Performance Management Policy for
Merit Based Compensation (MBC)

Office of Overseas Employment
Bureau of Human Resources
U.S. Department of State

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Previous Versions and Electronic Versions: This policy supersedes and replaces all earlier policies and guidance on this issue. To ensure that posts are always accessing the latest guidance on this or other overseas employment issues, HR/OE strongly recommends that posts refer to the most current version of this guidance as published on HR/OE’s website at the following link: https://intranet.hr.state.sbu/offices/oe/Pages/default.aspx.
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1. INTRODUCTION

This document provides policy guidance for Human Resources (HR) professionals at post responsible for administering HR Programs for Locally Employed (LE) Staff. Any deviation from the policy guidance outlined in this document requires prior HR/OE approval.

A. PURPOSE OF MERIT BASED COMPENSATION (MBC)

The Merit Based Compensation (MBC) program takes the place of the Within Range Increase (WRI) system as the method of managing employee performance and provides an annual variable monetary reward based on an employee’s individual level of performance and contribution to the Mission, thereby directly linking an employee’s performance to the amount of reward received. At the end of the performance period, the employee’s demonstrated effort and contribution are assessed based on specific performance criteria defined at the beginning of the performance period, and an employee with effective performance (Total Performance Score (TPS) of 100 or more) receives a monetary reward aligned with their level of performance. Additional benefits of MBC include:

- MBC requires formal communication between employees and Rating Supervisors to identify annual performance criteria.
- MBC requires employees and Rating Supervisors to recognize accomplishments and identify areas for development during formal discussions and throughout the performance period via informal ongoing feedback.
- MBC provides employees with an incentive to seek continuous improvement, add value to the Mission, and play an integral part in building a better and more effective organization.
- MBC places all employees from participating agencies that are employed on the Local Compensation Plan (LCP) on a uniform performance rating cycle.
- MBC provides an avenue to continue to reward employees for their individual performance, even after reaching the maximum salary of their current position grade.

More information can be found in the MBC Toolkit on HR/OE’s Open Net pages. Post-specific MBC information can be found in the performance management section of each Mission’s LE Staff Handbook.
B. Overview

Successful performance management is a continuous process that follows a series of steps:

STEP 1: Develop a clear and accurate Position Description of the work to be done by the employee.

STEP 2: Establish SMART (specific, measurable, achievable, relevant and time-bound) performance goals for the employee for the performance period.

STEP 3: Provide ongoing feedback to the employee throughout the performance period.

STEP 4: Conduct and document periodic performance discussions with the employee, providing specific examples of sound performance as well as examples of what could be done differently; when necessary, provide documented guidance on improving unsatisfactory performance.

STEP 5: Offer a variable monetary reward during each rating cycle that is based on the employee’s individual performance.

C. Policy Translation

Human Resources (HR), or a professional translator at the Mission, may translate this policy into the host country language(s). However, the controlling version of this policy will be published in English on HR/OE’s Open Net pages.

D. Resources

The Performance Management Policy for MBC provides standardized guidance for the management of MBC worldwide. Each Mission will determine post-specific details in terms of the rating cycle, MBC reward payment date, and other aspects of MBC in accordance with local labor law requirements and document them in the performance management section of the LE Staff Handbook.

A series of Policy Aids are available that further detail key elements of this policy and provide examples of how it applies to specific situations. The Policy Aids can be found in the MBC Toolkit on HR/OE’s Open Net pages.

The HR/OE MBC Toolkit provides step-by-step guidance for Mission HR staff to assist at all stages of MBC implementation, from preparing for the first year of the program to subsequent years of
MBC performance management. In addition to the Policy Aids, the Toolkit also contains templates for the performance management section of the LE Staff Handbook, various memorandums, checklists, spreadsheets, etc.

**E. MBC Rating Cycle**

![MBC Rating Cycle Diagram]

Under MBC, employees are evaluated on a uniform annual rating cycle schedule in which all employee evaluations are completed at the same time, as opposed to the WRI cycle which was determined based on each individual employee’s anniversary date. The MBC annual rating cycle dates are determined by each individual Mission.

There are five stages in the MBC performance evaluation process that occur every rating cycle:

| **Annual Work Plan (AWP) and Development Plan** | At the beginning of every rating cycle, employee and Rating Supervisor meet to establish an AWP and Development Plan (see Page 18 and Page 20). Any changes to the AWP and Development Plan that occur during the rating cycle should be discussed between the employee and Rating Supervisor and documented. |

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<table>
<thead>
<tr>
<th><strong>Mid-Year Discussion (MYD)</strong></th>
<th>Performance discussions and feedback should be an ongoing process throughout the rating cycle. This includes a mandatory Mid-Year Discussion approximately halfway through the rating cycle, formally documented, signed by employee and Rating Supervisor, but not scored (see Page 24).</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee Performance Report (EPR)</strong></td>
<td>An EPR is a written evaluation of the employee’s performance throughout a performance period that includes numerical rating values (“scores”) reflecting the employee’s performance (see Page 22 and Page 29). The EPR is not scored until after an end-of-performance period discussion has taken place between employee and Rating Supervisor. After the Rating Supervisor completes the EPR, it should be reviewed by the Reviewing Supervisor and approved by the Pool Supervisor before the Rating Supervisor notifies the employee of the total performance score or before sharing the final scored EPR.</td>
</tr>
<tr>
<td><strong>Compliance and Calculation</strong></td>
<td>After the Pool Supervisor submits all of the approved EPRs to HR, HR ensures EPRs are in compliance with MBC and performance management policy. HR uses the EPR scores to calculate the MBC reward amount each employee will receive in recognition of individual performance throughout the performance period (see Page 45). The final reward values are approved by each Pool Supervisor.</td>
</tr>
<tr>
<td><strong>MBC Payment</strong></td>
<td>The MBC final payment sheet is submitted to CGFS (i.e., payroll) and rewards are processed for all eligible employees (see Page 52). Post HR will coordinate with CGFS to determine how many pay periods are needed to process MBC reward payments, to verify the deadline for submission of the MBC final payment sheet, and determine the MBC reward payments’ effective date for Mission employees.</td>
</tr>
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**F. Performance Pools**

All eligible employees are grouped into Performance Pools to facilitate the calculation of MBC rewards. The composition of each Mission Performance Pool is developed by the HR staff responsible for MBC. The Human Resources Officer (HRO) or other designated management...
official reviews and approves the composition of each Performance Pool and sub-pool. The basic guidelines used by Mission management and HR to determine Performance Pool structure are:

- Employees in the same Performance Pool should all be paid from the same funding source, and
- As a general rule, Rating and Reviewing Supervisors will not be in the same Performance Pool as the employee(s) they supervise.

Additional considerations for Mission Performance Pools structure include: post size, number of agencies at the Mission, number of employees in each agency, and types of funding. Performance Pool structures may require periodic revision due to management needs or fluctuations in pool composition (e.g., changes in agencies at post, departing employees, etc.).

For Performance Pools with three (3) or fewer employees the Small Pool Exception Rule may apply (See Page 47).

**F.1. PERFORMANCE POOL BUDGET**

Each eligible employee is a member of a Performance Pool. Subject to funding, the MBC budget for each Performance Pool is calculated based on three percent (3%) of the annual base salaries of all employees in that pool as of the last day of the rating cycle. Data for MBC budget and calculations, such as employee names, employment status, base salary, work schedule, leave records, and funding source should be derived from the post personnel system and reconciled with CGFS and the Financial Management Office (FMO) at Post.

At the end of the rating cycle, the MBC Pool budget is distributed among the Performance Pool participants, with each employee receiving an MBC reward value based on their individual performance during the rating cycle as reflected in their final EPR score.

**F.2. SUB-POOLS**

It may become necessary to divide large Performance Pools into smaller, more manageable sub-pools. A sub-pool is a division of a larger Performance Pool, divided by the same or similar grades (e.g., a large Performance Pool in a Consular section may be divided into sub-pools of FSN-06 and FSN-07). Each sub-pool has its own separate three percent (3%) MBC budget, but all of the sub-pools within the same larger Performance Pool have the same Pool Supervisor.

**F.3. PERFORMANCE POOL NOTIFICATION**

Post HR will notify new employees of their Performance Pool and sub-pool and will notify current employees if their Performance Pool or sub-pool assignment changes. Employees are not given
any additional Performance Pool information other than the name of the pool to which they have been assigned (and the name of the Pool Supervisor, which will be listed on the employee’s EPR, Form JF-50D). Post HR will publish the names of all Performance Pools.

**F.4. Changing Performance Pool Structure**

Performance Pool structure may be changed following consultation with or among Post HR staff responsible for MBC with Pool Supervisor concurrence and HRO or other designated management official approval. Structure may change as the result of: agencies arriving or departing from post, new and/or departing employees, position reclassification, etc.

Changes to performance pools may be made up to the last day of the rating cycle. In exceptional cases, pool structure changes can be made after the end of a rating cycle, during the calculation process. Such changes are requested by HR and approved by the Deputy Chief of Mission (DCM) or designee, only if significant inadequacies in pool structure and composition exist. Any such change must be applied prior to the completion of the final MBC reward calculations.

**G. Supervisory Roles**

There are three key supervisory roles in the MBC process: Rating Supervisor, Reviewing Supervisor, and Pool Supervisor.

**G.1. Rating Supervisor**

The Rating Supervisor is responsible for creating the Annual Work Plan (AWP) and Development Plan by discussion with the employee within approximately thirty (30) calendar days following the beginning of the performance period or arrival of a new employee. The Rating Supervisor makes sure to provide the employee the opportunity to participate in creating the AWP and Development Plan and also ensures that Position Descriptions (PDs) for all employees they supervise are accurate (as acknowledged on Form JF-50D “MBC EPR for Locally Employed Staff”).

The Rating Supervisor is responsible for identifying any performance problems at the earliest possible time during the performance period and offers ways to improve performance. This may include formal or on-the-job training, counseling, or any combination of actions that offer the employee the best opportunity for improving performance. This may also include completing a Performance Improvement Plan (PIP, Form JF-50B) when an employee demonstrates ineffective performance in an individual aspect of their job during the performance period or when an employee has overall ineffective performance during the performance period.
Approximately halfway through the performance period, the Rating Supervisor is accountable for completing and signing the Mid-Year Discussion (MYD), including performance notes (Sections 4 and 8 of EPR Form JF-50D). Throughout the performance period, the Rating Supervisor is responsible for providing ongoing performance feedback to the employee. At the end of the performance period, the Rating Supervisor scores and completes the EPR.

G.2. REVIEWING SUPERVISOR
After the Rating Supervisor completes and scores the EPR, a second level of review is required by the Reviewing Supervisor before the EPR goes to the Pool Supervisor for approval.

The Reviewing Supervisor may review AWPs and PIPs written by the Rating Supervisor. The Reviewing Supervisor signs the Reviewing Supervisor’s portion of the “End of Performance Period Certification” on the EPR (Section 6, JF-50D).

G.3. POOL SUPERVISOR
Pool Supervisors are responsible for ensuring that numerical ratings and written justifications on the EPR are consistent with performance for all employees in the Performance Pool.

Just like the Reviewing Supervisor, the Pool Supervisor may also review AWPs and PIPs written by the Rating Supervisor. The Pool Supervisor approves the scored EPR by signing the Pool Supervisor’s portion of the “End of Performance Period Certification” on the EPR (Section 6, JF-50D).

Pool Supervisors should ensure that all EPRs for their Performance Pools are completed, signed by all Rating Supervisors and Reviewing Supervisors, and submitted by the due date set by HR.

For smaller posts and smaller Performance Pools, it may be necessary for the same person to function as Rating Supervisor, Reviewing Supervisor, and Pool Supervisor. Alternatively, the Deputy Chief of Mission (DCM) (or similar high ranking USDH) may perform the role of Pool Supervisor.

Pool Supervisors may conduct their oversight and approval of a Performance Pool remotely.

H. HR ROLE

HR’s role in MBC is to ensure that performance management is carried out consistent with applicable legal requirements and Department policy. HR is also responsible for educating all Rating Supervisors, Reviewing Supervisors, and Pool Supervisors on their roles and ensuring that MBC policy is properly administered and management controls are in place.
HR’s role in terms of Pool Supervisors is particularly important since Pool Supervisors have final authority for approval of EPRs, performance scores, and MBC reward payments. Therefore, HR will strive to ensure all Pool Supervisors:

- Educate all employees in their Performance Pool(s) and make them aware of the goals and objectives of their section/agency and the Mission.
- Meet with all Rating Supervisors to discuss overall rating rationale and adjustments to any inconsistent ratings and ensure consistency within and across their Performance Pool(s). Reviewing Supervisors should be included in these meetings, as necessary.
- Review previous years’ ratings and trends with HR when needed to ensure that ratings are a fair reflection of employee performance.
- Approve all EPR scores for employees in their Performance Pool(s) before the scores are released to employees.

### Summary of Major Roles in the MBC Process

<table>
<thead>
<tr>
<th>Role</th>
<th>Annual Work Plan (AWP)</th>
<th>Development Plan</th>
<th>Mid-Year Discussion</th>
<th>Scored EPR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>Provides Input/Discusses with Supervisor</td>
<td></td>
<td></td>
<td>Acknowledges receipt (after Reviewing Supervisor reviews and Pool Supervisor approves)</td>
</tr>
<tr>
<td>Rating Supervisor</td>
<td>Creates, writes and updates</td>
<td></td>
<td></td>
<td>Provides numerical ratings and justifications, signs</td>
</tr>
<tr>
<td>Reviewing Supervisor</td>
<td>Reviews (Optional)</td>
<td></td>
<td></td>
<td>Reviews and signs</td>
</tr>
<tr>
<td>Pool Supervisor</td>
<td>Reviews (Optional)</td>
<td></td>
<td></td>
<td>Reviews, approves, and signs</td>
</tr>
<tr>
<td>HR</td>
<td>Ensures that process is followed and completed</td>
<td></td>
<td></td>
<td>Manages process, ensures compliance, and calculates final rewards</td>
</tr>
<tr>
<td>Front Office/Executive Leadership</td>
<td>Provides leadership and support for the Mission MBC Program</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
2. MBC ELIGIBILITY

MBC applies to Locally Employed (LE) Staff paid under the Mission’s Local Compensation Plan (LCP) who have successfully completed the Mission’s probationary period, who are employed at the end of the rating cycle, and who have completed at least 120 consecutive calendar days of service as of the last day of the rating cycle, unless otherwise specified below. Employees hired on PSA-Limited are not eligible for MBC due to the limited length of their employment. HR staff responsible for MBC must verify qualifying payroll status of all LE staff at the end of the rating cycle using a combination of CGFS and HR records.

A. NEW EMPLOYEES

MBC applies to newly-hired employees who, by the end of the rating cycle, have:

1. Successfully completed the Mission’s probationary period; AND
2. Completed at least 120 consecutive calendar days of service (counting the probationary period).

Once an employee has successfully completed the probationary period, the probationary period will be counted when calculating MBC reward payments, as long as the employee has at least 120 consecutive calendar days of service during that rating cycle. The employee’s MBC reward payment will be prorated according to the employee’s entry on duty date. End of Probationary Period Certification should be completed by using Section 2 of Form JF-50D and any comments regarding the probationary period should be included in Section 8 of Form JF-50D.

If excluding employees in probationary status from MBC is not consistent with local law, MBC applies to probationary employees if otherwise eligible.

B. PSA FIXED-TERM

Employees with a PSA Fixed-Term contract are eligible to receive MBC rewards if they meet all of the other eligibility criteria that apply to new employees on a regular PSA.

C. EMPLOYEES WITH A PART-TIME WORK SCHEDULE

Employees with a part-time work schedule are eligible for an MBC reward payment. The MBC reward payment will be prorated based on the total number of regular duty hours per approved work schedule for the rating cycle. Employees moving to or from part-time work schedules during
the rating cycle will have their MBC reward prorated according to the time spent under each work schedule in the rating cycle.

D. Employees on an Intermittent Work Schedule

Employees with an intermittent work schedule are eligible for a prorated MBC reward payment if they work at least 685 hours (i.e., the equivalent of 120 calendar days of service during a rating cycle, for posts with a 40-hour workweek). For Posts with other than a 40-hour workweek, an hour equivalent of 120 calendar days needs to be established and applied to determine MBC eligibility status.

E. Departing Employees

E.1. Departure Before the End of Rating Cycle

Employees who are no longer employed with the Mission on the last day of the rating cycle are not eligible to receive an MBC reward for that rating cycle. Additionally, employees who move voluntarily or involuntarily to a non-participating agency (i.e., USG agencies not under the LCP) before completion of a rating cycle are also not eligible.

E.2. Departure After the End of Rating Cycle

Employees who are employed with the Mission on the last day of the rating cycle, but leave or move to a non-participating agency before the MBC reward payment date are eligible to receive an MBC reward for that rating cycle. Employees in this situation will need to receive the MBC reward as a one-time lump sum payment, funded by the agency that the employee left. The MBC reward will be calculated based on the completed, scored EPR for the performance period prior to the employee’s departure.

F. Transfers of Employees into MBC

Employees not previously compensated under the LCP, who will now be compensated under the LCP, are treated like new employees for the purposes of MBC. They must successfully complete the Mission’s probationary period and complete at least 120 consecutive calendar days of service under the LCP in order to be eligible to receive an MBC reward.

G. Employees on Developmental or Training Level
Employees hired into a developmental or training level are subject to the same eligibility criteria as other new employees and must first complete their probationary period. They will be placed into a Performance Pool based on their developmental or training grade level.

After an employee completes the time period originally identified for the developmental or training level, the Rating Supervisor may recommend:

1. If the employee has demonstrated effective performance (i.e., received 100 or more points on their EPR), that the employee be promoted; or

2. If the employee has not yet demonstrated effective performance, that the employee remain at the developmental or training level for an additional period of evaluation as determined by the Rating Supervisor, in consultation with HR.

Additional guidance on developmental/training levels and promotions can be found on HR/OE’s Open Net pages.
3. BEGINNING OF MBC PERFORMANCE PERIOD

A. ANNUAL WORK PLAN

The Annual Work Plan (AWP) is established at the beginning of each performance period through discussion between employee and Rating Supervisor. The AWP objectives identify not only the employee’s regular and recurring duties, but also specific goals for the current performance period. The AWP sets out work goals, standards and priorities upon which the Rating Supervisor will evaluate the employee’s performance.

The AWP should be completed within the first thirty (30) calendar days of:

- employment (for new employees); or
- the performance period; or
- a new Rating Supervisor being assigned; or
- entering a new position at a higher, lower, or same grade due to recruitment or priority placement.

The AWP should be updated by the Rating Supervisor if the Rating Supervisor makes significant changes to the duties and responsibilities of the Position Description.

The AWP is completed using Form JF-50D “MBC EPR for Locally Employed Staff” (or an equivalent HR/OE-approved electronic tool). Instructions for completing each section of the form are included on the form/tool itself or in accompanying guidance.

B. AWP PERFORMANCE CRITERIA

AWP consists of four (4) types of Performance Criteria:

1) Continuing Responsibilities: MANDATORY. These are the main aspects of the job that should be regularly accomplished by the employee. The PD is the starting point for developing Continuing Responsibilities, but not every aspect of the PD will necessarily be captured in the AWP as a Continuing Responsibility.

2) Specific Objectives: Optional. These are aspects of the job that could be an isolated or “one-time” work assignment, usually associated with a time frame or another measurement. These could represent a specific goal the employee should accomplish during the performance period.
period, an event that the employee will manage or participate in, a project the employee will work on, or any other short-term goal that will be completed during the current performance period.

3) **Competencies**: Optional. These criteria are developed using the skills, knowledge, and abilities necessary for effective performance. For example, completing a course or certification related to the employee’s job duties and putting that knowledge into practice.

4) **Universal Job Elements**: **MANDATORY**. These criteria consist of:

- Interpersonal Skills;
- Other duties as assigned (does not apply to USAID per ADS 309); and
- Supervision of other employees (if applicable).

Each criterion is assigned a percentage weight of importance.

No changes may be made to the wording of the Universal Job Elements. If the Rating Supervisor needs an employee to focus on one specific area of performance not adequately captured within one of the Universal Job Elements (e.g., “Customer Service”), then the Rating Supervisor should establish a different type of Performance Criterion (e.g., Specific Objective or Competency) to capture “Customer Service” for that performance period.

Employees should play an active role in developing their Performance Criteria for the performance period. Employees should have a clear understanding of what is expected regarding performance of duties and the basis of the annual evaluation and rating. Employees should be encouraged to prepare for performance discussions, to bring suggestions to the meeting, and to fully participate in identifying SMART (specific, measurable, achievable, relevant and time-bound) goals and objectives. However, the Rating Supervisor has the final responsibility for determining the Performance Criteria in the AWP.

**B.1. Group Performance Criteria**

Mission/Agency/Section management may identify Group Performance Criteria under Specific Objectives for the AWPs of all employees in a section, agency, or the Mission as a whole and may pre-determine the percentage (or minimum percentage) to be assigned to those Specific Objectives. This will be coordinated with the Pool Supervisor(s). Employees must be informed of any applicable Group Performance Criteria and Rating Supervisors must incorporate the Group Performance Criteria into each AWP under Specific Objectives.
B.2. Number of Performance Criteria
The AWP should generally have a minimum of six (6) and a maximum of twenty (20) Performance Criteria created from the four (4) Performance Criteria types: Continuing Responsibilities, Specific Objectives, Competencies, and Universal Job Elements. The most common number of Performance Criteria on an AWP is approximately twelve (12).

Although only the Continuing Responsibilities and Universal Job Elements are mandatory in the AWP, the optional Performance Criteria (Specific Objectives and Competencies) allow for flexibility in setting employee goals.

B.3. Percentage Weights for Performance Criteria
Percentage weights in the form of a whole number are assigned to each of the 6 to 20 Performance Criteria, subject to a minimum value of five percent (5%) and a maximum of twenty percent (20%) each. The sum of all percentage weights totals one hundred percent (100%). Since MBC focuses on the individual employee and their performance, not on the position, the percentage weights are very likely to vary between employees encumbering the same or similar positions.

Performance Criteria are assigned a weight based on their importance during the performance period, not the amount of time/hours spent on them. The percentage weights allotted to Performance Criteria should be thoroughly discussed between employee and Rating Supervisor as part of the AWP process. However, it is ultimately the responsibility of the Rating Supervisor to ensure that the AWP percentage weights reflect the most important objectives for each employee for each performance period.

B.4. Other Job Elements
Employees are expected to perform all the duties and responsibilities in the Position Description successfully, not just those job elements the Rating Supervisor identifies for the AWP. The AWP criteria simply establish the critical areas of performance that are the main focus of evaluation during the performance period. The Universal Job Element “Other Duties as Assigned” will be used to rate the performance of duties and responsibilities not otherwise captured in the Performance Criteria.

C. Development Plan
In conjunction with the AWP, a Development Plan will also be completed at the beginning of the performance period to identify areas for an employee’s professional development. Appropriate
training and development activities should be discussed and documented (e.g., appropriate online courses, job shadowing a colleague, reading appropriate materials, etc.) to be completed within regular working hours for the purpose of helping an employee achieve growth in a specific area. The Development Plan may be updated during the performance period and training and development activities rescheduled, as necessary, based on discussion between the rating supervisor and employee. The rating supervisor has the final responsibility for determining the contents of the Development Plan.
4. **DURING THE MBC PERFORMANCE PERIOD**

A. **INTERIM EMPLOYEE PERFORMANCE REPORT (EPR)**

An Interim EPR should be completed to cover a time period of less than one rating cycle but at least 120 consecutive calendar days of service with the same Rating Supervisor. The Rating Supervisor notes the reason for an Interim EPR, which may include:

- Arrival, departure, or other change of Rating Supervisor; or
- Reorganization of a section or agency; or
- Employee demonstrates overall ineffective performance resulting in an Interim EPR score of less than 100 points; or
- Movement of employee to a new position with a different occupational series (e.g., recruitment, priority placement, etc.); or
- Involuntary separation.

Interim EPRs should always be fully documented on Form JF-50D, scored by the Rating Supervisor, reviewed by the Reviewing Supervisor, approved by the Pool Supervisor, and submitted to HR.

An Interim EPR is not required due to overall ineffective performance if the scores for the entire performance period will capture and reflect the period of ineffective performance.

An Interim EPR is not required when changes in an employee’s position grade level occur as the result of a reclassification action (upgrade or downgrade).

An Interim EPR is not required when an employee is separated during the MBC performance period, but is recommended when the employee is separated for cause or due to a Reduction-in-Force (RIF).

Additional guidance on separation, conduct, discipline and grievance can be found on HR/OE’s Open Net pages.

B. **PERFORMANCE PERIODS OF LESS THAN 120 CONSECUTIVE CALENDAR DAYS**

If Rating Supervisors have supervised an employee for less than 120 consecutive calendar days of service during the performance period, an EPR is not required. Rating Supervisors may use
Form JF-50D to document and provide feedback on the employee’s performance for this time period and enter performance notes in Section 8 or complete an unscored EPR.

C. PROBATIONARY PERIOD

A probationary period is the initial period of employment with the Mission during which new employees have the opportunity to demonstrate their ability to perform the job they were hired for.

Each Mission establishes its own probationary period consistent with local labor law. The probationary period is documented in the Mission LE Staff Handbook.

During the probationary period, the Rating Supervisor reviews the employee’s:

- Ability to learn and perform the duties and responsibilities of the position;
- Quality of work;
- Productivity;
- Work habits;
- Interpersonal skills; and
- Other standards and expectations specific to the Position Description.

During the probationary period, an employee’s actual job performance is evaluated to determine continued employment with the Mission. An employee must successfully complete the probationary period for continued employment with the Mission. At the recommendation of the Rating Supervisor and, as consistent with local law, HR may separate an employee who does not perform satisfactorily at any time during the probationary period.

C.1. WHO MUST COMPLETE A PROBATIONARY PERIOD

All new employees hired into permanent positions or fixed-term positions of one year or more must satisfactorily complete the Mission’s probationary period. There is no exception or waiver to this policy, unless a probationary period is not consistent with local law. New employees hired into fixed-term positions of less than one year do not have to complete a probationary period.

There is only one probationary period during the course of a continuous period of service for employees compensated under the Mission’s Local Compensation Plan. Employees do not serve an additional probationary period when they begin working in another position within the Mission without break in service.
C.2. DOCUMENTING THE PROBATIONARY PERIOD

The Rating Supervisor should promptly identify an employee who does not adequately perform assigned duties and notify HR as early as possible during the probationary period.

A probationary period certification will be completed at the end of the employee’s probationary period. The certification of successful or unsuccessful completion of the probationary period should be documented on Section 2 of Form JF-50D. Performance notes (without scores) for this period may be documented on Section 8 of Form JF-50D.

C.3. COMPLETION OF THE PROBATIONARY PERIOD

The probationary period certification will recommend the employee for:

- Completion of probationary status and continuation of employment, if performance is satisfactory; or

- Extension of the probationary period, as consistent with local law, if the Rating Supervisor requires additional evaluation of the employee’s ability to perform the job. Only one extension to the probation period is allowed. The Rating Supervisor must document why the extension is necessary and carefully consider its duration, which must be consistent with local law; or

- Separation, consistent with local law requirements, if employee does not perform satisfactorily at any time during the probationary period. The Rating Supervisor is required to provide documentation (e.g., a memorandum, a PIP, or an EPR) to HR to support the recommendation for separation during the probationary period.

C.4. ELIGIBILITY FOR PROMOTION, AWARDS, AND JOBS DURING THE PROBATIONARY PERIOD

- An LE Staff employee is not eligible for promotion or awards until the employee completes the probationary period and receives an EPR documenting at least 120 consecutive calendar days of performance with 100 points or more. (Exceptions may be considered for an on-the-spot award.) Current in-house employee applicants serving a probationary period may not be considered for any advertised vacancies until they have successfully completed the full probationary period.

D. MID-YEAR DISCUSSION (MYD)

Rating Supervisors and employees should have periodic performance discussions throughout the performance period. A Mid-Year Discussion (MYD) to discuss the employee’s progress towards
achieving the Performance Criteria in the AWP is mandatory for each performance period resulting in a scored EPR. The MYD should be scheduled as closely to the mid-point of the performance period as possible (e.g., during the sixth or seventh month for a full one-year rating cycle).

The MYD has a number of important purposes:

- To update the AWP (if necessary) to ensure that Performance Criteria are accurate;
- To give the employee an opportunity to comment on their accomplishments and challenges;
- To give the Rating Supervisor an opportunity to provide positive feedback, address concerns, or provide recommendations on how the employee can enhance performance on specific Performance Criteria outlined in the AWP.

D.1. **Mid-Year Discussion Content**

Rating Supervisors should advise employees in advance of the MYD and encourage employees to be prepared to fully participate in performance discussions, bring suggestions to the meeting, and identify their accomplishments and challenges.

The key to a successful discussion of performance with an employee is to be fair and constructive.

- Review and discuss the performance criteria identified in the AWP at the beginning of the performance period.
- Comment on the employee’s strengths and weaknesses. Encourage the employee to discuss openly their reactions.
- Make specific recommendations for improvement. Discuss them and agree on how to implement these suggestions. Set a time limit for each improvement factor and follow up.

D.2. **Mid-Year Discussion Certification**

The completion of the MYD is certified by the employee and Rating Supervisor in Section 4 of Form JF-50D. The Rating Supervisor makes comments in Section 8 of Form JF-50D. The signature of the employee is recognition that the discussion occurred and does not signify agreement with the contents of the discussion or the statements in Section 8 of Form JF-50D resulting from the MYD. If the employee has concerns about the MYD, they should be noted in the Employee Comments section, Section 11 of Form JF-50D.

E. **Rating Supervisor Staffing Gaps**
Staffing gaps are part of normal Mission operations. Mission management must immediately address direct supervision of employees when there is a staffing gap. When the employee does not have a Rating Supervisor for a period of 120 consecutive calendar days or more, Mission Management and HR should identify a temporary Rating Supervisor.

F. PROMOTIONS

Under MBC, if an employee receives a promotion during the rating cycle, the employee’s new basic salary is calculated by increasing the value of the current basic salary by six percent (6%), not to exceed the maximum salary rate of the grade level the employee is promoted into. If the calculated basic salary is lower than the minimum salary rate of the grade level the employee is promoted into, then that minimum rate becomes the employee’s new basic salary. Please see HR/OE’s Policy Aid: Authorizing and Processing Promotions for LE Staff.

F.1. PROMOTIONS – NOT TEMPORARY

The employee’s Performance Pool and the calculation of the pool’s budget and the employee’s MBC reward are based on the employee’s grade and salary in effect on the last day of the rating cycle.

F.2. PROMOTIONS – TEMPORARY

If an employee receives a temporary promotion for a period of 120 consecutive calendar days of service or more during the rating cycle, a separate EPR is completed and scored to document performance during the temporary promotion; however, the employee’s Performance Pool and the calculation of the pool budget and MBC reward are based on the employee’s regular grade and salary (i.e., the employee’s grade and salary before the temporary promotion was granted). The employee’s grade and salary during the temporary promotion are not used for the purposes of calculating MBC budget and reward, regardless of the duration of the temporary promotion and whether an employee is in temporary promotion status on the last day of the rating cycle.

Temporary promotions must be processed in accordance with HR/OE’s Policy Aid, Authorizing and Processing Promotions for LE Staff.

G. CHANGES TO THE AWP

There may be circumstances which require an AWP revision, such as the cancellation of an event that was identified as a Specific Objective or if funding is no longer available for a training course included as a Competency during the performance period. If changes must be made to the...
Performance Criteria during the performance period, the Rating Supervisor and employee complete and sign a new AWP. The performance period dates stay the same.

Just like the AWP’s initial development, changes to the AWP should be discussed between the Rating Supervisor and the employee, taking into account the time left in the rating cycle so that the employee will be afforded enough time to demonstrate successful performance on all job elements identified for evaluation. The Rating Supervisor has the final responsibility for determining any changes to the AWP.

H. HIRING EMPLOYEES ABOVE MINIMUM SALARY OF THE POSITION

Offering a starting salary above the minimum pay rate for the position’s grade level is at Mission management discretion and is not an entitlement for any new employee. HR establishes a crediting plan that gives consideration for higher starting salaries for new hires to include education, work experience, other skills and abilities, or a previous salary history that directly relates to the assigned duties and responsibilities of the Mission position.

HR may authorize any salary within the pay range of the FSN grade of the position, following existing Mission or agency policy.

I. AWARDS PROGRAM AND MBC

As a performance management program, MBC is designed to further communication between employee and supervisor and recognize and reward consistently high performance throughout the rating cycle based on the Performance Criteria identified in the AWP. The awards program provides additional opportunity to recognize LE Staff in accordance with the Mission’s Awards Policy.

MBC takes the place of the Within Range Increase (WRI) system but not the awards program, and the Mission Awards Policy continues to apply to LE Staff under MBC, with the following exception: The Meritorious Step Increase ( MSI) is not available under MBC, because there are no longer steps in the salary scale at MBC posts, only a minimum and maximum.

J. ANNUAL TOTAL COMPENSATION REVIEW

MBC does not affect the annual HR/OE total compensation review cycle. The annual wage and benefits review is completely separate from the MBC program and continues to be managed by
HR/OE/CM. Any changes to a post’s Local Compensation Plan (LCP) as a result of the annual total compensation review conducted by HR/OE/CM will continue to be managed independently of the MBC program.
5. END OF MBC PERFORMANCE PERIOD

A. EMPLOYEE PERFORMANCE REPORT (EPR)

The Employee Performance Report (EPR, JF-50D or equivalent HR/OE-approved electronic tool) is the official form used by Rating Supervisors to evaluate employee performance. Comprehensive instructions for completing “MBC EPR for Locally Employed Staff” are found on Form JF-50D. The Mission HR office will publish the MBC rating cycle timeline which includes due dates for completion of the EPR as well as other steps in the MBC rating cycle.

A scored EPR is completed at the end of the performance period and covers a minimum of 120 consecutive calendar days of service under the same Rating Supervisor. It needs to be completed by the Rating Supervisor, reviewed by the Reviewing Supervisor, approved by the Pool Supervisor, and submitted to HR before an employee is eligible to receive an MBC reward.

The EPR enables employees and Rating Supervisors to consider individual performance in the context of the AWP Performance Criteria and documents the extent of the employee’s efforts to meet these Performance Criteria.

Employees are rated based on the Performance Criteria that comprise their AWP (Continuing Responsibilities, Specific Objectives, Competencies, and Universal Job Elements).

B. MBC RATING SCALE

Each Performance Criterion in the AWP is rated using a numerical scale of 0 to 3. Definitions of these numerical ratings are provided below:

<table>
<thead>
<tr>
<th>0</th>
<th>Ineffective Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Criterion not accomplished or unacceptably performed despite the employee having the time, opportunity, and resources.</td>
</tr>
</tbody>
</table>

| 1 | Effective Performance |
Criterion accomplished in a fully effective manner and as required. There was consistency in meeting all required tasks in terms of quality and level of output.

2 Highly Effective Performance
Criterion accomplished in a highly effective manner while consistently adding value in terms of quality and level of output. Employee is regularly going above and beyond expectations.

3 Highest Possible Level of Performance
Criterion accomplished to the highest quality possible or best performance feasible. Performance sets the standard for others to follow. Employee influenced change or improved processes.

C. Key Performance Indicators (KPIs)

Key Performance Indicators (KPIs) have been developed to assist with the evaluation process by:

- providing a common language between Rating Supervisors and employees when discussing performance;
- providing detailed guidance to assist Rating Supervisors in applying the MBC Rating Scale definitions to employee performance; and
- ensuring equity in rating performance of employees at different grades.

KPIs have been developed by score and by grade level. The level of performance required to receive a certain score varies considering that the responsibilities associated with a position generally increase as the grade level goes up.

There are seven (7) different KPI competency measures that correspond to major job-related areas affecting a number of objectives and responsibilities:
The most effective means of using KPIs is for the Rating Supervisor to assign relevant KPI competency measures to each Performance Criterion on the AWP at the beginning of the performance period. Employees and Rating Supervisors will have a solid understanding of the performance expectations to achieve a given rating. Those KPIs may then be used throughout the performance period to frame performance discussions. KPIs give the employee and Supervisors a clear understanding of how the demonstrated performance of the employee matches the EPR scores received at the end of the performance period.

**D. PERFORMANCE CRITERIA NARRATIVES**

An overall narrative that provides supporting commentary on major aspects of the employee’s performance should be completed on Form JF-50D. Additionally, supporting narratives should be provided to justify individual Performance Criteria scores, requiring the use of relevant specific examples. These narrative justifications will address particular strengths and accomplishments demonstrated during the rating cycle related to specific Performance Criteria. These narrative justifications should support the rating given and include comments on those aspects of performance that met or exceeded expectations, as well as highlighting areas of performance that failed to meet expectations and therefore require improvement.

Pool Supervisors will review narratives to verify that all ratings are appropriately supported and consistent within and across their Performance Pools. Pool Supervisors have the authority to request a Rating Supervisor revise a narrative that does not fully support a given rating. When a Pool Supervisor and a Rating Supervisor do not come to agreement on the rating and the supporting narrative, the Pool Supervisor has the authority to adjust the score.
E. TOTAL PERFORMANCE SCORE (TPS)

The EPR is the product of discussion between the employee and Rating Supervisor. The end of performance period discussion focuses on the employee’s actual performance as compared to the AWP Performance Criteria to identify the employee’s performance level. After discussing with the employee, the Rating Supervisor rates (scores) all AWP Performance Criteria using the 0 to 3 numerical scale.

The percentage weight of importance for each Performance Criterion is then multiplied by the rating to arrive at the total number of points earned for each Performance Criterion. All points are added together to determine the employee’s TPS.

It is important that NO score be discussed with or disclosed to an employee prior to review of the EPR by the Reviewing Supervisor and approval of the final EPR and TPS by the Pool Supervisor.

The Rating Supervisor will share a copy of the scored EPR with the employee and discuss after receiving final approval from the Pool Supervisor.

F. END-OF-RATING CYCLE PERFORMANCE

An employee who achieves a TPS of 100 points or more on an EPR is deemed to have performed effectively during the rating cycle or performance period and is eligible to receive an MBC reward calculated based on the TPS after the end of the rating cycle.

An employee who receives a TPS of less than 100 points is deemed not to have performed effectively during the rating cycle or performance period and is not eligible to receive an MBC reward for the rating cycle or performance period that generated less than 100 points and will be placed on a Performance Improvement Plan (PIP, see below).

An employee who receives a rating of zero (0) for one or more AWP Performance Criteria is eligible to receive an MBC reward as long as the TPS is 100 points or more.

G. SUPERVISORY RESPONSIBILITY AND EPR SUBMISSION

Successful completion of the EPR involves all of the following individuals: employee, Rating Supervisor, Reviewing Supervisor, Pool Supervisor, and HR. The order of events is often
determined by individual circumstances; however, the following basic guidelines should be observed:

- **All** parties (employee, Rating Supervisor, Reviewing Supervisor, and Pool Supervisor) will have the opportunity to comment on Form JF-50D. While it is the Rating Supervisor’s Responsibility to complete the end of performance period narrative in Section 9 of the JF-50D, Reviewing and Pool Supervisors may also use this section for comments.
- The Pool Supervisor has the final approval of the completed scored EPR including all supervisor narrative justifications and comments.
- The scored EPR and TPS will **NOT** be disclosed to the employee until it has been approved by the Pool Supervisor as the final score.
- The employee has a maximum of five (5) business days to make comments on the EPR. Any comments should be reviewed by the Rating Supervisor, Reviewing Supervisor and Pool Supervisor before the completed scored EPR is approved by the Pool Supervisor and submitted to HR. Before the EPR is finalized, the Pool Supervisor has authority to make changes to the scores at any point in the process after consultation with Rating Supervisor and Reviewing Supervisor.
- All EPRs from each specific Performance Pool will be forwarded to HR within the timeline set by HR.
- HR should review each final scored EPR and TPS to ensure consistency and verify that no inadmissible material (see Section H. Inadmissible Material below) has been included. When authorized by the HRO (or designated management official), HR staff notifies the Pool Supervisor of any required edits or amendments, including the need for additional narrative justifications to support scores.
- The employee receives a final copy of the scored EPR and TPS **AFTER** the EPR has been reviewed by the Reviewing Supervisor, approved by the Pool Supervisor, and reviewed by HR.

**H. Inadmissible Material**

Inadmissible comments may not be included in any section of the evaluation report or in other forms of evaluative material. Rating Supervisors, Reviewing Supervisors and Pool Supervisors, along with post HR/Management must ensure that employees are not disadvantaged, directly or indirectly, for reasons unrelated to job performance.

The following subjects are inadmissible in any part:

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(1) Reference to race, color, religion, sex (does not extend to the use of Mr., Mrs., Ms., or first names or personal pronouns), national origin, age, disability, reasonable accommodation for disability, and sexual orientation;

(2) Physical characteristics and personal qualities that do not affect performance or potential;

(3) Stereotypes and group assumptions;

(4) Marital status or plans, or references to spouse or family;

(5) Retirement, resignation, or other separation plans;

(6) Reference to job sharing and telecommuting;

(7) Grievance, equal employment opportunity, or local labor law proceedings;

(8) Ratings for earlier periods;

(9) Reluctance to work voluntary overtime;

(10) Leave record, except in the case of unauthorized absences;

(11) Negative or pejorative discussion of the performance of other employees;

(12) Identification by Rating or Reviewing or Pool Supervisors of disability or medical issues (including alcoholism, drug abuse, or rehabilitation efforts);

(13) Reference to academic degrees, titles, or specific institutions of higher learning (except that physicians may be referred to as "Dr.");

(14) Outside activities that are not relevant to performance or post effectiveness; or

(15) Promotion - recommendations for promotions must not be incorporated in the EPR.

The Rating Supervisor may not reference or attach any unofficial performance-related documentation that was not provided to the employee and not included in the Employee Performance File (EPF), such as email exchanges between Rating Supervisor and employee, Rating Supervisor’s personal records of informal counselling sessions, or other personal notes. Additional official performance-related documentation (i.e., documentation that was provided to the employee and included in EPF) for the applicable performance period is admissible and should be attached to the EPR if referenced by the Rating Supervisor.
Supervisors are encouraged to consult with HR in case of questions about what may or may not be admissible.

I. CONFIDENTIALITY

Access to EPRs should be restricted to the employee, HR, those in the employee’s supervisory chain, and others with a need to know as determined by Management and HR.

J. APPEALS PROCESS

Employees who have concerns regarding one or more aspects of their EPR and/or the process through which it was prepared should follow the steps below. All communication should be in writing and should provide justifications and descriptions of performance (e.g., completion of specific objectives or demonstration of competency and specific examples of work performed):

1. Within five (5) business days of initial receipt of the Pool Supervisor approved scored EPR, the employee should try to resolve any areas of concern with the Rating Supervisor in writing. The Rating Supervisor should generally respond in writing to the employee within five (5) business days of receipt of the employee’s concerns.

2. If differences or questions remain after Step 1, the employee should pursue them with the Reviewing Supervisor in writing within five (5) business days of receiving a written response from the Rating Supervisor. The Reviewing Supervisor should generally respond in writing to the employee within five (5) business days of receipt of the employee’s concerns.

3. If differences or questions remain after Steps 1 and 2, the employee should pursue the matter in writing with the Pool Supervisor within five (5) business days of receiving a written response from the Reviewing Supervisor. All relevant documentation created and considered during Steps 1 and 2 should be submitted to the Pool Supervisor to assist in this process. The Pool Supervisor should generally respond in writing to the employee within five (5) business days of receipt of the employee’s written concerns.

4. If the Rating and Reviewing Supervisor is the same person, the employee should pursue the matter in writing with the Pool Supervisor within five (5) business days of receiving a written response from the Rating Supervisor.

5. If the Rating, Reviewing and Pool Supervisor is the same person, the employee has the option of pursuing the matter in writing with the Deputy Chief of Mission (DCM), which should be
done within five (5) business days of receiving a written response from the Rating Supervisor. The DCM should generally respond in writing to the employee within five (5) business days of receipt of the employee’s written concerns.

At each step, all involved parties should ensure that the appeals process is properly followed. If the employee believes that elements of the appeals process have not been correctly applied, they should clearly state in writing any perceived or alleged errors or omissions.

HR will provide assistance and guidance in the appeals process as needed. The Supervisor will work with Post HR to translate appeals process requirements and documents submitted by the employee in a language other than English.

The employee is encouraged to include a statement in the “Employee Comments” section of the EPR to comment on performance for the performance period.

In cases of unresolved appeals, Post should proceed with the final MBC reward calculations, employee notifications, and submission of reward payment amounts to CGFS by the established deadline. If the appeal results in a change in rating, the updated JF-50D form is filed in the employee’s EPF and HR should re-calculate the MBC reward for this employee and make necessary pay adjustments subject to funding availability. Any such change occurring after HR notifies employees of their MBC reward amounts will not affect the other employees in the performance pool.

K. LE STAFF GRIEVANCE PROCESS

LE Staff may grieve their performance evaluation under the LE Staff Grievance Policy; however, the contents of the Annual Work Plan (AWP) and Development Plan or Performance Improvement Plan may not be grieved once the Rating Supervisor puts these in final.

The LE Staff Grievance Board decides whether an issue may be grieved and if the Board will hear the grievance. For more information on LE Staff Grievance Boards, please consult the Mission Conduct, Discipline and Grievance Policy.

When an employee files a formal grievance that the LE Staff Grievance Board agrees to hear, the LE Staff Grievance Board decides the case. The employee may appeal the Board’s decision to the Chief of Mission (COM), who has final authority on LE Staff grievance actions. The decision of the Mission LE Staff Grievance Board or COM (if the employee appeals the Board’s decision to the COM) is final.
The employee has no additional appeal rights (including appeals under above item 5.J) once the LE Staff Grievance Board makes a decision on the formal grievance, or the COM makes a decision on an appeal filed by the employee on the Board’s decision.

In cases of unresolved grievances, Post should proceed with the final MBC reward calculations, employee notifications, and submission of reward payment amounts to CGFS by the established deadline. If the grievance results in a change in rating, the updated JF-50D form is filed in the employee’s EPF and HR should re-calculate the MBC reward for this employee and make necessary pay adjustments subject to funding availability. Any such change occurring after HR notifies employees of their MBC reward amounts will not affect the other employees in the performance pool.

L. Employee Signature and EPR Submission

The employee must sign the EPR acknowledging receipt, regardless of whether the employee agrees with any or all portions of the final report. Failure of the employee to sign does not stop HR from processing and distributing the EPR, calculating any applicable MBC reward, and including the original in the Employee Performance File.

Signing the EPR does not limit in any way the right of the employee to object to the EPR through the appeals process or the LE Staff Grievance Policy.

The Pool Supervisor submits the final approved EPRs to HR electronically or in a sealed envelope.
6. PERFORMANCE IMPROVEMENT PLAN (PIP)

The Performance Improvement Plan (PIP, Form JF-50B) is a comprehensive plan that assists employees in improving their performance. The PIP provides guidance on the type of actions the employee needs to take to improve performance and outlines how the Rating Supervisor will aid the employee in this process. The PIP provides the employee with a reasonable time period in which to demonstrate effective performance and gives the Rating Supervisor time to evaluate the employee’s potential for continued long-term success with the Mission.

The Performance Improvement Plan (PIP, Form JF-50B) standardizes the documentation process and is the required form Rating Supervisors must use to document poor performance. It is used to document the poor performance of an employee in any area of work contained in the Position Description, and not just the Performance Criteria identified in the Annual Work Plan (Section 7 of Form JF-50D). The Rating Supervisor should consider formal/informal counseling and other measures to improve performance before completing a PIP.

A. PERFORMANCE VS. CONDUCT

The responsibilities and standards of conduct of Foreign Service employees also apply to LE Staff (3 FAM 7224.1), although the types of discipline and procedures for imposing it will differ based on local law requirements. To maintain the highest standards of honesty, impartiality, and conduct essential to the performance of the Mission's business, LE Staff must avoid misconduct and conflicts of interest. Rating Supervisors must make sure that employees observe the rules of conduct and take appropriate disciplinary action when employees do not meet established standards.

Performance Management includes both performance and conduct issues. Rating Supervisors should not confuse poor performance with misconduct. Although it is normal for performance and misconduct to be interrelated, it is important to recognize the difference between the two; i.e., separate the performance from the conduct problem. An easy way to distinguish between performance and conduct is to see a performance problem in terms of "can't do it" and a conduct problem in terms of "won't do it." Any performance problem where the employee could do the work should be handled as conduct.

A.1. PERFORMANCE
Poor performance is the failure of the employee to do the job at an effective level. Overall job performance at an effective level is documented with a Total Performance Score (TPS) of 100 points or more and is defined in terms of quality, quantity, or timeliness. The Rating Supervisor must document poor performance in the Employee Performance Report (EPR, JF-50D) either at the end of the rating cycle or in an interim EPR and ensure there are regular and documented counseling sessions. The Rating Supervisor also has a responsibility to document poor performance on a Performance Improvement Plan (PIP, JF-50B). Rating Supervisors who do not address performance issues promptly are failing in their own responsibilities.

A.2. Eligibility for Promotion, Awards, and Jobs While Performance is Ineffective

An employee is not eligible for promotion, awards, or to apply for advertised positions if their last EPR is less than 100 points and until the employee receives an EPR documenting at least 120 consecutive calendar days of performance with 100 points or more.

Employees should not receive awards for duties performed during a PIP timeframe. Awards and recognition for duties performed outside of the PIP will be delayed until after the employee has successfully completed their assigned PIP.

Post Management may wish to establish (or continue with if already in place) a Mission policy that says anyone currently on a PIP may not apply for another Mission position. All participating agencies under COM authority must agree to the Mission-specific policy. HR should include the policy in the LE Staff Handbook, issue it in a Management Notice, and apply it equitably so that there is no perception or appearance of favoritism.

Post is reminded that promotions are not an entitlement and to process all promotions in accordance with HR/OE’s Policy Aid: Authorizing and Processing Promotions for LE Staff.

A.3. Conduct

Misconduct is generally a failure of the employee to follow workplace rules and expectations. Examples of misconduct include tardiness and absenteeism, insubordination, falsification, and poor performance that is deliberate; i.e., can do the work but won’t do the work. The Rating Supervisor addresses conduct by following the disciplinary action guidance outlined in the Mission Policy on Conduct, Discipline and Grievance in accordance with Department guidance and local labor law.

B. When to Complete a PIP
Rating Supervisors observe employee performance throughout the rating cycle, identify the cause of poor performance, and take appropriate action to assist the employee in improving, including feedback and counseling. Rating Supervisors may complete a PIP at any time when poor performance is observed, but should identify performance issues as soon as possible, holding formal/informal counseling sessions and using other measures to improve performance before completing a PIP.

A PIP should be completed if the Rating Supervisor believes that an employee’s overall performance is ineffective for a period of 120 consecutive calendar days or more during the performance period, regardless of whether the ineffective performance is also documented by an EPR with a TPS of less than 100 points. An EPR with a Total Performance Score (TPS) of less than 100 points for a performance period of 120 consecutive calendar days or more requires the rating supervisor to complete a PIP.

A PIP is not mandatory for employees serving a probationary period. Rating Supervisors may, but are not required, to complete a PIP for poor performance during the probationary period. For any PIP given during the probationary period, the period of time to improve performance should not exceed the end of the probationary period. Rating Supervisors should give employees regular feedback on performance throughout the probationary period.

If an employee indicates to the Rating Supervisor that a medical or other issue is interfering with their job performance, the Rating Supervisor should discuss options with HR.

C. PIP Content

When completed, the PIP (Form JF-50B) contains information required for documenting and addressing areas of ineffective performance and identifies on-the-job training, guidance, or tasks identified by the Rating Supervisor that the employee needs to complete to be effective. The Rating Supervisor may use continuation sheets for Form JF-50B, as necessary.

Form JF-50B is used for beginning, ending and extending a PIP.

C.1. PIP Time Frame

The PIP should ensure the employee has adequate time and support from the Rating Supervisor to enable them to reach effective/acceptable performance. The Rating Supervisor must give an employee a minimum of 30 calendar days to improve performance. The usual PIP time frame is generally between 30 and 120 calendar days, although the Rating Supervisor can establish a time
frame beyond 120 calendar days. It is recommended that the PIP time frame not extend beyond the end of the rating cycle.

**C.2. AREAS FOR IMPROVEMENT**

The areas for improvement section must be specific and directly relate to the employee’s Position Description (PD) or the Annual Work Plan (AWP, Section 7 of Form JF-50D). The Rating Supervisor should be specific in documenting the area(s) for improvement, providing examples and dates.

**C.3. REASON FOR IMPROVEMENT**

The specific reasons why the performance is deemed ineffective by the Rating Supervisor, e.g., missing deadlines, submitting substandard work, etc. The Rating Supervisor should also help the employee understand the impact of the poor performance on the section/agency’s employees and, in some instances, on the U.S. Mission.

**C.4. ACTIONS NEEDED**

The actions identified by the Rating Supervisor that the employee must complete to improve performance. They may include, but are not limited to, formal or on-the-job training, counseling, or observing colleagues in their work. When appropriate, project timelines should be established, quantifying the expected results using dates and times. Actions that should be completed by the Rating Supervisor to help the employee improve performance are also identified. They may include, but are not limited to, closer monitoring and review of the employee’s work, creating checklists, and providing feedback.

**D. DISCUSSING THE PIP**

The Rating Supervisor’s responsibility goes beyond writing the PIP, having the employee sign it upon receipt of a copy, and giving the original to HR for processing. The Rating Supervisor also needs to communicate and discuss the contents of the PIP with the employee so that the employee understands it and can make the necessary changes to improve performance.

Before presenting a PIP to the employee, the Rating Supervisor should provide the draft to HR for review and comment. Once HR approves the PIP, the Rating Supervisor along with HR presents it to the employee.

The Rating Supervisor and HR decide on the best way to give the employee the PIP and discuss its contents; they can either:
A. Give the employee the PIP, allow the employee time to review the contents in the presence of the Rating Supervisor and HR, and then discuss it right away;

or

B. Give the employee the PIP and set a date and time (preferably within 72 hours) to discuss the contents, allowing the employee time to read the PIP and prepare any questions or concerns regarding its contents.

The Rating Supervisor and employee should discuss the contents of the PIP before signing the document and submitting it to HR for processing. The initial discussion of the PIP is just as important as the written content. HR should be a party to this discussion.

**E. Signing and Distributing the PIP**

Both Rating Supervisor and employee should sign and date the PIP (Section 5 of Form JF-50B) after discussing its contents. The employee’s signature does not indicate agreement with the PIP, but confirms that the employee has read and discussed the PIP with the Rating Supervisor.

The Rating Supervisor provides a copy of the signed and dated PIP to the employee and gives the original to HR for filing in the Employee Performance File (EPF). The PIP is considered in effect once the Rating Supervisor submits it to HR, regardless of whether the employee signs it.

If the employee refuses to sign the PIP, the Rating Supervisor signs and dates the PIP and gives a copy to the employee. The Rating Supervisor then gives the PIP, signed and dated by the Rating Supervisor, but not the employee, to HR and informs HR that the employee refused to sign the PIP. HR makes a note on the PIP that the employee received a copy, but refused to sign. HR then files the original PIP in the EPF.

The employee may comment on the contents of the PIP. The employee has five calendar days from receiving a copy of the PIP to write comments on a separate piece of paper and submit them to HR for attachment to the PIP and placing in the EPF. When composing comments, the employee should remember that there is the possibility that Rating, Reviewing and Pool Supervisors will see them, as they may access the EPF.

Even if the employee does not sign the PIP, the employee is held responsible for its contents and required to follow it and make every effort to improve performance. Therefore, comments that include a statement that the employee *does not accept* the PIP are considered inadmissible and will not be attached to the PIP or included in the EPF.
If the employee’s comments include a statement that they do not accept the PIP, HR should ask the employee to submit the comments again with that sentence deleted. If the employee refuses, HR should return the document to the employee, advising them that it was not attached to the PIP or entered in the EPF.

F. EXTENDING THE PIP

The Rating Supervisor may extend the time for improving performance beyond the stated period on the PIP for compelling reasons after consultation with HR. Compelling reasons include but are not limited to the illness or extended absence of the Rating Supervisor or employee; when the Rating Supervisor cannot make a decision about whether the employee’s performance has improved to an acceptable level; or delay of scheduled formal training that was part of the PIP.

The extension period must be reasonable, and it is recommended that it not be set beyond the end of the current rating cycle. Generally, a PIP should be extended only once. Local law may require the extension of a PIP under certain circumstances, such as sick or maternity leave, or other mandated leave.

To extend the PIP, the Rating Supervisor completes Section 6b of the JF-50B that was used to place the employee on the PIP. A PIP should only be extended to address the same area(s) for improvement, as identified in Section 3a of the PIP (Form JF-50B) that is being extended. Other occurrences of ineffective performance are documented on a separate PIP (Form JF-50B).

A PIP should only be extended after a discussion between the Rating Supervisor, HR, and the employee. After discussing, both the Rating Supervisor and employee sign and date Section 6b of the JF-50B. The PIP extension original should be provided to HR for inclusion in the employee’s EPF, with copies to the employee and Rating Supervisor.

G. ENDING THE PIP

G.1. SUCCESSFUL COMPLETION OF PIP

If, at the end of the PIP time period, the employee has completed the PIP successfully and demonstrated effective performance in the area(s) of improvement identified in the PIP, the Rating Supervisor completes Section 6a of the PIP Form JF-50B to confirm that the employee’s performance is now effective and submits the completed, signed JF-50B to HR. HR reviews for completion and accuracy, includes the original in the employee’s EPF, and provides copies to the employee and Rating Supervisor.
G.2. CONTINUED INEFFECTIVE PERFORMANCE

If, at the end of the PIP time period, including any applicable extensions, the employee has not completed the PIP successfully and has not demonstrated effective performance in the area(s) of improvement identified in the PIP, the Rating Supervisor should discuss options with HR.

If the employee is not performing to an overall effective level, the Rating Supervisor should speak with HR in terms of separation of the employee, as consistent with local labor law. Many countries have a high bar for separating for poor performance, and HR should consult with local counsel prior to terminating an employee for failing to satisfactorily complete the PIP.
7. MBC REWARD CALCULATIONS

A. MBC REWARD CALCULATION SHEET

All MBC reward calculations should be presented on an MBC reward calculation sheet/tool, with each sheet representing one Performance Pool or sub-pool. Each Reward Calculation Sheet is prepared by responsible HR staff, signed by the HRO or Management Officer and presented to the relevant Pool Supervisor for final review and signature. Reward calculation spreadsheets contain details on each individual employee reward, including adjustments, prorations, and application of differential factors. A copy of each signed MBC reward calculation sheet should be kept on file in the Mission HR office, either in hardcopy or a scanned copy of the original, for at least three (3) years past the end of the rating cycle. Under no circumstance should copies of these calculation sheets be given to individual employees.

All MBC tracking and calculations are completed by the HR/Management office. The information collected and processed for calculations will not be shared with any other Mission employees unless there is a need to know, as identified by the DCM.

HR completes calculations using data from the post personnel system and reconciled with CGFS and the FMO at Post.

B. MBC SHARE VALUE

It is important that all employees understand that their final MBC reward value depends on their individual performance as compared to their AWP Performance Criteria. Each point the employee receives on their EPR earns them a “share” of the total MBC budget for their Performance Pool. The more points an employee receives, the higher their MBC reward.

Each Performance Pool and each sub-pool have their own MBC budget: it is three percent (3%) of the aggregate annual base salaries of all employees in the Performance Pool/sub-pool as of the last day of the rating cycle.

Performance Pool Total MBC Budget = 3% of Aggregate Annual Base Salaries of all Employees in Pool as of Last Day of Rating Cycle
To calculate MBC rewards: on a pool-by-pool basis, HR adds up the Total Performance Scores (TPSs) of all employees in each Performance Pool/sub-pool and determines the “share value” of each point earned by dividing the total MBC budget for each (sub-)pool by the total TPS scores of all employees in that pool. The share value is a function of the Performance Pool/sub-pool’s budget and TPS total and is specific to each (sub-)pool.

\[
\text{MBC Reward Share Value} = \frac{\text{Performance Pool Total MBC Budget}}{\text{Pool TPS Total}}
\]

This share value is multiplied by each individual employee’s TPS to determine their MBC reward.

\[
\text{Employee MBC Reward} = \text{MBC Reward Share Value} \times \text{Employee TPS}
\]

The total of all the MBC reward payment amounts in the Performance Pool will be equal to the total 3% MBC budget for that Performance Pool.

C. MBC Differential Factors

Performance Pool differential factors are calculation adjustments applied to an employee’s TPS during the MBC reward calculation process when employees of different FSN grade levels, salary schedules, or workweek schedules are grouped together in the same Performance Pool. This adjusted TPS is solely used during the reward amount calculation process after an employee’s eligibility for the MBC reward payment has already been established and is not considered for the purposes of determining whether a TPS reaches the level of effective performance.

Applying these differential factors ensures that employees receive an MBC reward aligned with their salary contribution to the Performance Pool MBC budget. The lowest midpoint salary in the Performance Pool is used as the baseline for calculating the MBC differential factors.

C.1. Multi-Grade Performance Pools

When a Performance Pool includes employees of various grades, this is considered a multi-grade Performance Pool and a grade differential factor will be applied to the TPS of employees in that Performance Pool, as applicable. The grade differential factor is based on the following ratio: the midpoint salary of each employee’s grade in the multi-grade Performance Pool compared to the midpoint salary of the lowest grade in that Pool.

C.2. Extended Workweek Schedules

When a Performance Pool includes both employees on the Mission’s regular as well as extended workweek schedules or mixes employees on various extended workweek schedules (e.g., 42 and
44 hours), a workweek differential will be applied to the TPS of employees in that Performance Pool, as applicable. The workweek differential factor is based on the following ratio: the number of extended workweek hours for each employee in the multi-workweek schedule Performance Pool compared to the lowest number of full-time workweek hours captured in that Pool. (This factor can also be determined by comparing the corresponding midpoint salaries.)

C.3. EXCEPTION RATE RANGES (ERRs)
When a Performance Pool includes both employees on an ERR and employees on the Mission’s regular salary schedule, an ERR differential factor will be applied to the TPS of employees in that Performance Pool, as applicable. The ERR differential factor is based on the following ratio: the midpoint salary for each employee (i.e., the midpoint salary for the employee’s salary schedule and grade) in that multi-salary schedule Performance Pool compared to the lowest midpoint salary in that Pool.

D. MBC REWARD PRORATION

Missions will apply proration factors under certain circumstances as described below and consistent with local labor law. Applying proration factors during the MBC reward calculation process ensures that employees receive an MBC reward aligned with the time they were at work.

The MBC reward payment proration is effected by adjusting the employee’s TPS. This adjusted TPS is solely used during the reward amount calculation process after an employee’s eligibility for the MBC reward payment has already been established and is not considered for the purposes of determining whether a TPS reaches the level of effective performance.

D.1. UNPAID LEAVE
When an employee is on unpaid leave for 80 or more cumulative hours during a rating cycle, the employee’s MBC reward payment will be prorated, deducting the period of unpaid leave. The proration is calculated based on the total number of hours the employee was on unpaid leave during the rating cycle. This proration rule applies only to unpaid leave that is not in connection with a protected leave category which, in accordance with local law, needs to be counted when calculating MBC reward payments. Post should confirm with local counsel that prorations are consistent with local law.

D.2. U.S. MILITARY LEAVE
The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) ensures that employees absent from their jobs due to U.S. military service continue to receive the
benefits of employment that they would otherwise be entitled to had they not left. As such, periods of U.S. military leave must be credited when calculating MBC rewards and may not be deducted. If an employee does not accumulate a minimum of 120 calendar days of service during the performance period because the employee is away on U.S. military leave and therefore does not receive a scored EPR from the Rating Supervisor, post HR must review the employee’s ratings from the past two (2) years and calculate an average TPS. This TPS will then be used to determine the employee’s MBC reward for the rating cycle(s) affected by U.S. military leave. Post HR prepares an EPR (Form JF-50D) to document the TPS, explaining the special circumstances and referencing USERRA. Rating, Reviewing, and Pool Supervisors sign Section 6 of the EPR and the EPR is filed in the employee’s EPF. (Sections not relevant to this rating cycle may be left blank.) Effective the employee’s return to pay status from U.S. military leave, their basic salary is adjusted to reflect the MBC increase(s), unless the employee opts to take the MBC reward as a lump sum payment.

D.3. Absent Without Leave (AWOL)
When an employee is AWOL for eight (8) or more cumulative hours during a rating cycle, the employee’s MBC reward payment will be prorated, deducting the period of AWOL. The proration is calculated based on the total number of hours the employee was AWOL during the rating cycle.

D.4. Protected Leave Categories
Post should take particular care with respect to proration of leave categories protected under local law and should consult with local counsel prior to doing so. Post may only reduce MBC rewards for periods of leave if doing so is consistent with local law. For extended leave periods that, per local law, have to be credited when calculating MBC rewards, since no work is performed, post should consider assigning the minimum score of 100 points, as consistent with local law. Post needs to make sure that local law does not require a different approach to determine the score/reward for this time period and confirm with local counsel, as necessary.

D.5. Other Leave
Post management may opt to prorate other categories of leave if such leave adds up to 80 or more cumulative hours during a rating cycle and as long as the proration is consistent with local law.

D.6. Part-Time Workweek Schedule
Employees on a part-time workweek schedule are eligible for a prorated MBC reward based on the total number of hours worked in that rating cycle compared to the Mission’s regular (full-
time) workweek schedule. Employees moving to and from part-time workweek schedules during the rating cycle will have their MBC reward payment prorated accordingly.

D.7. Employees with an Intermittent Work Schedule
Employees with an intermittent work schedule are eligible for an MBC reward payment if they work at least 685 hours (i.e., the equivalent of 120 calendar days of service) during a given rating cycle and are employed on the last day of the rating cycle. The MBC reward payment will be prorated based on the total numbers of hours worked during the rating cycle. Employees moving to or from an intermittent work schedule during the rating cycle will have their MBC reward prorated accordingly.

D.8. New Employees
New employees are eligible for an MBC reward payment if, by the end of the rating cycle, they have a) at least 120 consecutive calendar days of service and b) successfully completed the Mission’s probationary period. The employee’s MBC reward payment will be prorated according to the employee’s entry on duty date. If excluding employees in probationary status from MBC is not consistent with local law, MBC applies to probationary employee if otherwise eligible.

D.9. Ineffective Performance for the Entire Rating Cycle
If an employee’s EPR covering a full rating cycle results in a TPS of less than 100 points, the employee is not eligible to receive an MBC reward payment for that entire rating cycle. The employee’s MBC budget contribution will, however, be included in the Performance Pool MBC budget in these cases.

D.10. Ineffective Performance with an Interim EPR
If an employee’s Interim EPR results in a TPS of less than 100 points, the MBC reward payment will be prorated, deducting the time covered by any Interim EPR with a TPS of less than 100. (For information regarding PIPs, see Page 38.) The employee’s MBC budget contribution is not affected.

D.11. Several Interim EPRs Documenting Effective Performance
The MBC reward payment reflects the different TPSs reported for the rating cycle, prorated in accordance with the performance period each TPS covers.

D.12. Performance Periods of Less Than 120 Consecutive Calendar Days
A scored EPR covers performance periods of 120 consecutive calendars or more. Periods of less than 120 consecutive calendar days are covered by the employee’s TPS from the EPR immediately
succeeding or preceding the unscored performance period received during the applicable rating cycle. If an unscored performance period is bordered by two scores, the higher TPS is used.

**D.13. Temporary Duty (TDY)**

When an employee is assigned to short- or long-term temporary duty (TDY) outside of their home Mission for a period of 120 consecutive calendar days of service or more, the TDY supervisor completes a scored EPR. TDY TPSs for periods of 120 consecutive calendar days of service or more are included (with appropriate proration applied) in the employee’s MBC reward calculation. The TDY EPR should be approved by the Pool Supervisor at the home Mission before being finalized and before the TDY TPS may be included in the MBC calculations at the employee’s home Mission.

**E. MBC Budget Proration**

As a general rule, if an employee’s MBC reward is prorated as a result of the employee not being at work or the employee’s work schedule, a commensurate proration applies to their contribution to the MBC budget.

**F. Small Pool Exception Rule (SPER)**

Following the guidelines for Performance Pool structure, employees with different funding sources are not grouped together. Therefore, in many instances, the overall Performance Pool size may be limited. When Performance Pools contain three (3) or fewer employees, the Small Pool Exception Rule (SPER) may be applied.

HR will not apply SPER automatically when doing MBC calculations. The agency/section requesting permission to use SPER should submit a formal request to the Mission Management Officer with strong justification. Additionally, any request from non-State agencies requires approval from the relevant agency headquarters. SPER affects the MBC budget and could result in MBC rewards greater than the 3% pool budget.

If approved, SPER will be applied by comparing the Small Pool employee’s MBC reward to the reward amount the employee’s TPS would have yielded in a larger Performance Pool of similarly graded employees performing similar functions. The larger Performance Pool budget and reward amounts are recalculated with the Small Pool employee(s) added solely for the purpose of determining what the employee’s MBC reward would have been in the larger pool. Whether and
to what extent SPER will change the Small Pool MBC reward(s) ultimately paid out is at the discretion of the applicable section/agency, in coordination with Post Management.

The MBC rewards of the larger Performance Pool used as a point of comparison are not changed as a result of SPER and remain in accordance with the calculations that do not include the Small Pool employee(s).
8. MBC Reward Payments

A. Notification

After the MBC scores are approved by the Pool Supervisor, HR reviews all of the EPRs and calculates the reward values, which are then approved by the Pool Supervisor. Only after approval of the MBC reward values by the Pool Supervisor does HR notify employees of their reward amounts, sending notifications to each employee of their final TPS and MBC reward payment amount.

B. Formal Submission of Final Payment Sheet

The final payment sheet provided by CGFS will be completed by HR, signed by the HRO or designated management official, the FMO for funds availability, and approved by the DCM or designee. The completed document is then returned to CGFS by the established deadline.

C. MBC Reward Payments

Except as noted below, for employees below the maximum salary of their grade who earned an MBC reward, the MBC reward is added to the employee’s base salary.

For employees at the maximum salary of their grade who earned an MBC reward, the MBC reward is made as a one-time lump sum payment to the employee.

Except as noted below, for employees not at the maximum salary of their grade, but for whom the addition of the MBC reward would result in a salary rate beyond their grade’s maximum salary, part of the MBC reward is added to the employee’s base salary to reach the maximum, and the remaining MBC reward balance is made as a one-time lump sum payment.

As consistent with local law, Missions may allow employees below the maximum salary of their grade to take all or part of their MBC reward as a one-time lump sum payment. HR should use a standard one-time lump sum payment election form to ensure that the employee’s request is clearly communicated and documented and retain all employee election forms in the Mission HR office. Each election applies only to the current rating cycle and not any future MBC reward payments. Unless an employee elects the one-time lump sum payment option, the MBC reward payment will be added to the employee’s base salary, subject to not exceeding the maximum.
salary for the applicable grade level. HR will track the details on the number and percentage of lump sum payments, broken down by type: elective vs. required due to the salary scale maximum having been reached.

The effective date for the MBC reward payments is determined by post HR in coordination with CGFS based on how many pay periods are needed to calculate and process these payments. All MBC rewards will be paid in the same pay period, both increases to basic salary and one-time lump sum payments.

**D. Grade Retention**

Employees who have earned an MBC reward and are currently on grade retention will be in a Performance Pool at their current (i.e., retained) grade, and their MBC reward calculation and payment will be processed following the normal procedures.

**E. Saved Rate/Frozen Rate**

Employees who have earned an MBC reward and are currently on saved rate or frozen rate (i.e., they are above the maximum salary of their grade level) will receive the MBC reward as a one-time lump sum payment.

**F. Transfers of Employees to Another Participating Agency**

When an employee moves from one participating agency to a position with another participating agency during the rating cycle, the agency employing the individual at the end of the rating cycle will assume full financial responsibility for the employee’s entire MBC reward payment for that rating cycle.

**G. Maximum Salary**

Employees at the maximum salary of their grade level are only eligible to receive an MBC reward as a one-time lump sum payment.
9. **Employee Performance File (EPF)**

HR should maintain both an Official Personnel File (OPF) and an Employee Performance File (EPF) for each employee.

At Missions where the OPFs and EPFs of current employees are combined into one OPF, HR may keep the combined file until the incumbent permanently separates from USG service. The only exception is when the Rating Supervisor, Reviewing Supervisor or Pool Supervisor wishes to review the performance history of an employee. Supervisors may not have access to an employee’s combined OPF if it contains official personnel files and employee performance files. HR should remove all performance-related information from the OPF and place the information into a newly created EPF. Supervisors may then have access to the information in the newly created EPF.

The information contained in the EPF is limited to those with a need-to-know (e.g., the employee, the employee’s supervisors, Management Officer, HR, etc.)

EPFs contain only EPRs, AWPs, Development Plans, PIPs, and other performance-related documents, such as counseling memoranda relating to performance, award nominations, training certificates, official commendations, and letters of appreciation. Employees may receive copies of documents included in their EPF, and HR should not place documents of which the employee has no knowledge into the EPF.

Employees who work in HR should not be responsible for placing EPRs, AWPs, PIPs, or other performance-related documents into their own EPF, but should ask another HR employee to do so. If HR is staffed by only one or two employees, the HRO/Management Officer keeps and maintains the EPFs for the HR employees.

Any HR employee who, as part of the work portfolio, has access and authority to place documents into EPFs is responsible for the accuracy and completeness of these files.

Rating Supervisors, Reviewing Supervisors, Pool Supervisors, or employees are not allowed to put anything into or take anything out of an employee’s EPF. They should give all documentation they want placed into the EPF to an HR employee or the HRO/Management Officer, who is then responsible for placing the documents into the EPF, if appropriate. All documents HR places into an EPF become a permanent part of the EPF and may only be removed in accordance with written
instructions from the LE Staff Grievance Board based upon the outcome of an official grievance filed at the Mission by the employee.
10. MBC TERMINOLOGY/ACRONYMS

AWP = Annual Work Plan = The specific Performance Criteria as determined by the Rating Supervisor for a specific Rating Cycle or Performance Period.

COM = Chief of Mission

Competencies = Optional type of Performance Criteria encompassing the set of skills, knowledge, and behaviors necessary for effective performance.

Continuing Responsibilities = MANDATORY type of Performance Criteria encompassing the main aspects of the job from the employee’s Position Description that should be regularly accomplished by the employee.

Continuous Calendar Days = A period of continuous employment that includes periods of approved leave of absence.

CGFS = Bureau of the Comptroller and Global Financial Services = Responsible for global financial management activities, systems, and services; liaison on all matters relating to the Department’s worldwide financial management operations; including LE Staff payroll (Charleston, Bangkok locations).

DCM = Deputy Chief of Mission

Development Plan = A plan that outlines specific areas in which employees can develop during the Performance Period and the training and/or development activities recommended by the Rating Supervisor to assist employees in developing in those specific areas. (Form JF-50D)

Differential Factor = A multiplier applied to an employee’s Total Performance Score to account for differences in salary ranges.

DS-298 = Form number for the Position Description (PD)

Employee = Employees who are eligible and participating in MBC (as defined in Eligibility Section on Page 15).

EPF = Employee Performance File = EPFs are managed by HR and include EPRs, WDPs, PIPs, and other performance-related documents.
**EPR = Employee Performance Report** = Formal documentation of the employee’s performance for the rating cycle or performance period using Form JF-50D and including a narrative summary of the employee’s performance.

**ERR = Exception Rate Range** = An exception to the LCP for a particular job series with salaries higher or lower than the regular salary scale based on recruitment needs in the local labor market.

**Final Payment Sheet** = The list of final lump sum payments and new base salary values for employees at an MBC post, which is transmitted to CGFS for final payment.

**FMA = Family Member Appointment** = Hiring mechanism for Appointment Eligible Family Members (AEFMs)

**FMO = Financial Management Office or Financial Management Officer**

**FSN = Foreign Service National** = FSN is used in this policy to refer to the grade of a position (e.g., FSN-06, FSN-10, etc.).

**HRO = Human Resources Office or Human Resources Officer**

**HR/OE = Bureau of Human Resources, Office of Overseas Employment** = Formulates policies, regulations, procedures, systems and programs for the full life cycle of overseas employment of Locally Employed (LE) Staff and family members at US Missions abroad (recruitment, compensation and benefits, performance management, and separation).

**HR/OE/CM = Office of Overseas Employment, Compensation Management Division**

**HR/OE/PC = Office of Overseas Employment, Policy and Coordination Division**

**Interim Employee Performance Report (Interim EPR)** = Employee Performance Report covering a time period of less than one full performance year but at least 120 consecutive calendar days.

**JF-50B** = Form used for completing a Performance Improvement Plan (PIP).

**JF-50D** = Form used for completing the Annual Work Plan (AWP), the Development Plan and Activities, Mid-Year Discussion (MYD) and Employee Performance Report (EPR) as part of the MBC performance management process.

**KPIs = Key Performance Indicators** = A tool for supervisors and employees when completing AWPs and EPRs to create a better understanding of the rating definitions in context.
LCP = **Local Compensation Plan** = An official document authorized by HR/OE which provides the official guidance and basis for all LE Staff compensation and benefits.

LE Staff = **Locally Employed Staff** = Employees hired under the Local Compensation Plan at a U.S. mission abroad under Chief of Mission authority. For the purposes of this policy, this includes USAID Cooperating Country Nationals (CCNs).

MYD = **Mid-Year Discussion** = A mandatory unscored discussion of performance that occurs between Rating Supervisor and employee approximately half-way through a Performance Period. A narrative summary of the MYD is required to be documented on Form JF-50D as part of the MBC performance management process.

**Non-participating agency** = USG agencies with a presence at the mission that do not have employees paid on the Local Compensation Plan (LCP).

PD = **Position Description** = A description of the main duties and responsibilities of a position, and a description of the qualifications required for full performance of that position; the PD helps to determine the appropriate grade of the position (i.e., the level of pay). (Form DS-298)

Performance Criteria = Goals and objectives for employee performance during the performance period. These are used to focus the employee on given tasks and form the basis for assessment of the employee’s performance at the end of the rating cycle or performance period.

Performance Period = A time period of 120 consecutive calendar days or more of service resulting in a scored EPR prepared by the Rating Supervisor.

Performance Pool = Employees grouped together based on agency/section/funding/grade/duties considerations; each pool is used to determine the share value for each employee’s MBC reward value.

PIP = **Performance Improvement Plan** = A performance tool (Form JF-50B) used by the Rating Supervisor after a period of ineffective performance for the employee that is intended to provide the employee with specific guidance on how to improve performance and a reasonable time period during which the employee may demonstrate effective performance.

Pool Supervisor = USDH who is the accountable supervisor for a Performance Pool – the senior ranking Foreign Service/Civil Service/uniformed service member for the agency or section to which employees of the Performance pool belong, or their designee. Note: For Personal Services Contract (PSC) LE Staff only, the Pool Supervisor may be a USPSC.
**Proration** = An adjustment applied to Total Performance Score (TPS) and MBC budget to account for periods of absence, certain types of leave, a new employee etc.

**PSA** = **Personal Services Agreement** = An employment agreement used to employ LE Staff.

**PSA-Ltd (Limited)** = A type of PSA hiring mechanism used to employ some categories of LE Staff for no more than thirty (30) work days in a calendar year. The PSA-Ltd hiring mechanism may only be used consistent with local law requirements for contracts of a definite period (i.e., the length of the PSA-Ltd must not create permanent employment status under local law). U.S. citizens and U.S. legal permanent residents (i.e., “green card” holders) may not be hired on a PSA-Ltd.

**PSC** = **Personal Services Contract** = A contract characterized by the employer-employee relationship it creates between the agency and the personal services contractor.

**Rating Cycle** = The uniform 12-month performance management cycle as determined by the Mission and approved by HR/OE.

**Rating Supervisor** = LE Staff/Foreign Service/Civil Service/PSC/FMA/uniformed service member who is the employee’s immediate supervisor in the established MBC supervisory chain and completes the employee’s EPR. Note: An LE Staff direct hire may only be supervised (and rated) by another direct hire employee.

**Reviewing Supervisor** = LE Staff/Foreign Service/Civil Service/PSC/FMA/uniformed service member who is the employee’s next level supervisor in the established MBC supervisory chain and reviews the EPR once completed by the Rating Supervisor. Note: An LE Staff direct hire may only be supervised (and reviewed) by another direct hire employee.

**Reward** = The MBC variable monetary payment that is calculated based on an employee’s performance. This payment is issued to the employee as either a one-time lump sum payment or as an increase to the employee’s base salary.

**RIF** = **Reduction in Force** = An action that takes place when it is necessary for the U.S. Government (USG) to reduce its number of staff due to reasons such as a lack of funds, reorganization, decreased workload, change in skills needed for a position, etc.

**Specific Objectives** = A type of optional Performance Criteria encompassing the aspects of the job that could be an isolated or a one-time work assignment, usually associated with a time frame or another measurement.
**SPER = Small Pool Exception Rule** = A rule which may be applied for Performance Pools with three (3) or fewer employees, allowing an adjustment to the employee’s MBC reward based on what they may have received if they were in a larger pool.

**Sub-Pool** = A division of a Performance Pool. A sub-pool will have a separate MBC budget but shares the same Pool Supervisor as the other sub-pools within a larger Performance Pool.

**TDY = Temporary Duty** = A temporary assignment to another post or country other than the employee’s home country.

**TPS = Total Performance Score** = The total points received by an employee at the end of the rating cycle or performance period.

**Universal Job Elements** = A set of MANDATORY Performance Criteria that are the same for every employee under MBC.

**USDH = U.S. Direct Hire** = U.S. Foreign Service (FS), Civil Service (CS) or uniformed service member (usually assigned to overseas Mission).

**USG = U.S. Government**

**USPSC = U.S.-based Personal Services Contract** = A contract characterized by the employer-employee relationship it creates between the U.S. Government and the personal services contractor.

**WRI = Within Range Increase** = An increase to basic salary granted to financially reward employees for satisfactory performance of assigned work and length of service in accordance with the Mission LCP; it is a fixed amount for each FSN grade level.