



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-3000

CHIEF HUMAN CAPITAL OFFICER

September 2, 2021

MEMORANDUM FOR: Principal Staff
Lori A. Michalski
FROM: Lori A. Michalski, Chief Human Capital Officer, A
SUBJECT: Fiscal Year 2021 End-of-Year Closeout and Fiscal Year 2022
Performance Planning Guidance for Performance
Accountability and Communication System (PACS) and Employee
Performance Planning and Evaluation System (EPPES) Employees

The Fiscal Year (FY) 2021 performance appraisal cycle for employees ends **September 30, 2021**. This memorandum provides guidance on the closeout of FY 2021 performance plans. In addition, details on the establishment of FY 2022 performance plans under the Performance Accountability and Communications System (PACS) and Employee Performance Planning and Evaluation System (EPPES) are provided. The EPPES covers all bargaining unit employees represented by the American Federation of Government Employees (AFGE) and the National Federation of Federal Employees (NFFE) Local 1804, (Detroit and Flint, Michigan), Local 259, (Memphis, Tennessee), and Local 1450, (Pacific). The EPPES also covers all non-bargaining unit, non-supervisory covered by the Performance Management System, including Schedule C employees.

Rating Officials should be poised to fulfill their end-of-year appraisal responsibilities, which includes collecting self-assessment statements; holding pre-appraisal meetings; preparing recommendations for ratings of record; and communicating to employees their final rating of record, awards (if applicable), and performance feedback. The overall objective is to ensure all eligible employees receive meaningful feedback and an accurate end-of-year rating in a timely fashion. To ensure timely payout of awards in the second quarter of the fiscal year, **all final ratings are due in InCompass not later than November 15, 2021**.

The U.S. Office of Personnel Management (OPM) recognizes that effective awards programs support the retention of high-performing employees. In order to recognize high performers, agencies should allocate awards in a manner that provides meaningfully greater rewards to top performers. Agencies should ensure only employees who have demonstrated the highest levels of individual performance receive the highest annual ratings of record and the highest performance awards. OPM's July 12, 2019, memorandum, [*Applying Rigor in the Performance Management Process and Leveraging Awards Programs for a High-Performing Workforce*](#), describes expectations regarding the development and implementation of performance management and awards programs that improve organizational effectiveness in accomplishment of the agency's mission and goals.

Rating Officials should also be preparing new performance plans for FY 2022. All employees should know how their work aligns with the Department's strategic goals and objectives. HUD is currently developing its FY 2022 - FY 2026 Strategic Plan, and the goals and objectives in the draft strategic plan framework are attached for your reference. These goals and objectives will be added to the InCompass system for your use in establishing the plans. Expanded guidance on the final goals and objectives will be available in support of the mid-year progress review. **All employees must have new performance plans in place not later than October 30, 2021.**

To ensure successful compliance with HUD's performance management framework, every employee's elements and standards must meet the basic requirements of the performance appraisal system outlined in the [Performance Management Framework](#). Critical performance standards should be consistent with senior management expectations, support agency goals, and reflect each employee's individual responsibility to assist in this effort. Performance plans should contain rigorous performance standards upon which employee performance will be assessed. Well-developed performance standards make clear distinctions among what is required to achieve performance at the various performance levels.

As rating officials prepare for the establishment of FY 2022 performance plans, specific guidance and performance management resources can be found in these linked documents.

- [S.M.A.R.T. Performance Elements and Standards](#)
- [PACS and EPPES Performance Plan Checklist](#)
- [PACS and EPPES Establish Performance Plan](#)
- [2022 PACS Performance Standards](#)
- [How to Copy/Advance Elements from One Year to Another](#)

As rating officials prepare for the end-of-year processes, specific performance management and awards guidance along with resources can be found in these linked documents.

- [Performance Management Timeline](#)
- [Performance Appraisal Process](#)
- [Performance Award Guidance](#)
- [Quality Step Increases](#)
- [Tracking Performance Accomplishments and Writing Self-Assessments](#)
- [Delayed Ratings](#)
- [PACS/EPPES Year-End Performance Review Steps](#)

Employee engagement and maximizing employee performance profoundly affects the Department's ability to meet its strategic objectives and goals. The Department's Office of the Chief Human Capital Officer (OCHCO) instituted supervisory training that addresses how to undertake performance management actions, how to create a performance management culture, and who to ask for help. This is required training for all supervisors. Some important highlights and other tools to maximize employee performance can be found in these linked documents.

- [Key Roles and Responsibilities](#)
- [Recognizing Extraordinary Performance](#)
- [Having Difficult Conversations](#)

It is important that supervisors make the time to complete these valuable responsibilities and develop their own skills in these areas to enable organizational success. Rating Officials with questions regarding performance management may contact the Performance Management Office. If there are performance deficiencies or grievance procedure questions associated with end-of-year performance ratings, your servicing Employee Relations Specialists are available to provide guidance. Employees that wish to contest their final ratings should consult the HUD administrative grievance policy or applicable collective bargaining agreement.

Office	Specialist	Contact Information
Performance Management	Thedra Johnson	thedra.d.johnson@hud.gov or 202-402-4747
Employee and Labor Relations	ELR Specialist	ELR Assignments in HUD's Regions

We look forward to enabling your readiness for the end-of-the year performance process and are available for consultation and advice.

Attachment