(ii) Communicating performance plans to employees at the beginning of an appraisal period;

(iii) Evaluating each employee during the appraisal period on the employee's elements and standards;

- (iv) Recognizing and rewarding employees whose performance so warrants;
- (v) Assisting employees in improving unacceptable performance; and
- (vi) Reassigning, reducing in grade, or removing employees who continue to have unacceptable performance, but only after an opportunity to demonstrate acceptable performance.
- (2) Identify employees covered by the system;
- (3) Establish the permissible values (including, but not limited to, number of days and number of levels) that an agency program may use for—

(i) The appraisal period (as specified in § 430.206(a));

- (ii) The minimum period (as specified in § 430.207(a));
- (iii) The number(s) of performance levels at which elements shall be appraised (as specified in § 430.206(b)(6)); and
- (iv) The number of summary rating levels that may be assigned in a rating of record (as specified in § 430.208(d)); and
- (4) Include, where applicable, criteria and procedures for establishing separate appraisal programs within the agency; and
- (5) Require that an agency appraisal program shall conform to statute and the regulations of this chapter.
- (c) Agencies are encouraged to involve employees and their representatives in developing and implementing their system(s).

§ 430.205 Agency performance appraisal program(s).

- (a) Each agency shall establish at least one appraisal program of specific procedures and requirements to be implemented in accordance with the agency's appraisal system(s). At a minimum, each appraisal program shall include procedures and requirements for planning performance as specified in § 430.206, monitoring performance as specified in § 430.207, and rating performance as specified in § 430.208.
- (b) An agency program shall establish criteria and procedures to address employee performance for employees who are on detail, who are transferred, or for other special circumstances as established by the agency.
- (c) An agency may permit the development of separate appraisal programs under the framework of its appraisal system(s).

(d) Agencies are encouraged to involve employees and their representatives in developing and implementing their program(s).

§ 430.206 Planning performance.

(a) Appraisal period. (1) An appraisal program shall designate an official appraisal period for which a performance plan shall be prepared, during which performance shall be monitored, and for which a rating of record shall be prepared.

(2) The appraisal period shall generally be designated so that employees shall be provided a rating of record on an annual basis. An appraisal program may provide that longer appraisal periods may be designated when work assignments and responsibilities so warrant or performance management objectives can be achieved more effectively.

(b) Performance plan. (1) Agencies shall encourage employee participation in establishing performance plans.

(2) Performance plans shall be provided to employees at the beginning of each appraisal period (normally within 30 days).

(3) An appraisal program shall require that each employee be covered by an appropriate written, or otherwise recorded, performance plan based on work assignments and responsibilities.

(4) Each performance plan shall include at least one critical element that addresses individual performance.

(5) When appropriate, performance plans may also include accomplishment of team, group, or organizational objectives by incorporating elements, objectives, goals, program plans, work plans, or by other similar means that account for program results.

(6) (i) An appraisal program shall provide for establishing the number of levels at which performance on an element may be appraised. At a minimum, two levels shall be used, with one level being "Fully Successful" or its equivalent and another level being "Unacceptable."

(ii) A performance standard shall be established at the "Fully Successful" level for each element and may be established at other levels.

(iii) The absence of an established standard at a level specified in the program shall not preclude a determination that performance is at that level.

§ 430.207 Monitoring performance.

- (a) Minimum period. An appraisal program shall establish a minimum period before any performance determination can be made.
- (b) Ongoing appraisal. An appraisal program shall include methods for

appraising each element in the performance plan during the appraisal period, unless there has been insufficient opportunity to demonstrate performance on the element. Such methods shall include, but not be limited to, conducting one or more progress reviews during each appraisal period.

(c) Unacceptable performance. At any time during the appraisal period that performance is determined to be unacceptable in one or more critical elements, an appraisal program shall provide for—

(1) Assisting employees in improving unacceptable performance; and

(2) Taking action based on unacceptable performance.

§ 430.208 Rating performance.

(a) As soon as practicable after the end of the appraisal period, a written, or otherwise recorded, rating of record shall be given to each employee.

(b) Rating of record procedures for each appraisal program shall include a method for deriving a summary rating and assigning a summary rating level as specified in paragraph (d) of this section based at a minimum on appraisal of performance on critical elements, and, at agency discretion, consideration of other performance-related factors including, but not limited to, appraisal of performance on non-critical elements.

(1) A summary rating above Level 1 ("Unacceptable") shall not be assigned if performance on any critical element has been appraised as "Unacceptable."

(2) Consideration of other performance-related factors shall not result in assigning a summary rating of Level 1 ("Unacceptable") if each critical element has been appraised at least "Fully Successful" (or equivalent).

(c) An appraisal program shall not establish a forced distribution of summary ratings—

(1) Below Level 3 ("Fully Successful" or equivalent); or

(2) If those summary ratings are derived solely from an appraisal of performance against pre-established standards.

(d) Summary rating levels. (1) An appraisal program shall provide for—

(i) At least two and not more than fi

(i) At least two and not more than five summary rating levels; (ii) A Level 1 ("Unacceptable")

(ii) A Level 1 ("Unacceptable") summary rating level; and

(iii) A Level 3 ("Fully Successful" or equivalent) summary rating level.

(2) If more than two summary rating levels are used, agencies may provide for any combination of additional summary rating levels (Level 2, Level 4, and Level 5) provided that—

(i) Level 2, if used, is a rating level above Level 1 and below Level 3; and