Implementing Performance Management Changes

Briefing for Practitioners

U.S. Office of Personnel Management

Overview

- Purpose of today's briefing is to give human resources practitioners an overview of the updated regulations and policies for General Schedule, Prevailing Rate, and Certain Other Employees (covered under 5 CFR 430 Subpart B)
- These regulations were updated to support the Administration's commitment to governmentwide performance management reform
- Objectives of implementation:
  - Address longstanding performance management issues
  - Streamline processes for finalizing ratings of record
  - Strengthen accountability for supervisors and employees
  - Enhance OPM oversight

Implementation Timeline

- The final rule amending several parts of title 5 of the Code of Federal Regulations is effective on August 6, 2026
- Agencies are required to update their performance management policies and system prior to the end of the FY 2026 performance cycle
- Agency leaders must review and determine:
  - Agency Decision Framework
  - Organizational Performance Alignment Framework
  - Agency Calibration Program and Factors
  - Agency Calibration Panel Level(s) and Members
  - Internal Agency Distribution Caps (if applicable)
  - Agency Performance Management Officer

Implementation Timeline (cont'd)

- Agency Performance Management Officer (PMO) and HR Professionals must determine dates for:
  - Formal communications to employees on upcoming changes
  - FY26 Closeout Guidance – including ratings distribution caps and calibration factors
  - Due dates for self-assessments, preliminary ratings, and Calibration Panels
  - Final validation and distribution of ratings of record
- Agencies should have begun the process to:
  - Assign the role of Performance Management Officer
  - Model design options for agency's Standardized Distribution process
  - Draft agency's Calibration Program
  - Draft agency's Communications and Change Management strategy

OPM Guidance

- OPM published several guidance resources on www.opm.gov/performance-management to assist agencies with implementing the new Performance Management regulations on its website:
  - Frequently asked questions and answers
  - Templates to notify employees of the changes in the rating process
  - Quick reference documents to inform employees, supervisors and managers, and human resources practitioners concerning key features of the regulations
  - Performance Management Officer Manual for agency PMO and HR specialists to assist with building and implementing agency-specific program and processes

Key Changes of Performance Management Reform

Summary of Regulatory Changes

1. Authorizes OPM to establish a Standardized Distribution (SD) of some or all rating levels
2. Reduces summary level patterns from 8 to 3 (5-3-1; 5-4-3-1; or Pass/Fail for certain groups)
3. Eliminates assistance for Marginal Performance
4. Eliminates Mandatory Review of Level 1 Rating of Record
5. Prohibits challenging a Rating of Record through grievance procedures (retains “informal request,” “formal proceeding permitted by law,” and “incorrectly calculated or recorded”)
6. Adds Mandatory Supervisory Critical Element
7. Biennial Review and Certification of Agency Appraisal Systems

Updates to 5 CFR 430

Standardized Distribution of Summary Rating Levels

§ 430.208(c) – Authorizes OPM to establish, and refine as needed, a standardized distribution of some or all rating levels which agencies must apply when rating employees.

- Schedule C & G appointees may be excluded from the requirements.
- Note that since the proposed rule, OPM issued a memo excluding GS Schedule C & G appointees from performance appraisal requirements under subchapter I of chapter 43 of title 5.

§ 430.208(d) – Removes the prior prohibition on the use of a forced, or standardized distribution and clarifies that comparing, categorizing, and ranking employees based on their performance are methods that may be used for deriving and assigning a summary level rating.

Updates to 5 CFR 430 (cont'd)

Summary Level Patterns

§ 430.208(e) – Makes several changes:

- Reduces the number of summary level patterns from 8 to 3.
  - Patterns that contain Level 2 are eliminated (i.e., Patterns D, F, G, and H)
  - Patterns with Level 4 as the highest rating level are eliminated (e.g., Pattern C)
  - Patterns A and B are retained; Pattern E is redesignated as Pattern C
- Use of Pattern A is limited to seasonal employees, teachers, GS 1-4, and FWS employees; though these groups of employees may also be covered under Patterns B or C.

Final Rule: Summary Level Patterns

Pattern	Summary level				
	1	2	3	4	5
A	X		X		
B	X		X		X
C	X		X	X	X

Updates to 5 CFR 430 (cont'd)

Eliminates Assistance for Marginal Performance

Removes current § 430.207(c) **–** Since the Level 2 summary rating is eliminated in the final rule, the provision instructing that appraisal programs should provide assistance whenever performance is determined to be below "Fully Successful" but above "Unacceptable" is no longer applicable.

Eliminates Mandatory Review of Level 1 Rating of Record

Removes current § 430.208(e) **–** Removes the requirement that "a rating of record of 'Unacceptable' (Level 1) shall be reviewed and approved by a higher-level management official."

Updates to 5 CFR 430 (cont'd)

Prohibits Challenging a Rating of Record through Grievance Procedures

§ 430.208(i)(2) – Removes "grievance" and "complaint" as bases for changing a rating of record but retains "informal request," "formal proceeding permitted by law," and "incorrectly calculated or recorded" as permissible bases for changing a rating of record.

§ 430.208(k) – Explicitly prohibits challenging a rating of record through the grievance provisions of 5 U.S.C. 7121.

Mandatory Supervisory Critical Element

§ 430.206(b)(9) – Requires that a supervisory critical element comprised of supervisory requirements established by OPM and agency-established criteria for protecting whistleblowers must be included in the performance plans of all non-SES/SP employees.

Updates to 5 CFR 430 (cont'd)

Biennial Review and Certification of Agency Appraisal Systems

§ 430.210(b) – Requires that OPM must evaluate and certify the operation and application of an agency's performance appraisal system(s).

- Conducted biennially
- OPM will review an agency's performance appraisal systems
- OPM may recommend that OMB limit an agency's aggregate awards spending based on an unfavorable evaluation
- OPM must issue biennial certification criteria and policy

Policy Changes

1. Greater emphasis on calibration
2. Increased focus on organizational performance
3. More rigorous differentiation of performance
4. Enhanced transparency and documentation
5. Governmentwide ratings distribution caps

Calibration: A New Requirement and What It Means for Your Agency

Calibration is the structured process through which managers and leadership review *preliminary performance ratings* and evaluate them against organizational standards, workforce-wide performance outcomes, and applicable distribution requirements

- Agencies will need to create a "Calibration Program" that defines how the agency will transform individual supervisory assessments (preliminary performance ratings) into a consistent organizational performance management system that is based on:
    - Individual performance
    - Evidence-based decisions
    - Merit System Principles
    - Transparency
- Calibration promotes fairness, consistency, and accountability across organizations while preserving supervisor judgment

Performance Management Officer (PMO) Role

Introduced in OPM's Performance Management Toolkit (September 2025), the PMO is a critical new role for agency implementation:

- Advises and assists agency leaders with PM policies and processes
- Should be within the 0201 series in an SES or SL position (can be a standalone role or an additional role for a senior HR employee such as the CHCO, Deputy CHCO, or HR Director)
- Involved in all aspects of the agency's PM process: training, monitoring, compliance, and data analysis
- Serves as the agency's PM oversight official
- Responsible for ensuring agency compliance with OPM distribution caps
- Partners with the agency PIO on identification and progress of agency performance goals

Performance Management Officer (PMO) Manual

OPM designed a manual for use by PMOs and HR Professionals to serve as an operator's guide to updating and implementing an agency's non-SES/SP performance management system

- First tranche includes 10 chapters focused on initial design and implementation
- Future chapters will be released in conjunction with future PM-related OPM guidance
- Provides examples for agency consideration including variance in agency size and mission
- Provides case studies and examples for agencies to use when designing training
- Provides decision trees to ensure agencies address all considerations of governance and approval
- Includes a chapter on Communications and Change Management strategy which is key to a successful adoption and implementation of changes

Questions

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