



DEPARTMENT OF THE NAVY  
OFFICE OF THE ASSISTANT SECRETARY  
(MANPOWER AND RESERVE AFFAIRS)  
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WASHINGTON, D.C. 20350-1000

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MEMORANDUM FOR DISTRIBUTION

Subj: Department of the Navy Guidance for Assigning Unacceptable Performance Ratings

Ref: (a) DON Civilian Human Resources Manual, Guide No. 430-02, Guidance on Implementing Performance Management Programs of Oct 2005  
(b) DON Civilian Human Resources Manual, Guide No. 432-02, Guidance on Implementing Actions Based on Unacceptable Performance of Oct 2005

1. This memorandum revises the Department of Navy (DON) guidance found in paragraph 6.b of reference (a), which requires a performance improvement plan (PIP) to be issued before assigning an unacceptable performance rating, and establishes new criteria for assigning unacceptable ratings.

2. Criteria for Assigning Unacceptable Ratings. An unacceptable rating of record may be assigned when the employee has performed under an approved performance plan for the minimum period, the rating of record has been reviewed and approved by a higher-level management official, and one the following conditions are met:

a. If, at the end of the performance cycle, the employee was previously notified in writing of the way in which the employee is performing at an unacceptable level;

b. A within-grade increase decision is not consistent with the employee's most recent rating of record and a more current rating of record must be prepared to document a negative acceptable level of competence determination; or

c. If, at the conclusion of the opportunity period provided in a PIP, the employee's performance is determined to be unacceptable in one or more performance elements.

3. References (a) and (b) will be amended to replace the requirement for issuing a PIP prior to assigning an unacceptable rating with the new criteria established above. In the interim, DON organizations shall implement the criteria identified above when assigning unacceptable ratings.

SUBJECT: Department of the Navy Guidance for Assigning Unacceptable Performance Ratings

4. This guidance is effective upon the signature date of this memorandum. Questions may be directed to Dr. Daramia Hinton, Director, Workforce Relations and Compensation, at [Daramia.hinton1@navy.mil](mailto:Daramia.hinton1@navy.mil).



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