

APPENDIX A

PAY FOR PERFORMANCE MANAGEMENT DEFINITIONS

1. **Award** - Recognition of an employee with or without a monetary component.
2. **Base Salary** - Compensation due an employee before adjustments such as locality pay, etc., are added.
3. **Benchmark Performance Standards** - A statement that expresses the performance threshold(s), requirement(s), or expectations(s) that must be met to be appraised at a particular level of performance. These benchmark performance standards may include, but are not limited to, quality, quantity, timeliness, and manner of performance. Benchmark performance standards are described for performance levels 100%, 70%, 50%, and unsatisfactory.
4. **Bonus** - Payout for employees who are at a payband cap and whose rating indicates a performance based increase is warranted. This payout is a one-time lump sum and does not affect future annual salary or benefits.
5. **Day** - means calendar day.
6. **Employees** - All of the civilian individuals to whom this regulation applies.
7. **Official Rating Chain** - The employee and the rating officials (i.e., rating supervisor, reviewing official, and pay pool manager) involved in the appraisal process.
8. **Pay Pool** - A group of employees from any and all occupational families, in the same organizational element established for the purpose of granting compensation for performance. A pay pool must be large enough to allow for a range of ratings, and to encompass a reasonable distribution of ratings.
9. **Pay Pool Manager** - The manager responsible for certifying that all performance ratings within each pay pool have been prepared, and submitted. The pay pool manager is also responsible for allocating salary increases and bonuses within a pay pool.

10. **Paybands** - Paybands in the demo project classification system replace grade levels in the GS classification system. Each payband covers the same pay range now covered by one or more grades.

11. **Performance** - An employee's accomplishment of assigned duties and responsibilities in accordance with weighted common performance elements and performance objectives as compared to established benchmark performance standards.

12. **Performance Appraisal** - Periodic evaluation of an employee's performance of duties and responsibilities as measured by expectations established by the weighted common performance elements of the position.

13. **Performance Elements** - The generic, critical attributes of job performance that are of sufficient importance.

14. **Performance Improvement Plan (PIP)** - A "formal" process for an "F" performer in which the employee has an opportunity to improve his/her performance rating within a specific period of time.

15. **Performance Objectives** - Statements of specific job responsibilities expected of the employee during the rating period. These are to be based on the work unit's mission and goals and should be consistent with the employee's job description.

16. **Performance Scores** - Weighted points assigned to an employee's performance assisted by use of benchmark performance standards. The overall score is the sum of the individual element scores. Employees will receive an alpha rating of "A", "B", "C", or "F" depending upon the quality of goal attainment. An assignment of less than 50 percent in any element will result in an "F" rating.

17. **Probationary Period** - A period of time, up to 3 years, for all newly hired employees to allow supervisors an adequate period of time to fully evaluate an employee's ability.

18. **Promotion** - The movement of an employee to a higher payband within the same occupational family or to a payband in a different occupational family which results in an immediate increase in the employee's salary.

19. **Rating Period** - The period of time during which an employee's performance will be appraised. This is normally one year for annual appraisals. If a performance appraisal is postponed, the rating period includes the length of time covered by the postponement. The minimum period to receive an annual appraisal is 60 days under approved objectives.

20. **Rating Supervisor** - The person assigned responsibility for directing and appraising an employee's performance. This is normally the employee's immediate supervisor.

21. **Reviewing Official** - The individual in the employee's performance appraisal chain who reviews and finalizes performance appraisals, normally referred to as "senior rater."

22. **Share Value** - Share value is computed by dividing the amount of the pay pool by the sum of each pay pool member's salary multiplied by his/her share(s). An individual's performance payout equals the share value times the individual's salary times his/her individual share(s).