

Transition from NSPS to GS

Issue Date: July 23, 2010

Chapter 5 – Performance Management

This chapter provides information on the performance management process during and after the transition from the NSPS to the GS system resulting from the repeal of NSPS.

I. General Information

- A. Employees covered under NSPS regulations are not covered by 5 U.S.C. chapter 43. Prior to transition from NSPS performance management regulations, the performance management regulations and policies identified in 5 CFR 9901, and DoD 1400.25-M, Subchapter 1940, will be followed.
- B. Timelines for transition of positions and employees from NSPS to non-NSPS statutory personnel systems have been identified by Components.
- C. Once an employee transitions from the NSPS performance management system, he/she is covered by the Component legacy performance appraisal system established in accordance with title 5 U.S.C. chapter 43. Components will continue to administer their non-NSPS performance management system(s) until implementation of the DoD enterprise-wide performance management system.
- D. Individuals hired as GS employees into organizations that have not yet transitioned from NSPS to GS will be covered under the applicable Component legacy GS performance appraisal system.

II. NSPS Performance Management

- A. Eligibility for an NSPS rating of record and payout will be in accordance with the provisions identified in 5 CFR 9901 and DoD 1400.25-M, Subchapter 1940. ([Appendix 5-A](#) identifies NSPS performance management requirements for different transition timelines.)
- B. For NSPS employees who transition from NSPS on or after January 2, 2011, all existing NSPS regulations and policies identified in 5 CFR 9901 and DoD 1400.25-M remain in effect until the date of transition from NSPS.
- C. For NSPS employees who transition from NSPS from July 3, 2010 through January 1, 2011, the following performance management policies apply. (These

policies are identified in DTM 10-020, National Security Personnel System Performance Management Policies, dated July 12, 2010 (see [Appendix 5-B](#).)

1. Coverage continues under 5 CFR 9901 Subpart D (Performance Management) up to 90 days after transition from NSPS staffing, classification, and pay systems or December 15, 2010, whichever is earlier. Coverage under Subpart D may terminate earlier than December 15, 2010, or 90 days after the date of transition if NSPS ratings of record are final prior to these timeframes.
2. The NSPS appraisal period end date is the day immediately preceding the date of transition from NSPS staffing, classification, and pay systems or September 30, 2010, whichever is earlier. NSPS ratings of record will be recommended, reviewed and finalized by not later than 90 days from the appraisal period end date or December 15, 2010, whichever is earlier.
3. The effective date of the final NSPS rating of record will be no later than 90 days after the appraisal period end date (as identified above) or December 15, 2010, whichever is earlier.
4. The pay pool manager may perform the review and reconciliation functions previously accomplished by the pay pool panel.

III. Performance Management during Transition

- A. Employees must be covered by a performance appraisal system. Therefore, after completion of the NSPS appraisal period end date, which for employees transitioning to GS from July 3, 2010 and January 1, 2011 is the day immediately preceding the transition date or September 30, whichever is earlier, employees should be given new NSPS performance plans and standards for the next appraisal period. Supervisors and managers continue to be responsible for identifying, documenting, and clearly communicating performance expectations and holding employees responsible for accomplishing them.
- B. Components will establish and document employee expectations and performance management plans for the time period following the end of the FY 2010 appraisal period and the period preceding termination of Subpart D using NSPS DD Form 2906, Component legacy performance management forms, or other appropriate performance management forms.

IV. NSPS Pay Pools

- A. Employees who transition from NSPS to GS from July 3, 2010 through January 1, 2011, are eligible to receive a rating of record. A pay pool review is required (see [Appendix 5-A](#)). The pay pool manager may perform the review and reconciliation

functions previously accomplished by the pay pool panel. Employees should be notified as soon as practicable of any changes to the pay pool process.

- B. Employees who transition from NSPS on or after January 2, 2011 will remain subject to the regulations and policies identified in 5 CFR 9901 and DoD 1400.25-M, Subchapter 1940 until they transition from NSPS. A full pay pool review is required to reconcile ratings of record and payout recommendations for the FY2010 appraisal period.
- C. Employees temporarily excepted from transition from NSPS (e.g., deployed civilians, employees in certain healthcare occupations, etc.), will be subject to the provisions of paragraph A. or B. above, depending on the date of transition. Components will establish and provide guidance on procedures regarding how the pay pools will be structured for employees in these situations. Options for alternative pay pools include:
 - Aligning employees within existing pay pools
 - Establishing unique pay pools
- D. Pay Pool Results (for ratings of record completed from July 3, 2010 through January 1, 2011). The NSPS Performance Review Authority (PRA), directly or through pay pool managers, should communicate general pay pool results to the NSPS workforce in all subordinate pay pools. Communication of pay pool results should be accomplished in a manner that will not compromise employee confidentiality or violate the Privacy Act. Results may be aggregated at a higher level in the organization as necessary. At a minimum, results should be made available to the NSPS workforce and include the following data: number of pay pools (if aggregate pay pool results are necessary), number of employees rated, rating distribution, and average rating.
- E. Pay Pool Analysis (for ratings of record completed from July 3, 2010 through January 1, 2011). The NSPS PRA should conduct an analysis of pay pool results after the pay pool rating effective date. The purpose of this analysis is to assist management with examining and improving performance management related matters such as training, performance planning and assessment quality, rater leadership skills, and communication with the workforce.

V. NSPS Ratings of Record

NSPS ratings of record (as defined by 5 CFR 9901.103) are “equivalent ratings of record” under 5 CFR 430.201(c)(2). As such, upon transition to the GS system, an employee’s NSPS rating of record is considered a “rating of record” for reduction in force purposes.

VI. Performance Awards

Employees who transition from NSPS from July 3, 2010 through January 1, 2011, are not eligible for the FY 2010 NSPS performance-based payout (in accordance with 5 CFR 9901.342(g)(7)). Employees will receive the general pay increase and appropriate locality pay adjustment payable to GS employees under 5 U.S.C. 5303 and 5 U.S.C. 5304 and applicable regulations. Employees may receive a cash award under 5 U.S.C. chapter 45 and 5 CFR part 451, and/or a quality step increase (QSI) (after transition to the GS system) in accordance with GS rules (5 CFR 531, subpart E, DoDI 1400.25, V451 and V531) subject to any Department, Component, and/or local policies. (Note: A QSI or performance-based award may be granted to a GS employee based on the employee's rating of record under NSPS. A QSI may only be granted if the employee's GS position at the time the QSI is granted (i.e. is effective) is the same as or equivalent to (in terms of level, i.e., grade) the employee's former NSPS position.)

VII. NSPS Reconsideration

- A. A request for reconsideration of an NSPS rating of record or job objective rating may be accomplished through the NSPS reconsideration process if the process can be completed prior to the expiration of coverage under 5 CFR 9901, Subpart D (see paragraph II.C.1.).
- B. If the reconsideration process cannot be completed prior to the expiration of coverage under 5 CFR 9901, Subpart D, challenges to NSPS ratings of record may be accomplished after the expiration of coverage under 5 CFR 9901, Subpart D, using the process available for Component legacy performance management systems, e.g. the administrative grievance procedure or alternative dispute resolution.
- C. If Subpart D expires before the reconsideration can be completely processed, time limits associated with the administrative grievance procedure should begin the workday after expiration of Subpart D or the workday after the employee is informed of their NSPS rating of record, whichever is later. Written information provided during the NSPS reconsideration process may be relied upon and used in developing appropriate responses during the administrative grievance process.
- D. To limit the number of reconsideration processes required during the transition period, coverage under 5 CFR 9901, Subpart D, may be terminated earlier than December 15, 2010, or earlier than 90 days after the date of transition, if NSPS ratings of record are final prior to these timeframes. The NSPS rating of record effective date may be established as the date ratings of record are approved. The termination of coverage under Subpart D may be established as one day after the rating of record effective date. Upon expiration of coverage under Subpart D, a request to reconsider the NSPS rating of record will be initiated and completed using the process available for Component legacy performance management

systems, e.g., the administrative grievance procedure or alternative dispute resolution.

- E. Negotiated grievance procedures apply for NSPS bargaining unit employees and are based on requirements of local collective bargaining agreements.
- F. Components will provide additional guidance as necessary.

VIII. DoD Performance Appraisal System

- A. DoDI 1400.25-V430 establishes the DoD Performance Appraisal System in accordance with the statutory and regulatory provisions of title 5 U.S.C. chapter 43 and 5 CFR part 430.
- B. Upon transition from NSPS performance management regulations, the performance management policies identified for the Component’s legacy performance appraisal system, established in accordance with 5 U.S.C. chapter 43 and 5 CFR part 430, will apply; e.g., policies concerning performance rating cycle, establishment of objectives and performance standards, and summary levels for rating performance.
- C. Similarities exist between the NSPS performance management system and DoD performance appraisal programs. However, there are requirements under title 5 U.S.C. chapter 43 and 5 CFR part 430 and part 432 that differ from the NSPS procedures, as highlighted below:

5 CFR part 430 and part 432	NSPS Performance Management
<p>Establish performance plans that include critical elements and performance standards.</p> <ul style="list-style-type: none"> • Critical elements: work assignments or responsibility of such importance that unacceptable performance in one critical element results in determination that overall performance is unacceptable. • Performance standards: performance thresholds, requirements, or expectations. • One critical element required. Non-critical elements may be included. 	<p>Establish performance plans that include job objectives and contributing factors reflective of expected accomplishments and contributions. Rated against standard performance indicators.</p> <ul style="list-style-type: none"> • Job Objective: an expression of performance expectations aligned with the organization’s goal(s) and mission(s). • Contributing Factors: attributes of job performance that are significant to the accomplishment of individual job objectives. • Performance Indicators: descriptions of levels of performance thresholds. • At least one job objective is required. Receipt of a Level 1 on any one or more job objective(s) results in a Level 1 rating of record.

5 CFR part 430 and part 432	NSPS Performance Management
<p>Reassign, reduce in grade, or remove employees who continue to have unacceptable performance but only after an opportunity is afforded to demonstrate acceptable performance.</p> <ul style="list-style-type: none"> • Management must assist employees in improving unacceptable performance when it is determined that performance is unacceptable in one or more critical elements. 	<p>If a supervisor determines that an employee's performance is not meeting expectations, the supervisor will:</p> <ul style="list-style-type: none"> • Identify and communicate to the employee the specific performance deficiencies. • Take appropriate action.

IX. Performance Management Automation Tool

- A. Prior to transition from the NSPS performance management regulations, the Performance Appraisal Application (PAA) and the Compensation Workbench (CWB) will be used to complete NSPS performance management requirements.
- B. For NSPS employees who transition from NSPS on or after January 2, 2011, all existing processes for the use of performance management automated tools remain in effect.
- C. For NSPS employees who transition from NSPS from July 3, 2010 through January 1, 2011, the PAA and CWB have been modified to require the input of rating information only. Information regarding NSPS share assignment, share value, and share distribution is no longer required in the PAA or the CWB. (Quick Guides for the modified PAA and CWB provide technical details on these changes. The guides can be found at <http://www.cpms.osd.mil/nsps/transition>).
- D. After transition from NSPS, all historical appraisal information under the “Completed Plans/Appraisals” area of the PAA will continue to be available for review. The historical appraisal data will be available and printable indefinitely. Approved plans and appraisals in progress at the time of transition will allow updates and completion. Plans that were initiated, but not approved prior to transition, can continue to be updated, but cannot be approved in the system.
- E. After transition from NSPS performance management regulations, automated performance management tools will be limited to those associated with the Component legacy GS performance appraisal systems, if available.

Appendix 5-A – Transition Timeline and NSPS Performance Management Requirements

If transition from NSPS occurs...	Then eligible employees receive a ...	Is pay pool review required?	Is employee entitled to an NSPS payout?
Prior to July 3, 2010	Closeout Assessment (see Note 1) (Recommended but not required)	No	No
July 3, 2010 through September 29, 2010	Early Annual Recommended Rating of Record (Required)	Yes (see Note 2)	No
September 30, 2010 through January 1, 2011	Annual Appraisal and Rating of Record (Required)	Yes (see Note 2)	No
January 2, 2011 or after	Annual Appraisal and Rating of Record (Required)	Yes	Yes

Notes:

1. *Closeout assessment:*

- *Encouraged but not required by NSPS regulations, however, requirement may be subject to Component or local direction*
- *Narrative only, no numerical rating*
- *Not a rating of record (recommended or final)*

2. *Ratings of record for employees who transition from NSPS from July 3, 2010 through January 1, 2011:*

- *The Pay Pool Manager may perform the functions of a pay pool panel*
- *Notice to employees should include information regarding any changes to the pay pool process*

Appendix 5-B – DTM 10-020 – NSPS Performance Management Policies



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

JUL 12 2010

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Directive-Type Memorandum (DTM) 10-020 – National Security Personnel System Performance Management Policy During Transition

Reference: (a) DoDI 1400.25, Subchapter 1940, “Performance Management,” December 1, 2008
(b) Section 1113 of Public Law 111-84, “National Defense Authorization Act for Fiscal Year 2010,” October 28, 2009
(c) Subpart D of part 9901 of title 5, Code of Federal Regulations

Purpose. This DTM:

- Provides guidance concerning performance management policies provided in Reference (a) for DoD employees and positions that transition from the National Security Personnel System (NSPS) to the General Schedule (GS) system from July 3, 2010, through January 1, 2011.
- Provides guidance necessary to implement Reference (b), which terminates NSPS and provides the Secretary of Defense with the authority to take actions necessary to provide for an orderly termination and the conversion of employees and positions from NSPS.
- Is effective immediately and will expire on January 1, 2011.

Applicability. This DTM applies to the Office of the Secretary of Defense, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense under NSPS (hereafter referred to collectively as the “DoD Components”).

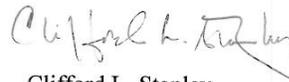


DTM 10-020

Policy. The following DoD NSPS performance management policies apply to employees who will transition from NSPS to performance management systems authorized by 5 U.S.C. chapter 43 and 5 C.F.R. part 430 (GS) from July 3, 2010, through January 1, 2011, as a result of the termination of NSPS.

- Coverage continues pursuant to subpart D of part 9901 of title 5, Code of Federal Regulations (Reference (c)) up to 90 days after transition from NSPS staffing, classification, and pay systems or December 15, 2010, whichever is earlier. Coverage under Reference (c) may terminate earlier than December 15, 2010, or 90 days after the date of transition if an employee's NSPS rating of record has been finalized and approved.
- The NSPS appraisal period end date is the day immediately preceding the date of transition or September 30, 2010, whichever is earlier. NSPS ratings of record will be recommended, reviewed, and finalized by not later than 90 days from the appraisal period end date or December 15, 2010, whichever is earlier.
- The effective date of the final NSPS rating of record will be no later than 90 days after the appraisal period end date (as identified in the second bullet of this section) or December 15, 2010, whichever is earlier.
- The pay pool manager may perform the review and reconciliation functions previously accomplished by the pay pool panel.

Releasability. UNLIMITED. This DTM is approved for public release and is available on the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.



Clifford L. Stanley

DTM 10-020

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