



OFFICE OF THE DIRECTOR

UNITED STATES  
OFFICE OF PERSONNEL MANAGEMENT

WASHINGTON, DC 20415-0001

DEC 20 2004

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM:

  
KAY COLES JAMES  
Director

SUBJECT:

Certification of Performance Appraisal Systems for Senior  
Employees in Calendar Year 2005

In July 2004, the Office of Personnel Management (OPM) and the Office of Management and Budget (OMB) jointly issued regulations setting forth the criteria for obtaining certification of performance appraisal systems for members of the Senior Executive Service (SES) and employees in senior-level (SL) and scientific or professional (ST) positions (see <http://www.opm.gov/oca/compmemo/2004/2004-13.asp>). An agency with a certified SES appraisal system(s) may (1) pay its highest-performing SES members above the rate for level III of the Executive Schedule – up to the rate for level II of the Executive Schedule – and (2) apply a higher aggregate limitation – up to the Vice President’s salary – to SES members. An agency with an SL/ST certified appraisal system also may apply a higher aggregate limitation to those employees.

Several agency appraisal systems were certified for calendar year 2004. If your agency received provisional certification of its appraisal system for calendar year 2004, you must reapply for provisional or full certification in calendar year 2005 if you wish to continue to use the flexibilities provided by these regulations. If your agency requested, and received, full certification of its appraisal system, you do not need to reapply, but you must submit your annual report in accordance with OPM’s instructions, which will be issued separately.

If you did not receive appraisal system certification for calendar year 2004 and receive certification for calendar year 2005, you may apply the pay flexibilities to recognize ratings issued in 2004 provided that the appraisal system used to issue those ratings is identical to the system certified for calendar year 2005 and the 2004 ratings were issued after September 30, 2004. Those agency appraisal systems provisionally certified for calendar year 2004 may extend that certification into calendar year 2005 for the sole purpose of completing pay actions based on the results of the certified appraisal system. If you use this extension, please notify your Human Capital Officer.

The attached guidance provides detailed instructions on how to submit requests for full or provisional certification of your appraisal system(s) for calendar year 2005.

Attachment

## INSTRUCTIONS FOR SUBMITTING CY 2005 CERTIFICATION REQUESTS

For **guidance on submitting a request for full or provisional certification**, please see instructions for full certification at <http://www.opm.gov/oca/compmemo/2004/2004-13-ATT1.asp> or instructions for provisional certification at <http://www.opm.gov/oca/compmemo/2004/2004-13-ATT3.asp>.

If your appraisal system **received provisional certification for calendar year 2004 and you HAVE NOT made changes** in your appraisal system, performance plans, or other supporting documentation submitted with your initial request, please submit:

- a letter requesting provisional certification for calendar year 2005
- a list of individuals who have been or will be paid above the rate for level III of the Executive Schedule and their new rate of basic pay
- a list of individuals who received total aggregate compensation higher than the rate for level I of the Executive Schedule and their total compensation

If your appraisal system **received provisional certification for calendar year 2004 and you HAVE made changes** in your appraisal system, performance plans, or other supporting documentation submitted with your initial request, please submit:

- a letter requesting provisional certification for calendar year 2005
- documents that have been changed since the initial request
- a list of individuals who have been or will be paid above the rate for level III of the Executive Schedule and their new rate of basic pay
- a list of individuals who received total aggregate compensation higher than the rate for level I of the Executive Schedule and their total compensation

If your appraisal system received **provisional certification for calendar year 2004 and you would like to request full certification for calendar years 2005 and 2006**, please see instructions for requesting full certification at <http://www.opm.gov/oca/compmemo/2004/2004-13-ATT1.asp>.

If your agency **received full certification for calendar years 2004 and 2005**, please submit your annual report in accordance with OPM's instructions, which will be issued separately.