



NOTE: Pursuant to Section 101 of the Aviation and Transportation Security Act (49 U.S.C. 114(n)), this directive establishes Transportation Security Administration (TSA) policy and supersedes the Federal Aviation Administration (FAA) personnel management system regarding the performance management program, with respect to TSA employees.

1. **PURPOSE:** This directive provides TSA policy and procedures for its performance management system covering those TSA employees specified in Section 2, Scope, below. This directive cancels and supersedes HRM Letter 430-05, *Policy on Performance Management System*, dated January 24, 2005.
2. **SCOPE:** This directive applies to all TSA employees except (i) those positions covered by the Performance Accountability and Standards System (PASS); and (ii) employees occupying Transportation Security Executive Service (TSES) positions within the TSA. Transportation Security Officers (TSOs), Lead Transportation Security Officers (LTSOs), Supervisory Transportation Security Officers (STSOs), and Screening Managers (SMs) are covered by [TSA MD 1100.43-1, Performance Accountability and Standards System \(PASS\)](#), and TSES employees are covered by the Department of Homeland Security Senior Executive Service (SES) performance management system.
3. **AUTHORITIES:**
 - A. Sections 101 and 111(d) of the Aviation and Transportation Security Act, Pub. L. 107-71 (ATSA), November 19, 2001 (49 U.S.C. §§ 114(n), 40122, 44935, and 44935 note)
 - B. The Homeland Security Act of 2002, Pub. L. 107-296, Sections 403(2) and 423
 - C. Applicable TSA and U.S. Department of Homeland Security delegations of authority
4. **DEFINITIONS:**
 - A. Critical Performance Element: A work assignment and/or primary responsibility of a position that contributes toward accomplishing overall organizational goals and is of such importance that unacceptable performance on the element will result in a determination that an employee's overall performance is unacceptable.
 - B. Employee: For the purposes of this directive, and when used with reference to employees whose performance will be appraised under this directive, "employee" means all TSA employees except (i) TSOs, LTSOs, STSOs and SMs; and, (ii) employees occupying Transportation Security Executive Service (TSES) positions.
 - C. End-of-Year Appraisal¹: Also called the Annual Appraisal. The Performance Appraisal conducted at the end of the Performance Appraisal Period.

¹ The terms 'appraisal' and 'evaluation' may be used interchangeably when discussing performance appraisal.

- D. Interim Appraisal: A written evaluation of an employee's performance prepared by the rating official when an employee moves to a position with new performance standards after performing in the prior position for at least 90 days. In these limited circumstances, the interim appraisal is a rating of record.
- E. Mid-Year Review: (Also called progress reviews.) A private, face-to-face, sit-down meeting between the rating official and each of their employees individually to discuss the employee's performance year-to-date and expectations for the remainder of the performance period. The mid-year review occurs during the month of April.
- F. Minimum Rating (or Performance or Appraisal) Period: The ninety (90) day period of time established in this MD during which an employee must perform under an approved performance plan before receiving a rating of record.
- G. Performance Agreement: [TSA Form 1105, Performance Agreement for Supervisory Employees](#) or [TSA Form 1106, Performance Agreement for Non-Supervisory Employees](#)
- H. which includes the employee's performance elements and standards, and which may include a supplemental work plan, components, sub-components and metrics, and which, through the rating official's and employee's signatures as requested on the forms, also certifies that the rating official has explained and discussed the elements and standards with the employee.
- I. Performance Appraisal: The review and evaluation of an employee's performance compared to the elements and standards as contained in the performance agreement.
- J. Performance Appraisal Period: (Also called the performance appraisal cycle or performance period.) The period of time established under this performance management system for reviewing employee performance. In general, the performance period runs from October 1 through September 30 of the following year.
- K. Performance Element: A work assignment and/or primary responsibility of a position that contributes toward accomplishing overall organizational goals.
- L. Performance Improvement Plan (PIP): A written plan of action for improving unacceptable performance to an acceptable level.
- M. Performance Management System: The policies and requirements established for setting and communicating employee performance elements, standards, and expectations; monitoring performance and providing feedback; developing performance; addressing poor performance; and rating and rewarding performance.
- N. Performance Standard: The management approved criteria of the performance threshold(s), requirement(s), or expectation(s) that must be met to be appraised at a particular level of performance. A performance standard may include, but is not limited to, quality, quantity, timeliness and manner of performance.
- O. Rating of Record: The written performance appraisal issued at the end of the performance appraisal period that covers an employee's performance of assigned duties against the

performance plan over the applicable appraisal period. The rating of record often is the end-of-year appraisal, but, an interim appraisal may be the rating of record under the circumstances prescribed in this directive.

- P. Rating Official: The manager or supervisor who observes and/or has the knowledge and authority to evaluate the employee's overall performance during the performance cycle and prepares the employee's final rating of record.
- Q. Reviewing Official: Often the rating official's supervisor, the reviewing official is the next higher level of management with direct knowledge of the employee's performance or who otherwise has sufficient information on which to base a judgment as to the rated employee's level of performance. The reviewing official must sign-off on the performance agreement at the beginning of the performance appraisal period and on the employee's end-of-year appraisal.
- R. Supplemental Work Plans: List of the expected work responsibilities under each critical element that may be used to provide more specificity to an employee's duties and performance expectations.
- S. Unacceptable Performance: The failure to meet the performance standard in one or more critical performance elements.
- T. Week: Calendar week.

5. RESPONSIBILITIES:

- A. Assistant Administrator, Office of Human Capital (AA/OHC) is responsible for:
 - (1) Establishing policy and procedures governing performance management and administering its provisions;
 - (2) Developing performance agreement templates;
 - (3) Providing guidance and assistance to management officials concerning their performance management responsibilities, and,
 - (4) Ensuring compliance with performance management requirements throughout the organization.
- B. Rating officials are responsible for:
 - (1) Explaining performance requirements to employees,
 - (2) Scheduling and conducting Planning Meetings, and Mid-Year and End-Of-Year Reviews with employees,
 - (3) Initiating, discussing, signing, and obtaining employee's signature on performance agreements;

- (4) Observing, measuring, documenting, and rating employee performance on the Performance Agreement;
- (5) Maintaining performance documents in accordance with this directive,
- (6) Providing regular updates to the reviewing official on workforce performance, and
- (7) Obtaining the reviewing official's concurrence of their employee appraisals, prior to communicating those ratings to their employees.

C. Reviewing officials are responsible for:

- (1) Concurring in end-of-year appraisals for employees under their rating officials,
- (2) Ensuring performance management provisions are being adhered to in their area of responsibility,
- (3) Meeting regularly with their rating officials to review and track the performance of employees throughout their area of responsibility,
- (4) Noting and resolving discrepancies in how standards are applied in their area, and
- (5) Providing regular updates to higher level management regarding performance management results for their area.

D. Higher level Management Officials (that is, those higher than the reviewing official) are responsible for:

- (1) Reviewing results and ensuring consistency in application of performance management standards across larger units of the organization,
- (2) Analyzing trends, recommending, and implementing actions needed to ensure that performance goals are being met, including that employees are being provided the resources needed to succeed in achieving their performance goals and objectives, and
- (3) Reporting to top management officials regarding performance management results for their area.

E. Employees are responsible for:

- (1) Performing their work assignments according to established performance standards, procedures, and supervisory instructions; and,
- (2) Informing their supervisors if they are having difficulty carrying out an assignment or to seek clarification of instructions, if necessary.

6. POLICY:

- A. Employees covered by this directive will be rated under a **two-level** performance system, in which they either (1) meet or exceed their individual performance goals or (2) fail to meet them. The objective of this performance management system is to promote and sustain a high-performance culture within TSA and to help achieve the organizational goals that support TSA's mission, vision, and core values.
- (1) Mission - TSA protects the Nation's transportation systems to ensure freedom of movement for people and commerce.
 - (2) Vision - TSA will continuously set the standard for excellence in transportation security through its people, processes, and technologies.
 - (3) Core Values - Excellence in public service through integrity, innovation and teamwork.
- B. The expectations of the performance management system for TSA employees under the scope of this directive are to achieve the following five organizational goals:
- (1) Domain Awareness
 - (2) Prevent/Protect
 - (3) Respond
 - (4) Organizational Effectiveness
 - (5) Model Workplace Vision
- C. The performance appraisal period begins on October 1, or on the employee's appointment date, whichever is later, and ends on September 30.
- D. An employee must work a minimum of ninety (90) days under a performance agreement before the employee can be rated.

7. PROCEDURES:

- A. Performance Agreements, Mid-Year Reviews, and Performance Appraisals
- (1) Performance agreements must be issued within 30 days after October 1 of each fiscal year (FY); newly appointed employees must be given their performance agreement within 30 days after their enter on duty date.
 - (2) When issuing the performance agreement, the rating official must meet with each employee to discuss the content of their performance agreement. After the discussion, both the employee and rating official will sign and date the agreement in the designated

block of the performance agreement². The reviewing official will also sign the performance agreement when it is issued to the employee.

- (3) Rating officials will conduct a mid-year review with employees during the month of April. During this review, in addition to the employee and rating official signing and dating the agreement in the designated blocks of the performance agreement, the rating official and employee will discuss:
 - (a) the employee's performance to date,
 - (b) performance expectations for the remainder of the performance period, and,
 - (c) any necessary clarification or modifications to the employee's performance agreement.
- (4) End-of-year performance appraisals will be conducted within 30 days following the end of the performance period. Before meeting with employees, rating officials will discuss the proposed ratings with the reviewing official who will sign the agreements indicating their concurrence with the rating. Rating officials will then meet with employees individually and conduct the end-of-year performance review. In addition to discussing the employee's performance, the rating official will rate the employee's performance and, after the discussion, both parties will sign and date the performance agreement.
- (5) An employee newly appointed to TSA after July 3, will not have performed under his/her performance agreement for at least 90 days before the end of the fiscal year, and, therefore, will not receive an end-of-year appraisal for that year. For example, an employee hired on August 1, 2007, will be placed on their performance agreement not later than August 30, 2007. They will not be rated in October 2007. Their first annual appraisal will be given in October 2008.

B. Supplemental Work Plans

- (1) Supplemental work plans may be used to clarify an employee's duties, responsibilities, and standards related to each element. The employee and supervisor may jointly develop supplemental responsibilities and standards under each element.
- (2) The employee shall be provided with both the agreement and work plan at the same time, and should sign both documents at the time of issue.
- (3) The number of duties listed under each element is at the discretion of the supervisor. (For the term 'duties listed under each element' use 'sub-element'.) If the sub-elements are not weighted, they will carry equal weight, and, the employee must be successful in a majority of the sub-elements to meet the satisfactory standard for that element.

² If the employee does not agree with or declines to sign the performance agreement, the rating official will so annotate the performance agreement and will advise the employee that they are still obligated to meet the requirements of their performance agreement. This instruction applies at any time during the performance cycle that an employee is asked to initial or sign an appraisal document.

- (4) Alternatively, sub-elements may be assigned different weights. If used, weight values must be established for all sub-elements in an element and those weights must be set at the beginning of the appraisal period. Further, a cumulative weight total must be established which defines the weight score that must be attained (threshold) to be successful in the element. This threshold should reflect successful accomplishment of approximately 70% of the element duties as specified in the supplemental work plan.

C. Actions Affecting Performance Plans, Interim Appraisals and End-of-Year Performance Appraisals

(1) Permanent Changes in Position (Reassignment/Promotion/Reduction in Pay Band)

- (a) A new performance agreement will be provided to, and discussed with, an employee within 30 calendar days after a reassignment, promotion or reduction in pay band into a position which has different standards from the previously held position.
- (b) An employee who transfers from one organizational unit to another, and who remains in the same job with the same performance agreement, takes their existing performance information with them. That is, they are not issued a new performance agreement.

(c) Interim Appraisals for Permanent Changes of Position

- (i) Except for reductions in pay band due to unacceptable performance, (See sections 7D(6) and (7)) an employee will receive, from the losing rating official, an interim appraisal when the employee is reassigned, promoted, or reduced in pay band to a new position that has different performance standards and when the employee has been under the previous standards for at least 90 days before the change in position.³
- (ii) An interim appraisal consists of assigning a rating and completing the regular appraisal forms (TSA Forms 1105 or 1106) as if it were an end-of-year appraisal.
- (iii) The interim appraisal will be discussed with the employee and provided to the employee and new rating official for consideration in the end-of-year performance appraisal.

(2) Change in Rating Official (non-temporary assignments)

- (a) A new performance agreement is not required when a change in rating official occurs and the employee remains under the same performance standards.

³ Employees involuntarily reduced in pay band due to restructuring and/or reorganization (i.e., and not due to unacceptable performance) require special handling when the annual performance appraisal is conducted. These employees, whether under their new standards for 90 days or not as of the end-of-year evaluation, will be rated based on a combination of performance in the new position and the former position.

- (b) The new rating official is encouraged to discuss the existing performance agreement with the employee.
- (c) At the end of the performance appraisal period, the new rating official will obtain performance input from the previous supervisor(s), if possible. This input may be oral or written.
- (3) Temporary Assignments (including details and temporary promotions) Not to Exceed (NTE) 90 Days
 - (a) Employees on temporary assignments NTE 90 will not be given performance agreements for that assignment, nor will they receive a formal written appraisal.
 - (b) The rating official of the temporary assignment is encouraged to provide comments, oral or written, to the employee and rating official.
- (4) Temporary Assignments (including details and temporary promotions) exceeding 90 Days: New performance agreements and formal written appraisals are not required for temporary assignments exceeding 90 days; however, written performance feedback must be given to the employee and rating official for consideration in assigning the end-of-year appraisal.
- (5) Extended Leave – approved for any reason, but excluding AWOL
 - (a) Employees with an extended absence during the performance period, but who have performed at least 90 days or more under their performance agreement, will be rated based on their performance during the period they were present at work.
 - (b) Employees with an extended absence during the performance period and who have not performed under their performance agreement for at least 90 days will be “presumed” to have attained the same performance level they earned in the most recent rating of record which was not ‘presumed.’
 - (c) Employees on an extended absence (currently absent and expected to be absent for at least 30 days or more) at the time of the end-of-year appraisal will have their performance appraisal delayed until such time as they are able to return to duty. This situation could exist apart from or in tandem with either of the situations addressed in Sections 7C(5)(a) and (b).

D. Addressing Unsatisfactory Performance

- (1) When a corrective action (which may be a performance improvement plan (PIP) or other corrective action) for unsatisfactory performance is being developed, it is important to determine, as accurately as possible, the causes of the deficient performance and what corrective action is most likely to be successful in correcting those deficiencies. To the extent feasible, the employee will be given the opportunity to have input into the development and implementation of the corrective action. Also, the employee will be

given regular feedback and the opportunity to ask questions during the corrective plan. However, the rating official is ultimately responsible for the content of the corrective action plan. If the rating official and employee disagree on any matter related to the corrective action plan's contents, the rating official will have the final say on what is or is not addressed in the plan.

- (2) Poor performance resulting from deficient skills, training, understanding or knowledge is often best corrected by the use of a PIP, as described in Section 7D(4). A PIP is used to assist the employee in obtaining the knowledge, skills and abilities necessary for satisfactory performance and to give the employee other assistance that reasonably may be expected to enable them to achieve satisfactory performance, such as additional oversight and feedback, mentoring, developing instruction guides, and other similar remedial efforts.
- (3) Poor performance that results from the employee's unwillingness to adhere to established procedures or supervisory guidance (i.e., misconduct), requires some form of disciplinary response that motivates the employee to choose to demonstrate the required behavior(s). If the employee will not correct the misconduct, management can remove the employee from the position. A disciplinary response of this escalating nature is often referred to as progressive discipline. Some examples of misconduct include tardiness, excessive absenteeism, inattention to duty, and falsification.
- (4) Performance Improvement Plan (PIP)
 - (a) Corrective action is required at any time during the performance appraisal cycle that an employee's performance falls below "Meets or Exceeds" expectations. Corrective action should not be delayed until the end-of-year appraisal.
 - (b) Corrective action will often be a PIP. However, the decision to issue a PIP or take other corrective action is at the discretion of management, and will be based on management's judgment as to the corrective action that will be most effective to correct the employee's performance and/or conduct deficiencies.
 - (c) Generally, the length of the PIP is set at the beginning of the PIP in increments of 30 days. Management should make a determination on the length of the PIP depending on the nature of the deficiencies involved and the type of assistance and amount of time that is reasonable to correct those deficiencies. However, only in unusual cases will a PIP last for more than 90 days. PIPs longer than 90 days require concurrence from OHC or OCC.
 - (d) At a minimum, a PIP will include the following information. Additional information may be included based on the nature of the deficiencies and corrective action being taken.
 - (i) A statement that performance does not meet expectations and in which element(s) and/or sub-element(s).

- (ii) The standard(s) or requirement(s) that must be attained in order to demonstrate at least “Meets or Exceeds” performance for each element(s) or sub-element(s) involved.
 - (iii) A summary of discussions held between the employee and the rating official to assess the nature of the deficiencies, the likely causes, the employee’s suggestions for corrective action and plans for continuing communication during the PIP.
 - (iv) The specific corrective/remedial steps that will be taken.
 - (v) The length of time the PIP will be in effect.
 - (vi) The results that may occur at the end of the PIP. This section must include notice that the employee must be removed from their position and possibly from employment with TSA if their performance remains below the “Meets or Exceeds” performance level at the end of the PIP.
- (5) Disciplinary actions and/or actions based on ongoing unsatisfactory performance will be taken in accordance with the provision of [TSA MD 1100.75-3, Addressing Performance and Conduct Problems](#). Management may also contact the Employee Relations (ER) Staff of TSA Headquarters (HQ), OHC, or their Field Counsel for guidance.

Note: Because a single performance deficiency in some instances may have potential to cause significant consequences, such as a breach of security, or physical harm to the employee or to others, immediate steps should be taken to ensure that such errors are not repeated. If the performance deficiency is sufficiently serious, it is possible that remedial action would not be taken and the employee would be removed.

- (6) An employee, who is reduced in pay band for unacceptable performance prior to the end of the performance period and is not under the performance agreement of the new position for at least 90 days before the end of the performance period, will not be rated until the next performance period.
- (7) An employee, who is reduced in pay band for unacceptable performance prior to the end of the performance period and is under the performance agreement of the new position for at least 90 days before the end of the performance period, will be rated based on performance under the new performance agreement.

E. Recognizing and Rewarding Performance

- (1) TSA links awards and recognition to employee performance.
- (2) Employees rated “Failed to Meet” may not be eligible to receive the Comparability Equivalent Increase (CEI) or the Transportation Success Increase (TSI), if provided.
- (3) Employees rated “Failed to Meet” may only be eligible to receive increases to locality

payments that may be authorized for their area.

- (4) Awards are provided in accordance with [TSA MD 1100.45-1, Awards and Recognition](#).

F. Grievances: Employees may grieve a performance appraisal rating in accordance with [TSA MD 1100.77-2, Grievance Procedures](#). However, whenever possible, any concerns regarding the rating of record should be resolved in an informal manner between an employee and the rating official.

G. Record-keeping

- (1) Each rating official will establish a locally maintained Employee Performance Folder (EPF) for each employee.
- (2) The original completed performance appraisal will be filed in the EPF and a copy will be given to the employee.
- (3) An employee may review the contents of his/her EPF.
- (4) Offices/Airports will establish procedures to maintain the EPF in a secured location. Performance documents are Privacy Act records and must be maintained in accordance with 5 U.S.C. §552a and [TSA MD 200.7, Records Management](#).
- (5) Performance appraisals will be retained in accordance with TSA's Records Disposition Schedules as provided in TSA MD 200.7.
- (6) If an employee transfers from one office or airport to another, the employee's EPF should be forwarded to the gaining location.
- (7) If an employee separates from TSA, the employee's EPF shall be forwarded to TSA HR Services, within one week, for inclusion in the Official Personnel Folder (OPF).

8. **EFFECTIVE DATE AND IMPLEMENTATION:** This policy is effective immediately upon signature.

APPROVAL



12/27/2006

Richard A. Whitford
Assistant Administrator for Human Capital

Date

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