(ii) Level 4, if used, is a rating level above Level 3 and below Level 5 ("Outstanding" or equivalent) if used

("Outstanding" or equivalent), if used. (3) The term "Outstanding" shall be used only to describe a Level 5 summary rating level.

(4) The summary rating level designator (Level 1 through Level 5) shall be used to provide consistency in describing ratings of record and in referencing other related regulations (including, but not limited to, § 351.504 of this chapter).

(e) A rating of record of "Unacceptable" (Level 1) shall be reviewed and approved by a higher level management official.

(f) The rating of record or performance rating for a disabled veteran shall not be lowered because the veteran has been absent from work to seek medical treatment as provided in Executive Order 5396.

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

(h) A performance rating may be prepared at such other times as an appraisal program may specify for special circumstances including, but not limited to, transfers and performance on details.

§ 430.209 Agency responsibilities.

An agency shall—

(a) Submit to OPM for approval a description of its appraisal system(s) as specified in § 430.204(b) of this subpart, and any subsequent changes that modify any element of the agency's system(s) that is subject to a regulatory requirement in this part;

(b) Transfer the employee's most recent rating of record, and any subsequent performance ratings, when an employee transfers to another agency or is assigned to another organization within the agency;

(c) Require communication with supervisors and employees about relevant parts of its performance appraisal system(s) and program(s);

(d) Evaluate the performance appraisal system(s) contained in its Performance Management Plan and performance appraisal program(s) in operation in the agency;

(e) Use OPM's Guide to Federal Workforce Reporting Systems to report ratings of record data to the CPDF;

(f) Maintain and submit such records as OPM may require; and

(g) Take any action required by OPM to ensure conformance with applicable law, regulation, and OPM policy.

§430.210 OPM responsibilities.

(a) OPM shall review and approve an agency's performance appraisal system(s).

(b) OPM may evaluate the operation and application of an agency's performance appraisal system(s) and program(s).

(c) If OPM determines that an appraisal system or program does not meet the requirements of applicable law, regulation, or OPM policy, it shall direct the agency to implement an appropriate system or program or to take other corrective action.

4. Subpart D [Reserved] and Subpart E, consisting of §§ 430.501 through 430.506, are removed.

PART 432—PERFORMANCE BASED REDUCTION IN GRADE AND REMOVAL ACTIONS

5. The authority citation for part 432 continues to read as follows:

Authority: 5 U.S.C. 4303, 4305.

6. In §432.103, paragraph (b) is revised to read as follows:

§432.103 Definitions.

* * * * * * (b) *Critical element* means a work assignment or responsibility of such importance that unacceptable performance on the element would result in a determination that overall performance is unacceptable.

PART 451—AWARDS

7. The heading of part 451 is revised to read as follows:

PART 451—AWARDS

8. The authority citation for part 451 is revised to read as follows:

Authority: 5 U.S.C. 4302, 4501–4507; E.O. 11438, 12828.

9. Subpart A, consisting of §§ 451.101 through 451.107, is revised to read as follows:

Subpart A—Agency Awards

Sec.

- 451.101 Authority and Coverage.
- 451.102 Definitions.
- 451.103 Agency award program(s).
- 451.104 Awards.
- 451.105 Award restrictions.
- 451.106 Agency responsibilities.
- 451.107 OPM responsibilities.

Subpart A—Agency Awards

§451.101 Authority and coverage.

(a) Chapter 45 of title 5, United States Code authorizes agencies to pay a cash award to, grant time-off to, and incur necessary expense for the honorary recognition of, an employee (individually or as a member of a group) and requires the Office of Personnel Management to prescribe regulations governing such authority. Chapter 43 of title 5, United States Codes provides for recognizing and rewarding employees whose performance so warrants. The regulations in this subpart, in combination with the chapters 43 and 45, United States Code, and any other applicable law, establish the requirements for agency award programs.

(b) Section 4 of E.O. 11438 (Prescribing Procedures Governing Interdepartmental Cash Awards to the Members of the Armed Forces, December 3, 1968) requires the Office of Personnel Management to prescribe procedures for covering the cost of a cash award recommended by more than one agency for a member of the armed forces for the adoption or use of a suggestion, invention, or scientific achievement. Section 1 of E.O. 12828 (Delegation of Certain Personnel Management Authorities, January 5, 1993) delegates to the Office of Personnel Management the authority of the President to permit performancebased cash awards under 5 U.S.C. 4505a to be paid to categories of employees who would not be eligible otherwise.

(c) This subpart applies to employees as defined by section 2105 and agencies as defined by section 4501 of title 5, United States Code, except as provided in §§ 451.105 and 451.201(a).

(d) For the regulatory requirements for granting performance awards to Senior Executive Service (SES) employees based on an employee's performance appraisal and rating of record, refer to § 534.403 of this chapter.

§451.102 Definitions.

Award means something bestowed or an action taken to recognize and reward individual or team achievement that contributes to meeting organizational goals or improving the efficiency, effectiveness, and economy of the Government or is otherwise in the public interest. Such awards include, but are not limited to, employee incentives (e.g., agency productivity gainshares), which are based on predetermined criteria such as productivity standards, performance goals, measurement systems, award formulas, or payout schedules.

Award program means the specific procedures and requirements established by an agency or a component of an agency for granting awards under subchapter I of chapter 43 and of chapter 45 of title 5, United States Code, and this subpart.