

**Department of the Navy
Headquarters United States Marine Corps
3000 Marine Corps Pentagon
Washington, DC 20350-3000**

SUBJ: HQMC BUSINESS RULES FOR ADMINISTERING THE DON INTERIM
PERFORMANCE MANAGEMENT SYSTEM

Date: 19 October 2012

Ref: (a) Department of the Navy, Interim Performance Management
System Covering Positions Transitioning to the General
Schedule (GS) from the National Security Personnel
System (NSPS), Ver.2 - September 2010

(b) D/C M&RA LOI for implementing Department of the Navy
Interim Performance Management System dtd: 16 Sep 10

(c) OPM letter dtd 10 Jun 10, Subj: Guidance on Awards
for Fiscal Years 2011 and 2012

(d) DoD memorandum dated 6 Jul 2011, Subj: Supplemental
Guidance on Awards Limitations for DoD Civilian
Employees in Fiscal Years 2011 and 2012

(e) Department of Navy memorandum dtd 15 Jul 2011,
Subj: Guidance on Awards for Fiscal Years 2011 and
2012

(f) MARADMIN 490/11 dtd 25 Aug 11, Subj: Guidance on
Awards for Fiscal Years 2011 and 2012

(g) MARADMIN 065/11 dtd 26 Jan 2011

(h) Department of the Navy Interim Performance Appraisal
Form, OPNAV 12430/6 (Rev. 11/2011)

1. **PURPOSE.** To provide HQMC specific performance management guidance in conjunction with the references. Updates will be posted as they occur. The date on the document reflects the latest update.

2. **INFORMATION.** These business rules will be utilized to assist in administering all phases of the performance cycle under the DON Interim Performance Management System and must be read in conjunction with the references.

a. Awards Funding. HQMC awards funding will be determined by a percentage of adjusted salaries of all employees covered by the Interim Performance Management System as of the last day of the

rating cycle and will be funded from labor dollars already allocated. The salaries of employees on retained pay will be computed at step 10 of the grade to which assigned. References (c) through (f) provide funding limitations for awards. Specifically, funding for cash performance awards and individual special act and on the spot awards is limited to 1% of the salaries of IPMS employees on board as of 30 Sep 2012. For the FY 2012 appraisal year payout (which is paid using FY 2013 funds), the funding amount is no less than .9% of the 1% for cash performance awards. Any remaining percentage may be used by staff agencies for individual special act and on the spot cash awards paid in FY 2013. Staff agency heads may elect to use the entire 1% for cash performance awards for the FY 2012 appraisal year payout. However, note if this option is elected there will be no funding for individual special act or on the spot cash awards for FY 2013. Quality Step Increases (QSIs) will be funded at .17% of the salaries of IPMS employees on board as of 30 Sep 2012. Unused cash awards funds may not be used for Quality Step Increases and vice versa. While the cash performance award fund will be exhausted by each Performance Awards Review Board (PARB), it is likely the PARBs will have unused QSI funds. The unused QSI funds remaining may be combined to provide for additional QSIs available to HQMC PARBS. Heads of staff agencies will determine how to allocate additional QSIs. Under no circumstance, however, will the .17% limitation for QSIs be exceeded for HQMC as a whole. There is no limit on the number of time off awards that may be given.

b. Mandatory Critical Element for Supervisors. Performance plans for supervisors must contain at least one supervisory critical element. The mandatory element is set forth in reference (g). The supervisory performance standard that must be used to assess performance on the supervisory critical element is contained in reference (a), Appendix C, pages 34 & 35.

c. Rating Official (RO) Roles and Accountability.

(1) Rating officials will normally be the employees' first level supervisor. ROs will be accountable for their duties under Interim Personnel Management System as defined by a mandatory supervisory critical element and related performance standards. Some of these duties include: developing each employee's performance plan with employee input to the extent possible, forwarding employee performance plans to the Senior Rating Official (SRO) for approval and conducting required progress reviews and assessments.

(2) For the annual assessments the RO will recommend a rating of acceptable or unacceptable along with whether or not the employee is recommended or not recommended for an award (not the type or amount of award). The SRO will concur/non-concur and the rating is considered as final and can be communicated to the

employee at that time. The PARB will then use the appraisal to make further and final determinations on individual employee rewards as applicable.

(3) After the PARB has made final reward decisions, the RO (or SRO if the RO is not available) will communicate the following to each employee: the contribution level and the specific award approved. This information will be recorded on the Performance Award Review Board Results Employee Notification form which is generated from the Performance Awards Review Tool used by the PARB.

(4) Disclosure of any employee's contribution level or reward prior to a PARB decision is prohibited.

(5) Employees and ROs are required to write assessments for each critical element. ROs will provide an individual rating level for each critical element and recommend an overall rating of record (Acceptable or Unacceptable) to the SRO. SROs will then approve or disapprove the rating of record and the award recommendation. A rating of record is final once approved by a SRO and will be communicated to the employee at that time. Employees given an acceptable rating of record will be considered eligible for an award. Eligibility does not guarantee the employee will either be recommended for, or receive an award.

d. Senior Rating Official (SRO) Role and Accountability. In most cases, the SRO will be no lower than the second level supervisor of the employee being rated. The SRO is responsible for:

(1) Approving employee performance plans.

(2) Concurring/non-concurring with the RO's recommended ratings and if the employee is recommended for an award and submitting required information, which may include the appraisal, to the PARB.

(3) Attempting to resolve any disagreements with the rating official's rating and award recommendations. If agreement cannot be reached, the SRO's decision is final on whether the employee is acceptable/unacceptable and whether an award is or is not recommended. The SRO will justify reasons for non-concurrence in Section 2, Part J (Command Use block) of the IPMS appraisal form (reference (h)).

e. Performance Awards Review Boards (PARBS).

(1) PARBS will be constructed along organizational lines in the following manner and will review and approve all performance awards so as to achieve fairness and adherence to merit system principles:

- Installations and Logistics Department
- Manpower and Reserve Affairs
- Programs and Resources Department
- Plans, Policies and Operations Department
- C4/MCNOSC
- Administration and Resource Management Division
- Office of the CMC
- MCOTEA
- Public Affairs
- All others consisting of Office of Legislative Affairs, Safety Division, Office of Counsel for CMC, Staff Judge Advocate, Aviation Department, and Health Services

(2) Additional PARBS, not lower than the branch level (or equivalent) may be established within the construct above and must include a sufficient number of employees so as to allow meaningful award recognition.

(3) PARB member(s) must be familiar with the work of the employees whose awards will be reviewed.

(4) The PARB does not have the authority to change a rating of acceptable or unacceptable which has been approved by the Senior Rating Official. PARBS will assign a Contribution Level (CL) to each employee who is rated Acceptable. Contribution levels are defined in reference (b), paragraph 7.

(5) PARBS will be provided an award fund consistent with the funding allocations. The funding allocation will be shown on the Performance Awards Review Tool (PART) provided to the PARB. Awards issued may not exceed the funding allocation.

(6) The PARB approval process on all employees must be completed on/about 14 November so rating officials have sufficient time to hold end of year award conversations not later than 14 December.

(7) A PARB Administrator will be designated to assist the PARB and to operate the PART. This role provides administrative processing that makes the board run smoothly. The administrator will compile all the data elements and material required for the board review process. Additionally, the administrator will run all necessary reports, track decisions and monitor board funding during the proceedings. The "wildcard" columns on the PART may be used to document reasons for PARB decisions as necessary. The PARB Administrator will retain the final PART for two years. The PARB Administrator will be sourced from the organization for which the PARB is being held.

f. Use of the Performance Awards Review Tool (PART)

(1) PARBS will use the most up to date version of PART developed by Manpower and Reserve Affairs to allocate awards to eligible employees. HROM will provide the PART to the PARB administrator or other individual designated by the PARB chair.

(2) Once the completed PART is submitted to HROM either by the PARB chair or the PARB administrator for processing of awards, the PART is considered final and no further changes may be made.

(3) PARBS desiring to have employees receive their awards by the 21 December pay date must submit the completed PART to HROM not later than 21 November to meet payroll deadlines. Earlier submission is encouraged.

(4) When distributing cash awards, the PART tool will automatically assign a percentage amount based on the contribution level assigned and will exhaust the awards fund in so doing. The PART will assign all employees within a contribution level the same percentage, with contribution level 3 employees assigned the highest percentage and contribution level 1 assigned the lowest percentage. PARBS may adjust an individual employee's award amount/percentage up or down to make further performance distinctions. When individual cash awards are adjusted up or down, the awards for all other employees will be adjusted by the PART to ensure the funding limit is not exceeded.

g. Award recommendation levels and eligibility for awards.

(1) Employees are eligible for cash and time off awards based on their contribution level (level 1, 2, or 3). There is no entitlement to an award at any contribution level.

(2) Only employees assigned a contribution level of 3; are below step 10 of their grade; and who have not received a Quality Step Increase (QSI) in the prior 52 weeks are eligible for a QSI.

(3) Employees may not receive both a QSI and a cash award. Employees may receive a time-off award in addition to a cash award or QSI.

h. Determining award recommendations. Sound business reasons will be used in recommending and making final decisions on awards, such as:

(1) Availability of performance funds/fiscal soundness;

(2) Overall contribution to the mission of the organization; and,

(3) Length of time in the position.

i. Weighting of critical elements. Weighting of critical elements is not authorized.

j. Mandatory rating official meetings with employees. Rating officials must meet with employees for all of the events listed below:

(1) Establishing the performance plan;

(2) Progress review (does not require Senior Rating Official review)

(3) Additional progress reviews that may be required

(4) Close-out rating

(5) Annual appraisal and awards discussion

k. Unacceptable performance. In addition to the mandatory meetings, a formal counseling session is required as soon as practicable when an employee's performance is assessed as unacceptable on one or more critical element(s). Documentation for these counseling sessions can vary. Contact your HROM Employee Relations Specialist for guidance as needed.

l. Rating official unavailability. When unable to perform the required duties as a rating official, the next level of supervision will perform the rating official duties and responsibilities.

m. Employees on Detail and Temporary Assignment. Regardless of the duration of the detail or temporary assignment, the permanent supervisor will be responsible for completing the recommended rating of record, taking into account recommendations made by the temporary supervisor. Award recommendations will be submitted to the PARB based on the employee's official permanent position of record.

n. Establishing Performance Plans.

(1) Performance plans must be executed within 30 days of: the start of each rating period; the date an employee enters on duty; the date an employee is permanently assigned to a new position; and, the date an employee is detailed or temporarily reassigned or promoted, when the detail or temporary assignment is expected to last more than 120 days.

(2) Supervisors must take care to ensure performance plans are established quickly when an employee enters on duty especially

from March through the June timeframe to ensure that as of 30 Sep the employee has been under a performance plan for 90 days as of the end of the rating cycle to be eligible to receive a rating and an award.

o. Extending the time to establish a performance plan. Rating officials who are unable to comply with the 30 day deadline will request, in writing, (E-mail is sufficient) an extension from the SRO fully explaining the reasons for the extension. The SRO is authorized to approve extension requests in writing (E-mail is sufficient).

p. Extending the rating period. SRO may extend the rating period to meet the 90 day requirement of being under an established performance plan. The extension is at the discretion of the SRO and must not interfere with the PARB process.

q. Non-disclosure Statement. PARB chairs will determine whether signing a non-disclosure statement will be required of PARB members and PARB administrators.

r. Not Rated (NR). NR is used when a critical element cannot be achieved due to no fault of the employee. An example of this could be critical elements are set for a specific program and funding for that program is no longer available, thus not allowing the employee to achieve the established critical elements.

s. Submission of appraisals and approved awards. Appraisals should be submitted electronically via the HROM civilian appraisal repository no later than 21 November 2012. The HROM repository is accessible through the following link:
https://www.manpower.usmc.mil/portal/page/portal/M_RA_HOME. The repository is listed under online web apps. Approved award decisions will be submitted to HROM via the PART.

t. Processing of performance based awards. Approved awards will be processed by HROM within 5 work days of receipt of the final PART. When the processing of an approved QSI will affect the length of the waiting period for a pending within grade increase, the processing of the QSI may be delayed to be effective not later than the start of the pay period immediately prior to 1 March. PARTS must be annotated to alert HROM to delay processing of a QSI.

u. Grievances. Employees may address concerns relating to aspects of the performance appraisal process through the administrative grievance procedure. Ratings on individual elements (acceptable/unacceptable) and the summary level rating (acceptable/unacceptable) are grievable. Failure to receive an award, the amount of an award, and the type of award are not grievable. For additional information please contact an HROM advisor.