they are identified on the appropriate set of elements/standards.
- ✓ If performance of the duties/responsibilities reflected by the element have not been observed, identify the element as NOT APPLICABLE (NA). Reasons for not appraising a critical element must be documented as part of the appraisal.
- ✓ The rating for each job element will be based upon a review and consideration of all aspects of the overall standard, using the following scale. Judgement must always be exercised in determining whether or not the employee has exceeded, met, or failed to meet each aspect of the overall element.
 - OUTSTANDING - Exceeds all the aspects of the overall standard: (5)
 - EXCEEDS FULLY SUCCESSFUL - Exceeds more than half of the performance aspects of the standard and meets the other performance aspects: (4)
 - FULLY SUCCESSFUL - Meets all of the performance aspects: (3)
 - MINIMALLY SUCCESSFUL - Fails one performance aspects: (2)
 - UNACCEPTABLE - Fails two or more performance aspects: (1)
- ✓ When pertinent, authorized time away from the normal duties of the position (e.g. collateral duties) must not be considered as a negative factor when rating each element.
- ✓ Don't allow one incident to unduly influence your rating on any element.
- ✓ Narratives are required to document all element ratings. They will be attached to this form before the appraisal is discussed with the employee.

Block 12. Summary Level

On the basis of the rating on the individual critical elements, assign an overall Summary Rating (if due), using the following scale:

- OUTSTANDING - Employee is rated Outstanding in more than half of the critical elements and exceeds Fully Successful in the other critical elements.
- EXCEEDS FULLY SUCCESSFUL - Employee is rated Exceeds Fully Successful or above in more than half of the critical elements and Fully Successful in the other critical elements.
- FULLY SUCCESSFUL - Employee is rated Fully Successful or more in all of the critical elements.
- MINIMALLY SUCCESSFUL - Employee is rated Minimally Successful in one or more critical elements, but not Unacceptable in any critical elements.
- UNACCEPTABLE - Employee is rated Unacceptable in one or more critical elements.

Block 13. Average critical elements for awards.

Block 14. Signatures.

Block 15. Revalidation.

PRIVACY ACT STATEMENT

The Privacy Act of 1974 and Paperwork Reduction Act of 1980 say that when we ask you for information, we must tell you: our legal right to ask for the information; what major purpose we have in asking for it and how it will be used; what could happen if we do not receive it; and whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

This statement is being provided pursuant to Public Law 93-579 (Privacy Act of 1974) December 31, 1974, for individuals who have been requested to submit a statement of accomplishment/self-assessment.

The authority to solicit this information is derived from 5 USC 4301, et seq., and 5 CFR Part 430.

In order to allow you the opportunity to provide input into the appraisal process, management will request this information from you. The information you furnish will be considered by your supervisory officials in preparing an appraisal of your performance, or conducting mid-year progress reviews. Once prepared, the information contained in your performance appraisal will be used on a need to know basis by IRS officials. Disclosures may also be made when appropriate, to routine users as published in the Federal Register, such as the Office of Personnel Management, the Equal Employment Opportunity Commission, the General Accounting Office and others listed in the appropriate system of records. The information contained in your performance appraisal is part of TR/IRS 36.003, General Personnel Records.

Failure to furnish this information may result in your supervisors preparing your appraisal, or conducting a progress review, without considering any information you may feel is relevant or significant.

**Appendix C—
Manager Guidelines for Completing Form 6850, Performance Appraisal**

This guidance supplements the instructions on the Form 6850, Performance Appraisal, (Rev. 7-98) used to evaluate all employees on critical elements and performance aspects that have appointments expected to last a minimum of 60 days. Additional information can also be found in NORD/NC V, Article 12.

BLOCKS 1 AND 2 - NAME AND SSN:

If these blocks are not completed, the Transactional Processing Center (TPC) will return the form to you for completion and resubmission.

BLOCKS 6 - PERIOD COVERED:

The annual rating “period covered to” date is determined by the last digit of the employee's SSN as indicated in the table provided on page 18 and in NORD V NC V, Exhibit 12-1. The table also indicates the time frames established for providing the form to the employee for review, discussion, and signature and to the TPC for input into the Personnel/Payroll system.

An exception to the use of the SSN cycle occurs when the employee has not been observed for 60 cumulative days after receiving his/her performance plan. In these instances, the period covered by the appraisal must be extended by the amount of time necessary to meet the minimum 60-day requirement (Article 12, Subsection 4.A.)

If the “period covered to” date is not indicated in Block 6, your TPC will return the form to you for completion. If there is a “period covered to” date without a from date, the TPC will assume the rating to have begun one year from the to date. If the rating “period covered to” date is displayed as mm/yy, the TPC will assume the rating period as the end of the last day of the month indicated on the form. TPC will also return the form if the “period covered to” date is more than 12 months old with a current signature date.

Block 10 - REASON FOR APPRAISAL:

Check	For an appraisal prepared when an employee is:
Annual Rating	at the end of his or her performance cycle. Refer to Attachments 3 and 4 and NORD/NC V, Article 12, for additional information.
Departure Rating	departing from his or her position. Refer to Attachment 5 and NORD/NC V, Article 12, for additional information.
Other (Competitive Action Rating)	applying for a vacancy. Refer to Attachment 6 and NORD/NC V, Article 13, for additional information.
Other (Release/Recall)	being released from or recalled to work. Refer to NORD/NC V, Article 14 for additional information.

If the Reason for Appraisal is other than “Annual Rating” or “Departure Rating/Other-Annual”, the TPC will return the Form 6850 to you.

BLOCK 11 - JOB ELEMENT OF POSITION

Refer to the reverse side of the Form 6850.

In addition, when an employee has changed from one permanent position to another during the rating period (i.e., employee is promoted, reassigned to another position with different critical elements) use the current performance plan of record when preparing the annual appraisal. You should consider any departure rating when determining the job element ratings. Remember you are looking at the past 12 months of performance, where appropriate.

If no justification is available due to a lack of opportunity for an employee to perform in a critical element or to be observed performing in that element, award the employee with a **Not Applicable (NA)** score.

BLOCK 12 - SUMMARY RATING

Refer to the reverse side of the Form 6850.

In addition, unrateable employees, (e.g., employees who serve as virtually full time stewards and have not made arrangements with their manager on the time they will spend doing the work of their position), will not receive a "presumptive" or "assumed" rating of record. They are rated "unrateable". They may also be granted a "Waiver of Requirement for Determination" for within-grade increases (IRM 0.4.3.4(3)). Follow the Annual Performance Appraisal Process in Exhibit 3 of this guide once the employee becomes ratable.

Please ensure the accuracy of this block before submitting form to the TPC. The TPC will check this block for completion only. If incomplete, TPC will return the form to you.

BLOCK 13 - AVERAGE OF CRITICAL ELEMENTS

The information you insert in this block is used in conjunction with awards and in the competitive action process. Please ensure the accuracy of the data you provide.

BLOCKS 14 - RATER, REVIEWER, AND EMPLOYEE NAME/SIGNATURE/DATE

Appraisals should comply with the requirement that records of tax enforcement results (ROTERTs) were not used to evaluate the employee. Your signature and the reviewer's signature certify that ROTERTs were not used in preparing the appraisal.

If the appraisal has not been signed and dated by the rater, reviewer, and employee, the TPC will return the form to you for completion. NOTE: If the employee is unavailable to sign and date the form, annotate the reason for the missing signature.

BLOCK 15 - REVALIDATION

You may revalidate a prior appraisal when you have determined that your journey level or above employee who is in at least the second year of his or her position, has earned an annual performance appraisal for the current period which is identical to the one received for the most previous period.

Use the prior Performance Appraisal, Form 6850. Use this block, not Block 6 to reflect the period covered information.

Advise employee that at least five days prior to the revalidation that you plan to revalidate his or her existing appraisal. The employee may prepare a narrative summary or self-assessment that

Appendix C— Manager Guidelines for Completing Form 6850, Performance Appraisal (Cont'd)

should be attached to the revalidated Form 6850. If you object to its accuracy, you may prepare your own full evaluation with narrative.

If the “period covered to” date is not indicated in Block 15, your TPC will return the form to you for completion. If there is a “period covered to” date without a “from” date, the TPC will assume the rating to have begun one year from the to date. If the rating “period covered to” date is displayed as mm/yy, the TPC will assume the rating period as the end of the last day of the month indicated on the form. TPC will also return the form if the “period covered to” date is more than 12 months old with a current signature date.

In addition, if the appraisal has not been signed and dated by the rater, reviewer, and employee, the TPC will return the form to you for completion. NOTE: If the employee is unavailable to sign and date the form, annotate the reason for the missing signature.

**APPENDIX D—
Guidelines for Competitive
Action Performance Appraisal**

Appendix D—Guidelines for Competitive Action Performance Appraisal

If employee is applying for an announced vacancy...			
And	And	And	You must
employee has been observed 60 days or more on his/her performance plan	there is a current appraisal less than: 1) 6 months old for a BU employee; or 2) 12 months old for an NBU employee	existing appraisal contains a narrative for each CJE and accurately reflects overall performance	advise employee that existing appraisal can be submitted to Personnel with application
		existing appraisal does not contain a narrative for each CJE or does not accurately reflect overall performance	1) prepare Form 6850 <ul style="list-style-type: none"> • include narratives for each CJE (to enable employee to receive fair treatment when ranked for vacancy. This requirement does not exist when employee is applying for a GS7 and below NC V covered position. (Art 13, Sec 5.B. & C.) • check “Other” and annotate “Competitive Action” in Block 10 Reviewing Official signature not required <ul style="list-style-type: none"> • discuss appraisal with employee and obtain employee’s signature on the form 2) provide a copy of the completed form to employee for submission to personnel with application 3) file a copy of the form in the EPF
	There is an appraisal 6 to 12 months old for a BU employee	existing appraisal contains a narrative for each CJE and accurately reflects overall performance	1) advise employee that you plan to revalidate his/her appraisal 2) 3 workdays after advising employee, revalidate the appraisal by completing Block 15 <ul style="list-style-type: none"> • If Block 15 is already completed (due to annual revalidation) initial and date 15a. • Reviewing Official signature not required • discuss appraisal with employee and obtain employee’s signature on the form. If Block 15 is already completed (due to annual revalidation) have employee initial and date 15c. 3) provide a copy of the completed form to employee for submission to personnel with application 4) file a copy of the form in the EPF (This revalidated appraisal can be used for an additional six months)



Appendix D—Guidelines for Competitive Action Performance Appraisal (Cont'd)

If employee is applying for an announced vacancy...			
And	And	And	You must
employee has been observed 60 days or more on his/her performance plan	There is an appraisal 6 to 12 months old for a BU employee	existing appraisal does not contain a narrative for each CJE or does not accurately reflect overall performance	1) prepare Form 6850 <ul style="list-style-type: none"> • include narratives for each CJE (to enable employee to receive fair treatment when ranked for vacancy. This requirement does not exist when employee is applying for a GS7 and below NC V covered position. (Art 13, Sec 5.B. & C.) • check “Other” and annotate “Competitive Action” in Block 10 • Reviewing Official signature not required • discuss appraisal with employee and obtain employee’s signature on the form 2) provide a copy of the completed form to employee for submission to personnel with the application 3) file a copy of the form in the EPF
employee has been observed for 60 days on former IRS position performance plan	N/A	N/A	advise employee that appraisal from prior position can be submitted to personnel with the application
employee has not been observed for 60 days on an IRS performance plan	NA	NA	1) prepare Form 6850 <ul style="list-style-type: none"> • check “Other” and annotate “Competitive Action/Presumptive” in Block 10 • indicate a “3” for each CJE rating in Block 11 • Reviewing Official signature not required • discuss appraisal with employee and obtain employee’s signature on the form 2) provide a copy of the completed form to employee for submission to personnel with application 3) file a copy of the form in the EPF

**APPENDIX E—
Guidelines for Departure
Performance Appraisal**



Appendix E—Departure Performance Appraisal Process

If the employee is:	And has:	The manager must:
departing a permanent position within the last 60 days of the annual rating period	been observed for a minimum of 60 days on his/her performance plan	1) prepare Form 6850 prior to employee's departure (the departure appraisal will become the employee's annual performance appraisal.) Follow annual performance appraisal form completion process except check "Departure Rating" and "Other" and annotate "Annual" on the line provided in Block 10. 2) forward form to the TPC within 35 days following the employee's departure.
	not been observed for 60 days on his/her performance plan	No action is required.
departing a permanent or temporary position more than 60 days from the end of the annual rating period	been observed for a minimum of 60 days on his/her performance plan	1) prepare Form 6850 prior to employee's departure. Follow annual performance appraisal form completion process except: <ul style="list-style-type: none"> • Check "Departure Rating" in Block 10; • Summary Rating, Block 12, not required; and • Reviewing Official signature not required. 2) enclose the form in the Employee's Performance File and forward to the employee's new supervisor for annual appraisal consideration.
	not been observed for 60 day on his/her performance plan	No action is required.





Appendix E—Departure Performance Appraisal Process (Cont’d)

If the manager is:	And has:	The manager must:
departing his/her position within the last 60 days of the employee's annual rating period	observed the employee for a minimum of 60 days on his/her performance plan	1) prepare Form 6850 prior to the manager's departure. Follow annual performance appraisal form completion process except: <ul style="list-style-type: none"> • Check "Departure Rating" and "Other" and annotate "Manager" on the line provided in Block 10; • Summary Rating, Block 12, not required; and • Reviewing Official signature not required. 2) enclose the form in the Employee's Performance File and provide to the employee's new supervisor for annual appraisal consideration.
	not observed employee for 60 days on his/her performance plan	No action is required.
departing his/her position and it is more than 60 days from the end of the employee's annual rating period	observed the employee for a minimum of 60 days on his/her performance plan	1) prepare Form 6850 prior to the manager's departure. Follow annual performance appraisal form completion process except: <ul style="list-style-type: none"> • Check "Departure Rating" and "Other" and annotate "Manager" on the line provided in Block 10; • Summary Rating, Block 12, not required; and • Reviewing Official signature not required. 2) enclose the form in the Employee's Performance File and provide to the employee's new supervisor for annual appraisal consideration.
	not observed employee for 60 day on his/her performance plan.	No action is required.