



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

6.430.1

JUNE 14, 2011

## PURPOSE

- (1) This transmits revised IRM 6.430.1, Introduction to Performance Management.

## MATERIAL CHANGES

- (1) IRM 6.430.1.6 (1) was revised to include an OPM requirement that rating officials and employees keep current on performance management policies and procedures through training and on-line resources.
- (2) Exhibit IRM 6.430.1-1, Glossary of Performance Management Terms, was revised to reinsert the definition of the Evaluation of Managerial Potential (EMP) process. A new process replacing the EMP was never implemented. Also, the definition of supervisor departure appraisal was revised to reflect the provisions of National Agreement II.

## EFFECT ON OTHER DOCUMENTS

IRM 6.430.1, Introduction to Performance Management, dated June 12, 2009, is superseded.

## AUDIENCE

All Operating Divisions and Functions.

## EFFECTIVE DATE

(06-14-2011)

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6.430.1

Introduction to Performance Management

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6.430.1.1  
(01-01-2007)  
**Performance  
Management Overview**

- (1) Performance management is the systematic process by which the Internal Revenue Service (IRS) involves its employees, as individuals and members of a group, in improving organizational effectiveness to accomplish the Service's mission and goals.
- (2) Performance management integrates the processes that the IRS uses to:
  - a. Communicate and clarify organizational goals to employees.
  - b. Identify individual and, where applicable, team accountability for accomplishing organizational goals.
  - c. Identify and address developmental needs for individuals and, where applicable, teams.
  - d. Assess and improve individual, team, and organizational performance.
  - e. Use appropriate measures of performance as the basis for recognizing and rewarding accomplishments.
  - f. Use the results of performance appraisals as a basis for appropriate personnel actions.
- (3) The IRS Performance Management program provides a framework for supervisors and employees to improve communications, coordinate planning activities, link individual and organizational performance, and ensure fair and consistent treatment of taxpayers.

6.430.1.2  
(06-14-2011)  
**References**

- (1) The IRS Performance Management program originates from:
  - a. 5 USC Chapters 31, 43, 53, 95, and 71
  - b. 5 CFR Parts 293, 315, 335, 339, 351, 359, 430, 432, 451, 531, 771, and 792
  - c. Treasury Personnel Policy Manual, Chapter 430, dated February 16, 1996
  - d. IRM Sections 6.300, 6.335, 6.432, 6.451.1, 6.530.1, 6.771.1.5.2
  - e. Internal Revenue Service Restructuring and Reform Act of 1998 § 1204 (RRA '98)
  - f. National Agreement II between the Internal Revenue Service and National Treasury Employees Union, October 1, 2009
- (2) Where this IRM is silent, the National Agreement II, applicable Office of Personnel Management regulations, and Department of Treasury directives govern. To the extent that provisions of this IRM are in specific conflict with the National Agreement II, the provisions of the National Agreement II govern for bargaining unit positions only.
- (3) Exhibit 6.430.1-1 contains a glossary of performance management terms and definitions used throughout IRM 6.430.

6.430.1.3  
(06-12-2009)  
**Scope of the IRS  
Performance  
Management Program**

- (1) The provisions of this IRM:
  - a. Include IRS employees who meet the definition of an employee described in 5 USC § 4301(2). This includes General Schedule employees, IRS payband covered employees, prevailing rate employees, and administratively equivalent systems except for scientific and professional employees paid under 5 USC § 5376.
  - b. Exclude members of the Senior Executive Service (SES), all managers and management officials occupying board-covered positions (i.e., those positions that are under the jurisdiction of the IRS' Executive Resources Board), employees occupying excepted service positions for which em-

ployment is not reasonably expected to exceed the minimum appraisal period (i.e., 60 days) in a consecutive 12-month period.

**Note:** For information on SES positions, see the HCO Executive Services website at: <http://hco.web.irs.gov/about/divisionspro/es/index.html>

- (2) Employees serving on temporary appointments of 90 days or more are covered by the provisions of this IRM.
- (3) Reemployed annuitants are covered by the performance management requirements of the position to which they are appointed.
- (4) Effective Date: This policy is effective with the date of this IRM.

6.430.1.4  
(01-01-2007)

**Foundation of the  
Performance  
Management Program**

- (1) The foundation of the IRS Performance Management program rests on four guiding principles that:
  - a. Strengthen the linkages between performance management and the Service's mission, strategic business goals, business plans, and the IRS Balanced Measurement System.
  - b. Support the Service's culture and enhance results through a systematic, ongoing process.
  - c. Change the perception of performance management as a time-consuming, stressful human resource activity to a process for helping achieve business objectives.
  - d. Ensure long-term success by balancing the achievement of results with demonstration of actions taken to achieve them.

6.430.1.5  
(01-01-2007)

**Key Performance  
Management Activities**

- (1) In effective organizations, managers and employees have been practicing good performance management naturally all their lives, executing each key component process well. Goals are set and work is planned routinely. Progress toward those goals is measured and employees get feedback. High standards are set, but care is also taken to develop the skills needed to reach them. Formal and informal rewards are used to recognize the behavior and results that accomplish the mission. All four component processes working together and supporting each other achieve natural, effective performance management.
- (2) The four steps of IRS performance management are:
  - a. Planning expectations
  - b. Monitoring progress
  - c. Evaluating performance
  - d. Recognizing performance

6.430.1.5.1  
(01-01-2007)

**Planning Expectations**

- (1) Planning means setting performance expectations and goals for groups and individuals to channel their efforts toward achieving organizational objectives. Getting employees involved in the planning process will help them understand the goals of the organization, what needs to be done, why it needs to be done, and how well it should be done. In an effective organization, work is planned out in advance.
- (2) The regulatory requirements for planning employees' performance include establishing the critical elements and performance standards of their performance plans.

- (3) Performance elements and standards should be measurable, understandable, verifiable, equitable, and achievable. Through critical elements, employees are held accountable as individuals for work assignments or responsibilities.
- (4) Employee performance plans should be flexible so that they can be adjusted for changing program objectives and work requirements. When used effectively, these plans can be beneficial working documents that are discussed often, and not merely paperwork that is filed in a drawer and seen only when ratings of record are required.

6.430.1.5.2  
(01-01-2007)  
**Monitoring Progress**

- (1) Monitoring well means consistently measuring performance and providing ongoing feedback to employees and work groups on their progress toward reaching their goals. In an effective organization, assignments and projects are monitored continually.
- (2) Regulatory requirements for monitoring performance include conducting progress reviews with employees where their performance is compared against their elements and standards.
- (3) Ongoing monitoring provides the opportunity to check how well employees are meeting predetermined standards and to make changes to unrealistic or problematic standards. And by monitoring continually, unacceptable performance can be identified at any time during the appraisal period and assistance provided to address such performance rather than wait until the end of the period when summary rating levels are assigned.

6.430.1.5.3  
(01-01-2007)  
**Evaluating Performance**

- (1) From time to time, organizations find it useful to summarize employee performance. This can be helpful for looking at and comparing performance over time or among various employees. Organizations need to know who their best performers are.
- (2) Within the context of formal performance appraisal requirements, rating means evaluating employee or group performance against the critical elements and performance standards in an employee's performance plan and assigning a summary rating of record. The rating of record is assigned according to procedures included in the Service's appraisal program and is based on work performed during an entire appraisal period.
- (3) The rating of record has a bearing on various other personnel actions, such as granting within-grade pay increases and determining additional retention service credit in a reduction in force.

6.430.1.5.4  
(01-01-2007)  
**Recognizing Performance**

- (1) Rewarding means recognizing employees, individually and as members of groups, for their performance and acknowledging their contributions to the agency's mission. In an effective organization, rewards are used well.
- (2) Another critical component of recognizing performance is the supervisor's obligation to address employee performance that does not meet performance expectations. Most performance problems can be resolved through effective communication and counseling between the supervisor and the employee. Addressing the need for improvement as it is observed will often correct poor performance before a performance-based action is necessary.
- (3) Good performance is recognized without waiting for nominations for formal awards to be solicited. Recognition is an ongoing, natural part of day-to-day

experience. A lot of the actions that reward good performance — like saying “Thank you” — do not require a specific regulatory authority.

- (4) Award regulations provide a broad range of forms that more formal rewards can take, such as cash, time off, and many nonmonetary items. The regulations also cover a variety of contributions that can be rewarded, from suggestions to group accomplishments.

6.430.1.6  
(06-14-2011)

**Responsibilities within  
the IRS Performance  
Management Program**

- (1) The table outlines the responsibilities of the IRS Performance Management Program:

Participant/Office	Roles and Responsibilities
Commissioner	<ul style="list-style-type: none"> <li>Ensures the IRS Performance Management program conforms to applicable laws, regulations, and policies of the Department of Treasury Performance Management System</li> </ul>
Division Commissioner or equivalent	<ul style="list-style-type: none"> <li>Ensures performance management policies and procedures are effectively administered and implemented within their division or function.</li> </ul>
IRS Human Capital Officer and staff	<ul style="list-style-type: none"> <li>Establishes the IRS Performance Management program.</li> <li>Develops and implements performance management policy within the parameters and policies of the Department of the Treasury Performance Management System.</li> </ul>



Participant/Office	Roles and Responsibilities
Rating Official	<ul style="list-style-type: none"><li>• Enhances organizational and individual performance by setting clear expectations, providing direct support, fostering open communications, and linking individual and organizational objectives.</li><li>• Sets and articulates to employees their performance expectations.</li><li>• Conducts at a minimum mid-year progress reviews and end of year performance appraisal meetings with employees.</li><li>• Provides timely feedback to employees on performance.</li><li>• Completes performance appraisals timely and enters appraisals into the appropriate IRS automated system.</li><li>• Counsels, advises, and assists employees whose performance does not meet expectations.</li><li>• Keeps current on performance management policies and processes through training courses and on-line resources.</li></ul>
Reviewing Official	<ul style="list-style-type: none"><li>• Reviews and approves the employee's performance agreement for managers, management officials, and confidential management/program analysts.</li><li>• Approves the annual performance appraisal that becomes the rating of record for bargaining unit and non-bargaining unit employees covered by critical job element performance plans.</li></ul>
Approving Official	<ul style="list-style-type: none"><li>• Reviews and approves the annual performance appraisal for managers, management officials, and confidential management/program analysts.</li></ul>

Participant/Office	Roles and Responsibilities
Performance Review Board	<ul style="list-style-type: none"> <li>Ensures the rating consistency and objectivity of recommended paybanded employees' summary ratings within a specific division or function.</li> </ul>
IRS Payroll Center staff	<ul style="list-style-type: none"> <li>Develops and maintains the HRConnect ePerformance system for the processing of performance appraisals.</li> </ul>
Employee	<ul style="list-style-type: none"> <li>Discusses with the supervisor his or her critical performance expectations for successful performance including training needs and career goals.</li> <li>Communicates with supervisor regarding performance including ideas for improving performance or impediments to accomplishing assigned duties.</li> <li>Communicates needs, resources and support required to meet performance expectations.</li> <li>Completes self-assessment on a voluntary basis.</li> <li>Is responsible for his or her own career planning and development and making developmental needs known to his or her supervisor.</li> <li>Is responsible for taking action to enhance aspects of performance identified as needing improvement.</li> <li>Keeps current on performance management policies and processes through training and on-line resources.</li> </ul>

**Exhibit 6.430.1-1 (06-14-2011)****Glossary of Performance Management Terms**

**Acceptable Level of Competence** – Fully Successful or better 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.

**Ad Hoc Performance Appraisal** – An appraisal used for the release/recall of a bargaining unit seasonal employee if the employee does not have a valid annual performance appraisal. For more information see the National Agreement Resource Center at <http://hco.web.irs.gov/lrer/negagree/natagree/index.html>.

**Agency Grievance** – A request by an employee or by a group of employees; acting as individuals for personal relief in a matter of concern or dissatisfaction relating to employment that is subject to the control of agency management. See IRM 6.771.1, Internal Revenue Service Grievance System.

**Annual Rating** – A written record of the performance appraisal; covering the Retention Standard for the fair and equitable treatment of taxpayers, each Critical Job Element (CJE) or critical performance expectation and the overall performance rating. This appraisal is normally prepared at the end of the appraisal period for performance of agency assigned duties over the entire period and becomes the employee's rating of record. Ratings of record are used for such personnel actions as granting employee awards/bonuses, adjusting rates of basic pay, determining retention in the position, merit promotion, and allocating additional retention service credit for reduction in force (RIF). See also Rating of Record.

**Appraisal** – The act or process of reviewing and evaluating the performance of an employee against the assigned CJE's or critical performance expectations. See also Performance Appraisal.

**Appraisal Cutoff Date** – A specified number of days prior to the date the Internal Revenue Service (IRS) plans to issue specific RIF notices, after which performance appraisals will not be received and put on record for RIF purposes. A cutoff date is needed to provide sufficient time to properly determine employee retention standing prior to a RIF and it must be applied on a uniform and consistent basis in the competitive area where the RIF will take place.

**Appraisal Period** – The established period of time for which performance will be reviewed and a rating of record will be prepared. This is also referred to as the employee's rating period. IRS employees generally have an appraisal period of one year.

**Approving Official** – The employee's second-level supervisor who reviews and either approves or disapproves the annual performance appraisal for managers, management officials, and confidential management and program analysts. The approving official has the final authority on whether to approve, modify, or disapprove the rating of record.

**Award** – An action taken to recognize individual or team accomplishments in accordance with IRM 6.451.1, Employee Performance and Utilization-Awards and Recognition.

**Balanced Measures** – Indicators of organizational performance for Customer Satisfaction, Employee Satisfaction and Business Results. For more information, see IRM 1.5.2, Managing Statistics in a Balanced Measurement System – Section 1204 Certification and Independent Review Processes.

**Bargaining Unit Employee** – An employee covered by the National Agreement II with the National Treasury Employees Union (NTEU). For more information, see the National Agreement Resource Center at <http://hco.web.irs.gov/lrer/negagree/natagree/index.html>

**CJE Performance Plan** – The performance plan for both bargaining unit and non-bargaining unit employees covered by CJE's. See the definition of Performance Plan for more information.

**The Code of Federal Regulations (CFR)** – A codification of general and permanent rules (regulations) that have been previously published in the Federal Register.

**Exhibit 6.430.1-1 (Cont. 1) (06-14-2011)****Glossary of Performance Management Terms**

**Commitments** – A limited number of critical actions, objectives and/or results documented in a manager's or management official's performance plan that the manager or management official is expected to accomplish during the appraisal period. Commitments are one of a manager's or management official's critical performance expectations.

**Confidential Employee** – Defined by 5 U.S.C. § 7103(a)(13) as an employee who acts in a confidential capacity with respect to an individual who formulates or effectuates management policies in the field of labor-management relations. Confidential employees are excluded from the bargaining unit.

**Critical Job Element (CJE)** – A work assignment or responsibility of such importance that unacceptable performance on the CJE would result in a determination that an employee's overall performance is unacceptable. The CJE's are the only elements upon which "unacceptable performance" actions can be based. These must measure individual, not team performance.

**Critical Performance Expectations** – Comprised of the Responsibilities, Commitments, Objectives for Confidential Management/Program Analysts, and the Retention Standard for the fair and equitable treatment of taxpayers for which a manager, management official, or confidential management/program analyst is held accountable. Critical performance expectations, set at the beginning of each fiscal year, serve as the basis for the annual performance evaluation for employees in these positions.

**Current Rating of Record**– The employee's rating of record or equivalent rating of record for the employee's most recently completed appraisal period. (See 5 CFR § 351.203)

**Denial of Within-Grade Increase (WIGI)**– The supervisor's determination that an employee's performance is not at an acceptable level of competence following a WIGI postponement period.

**Departure Appraisal** – A performance appraisal prepared when either the supervisor or employee moves from a permanent or temporary assignment to another permanent or temporary assignment. The employee's performance must have been observed under a signed performance plan for at least 60 days to be ratable.

**Detail** – A temporary assignment to a different set of duties for a specified period when the employee is expected to return to his or her regular duties at the end of the assignment. An employee who is on detail is considered to be permanently occupying his or her permanent position of record.

**Employee Departure Appraisal**– A performance appraisal prepared by the supervisor when the employee departs a permanent or temporary assignment of 60 days or more for another temporary or permanent assignment. The new supervisor must consider the departure appraisal when preparing the next rating of record. An employee departure appraisal from a permanent position becomes the rating of record if the departure occurs within the last 60 days of the employee's appraisal period.

**Employee Performance File (EPF)** – A file maintained by the employee's immediate supervisor consisting only of performance-related documents covering the past four years. For more information, see <http://erc.web.irs.gov/DOCS/2002/AWSS/PS/EPFGuideForManagers.htm>.

**Ending Date of Appraisal Period** – The last day of the employee's appraisal period. The entire appraisal period including any extensions necessary should be indicated under the period covered section of the appropriate performance appraisal form.

**EPerformance** – ePerformance is a feature of HR Connect (Treasury's enterprise HR solution) that supports the completion of the performance appraisal and review process. It provides IRS managers with a tool for automating the performance appraisal submission process for employees, managers, and management officials.

**Equivalent Rating of Record** – The Office of Personnel Management (OPM) has defined an equivalent rating of record as the evaluation of employee performance from an agency that has administratively adopted the pro-

**Exhibit 6.430.1-1 (Cont. 2) (06-14-2011)****Glossary of Performance Management Terms**

cedures of Subpart B of 5 CFR Part 430. In addition, other performance ratings are considered equivalent ratings of record when these performance evaluations are issued as an officially designated evaluation under the agency's performance evaluation system and are derived from the appraisal of performance expectations. These performance expectations must be established and communicated in advance, work related, and identify whether the employee performed acceptably.

**Equivalent Increase** – 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.

**Evaluation of Managerial Potential (EMP)** – An assessment of an employee's "readiness" for advancement to the next higher managerial level. The EMP process' primary focus is to assist employees in developing their managerial skills and related leadership competencies. The goal of this evaluation process is to encourage open communication between employees and their supervisors as they work together to identify managerial potential and overall career development needs and aspirations. For more information, see <http://hco.web.irs.gov/recruitstaff/internalplac/meritpromo/msp/index.html>.

**Evaluative Recordation** – A supervisor's record of indications of performance that forms the foundation for employee development, performance improvement, and the summary rating of record.

**Forced Distribution of Ratings** – Limitations on the use of particular summary performance appraisal levels. The forced distribution of ratings is prohibited by the OPM regulations.

**Grievance** – A complaint by (1) an employee concerning any matter relating to the employment of the employee, (2) the Union concerning any matter relating to the employment of any employee, or (3) an employee or the Union concerning: the effect or interpretation, or a claim of a breach of a collective bargaining agreement or any claimed violation, misinterpretation or misapplication of any law, rule or regulation affecting conditions of employment.

**Individual Development Plan (IDP)** – A defined action plan mapping the steps for reaching career goals. Knowledge, Skills, and Abilities (KSAs) should be enhanced and developed when the IDP is carefully constructed and monitored.

**Intermittent Appointment** – Employment without a regularly scheduled tour of duty. An intermittent tour of duty is appropriate when the nature of the work is sporadic and unpredictable so that a tour of duty cannot be regularly scheduled in advance. For more information, see 5 CFR §340.401 and 403.

**IRS Payroll Center**– A component of the AWSS Payroll and Personnel Systems Branch which is comprised of the IRS Payroll Centers and the Human Resources Reporting Section. Programs include: ePerformance, Time-keeping, CFC, RIF Initiatives, Human Resource Reports and Requests, the National Performance Award Program, Retirement, SETR, among others.

**Journey Level** – Also known as full-working level, this is the highest grade in a career ladder to which an employee may be promoted noncompetitively. It represents the highest grade of an occupation that is supported by a majority of the normal workload in that occupation in an organization. Lower graded positions in the career ladder are considered trainee or developmental levels.

**Management Official**– A non-supervisory employee who formulates, determines, and/or influences Servicewide policies.

**Manager** – Positions which direct the work of an organization through subordinate supervisors, are held accountable for the success of specific line or staff functions, monitor and evaluate the progress of the organization toward meeting goals, and make adjustments in objectives, work plans, schedules, and commit-

**Exhibit 6.430.1-1 (Cont. 3) (06-14-2011)****Glossary of Performance Management Terms**

ment of resources. As described in 5 U.S.C. § 5104, such positions may serve as head or assistant head of a major organization within a bureau; or direct a specialized program of marked difficulty, responsibility, and national significance. See also Supervisor.

**Measured Employee** – An employee is considered “measured” when the employee is assigned to a measured performance plan, has numerical performance standards, has quality review reported, has met the minimum time on the plan, and has completed the learning curve. Measured employees are found at Submission Processing sites on campuses and are covered by the Total Evaluation Performance System (TEPS).

**Merit Promotion Appraisal (MPA)**– A performance appraisal prepared by the supervisor and only used for consideration in a merit promotion action. The supervisor may only prepare a MPA if the employee does not have a rating of record on file or under other conditions specified in the National Agreement II for bargaining unit employees. This MPA is to be used for all merit promotion announcements until the employee receives a rating of record.

**Minimum Appraisal Period** – Minimum period of time for which an employee covered by a performance plan can receive a summary rating. For the majority of IRS workforce except for executives, this period is 60 days.

**Modal Rating** – The summary rating level assigned most frequently among the actual ratings of record that are given under the same summary rating pattern and within the same competitive area as the area undergoing the RIF. It is used for employees who have no ratings of record for RIF purposes. Modal ratings are only used when the competitive area undergoing a RIF contains at least one employee who has no rating of record within the applicable 4-year period for crediting ratings.

**Multiple Rating Patterns**– Occurs when some employees in a competitive area undergoing a RIF have performance ratings that are under more than one pattern of summary levels. In that event, the IRS is required to consider the mix of rating patterns and to specify additional retention service credit for employees who have the same summary level but are under different patterns. It is also known as mixed rating patterns. For more information, see Exhibit 6.430.4-1.

**National Treasury Employees Union (NTEU)** – The labor organization that is the exclusive representative of the employees in the unit (IRS bargaining unit). The NTEU represents and is entitled to act for and negotiate collective bargaining agreements covering all employees in the unit. For more information, see the National Agreement Resource Center at <http://hco.web.irs.gov/lrer/negagree/natagree/index.html>.

**Not Applicable (N/A)** – The determination by a supervisor that the supervisor has not observed the employee’s performance of duties or responsibilities in a specific CJE or performance aspect.

**Not Ratable (NR)** – The determination that an employee cannot receive a rating of record for the designated appraisal period. The “Not Ratable” designation indicates that the employee’s performance has not been observed for a minimum of 60 days during the appraisal period or the employee has not received a performance plan for a minimum of 60 days. The NR designation only indicates that the employee was not ratable for the current appraisal period and it is not a rating of record.

**Objectives** – A limited number of critical actions, goals, and/or results that a confidential management/program analyst is expected to accomplish during the appraisal year. These objectives should be derived from, and directly contribute to, the program priorities and goals established by the organization’s annual business or operations plan. Objectives are one of a confidential management/program analyst’s critical performance expectations.

**Official Personnel Folder (OPF)** – A personnel file maintained by the employer that contains records covering an individual’s employment history. The OPF contains long-term records affecting the employee’s status and service as required by the OPM.



**Exhibit 6.430.1-1 (Cont. 4) (06-14-2011)****Glossary of Performance Management Terms**

**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 CJE's or the Retention Standard for the fair and equitable treatment of taxpayers. The IRS has determined that this period is a minimum of 60 days. The opportunity period is also known as the performance improvement period.

**Overall Rating** – The employee's summary rating completed on the basis of the ratings on the individual CJE's or Responsibilities and Commitments/Objectives, and the Retention Standard for the fair and equitable treatment of taxpayers at the end of the appraisal period for performance of agency assigned duties over the entire appraisal period.

**Payband/Paybands/Paybanding** – A pay structure containing one or more General Schedule grade and related ranges of pay.

**Pay Period Performance Management Listing**– The report generated on the HR Reporting Center website which provides information to supervisors to performance management responsibilities including: annual ratings due or overdue, employee due/overdue eligibility status for a WIGI, and the reports that indicate the last summary evaluation dates input in the automated personnel system.

**Performance Agreement**– The performance plans for managers, management officials, and confidential management/program analysts specifying all of the critical performance expectations for these employees.

**Performance Appraisal** – The act or process of reviewing and evaluating the performance of an employee against the described performance standards documented on an official IRS performance appraisal form.

**Performance Appraisal for Competitive Actions** – See Merit Promotion Appraisals.

**Performance Appraisal Cycle**– The IRS performance appraisal cycle is based on the fiscal year. All performance appraisals that are scheduled to be completed during the fiscal year are considered to be included within the same performance appraisal cycle.

**Performance Appraisal Form** – The performance appraisal form that documents the results of the employee's performance during the performance appraisal cycle and contains the performance rating and overall summary rating level.

**Performance Aspect**– A portion of a CJE that consists of a group of related tasks and performance standards identifying expectations for performance of those tasks.

**Performance-Based Action for Unacceptable Performance** – A reduction in grade or a removal that is taken when an employee's performance is unacceptable in one or more of the CJE's, Commitments, Responsibilities/Objectives, or the Retention Standard for the fair and equitable treatment of taxpayers.

**Performance Indicator** – Anything that directs a supervisor's attention to some aspect of an employee's performance.

**Performance Management Program** – The process by which IRS supervisors involve employees, as individuals and members of a group, in improving organizational effectiveness to accomplish the Service's mission and goals. Constructive performance management integrates the processes of planning, monitoring, appraising, and recognizing performance.

**Performance Plan** – The document that communicates to the employee what performance is expected in the job and what the employee will be rated against for performance appraisal purposes. The performance plan for managers, management officials, and confidential management/program analysts contains critical performance expectations that include Responsibilities, Commitments or Objectives, and the Retention Standard for the fair and equitable treatment of taxpayers. For all other employees, the performance plan is the assigned CJE's, performance aspects, and the Retention Standard for the fair and equitable treatment of taxpayers.

**Exhibit 6.430.1-1 (Cont. 5) (06-14-2011)****Glossary of Performance Management Terms**

**Probationary Employee** – Employee serving a trial or probationary period of one year under the provisions of 5 CFR § 315.801. Special Agents in the Criminal Investigation Division have a three-year probationary period.

**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. Special Agents in Criminal Investigation have a three-year probationary period.

**Progress Review** – The required review and feedback of an employee's work based on the supervisor's observation of measurable behaviors related to the Retention Standard for the fair and equitable treatment of taxpayers and performance plan of a position. All supervisors must provide and document, at a minimum, a mid-year progress review for each employee.

**Rating Official** – The employee's immediate supervisor who evaluates performance and assigns the overall rating or summary evaluation.

**Rating of Record** – The performance rating prepared at the end of an appraisal period for performance of agency-assigned duties over the entire period and the assignment of a summary level within a pattern as specified in 5 CFR § 430.208(d), or in accordance with 5 CFR § 531.404(a)(1) (a rating prepared to support a WIGI decision inconsistent with the employee's most recent rating of record). In IRS, the rating of record is called a Summary Rating or an Overall Rating. See also Annual Rating.

**Rating Patterns** – The number of summary levels of performance specified by the performance appraisal program in accordance with permissible rating patterns defined in OPM regulations. All IRS ratings are under the same rating pattern and have five summary rating levels (i.e., Outstanding, Exceeds Fully Successful or Exceeded, Fully Successful or Met, Minimally Successful or Minimally Satisfactory, and Unacceptable or Not Met.).

**Rating Period** – See Appraisal Period.

**Reassignment** – The change of an employee from one position to another without promotion or change to lower grade.

**Reconsideration Official** – A supervisor at a higher level in the organization than the reviewing/approving official for the employee's summary performance appraisal and/or the denial of a WIGI who may reconsider the recommendation of the reviewing/approving official.

**Records of Tax Enforcement Results (ROTers)**– Data, statistics, compilations of information or other numerical or quantitative records of the tax enforcement results reached in one or more cases. ROTers 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. For more information, see IRM 1.5.2, Managing Statistics in a Balanced Measurement System – Section 1204 Certification and Independent Review Processes.

**Reduction in Force (RIF)** – A RIF is an action planned by management to reduce the size of its workforce and includes the release of a competing employee from his/her competitive level by furlough for more than 30 calendar days, separation, demotion or reassignment requiring displacement. It occurs when the release is required because of lack of work, shortage of funds, insufficient personnel ceiling, reorganization, the exercise of reemployment or restoration rights, or reclassification of an employee's position due to erosion of duties when the reclassification will take effect after an agency has formally announced a RIF in the employee's competitive areas and the RIF will take effect within 180 days.

**Reemployed Annuitant** – An annuitant under either the Civil Service Retirement System or Federal Employees Retirement System whose annuity continues upon reemployment in an appointive position within the Federal



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government. Reemployed annuitants may be employed in any position for which they meet job, age and physical requirements and they may be hired on a temporary or permanent basis.

**Release and Recall** – The required method of releasing and recalling employees who are hired for seasonal, intermittent and term employment. The actual determination of the release/recall roster is based on the type of appointment, IRS enter on duty date and the type of skills needed. For more information, see the National Agreement Resource Center at <http://hco.web.irs.gov/lrer/negagree/natagree/index.html>.

**Responsibilities** – One of the critical performance expectations for a manager, management official, or confidential management/program analyst that deals with how the incumbent performs his or her job. Responsibilities, which reflect the core values of the Service and are shared by all IRS managers, are comprised of Leadership, Employee Satisfaction, Customer Satisfaction, Business Results and Equal Employment Opportunity. Responsibilities for management officials are comprised of Program Leadership, Employee Satisfaction, Customer Satisfaction, Business Results, and Professional Expertise. Responsibilities for confidential management/program analysts are comprised of Analysis and Evaluation, Employee Satisfaction, Customer Satisfaction, Business Results, and Communications.

**Retention Standard For the Fair and Equitable Treatment of Taxpayers** – Employee performance that requires all IRS employees to be evaluated on the fair and equitable treatment of taxpayers (5 U.S.C. § 9508 and the IRS Restructuring and Reform Act of 1998 § 1204).

**Retention Standard**– The performance standard that describes the level of performance necessary to be retained in a job (i.e., the standard written for performance one level above the “Unacceptable” or “Not Met” level). In the IRS, the retention standard is the “Minimally Successful” or “Minimally Satisfactory” standard.

**Retroactive Performance Appraisal** – A retroactive performance appraisal is a performance appraisal prepared by the supervisor after the designated period of time required to prepare the performance appraisal has elapsed or after a subsequent rating of record has been issued. Retroactive performance appraisals are barred by OPM regulations and IRS policy. No IRS official may produce or change a performance appraisal more than 364 days past the ending date of the employee’s appraisal period or past a period for which a subsequent rating of record has been issued.

**Revalidated Performance Appraisal** – A performance appraisal for a journey level or above employee in at least the second year of his or her position who receives a rating of record for the current performance appraisal period that is identical in every way to the rating of record received for the previous period.

**Reviewing Official** – The employee’s second-level supervisor who reviews and either approves or disapproves the employee’s performance agreement for managers and management officials or approves or disapproves the annual performance appraisal that becomes the rating of record for bargaining unit and non-bargaining unit employees covered by CJE performance plans.

**Seasonal Work Schedule** – A schedule that requires an employee to work for less than 12 months each year on an annually recurring basis, based on workload and demands of the employer. A seasonal employee’s tour of duty may be full-time, part-time or intermittent.

**Self-Assessment** – A summary narrative prepared by the employee that reflects the accomplishments completed during the appraisal period. It is given to the rating official for use in preparing the annual performance appraisal. The self-assessment outlines the actions taken by the employee in achieving the critical performance expectations or performance aspects specified by the CJE.

**Summary Levels** – The designators assigned to the summarization of the appraisal of employee performance against individual performance elements. Actual performance is compared to the CJE and performance aspects in the employee’s performance plan or the critical performance expectations for managers, manage-

**Exhibit 6.430.1-1 (Cont. 7) (06-14-2011)****Glossary of Performance Management Terms**

ment officials, and confidential management/program analysts. All IRS performance plans contain five summary levels. The summary level becomes the employee's rating of record.

**Summary Rating** – Part III of the Manager, Management Official, and Confidential Management/Program Analyst Performance Agreements, Forms 12450-A, B, and D, consisting of a summary narrative, critical performance expectations ratings, and a summary rating evaluation.

**Supervisor** – A position or employee that accomplishes work through the direction of other employees, exercising both technical and administrative supervision over subordinates.

**Supervisor Departure Appraisal** – A performance appraisal prepared by the supervisor for each employee in the work unit when the supervisor departs his or her position. The new supervisor will use the supervisor departure appraisal when preparing the employee's next rating of record. A supervisor departure appraisal from a permanent position becomes the rating of record if the departure occurs within the last 60 days of the employee's appraisal period.

**Temporary Promotion** – A personnel action that changes the employee to a position at a higher grade on a temporary basis with a not-to-exceed date.

**Term Appointments** – An appointment of a period of more than one year but not more than four years to a position where the need for an employee's services is not permanent.

**Total Evaluation Performance System (TEPS)** – The employee performance evaluation system used to evaluate campus employees in Submission Processing, GS-08 and below, designated by the supervisor to be on a measured performance plan.

**Transactional Processing Center (TPC)** – Now known as the IRS Payroll Center.

**Unacceptable Performance** – An employee's performance that fails to meet one or more of the CJE's, critical performance expectations, or the Retention Standard for the fair and equitable treatment of taxpayers for his or her position.

**Valid Performance Appraisal** – A performance appraisal that is completed on the Forms 6850-BU or NBU for employees covered by CJE's and on Forms 12450-A, 12450-B, or 12450-D for managers, management officials, or confidential management/program analysts. A valid performance appraisal used as a rating of record contains the signatures of the rating official/rater and recommending/approving official and has been provided to the employee. The performance appraisal must contain an overall summary rating level and a Retention Standard for the fair and equitable treatment of taxpayers rating and be based on the evaluation of actual job performance for the designated appraisal period.

**Within-Grade Increase (WIGI)** – A WIGI is synonymous with the term "step increase" used in 5 U.S.C. § 5335, and means: (1) A periodic increase in an employee's rate of basic pay from one step of the grade of his or her position to the next higher step of that grade in accordance with 5 U.S.C. § 5335, and 5 CFR Subpart D; or (2) For a GM employee (as defined in 5 CFR § 531.202), a periodic increase in an employee's rate of basic pay from his or her current rate to the next higher rate within the grade (as defined in 5 CFR § 531.404) in accordance with Pub. L. No. 103-89, section 4.

**Within-Grade Increase (WIGI) Determination Appraisal** – A performance appraisal prepared to support the decision to grant or deny a WIGI. If the employee's most recent rating of record does not support the granting or denial of the WIGI, the supervisor must prepare a new rating of record to reflect the employee's current performance. See also Within-Grade Increase.

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**Withholding of Within-Grade Increase (WIGI)**– Occurs when a WIGI is due and the supervisor determines that the employee’s summary performance appraisal is less than “Fully Successful ” or equivalent. See also Denial of Within-Grade Increase and Within-Grade Increase.

