

Summary of Changes

Handbook EL-380, *Postal Career Executive Service*

Handbook EL-380, *Postal Career Executive Service*, has been updated with *Postal Bulletin* articles through January 9, 2014, as follows:

The chapter, subchapter, part, appendix, or section...	titled...	was...	in <i>Postal Bulletin</i> issue number...	with an issue date of...
Chapter 6, Benefits				
621.3	Annual Leave Carryover	revised to include clarifications regarding PCES employees and annual leave carryover.	22380	1-9-14
621.4	Annual Leave Exchange	revised to include clarifications regarding PCES employees and annual leave carryover.	22380	1-9-14

Postal Career Executive Service

Handbook EL-380

January 2014
Transmittal Letter

- A. Introduction.** The Strategic Transformation Plan of the Postal Service™ enables the Postal Service to continuously seek creative and innovative means to perform its mission — to provide affordable, universal service — in a vastly changing marketplace. A major goal of the Plan is to employ strategic measures to attract and retain key executives who will provide the leadership necessary for our continued success. Handbook EL-380, *Postal Career Executive Service*, serves as a tool for providing these executives and their potential successors with information about policies and procedures related to the Postal Career Executive Service (PCES).
- B. Explanation.** This issue of Handbook EL-380 contains revisions to PCES policies and procedures.
- C. Distribution.** The handbook is available online: Go to the Postal Service PolicyNet website: <http://blue.usps.gov>. Under “Essential Links” in the left-hand column, click *References*, then click *HBKs*. (The direct URL for the Postal Service PolicyNet website is <http://blue.usps.gov/cpim>.)
- D. Revisions.** New and revised policies and procedures released after publication of this edition and before the next edition will be issued to executives through PCES information memorandums.
- E. Rescissions.** Any previous applicable directive that is in conflict with this handbook is rescinded. The November 2007 edition of Handbook EL-380 is obsolete.
- F. Questions.** Submit questions about the content of this handbook in writing to:
- MANAGER
CORPORATE PERSONNEL MANAGEMENT
US POSTAL SERVICE
475 L'ENFANT PLZ SW RM 9817
WASHINGTON, DC 20260-4226
- G. Effective Date.** This handbook is effective January 9, 2014.



Anthony Vegliante
Chief Human Resources Officer
and Executive Vice President

Contents

Transmittal Letter	iii
1 General Provisions	1
11 Purpose of the Postal Career Executive Service	1
12 Equal Employment Opportunity and Affirmative Employment	1
13 Exceptions	1
2 Corporate Succession Planning	3
21 Objectives	3
22 Policies and Procedures	3
3 Filling Postal Career Executive Service Vacancies	5
31 PCES II Vacancies	5
32 PCES I Vacancies	5
321 Filling Vacancies	5
322 Approval Process	5
323 Additional Requirement	6
4 Development of Officers and Executives	7
41 General	7
411 Purpose	7
412 Responsibilities	7
413 Individual Development Plans	7
42 Developmental Activities	7
421 Types of Developmental Activities	7
422 Formal Training and University-Level Programs	8
422.1 The Postal Service's Executive Development Continuum	8
422.2 External Education and Development Programs	9
422.21 Locally Sponsored Programs	9
422.22 Part-Time Students	9
423 Temporary Developmental Assignments	9
423.1 Selection	9
423.2 Funding	9

5	Executive Compensation	11
51	PCES I Salaries	11
52	Salary Adjustments	11
521	Reassignment of Executives	11
522	Appointment of New Executives From Within the Postal Service	11
523	Limitation on Immediate Increase	11
524	Lump-Sum Payments Upon Reassignment	12
524.1	Conditions	12
524.2	Justification	12
524.3	Approval	12
524.4	Final Paperwork	12
53	Detail Assignments	12
54	PCES Executive Performance Pay Program	12
541	Purpose	12
542	Pay-for-Performance Program	12
543	Executive Recognition Awards	13
6	Benefits	15
61	General	15
62	Leave	15
621	Annual Leave	15
621.1	Earning Annual Leave	15
621.2	Charges for Annual Leave	15
621.3	Annual Leave Carryover	16
621.4	Annual Leave Exchange	16
621.5	Moving From PCES to EAS	16
622	Sick Leave	16
622.1	Earning Sick Leave	16
622.2	Charges for Sick Leave	17
63	Life Insurance	17
631	Description	17
632	Previous Declination of Option A (Standard) Insurance Coverage	17
633	Tax Treatment of Life Insurance Premium Benefit	17
64	Health Insurance	18
641	Payment of Premiums	18
642	Changing Health Plan Enrollment	18
65	Physical Examinations	19
651	Purpose	19
652	Examination Procedure	19
653	Schedule of Examinations	19
654	Notification of Examination and Summary of Results	19
655	Emergency Situations	20
66	Relocation: Reimbursable Expenses	20

Contents

67	Retirees.....	20
671	Planning.....	20
672	Insurance.....	20
672.1	Life Insurance.....	20
672.11	Basic Life Insurance.....	20
672.12	Option A (Standard).....	20
672.13	Option B (Additional).....	21
672.14	Option C (Family).....	21
672.2	Health Insurance.....	21
68	Survivor Benefits.....	21
681	General.....	21
682	Benefits.....	22
682.1	No Surviving Spouse.....	22
682.2	Dependent Children.....	22
682.3	Surviving Spouse Dies While Receiving Benefits.....	22
683	Relocation of Family.....	22
7	PCES Performance Evaluation.....	23
71	Summary.....	23
72	Establishing Objectives.....	23
721	General.....	23
722	Operational and Program Objectives.....	23
723	Reassignment During the Fiscal Year.....	23
73	Evaluating Performance: Web-based Processes.....	24
731	Evaluation Cycle.....	24
732	Ratings.....	24
732.1	Standard Performance Ratings.....	24
732.2	Unable to Rate.....	25
733	Executives on Medical or Active Military Duty.....	25
734	Interim Performance Evaluations.....	25
735	End-of-Fiscal-Year Performance Evaluation.....	25
8	Outplacement.....	27
81	General.....	27
811	Objectives.....	27
812	Annual Leave Carryover.....	27
813	Notifying the Human Resources Shared Services Center.....	28
82	Voluntary Outplacement.....	28
821	Conditions.....	28
821.1	Requesting Outplacement.....	28
821.2	Grade, Salary, and Benefits.....	28
822	Relocation.....	28

83	Involuntary Outplacement.	28
831	Involuntary Reassignment for Individual Disciplinary or Performance-Related Reasons.	28
831.1	Procedures	28
831.2	Grade, Salary, and Benefits.	29
832	Involuntary Reassignment Due to Organizational Change	29
832.1	Conditions	29
832.2	Grade, Salary, and Benefits.	29
84	Reassignment to an EAS Postmaster Position.	29
 Appendix A — Management Instruction EL-384-2009-11, Corporate Succession Planning		 31
 Appendix B — Schedule of Medical Examinations and Procedures for PCES Employees		 41
 Appendix C — Compensation Policies and Benefits Applicable to Involuntary Assignments to Non-PCES Positions Due to Organizational Change		 43

1 General Provisions

11 Purpose of the Postal Career Executive Service

The Postal Career Executive Service (PCES) was established in 1979 to develop and maintain a highly motivated, competent group of individuals to fill key executive-level positions and to provide the leadership needed for the continued success of the Postal Service™.

12 Equal Employment Opportunity and Affirmative Employment

The Postal Service's policy on equal employment opportunity and affirmative employment applies to all aspects of PCES employment, including appointment, reassignment, training and development, compensation, evaluation, and awards.

13 Exceptions

Exceptions to these policies require prior approval by the Executive Vice President, Chief Human Resources Officer.

This page intentionally left blank

2 Corporate Succession Planning

21 Objectives

The Postal Service is committed to preparing executives who have the potential for highly effective performance. To effectively respond to anticipated vacancies, the organization must make the most of its human capital. The goal is to have a pool of qualified executive and administrative Schedule (EAS) and PCES employees ready to assume PCES-level assignments as they occur.

22 Policies and Procedures

Appendix A, Management Instruction EL-384-2009-11, *Corporate Succession Planning*, describes policies and procedures for the corporate succession planning process.

This page intentionally left blank

3 Filling Postal Career Executive Service Vacancies

31 PCES II Vacancies

In accordance with Title 39 United States Code (U.S.C.), section 202:

- The postmaster general is appointed by the Board of Governors.
- The deputy postmaster general is appointed by the Board of Governors and the postmaster general.
- All other PCES II (officer) positions are filled by appointment by the postmaster general.

32 PCES I Vacancies

321 Filling Vacancies

Vacancies for PCES I positions are filled by the following methods:

- Reassignment of PCES employees.
- Appointment based on the corporate succession plan.
- Appointment of an employee, EAS-22 or above, outside of the corporate succession plan.

Note: The selection of an internal candidate from outside the corporate succession plan should be rare, and arrangements should be coordinated for the employee's immediate inclusion in the corporate succession plan.

- Recruitment of an outside hire.

322 Approval Process

The process for approving the selection of an individual for a PCES appointment is as follows:

- The selecting vice president submits a completed PCES Appointment/ Reassignment form to his or her executive leadership team member.
- If the executive leadership team member concurs with the selection, he or she signs the form and forwards it to the Director, Executive Compensation and Compliance.

- The Director, Executive Compensation and Compliance, reviews for compensation, and if he or she approves, signs the form and forwards it to the Chief Human Resources Officer (CHRO).
- The CHRO performs the final review and approves or disapproves the appointment.

323 **Additional Requirement**

In accordance with Handbook EL-312, *Employment and Placement*, 743.17c, “Newly appointed postmasters may not be reassigned or appointed to another position in the Postal Service until 1 year has elapsed from the date of appointment as a postmaster.” This provision applies to the appointment of postmasters to PCES positions.

4 Development of Officers and Executives

41 General

411 **Purpose**

The purpose of development is to improve the abilities and performance of officers and executives in their current positions and prepare them for additional responsibilities.

412 **Responsibilities**

Executives have primary responsibility for their own development and play an oversight role for the development of the managers they supervise.

413 **Individual Development Plans**

Each executive, in cooperation with his or her supervisor, will formulate, agree upon, and annotate the developmental program the individual executive will follow during the next fiscal year. Executives will document their areas of strength and developmental opportunities according to self-ratings and ratings provided by their immediate supervisors, using the executive competency model. Each executive will have eight ratings (one for each competency). The plan will be documented on PS Form 8179-C, *Individual Development Plan*.

42 Developmental Activities

Executives will be able to identify activities that they can pursue to improve on any particular competency.

421 **Types of Developmental Activities**

Developmental activities fall into the following categories:

- External education (e.g., degree programs).
- On-the-job opportunities (e.g., details and developmental assignments).
- Coaching and mentoring activities (i.e., activities pursued under the direction of a coach or mentor).

- Postal Service learning events (e.g., Executive Foundations and the online Leadership Café).
- Self-study (e.g., reading and online training classes).
- Other (e.g., conferences).

422 Formal Training and University-Level Programs

422.1 The Postal Service's Executive Development Continuum

The Executive Development Continuum is a comprehensive program designed to meet the varied and changing needs of Postal Service executives. Following a standardized foundation experience, the program is tailored to the specific knowledge and skills that individual executives need. This approach maximizes benefits to the individual and the organization.

The table below describes the components of the continuum. Nominees may participate in one or more of the components.

Components of the Executive Development Continuum

Level	Developmental Activities	Focus
Tier 1: Executive Foundations	<ul style="list-style-type: none"> ■ Provides foundation of common knowledge for each of the core functions of the organization. ■ Fosters connections to key stakeholders in exploring current Postal Service issues. ■ Provides opportunities for cross-functional communication and collaboration. ■ Uses the leaders-teaching-leaders model, in which senior officers serve as instructors. 	Executives within their first year of appointment explore internal aspects of successful performance and leadership. Provides a blended approach of classroom training and virtual learning over the course of approximately 14 weeks.
Tier 2: Executive Leadership	<ul style="list-style-type: none"> ■ Provides deeper insights into the dynamics of leading people through large-scale organizational change. 	Executives with 18 months to 4 years of experience explore internal aspects of successful performance and leadership in a 1-week residential program complemented by executive coaching across a 6-month period.
Tier 3: Individualized Executive Development	<ul style="list-style-type: none"> ■ Provides targeted, individualized development opportunities that align with the competencies required by the Postal Service. 	Internal and external aspects of successful performance and leadership are explored via targeted development opportunities linked to specific competencies.
Tier 4: Senior Executive Development	<ul style="list-style-type: none"> ■ Provides ongoing, individualized development to maximize job performance. ■ Uses action-learning teams that address real-world Postal Service business problems. 	Targeted and individualized opportunities are customized to meet the needs of high-performing, high-potential senior executives.

422.2 External Education and Development Programs

A variety of external educational opportunities are available; however, eligibility and reimbursement policies are subject to change.

422.21 Locally Sponsored Programs

Participation in non-Postal Service development activities, such as part-time local college courses or seminars and professional or management society meetings and conferences, is usually approved by the officer's or executive's immediate manager and funded by the employing office.

Executive leadership team members may also sponsor other officers or executives for participation in non-Postal Service development programs (such as continuing education programs) at local colleges or other accredited institutions, usually during off-duty hours.

Development programs do not have to lead to a degree, but they must be job- or career-related.

Executives receiving funding for external programs, including degree programs and executive education programs, are subject to the Continued Service Agreements and tuition reimbursement policies in place for all employees.

422.22 Part-Time Students

Individuals who attend school part time may be authorized to use a limited amount of time during normal duty hours, if needed, to travel to or from a local educational facility.

423 Temporary Developmental Assignments**423.1 Selection**

When managers fill PCES temporary assignments of 90 days or longer, they must first consider potential PCES successors and executives. These temporary assignments provide excellent opportunities to develop executives by strengthening their management skills on the job.

423.2 Funding

Unless other arrangements are made, the employee's home office continues to pay the employee's salary, and the receiving office pays transportation, lodging, and per diem expenses for the temporary assignment.

This page intentionally left blank

5 Executive Compensation

51 PCES I Salaries

Maximum salaries for PCES I employees are established based on pay for comparable jobs in the private sector, subject to limitations imposed by the statutory pay cap.

52 Salary Adjustments

521 **Reassignment of Executives**

An executive reassigned to a PCES I position with a higher maximum salary generally may receive a salary adjustment of up to 10 percent, unless otherwise directed by the Chief Human Resources Officer (CHRO). All salary actions related to an executive reassignment must be reviewed and approved by the Director, Executive Compensation and Compliance, and the CHRO.

522 **Appointment of New Executives From Within the Postal Service**

Unless otherwise directed by the CHRO, an employee appointed to a PCES I position from another pay schedule is eligible to receive a salary increase up to 10 percent, not to exceed the maximum salary for the new PCES I position. Any pending pay-for-performance (PFP) action from the old rate schedule code is canceled. PCES PFP pay rules apply only if the promotion from another pay schedule to the PCES-level position occurs on or before the end of the fiscal year.

523 **Limitation on Immediate Increase**

A PCES I employee selected for another PCES I position with a higher maximum salary and an EAS employee selected for a PCES I position generally may receive a salary increase of up to 10 percent up to the salary maximum of the assigned position at the time of reassignment, unless otherwise directed by the CHRO.

524 **Lump-Sum Payments Upon Reassignment**

524.1 **Conditions**

In certain circumstances, the CHRO can approve lump-sum payments. Such circumstances include reassignment to an area with a significantly higher cost of living or loss of spousal income.

524.2 **Justification**

Requests for lump-sum payments, along with written justification, must be submitted to the Director, Executive Compensation and Compliance, who will review the request and forward it to the CHRO for final approval.

524.3 **Approval**

The CHRO is the final approving authority for lump-sum payments.

524.4 **Final Paperwork**

After a reassignment action has been approved by the CHRO and processed, Accounting Services issues a check for the lump-sum payment. Executive Compensation and Compliance coordinates the submission of paperwork and dissemination of the lump-sum payment.

53 **Detail Assignments**

Although detail assignments are primarily developmental, EAS employees detailed to PCES I positions for more than 90 days and executives detailed to PCES I positions with a higher degree of responsibility are eligible for a lump-sum payment. For each 90-day period served in the detail assignment, the employee may receive a lump-sum payment up to 3.75 percent of basic pay. Employees cannot receive these quarterly lump-sum payments for more than 1 year, and the total compensation package cannot exceed the maximum for the assigned position. Lump-sum payments are processed through eAwards and approved by an officer.

54 **PCES Executive Performance Pay Program**

541 **Purpose**

The purpose of the PCES Executive Performance Pay Program is to acknowledge the contributions of PCES I employees, as individuals and team members, and to encourage breakthrough team and individual performance. Pay provisions are subject to change; therefore, executives are encouraged to keep informed about changes to PCES pay policies.

542 **Pay-for-Performance Program**

In Fiscal Year 2003, the Postal Service adopted the Pay-for-Performance (PFP) Program for executives nationwide. Lump-sum payments of up to 15

percent and increases to salary of up to 14 percent for area and district executives are based on a combination of the:

- National Performance Assessment (NPA) results for the executive's area or district; and
- Individual performance as measured by contribution to core requirements.

At Headquarters, all ratings are tied to the corporate NPA score. Based on the corporate NPA, a rating is assigned to each officer's functional area. Individual performance against predetermined objectives is rated relative to the performance of functional peers and averaged to the functional rating. The results are used to determine lump-sum payments and salary increases. Pay rules are available to PCES employees, and detailed information for the PCES PFP Program is published annually. See chapter [7](#) for information concerning the principles of the evaluation process.

543 **Executive Recognition Awards**

A program that provides for cash awards has been developed to recognize extraordinary individual contributions by executives. Such awards are usually presented during the National Executive Conference. The award categories include:

- Board of Governors' Award (for officers only).
- Postmaster General's Award.
- Deputy Postmaster General's Award.
- Chief Operating Officer's Award.
- Executive Leadership Team Award.

Another opportunity to recognize extraordinary individual contributions by executives is with the PCES Individual Achievement and PCES Superior Achievement Awards. These awards may be presented by officers to their executives during the second half of a fiscal year, but only if the postmaster general has decided to open the executive awards season.

This page intentionally left blank

6 Benefits

61 General

The benefits — annual leave, sick leave, annual leave exchange, life insurance, health insurance, physical examinations, relocation, life insurance for retirees, and survivor benefits — described in this chapter are provided in lieu of the comparable benefits available to EAS employees. All other benefits applicable to EAS employees apply to PCES employees, but they are not described in this chapter. Rules for PCES employees affected by organizational changes or reduction in force may differ and are documented separately.

62 Leave

621 **Annual Leave**

621.1 **Earning Annual Leave**

PCES employees earn annual leave at the rate of 26 days (208 hours) per leave year. A new executive earns leave at the rate of 8 hours per pay period, beginning with the first full pay period as a PCES employee. An executive newly appointed in the Postal Service may not use annual leave until she or he completes 90 days of service.

621.2 **Charges for Annual Leave**

With the approval of the immediate manager, PCES employees are not charged for annual leave in amounts of less than 1 day (8 hours), except as may be provided under the Family and Medical Leave Act. Since PCES employees are exempt, salaried employees, they may request time off to attend to personal matters during the workday. If approved, the time off is considered *personal absence time* and is not charged to annual or sick leave. Normally, personal absence time is limited to no more than half an employee's workday.

621.3 **Annual Leave Carryover**

Accumulated annual leave (A/L) may be carried over from one leave year to the next as follows:

For executives whose A/L balance is no more than 608 hours at the beginning of a leave year, all earned unused A/L may be carried into the new leave year (a maximum of 208 hours of A/L can be earned each leave year).

For executives whose A/L balance is over 608 hours at the beginning of a leave year:

- The carryover ceiling on the amount of A/L that can be carried over from the current leave year to the new leave year is a personal ceiling that is determined by the amount of A/L used during the current leave year.
- If more A/L hours are used during the leave year than are earned by the end of the leave year, then the A/L carryover limit is reduced by the number of hours in excess of earned hours (but not below 688).
- The maximum increase to the carryover ceiling each leave year is 128 hours.
- Since executives earn 208 hours each leave year, 80 hours of A/L must be used annually or lost.
- An executive who uses less than 80 hours will nonetheless have his or her A/L balance reduced by 80 hours upon entering the new leave year.
- For purposes of the 80-hour requirement, making an A/L donation through the leave sharing program counts as using A/L.
- For purposes of the 80-hour requirement, exchanging A/L through the annual leave exchange (ALE) program does not count as using A/L.
- **Exception:** Executives whose A/L balance is higher than 608 hours and lower than 688 hours may not need to use the entire 80 hours to avoid losing A/L.

621.4 **Annual Leave Exchange**

PCES employees can get a lump-sum payment for up to 128 hours of the annual leave that otherwise would be advanced to them at the beginning of each leave year. A minimum balance of 160 hours annual leave at the close of the current leave year is required to take advantage of this benefit. For purposes of the requirement to use 80 hours of annual leave as explained in [621.3](#), exchanging annual leave in the annual exchange program does not count as using annual leave.

621.5 **Moving From PCES to EAS**

See chapter [8](#) for information concerning the treatment of annual leave balances for executives who leave the PCES.

622 **Sick Leave**

622.1 **Earning Sick Leave**

PCES employees earn sick leave at the same rate as other Postal Service employees: 13 days a year (4 hours per pay period).

622.2 Charges for Sick Leave

PCES employees are not charged for sick leave in amounts of less than 1 day (8 hours) except as may be provided under the Family and Medical Leave Act. Since PCES employees are exempt, salaried employees, they may request time off to attend to personal matters during the workday. If approved, the time off is considered *personal absence time* and is not charged to annual or sick leave. Normally, personal absence time is limited to no more than half an employee's workday.

63 Life Insurance

631 Description

All executives are entitled to life insurance premiums paid in full by the Postal Service for Basic and Option A (Standard) coverage. Basic insurance is based on the executive's annual basic rate of pay rounded to the next \$1,000, plus \$2,000. Option A (Standard) insurance provides an additional \$10,000 of coverage.

This benefit automatically takes effect on the date of the assignment to a PCES position; however, a signed Standard Form (SF) 2817, *Life Insurance Election: Federal Employees' Group Life Insurance Program*, reflecting Option A (Standard) must be completed and kept in the executive's official personnel folder.

Executives pay the full cost of Option B (Additional) (1 to 5 times annual pay) and Option C (Family) if elected.

632 Previous Declination of Option A (Standard) Insurance Coverage

The Postal Service pays the cost of Option A (Standard) coverage for PCES employees and Postal Service policy permits a new PCES employee to enroll in Option A (Standard) coverage at the time of his or her appointment, even if he or she declined Option A (Standard) insurance coverage before entering PCES. New executives must contact the Human Resources Shared Services Center (HRSSC) to clarify their life insurance status. A signed SF 2817, *Life Insurance Election: Federal Employees' Group Life Insurance Program*, reflecting Option A (Standard) must be completed and kept in the executive's official personnel folder.

Note: The Federal Employees' Group Life Insurance Program is administered by the Office of Personnel Management (OPM) and all elections under the program are subject to OPM approval.

633 Tax Treatment of Life Insurance Premium Benefit

Federal Employees' Group Life Insurance (FEGLI) premiums that are lower than Internal Revenue Service (IRS) standard life insurance rates are subject to taxation as imputed income. For group term life insurance in excess of \$50,000 provided by the Postal Service, any insurance cost that is below the IRS standard rates is taxable as imputed income. The Postal Service reports

this amount to the IRS as part of total gross wages for federal income tax purposes and lists the amount in the Life Insurance Premiums section of IRS Form W-2, *Wage and Tax Statement*.

64 Health Insurance

641 **Payment of Premiums**

Beginning in 2012, PCES employees will pay a portion of their Federal Employees Health Benefits (FEHB) premiums. At that time, PCES employees will automatically have premiums deducted from their pay on a pretax basis. Pretax premium payments are not subject to income, Social Security, or Medicare taxes.

Most employees prefer paying their premiums with pretax money because they save on taxes. However, there are two possible disadvantages to doing this:

- First, the earnings that are reported to the Social Security Administration (SSA) are reduced by the amount of the pretax premiums (and other pretax amounts, such as Flexible Spending Account contributions and Federal Employees Dental and Vision Insurance Program premiums.) This will only make a difference in SSA reporting if the pretax amounts cause earnings to drop below the Social Security annual maximum. If the amount reported to SSA is reduced, then at retirement, the Social Security benefit may be slightly lower.
- Second, there are restrictions on reducing and canceling coverage outside of open season that do not apply if premiums are paid on an after-tax basis. A PCES employee who does not want to pay taxes on a pretax basis and is willing to give up the tax savings may elect to pay premiums post-tax by completing PS Form 8201, *Pretax Health Insurance Premium Waiver/Restoration Form for Career Employees*, within the time limit allowed for an enrollment change for a qualifying life event, during open season, or upon initial enrollment in FEHB. Detailed pretax information may be found in the FEHB Guides to Benefits that are distributed during open season.

642 **Changing Health Plan Enrollment**

During FEHB open season, or in accordance with a qualifying life event, an executive may make any one, or a combination, of the following changes:

- Enroll (if not enrolled).
- Change from one plan to another.
- Change from one option to another.
- Change from Self Only to Self and Family.
- Change from Self and Family to Self Only.
- Cancel enrollment.

Note: The FEHB Program is administered by OPM and all elections under the program are subject to OPM approval.

65 Physical Examinations

651 Purpose

The Postal Service values the health and well-being of all its employees. In support of this commitment, PCES employees are given the opportunity to participate in a comprehensive physical examination program. If a serious or potential health problem is discovered through an examination, the results are sent, with the executive's approval, to the executive's personal physician or health care organization. When releasing a medical document to anyone, the sender must comply with the executive's request and Privacy Act regulations.

652 Examination Procedure

Examinations are performed at a mutually convenient location within 50 miles of the executive's duty station by a physician certified by the American Board of Internal Medicine at no expense to the executive other than transportation costs. The physician is under contract to the Postal Service through Comprehensive Health Services, Inc.

The Postal Service does not receive copies of the executive's physical examinations. The first examination establishes a basic medical profile. Subsequent examinations are given at specific intervals depending on age. These examinations are optional.

653 Schedule of Examinations

Employees entering PCES are eligible for an initial medical examination. Thereafter, examinations are performed according to the following schedule:

Age of Employee*	Intervals Between Medical Examinations
32, 35, 38, 41, 44	3 years
46, 48, 50, 52, 54	2 years
55 and older	1 year

*For specific information on examinations, see Appendix B, Schedule of Medical Examinations and Procedures for PCES Employees.

654 Notification of Examination and Summary of Results

The contractor performing the examination sends a notification letter to the executive 60 days before the birth date for the ages listed in [653](#). After the examination, the executive receives a summary letter explaining the outcome of the examination in layman's terms, including recommendations for lifestyle changes or for treatment. When the contractor receives the executive's

signed release, the contractor will send the executive's personal physician a written report of the examination's findings and any professional recommendations that may be appropriate.

655 **Emergency Situations**

If a medical examination reveals serious health issues that require immediate attention, the contract physician will refer the executive to his or her personal physician for appropriate follow-up care.

66 Relocation: Reimbursable Expenses

A PCES employee is reimbursed for specific costs associated with a relocation required by the Postal Service in accordance with the relocation policies in effect at the time of authorization of relocation benefits. For an overview of benefits currently available to relocating executives, see the relocation website at: http://blue.usps.gov/wps/portal/accounting/relocation_travel/relocation. You may also call the Relocation Unit at 202-268-8700.

67 Retirees

671 **Planning**

PCES employees are covered by the retirement planning and counseling provisions of *Employment and Labor Relations Manual (ELM)* 569 and 589. The HRSSC will counsel PCES employees and process their retirement. The Postal Service will pay relocation benefits up to 5 years after retirement according to relocation policies in effect at the time of authorization or retirement, whichever is later.

672 **Insurance**

672.1 **Life Insurance**

672.11 **Basic Life Insurance**

Basic life insurance coverage may be continued into retirement if the executive chooses. The Postal Service makes no contributions after retirement.

672.12 **Option A (Standard)**

Option A (Standard) life insurance for PCES employees may continue into retirement if the executive chooses at no cost to the executive, provided the executive retains Basic life insurance coverage and has been continuously covered for the 5 years immediately preceding retirement or since the first opportunity to enroll, if less than 5 years.

Option A (Standard) premiums will be deducted from the annuity checks of retired executives under age 65. The Postal Service reimburses the executive by issuing a one-time, lump-sum payment, based on actuarial figures, to cover the cost of Option A (Standard) insurance into retirement.

672.13 **Option B (Additional)**

Option B (Additional) life insurance for PCES employees may be continued into retirement if the executive chooses, provided the executive retains Basic life insurance coverage and has been continuously covered for the 5 years immediately preceding retirement or since the first opportunity to enroll, if less than 5 years. The Postal Service makes no contributions during employment or after retirement.

672.14 **Option C (Family)**

Option C (Family) life insurance for PCES employees may be continued into retirement if the executive chooses, provided the executive retains Basic life insurance coverage and has been continuously covered for the 5 years immediately preceding retirement or since the first opportunity to enroll, if less than 5 years. The Postal Service makes no contributions during employment or after retirement.

Note: The FEGLI Program is administered by OPM and all elections under the program are subject to OPM approval.

672.2 **Health Insurance**

Retirees pay the same share of FEHB premiums as federal employees. Employees planning to change carriers after retirement may make that change during the open season before retirement or wait until the next open season after retirement or for a qualifying life event under FEHB rules.

Note: The FEHB Program is administered by OPM and all elections under the program are subject to OPM approval.

68 Survivor Benefits

681 **General**

If an executive dies while employed, the Postal Service pays the difference between the survivor annuity paid by OPM (including any children's annuity) and the gross amount of the executive's salary at the time of death, for 26 pay periods, to either of the following:

- The eligible spouse.
- The dependent child or children (if there is no eligible spouse).

682 **Benefits**

682.1 **No Surviving Spouse**

If an executive dies while employed and is not survived by an eligible spouse, the executive's dependent child receives Postal Service payments for 26 pay periods. If the executive is survived by more than one dependent child, the children share the payment equally for the remaining 26 pay periods.

682.2 **Dependent Children**

For the purpose of receiving survivor benefits, a *dependent child* means one who, at the time of death of the executive, is:

- Under 18 years of age.
- 18 years of age or older and incapable of self-support.
- A full-time undergraduate student at an accredited institution of higher education and under 23 years of age.

The term *dependent child* includes stepchildren, adopted children, and posthumous children, but does not include married children. The executive's spouse and children do not have a vested right to payment under this provision, so payments will cease upon the death of the survivor.

682.3 **Surviving Spouse Dies While Receiving Benefits**

If an executive dies while employed and the eligible spouse dies during the 26 pay periods after the executive's death, the executive's dependent child receives Postal Service payments for the remaining pay periods up to 26. If the executive is survived by more than one dependent child, the children share the payment equally for the remaining pay periods up to 26.

683 **Relocation of Family**

If an executive dies while employed, the surviving spouse and immediate family members may be eligible to receive relocation benefits for a final move to one location within the 50 United States, Puerto Rico, or the Virgin Islands. Refer to the relocation website at: http://blue.usps.gov/wps/portal/accounting/relocation_travel/relocation. You may also call the Relocation Unit at 202-268-8700 for additional information.

7 PCES Performance Evaluation

71 Summary

The performance evaluation process establishes an executive's accountability for results, and it rewards executives who perform with distinction and who achieve the desired organizational outcomes. The executive sets objectives that are linked to the goals of the organization. For each objective identified, the executive and immediate manager agree on performance measurement targets. The executive is evaluated on his or her contribution toward meeting those targets.

72 Establishing Objectives

721 **General**

At the beginning of each fiscal year, the executive sets performance objectives that contribute to achieving corporate and unit achievement indicators. The executive and immediate manager agree on the objectives. During the year, the executive and manager meet regularly to discuss the executive's progress in achieving the objectives. These meetings give the manager an opportunity to provide feedback and coaching. Objectives may be adjusted, if necessary, as a result of these discussions.

722 **Operational and Program Objectives**

Operational and program objectives support organizational priorities, budget allocations, employee involvement, quality of work life, participatory leadership, and specific program initiatives. Executives state objectives, provide indicators for measuring success, and define dates for completion.

723 **Reassignment During the Fiscal Year**

Any executive reassigned to a new position during the fiscal year must identify new performance objectives within 30 days of beginning the new assignment.

73 Evaluating Performance: Web-based Processes

Field executives are evaluated under two components, the National Performance Assessment and the Performance Evaluation System, as follows:

- **National Performance Assessment (NPA).** System designed to collect operations performance data for a wide variety of indicators against predetermined thresholds in a standardized and objective manner.
- **Performance Evaluation System (PES).** Web-based tool designed to (1) integrate NPA results with an officer's rating of each executive's contribution to core requirements, and (2) calculate aggregate adjective ratings (noncontributor, contributor, high contributor, and exceptional contributor). Each rating carries a different weight, and their sum results in a composite numerical rating that determines the adjective rating.

Headquarters executives are evaluated on their contributions relative to their peers; evaluations are tied to corporate NPA results.

731 Evaluation Cycle

Each executive prepares and submits accomplishments at midyear and at the end of the fiscal year, as follows:

- At midyear, the manager must review the executive's accomplishments and meet with the executive to discuss the rating, provide feedback, and make recommendations. The manager must document the date of the discussion.
- At the end of the fiscal year, the manager, after discussion with the executive, evaluates how well the executive achieved the agreed-upon objectives.

Exceptions are described in [733](#) and [734](#).

Note: All evaluations are documented in the PES.

732 Ratings

732.1 Standard Performance Ratings

The immediate manager evaluates the executive's achievements in relation to the challenge and complexity of objectives, and proposes a rating that is based on an overall assessment of NPA, core requirements, and other factors explained at the beginning of subchapter [73](#). The ratings, ranked from highest to lowest, are:

- Exceptional Contributor.
- High Contributor.
- Contributor.
- Noncontributor.

732.2 **Unable to Rate**

The immediate manager may be unable to rate an executive's achievements for several reasons. In such cases, the manager proposes one of the following ratings:

- **Not Rated.** In certain cases it may not be possible to derive an overall performance rating of an executive's personal contributions. Conditions when an overall performance rating may not be possible include:
 - Employees occupying *eligible* positions for less than 90 consecutive calendar days during the evaluation period, or
 - Employees who are in a paid leave or leave without pay (LWOP) status for the entire evaluation period, except for medical or active military LWOP as discussed in [733](#).
- **Exclude from Rating.** Employees who did not fully contribute to the performance of the organization or whose conduct was clearly unacceptable to the organization may be excluded. A rating of *exclude from rating* must have higher-level concurrence before the rating is discussed with the executive.

733 **Executives on Medical or Active Military Duty**

Executives on medical or active military LWOP are eligible to participate in the executive pay program without prorating for military absence. Under no circumstances can an executive's individual core-requirements rating or overall performance rating be adjusted based on periods of medical or active military LWOP.

Evaluators rate executives on medical or active military duty, regardless of their actual work attendance during the fiscal year, according to this guideline:

- An employee will receive an individual core-requirements rating proportional to the average of the employee's unit and the end-of-year NPA composite summary (if applicable). The PES provides a tool to help the manager calculate the rating.

734 **Interim Performance Evaluations**

In some cases, the performance evaluation process may be modified to include interim evaluations. The interim evaluation must be considered when the end-of-fiscal-year performance evaluation is prepared. An interim performance evaluation is required when:

- The executive is promoted and permanently reassigned.
- The executive is on a detail assignment of 90 days or longer.
- The executive's accountable manager changes.

735 **End-of-Fiscal-Year Performance Evaluation**

A new manager must consider the rating given by a previous manager when evaluating an executive's performance. If the new manager did not receive an evaluation when the executive was reassigned, then the new manager must receive input from the previous manager before completing the annual performance evaluation.

This page intentionally left blank

8 Outplacement

81 General

811 Objectives

This chapter covers outplacement of executives from the PCES to executive and administrative schedule (EAS) or Management Pay Band/Technical Pay Band (MBP/TPB) positions. Management determines the EAS or MPB/TPB positions to which these individuals are assigned. Grade and salary provisions are subject to change; therefore, executives are encouraged to review the provisions prior to outplacement.

812 Annual Leave Carryover

At the end of the leave year, an executive who is leaving the PCES will have a new maximum carryover amount of annual leave. The new maximum is determined by adding up to 128 hours of earned, unused leave from the current leave year to the number of earned annual leave hours that the former executive carried over from the previous year.

If the former executive carries over sufficient hours of annual leave to exceed the EAS ceiling, then his or her new ceiling is a personal one. This new, personal maximum, carryover amount of annual leave will remain the same for each succeeding year.

If during any leave year the former executive:

- Uses sufficient hours of annual leave to cause the end-of-year annual leave balance to fall below his or her personal maximum annual leave carryover, then the end-of-year annual leave balance becomes his or her new personal maximum annual leave carryover amount for the following year.
- Uses enough annual leave that his or her end-of-year leave balance falls below the EAS ceiling, then he or she no longer has a personal maximum annual leave carryover amount, but has the ceiling provided for EAS employees.

813 **Notifying the Human Resources Shared Services Center**

The appropriate officer is responsible for notifying the HRSSC whenever an executive leaves the PCES. The officer must send a *Career Employee Separation Request Worksheet* and a completed PS Form 2574, *Resignation/Transfer From the Postal Service*, to the HRSSC. If the employee is transferring to another federal agency, a copy of the offer letter must also be sent.

82 Voluntary Outplacement

821 **Conditions**

821.1 **Requesting Outplacement**

An executive may request outplacement from the PCES at any time by writing to his or her immediate PCES manager.

821.2 **Grade, Salary, and Benefits**

If an executive requests placement in an EAS or MPB/TPB position and the request is granted, the executive's grade is changed to the grade of the EAS or MPB/TPB position to which he or she is assigned. Salary is set at the executive's current PCES rate or at the maximum of the EAS or MPB/TPB grade, whichever is lower. All other aspects of compensation and benefits revert immediately to those associated with the grade of the new positions. If the employee's vice president requests an exception to the standard policy, Executive Compensation and Compliance must review the request and then send it to the vice president, Employee Resource Management, for approval.

822 **Relocation**

If voluntary outplacement from the PCES involves reassignment to a new location, reassignment will include relocation management firm services in accordance with the EAS policies defined in Handbook F-15-A, *Relocation Policy – Nonbargaining Executive and Administrative (EAS) Employees*.

83 Involuntary Outplacement

831 **Involuntary Reassignment for Individual Disciplinary or Performance-Related Reasons**

831.1 **Procedures**

An executive may be removed from the PCES at any time in accordance with ELM 650, Nonbargaining Disciplinary, Grievance, and Appeal Procedures. When contemplating removal of a PCES employee, the employee's officer or PCES manager must notify the vice president, Employee Resource Management, before taking any formal action.

831.2 Grade, Salary, and Benefits

If an executive is involuntarily removed from the PCES into an EAS or MPB/TPB position, management determines the grade and salary to which the person is assigned, depending on the reason for the outplacement and individual circumstances. All other aspects of compensation and benefits revert immediately to those associated with the grade of the new positions. Executive Compensation and Compliance must review outplacement details from a compensation standpoint for applicable outplacement fulfillment, and then send the review to the vice president, Employee Resource Management, for approval.

832 Involuntary Reassignment Due to Organizational Change**832.1 Conditions**

Executives may be involuntarily reassigned due to a transfer of function, or reduction in force, or other similar events motivated by organizational changes that affect departments or groups of individuals. Executives may be:

- Reassigned to other executive positions for which they qualify.
- Reassigned to EAS or MPB/TPB positions for which they qualify.

832.2 Grade, Salary, and Benefits

The effects on grade, salary, and benefits of an involuntary reassignment to an EAS or MPB/TPB position are outlined in [Appendix C](#), Compensation Policies and Benefits Applicable to Involuntary Assignments to Non-PCES Positions Due to Organizational Change.

84 Reassignment to an EAS Postmaster Position

If an executive is leaving a PCES position and going to an EAS postmaster position, the vice president, Employee Resource Management, must approve the exception to the postmaster selection policy.

This page intentionally left blank

Appendix A

Management Instruction EL-384-2009-11, Corporate Succession Planning

This page intentionally left blank

Management Instruction

Corporate Succession Planning

Purpose

The Postal Service™ continues to fulfill its mission of providing reliable, affordable, universal service due to strong leadership - an element that remains critical for our continued success. To respond effectively to future executive vacancies, the Postal Service must leverage the skills and talents of its diverse workforce. To address this business imperative, the Postal Service has implemented Corporate Succession Planning (CSP) as a mechanism for identifying, developing, and preparing highly talented employees to become effective future leaders within the organization. The objective of CSP is to identify and develop these potential future leaders so that they can promptly and successfully assume Postal Career Executive Service (PCES) positions as these positions become available.

Roles

Executive Committee — comprises Postal Service senior officers.

Executive Manager — the immediate PCES manager of a nominee at the time the nominee submits his or her application.

Executive Resource Board (ERB) — a group of PCES managers responsible for reviewing nominees during the CSP application process and recommending potential successors to officers for Successor Pools within the officer's function.

Liaison — an individual appointed by an officer to serve as a CSP point of contact for employees and executive managers within an Area or Headquarters function.

Nominee — a Headquarters, Field, or Inspection Service employee at Executive Administrative Service (EAS) level 22 and above, management pay band, technical pay band, attorney, or PCES level who completes a Succession Planning Application to be considered as a potential successor for a given Successor Pool.

Officer — an executive designated as vice president or higher within the organization. Each officer is responsible for the composition of Successor Pools within his or her functional organization.

Potential Successor — a nominee who is approved for inclusion in one or more Successor Pools.

Date	October 1, 2009
Effective	October 1, 2009
Number	EL-384-2009-11
Obsoletes	EL-384-2006-1
Unit	Leadership Development and Talent Management



Susan M. LaChance
Vice President
Employee Development and Diversity

Definitions

CSP Open Season. The CSP process includes a periodic open application process, or Open Season, for employees to apply and express interest in executive promotions or reassignments. Open Season has a limited application period and is the only opportunity for an eligible employee to self-identify or apply for consideration as a potential successor.

Readiness. The ERB determines the readiness of each recommended potential successor, as follows:

- a. *Ready Now* — indicates the nominee could, with targeted development, be ready to assume executive responsibilities within 2 years of appointment to one or more Successor Pools.
- b. *Ready Later* — indicates the nominee could, with targeted development, be ready to assume executive responsibilities within 3–5 years of appointment to one or more Successor Pools.

Succession Planning Application (SPA). The SPA is an online application and self-assessment process used during the CSP Open Season.

Successor Pool. There are three types of Successor Pools: (1) functional pools (representing PCES positions within an officer's functional organization); (2) job families (representing a group or subset of PCES positions within an officer's functional organization); and (3) single pools (representing one PCES position). Nominees may select a limited number of Successor Pools during a CSP Open Season. Successor Pools are subject to change over time and reflect the organizational structure and executive positions actively utilized in the Postal Service.

Talent Reviews. CSP talent reviews are conducted biannually with each Executive Committee member, their subordinate officers, and representatives of Employee Development and Diversity (ED&D). The purpose of the review is to assess functional talent strengths and gaps, develop strategies to address critical business talent needs, and monitor ongoing development of potential successors.

Executive Competency Model (ECM). The Postal Service has developed the ECM as a framework for identifying key leadership behaviors that contribute to successful performance in an executive assignment. The ECM includes multiple competencies and a rating system that allows employees and managers to assess current strengths and areas for development of an employee.

Executive Competencies for Effective Leadership (EXCEL). EXCEL is a leadership assessment tool that uses a series of questions and business scenarios to measure an employee's potential for successful executive-level performance.

Individual Development Plan (IDP). Potential successors are required to establish and follow a formal IDP as part of their participation in the CSP process. IDPs assist potential successors in building their skills to perform more effectively in executive-level assignments.

Overview of the Corporate Succession Planning Process

CSP Open Season operates with a universal application mandate. This means that all employees must apply or reapply during each successive Open Season in order to be considered for identification as a future potential successor. This policy also applies to current executives interested in using CSP as a means of indicating their interest in other PCES positions. Employees may apply for a limited number of Successor Pools during each Open Season. Potential successors utilize the interim between Open Seasons to pursue individual developmental activities and assignments.

The four steps of the CSP process are as follows:

Step One: Employee Application. This step marks the beginning of the Open Season. Eligible employees complete an online application that includes:

- a. A review and update of personal contact information.
- b. A summary of postal and non-postal work history with the option to add details and temporary assignments.
- c. A record of formal education, degrees, training, and awards received.
- d. Selection of one or more Successor Pools.
- e. Completion of a self-assessment using the ECM.
- f. A brief narrative highlighting the employee's qualifications and interest in Successor Pools for which he or she has applied.
- g. Completion of the EXCEL assessment and other assessment tools used to measure leadership potential and performance.

Step Two: Executive Manager and Executive Resource Board Reviews. This step comprises two phases: (1) executive manager review; and (2) application review by an ERB.

The application review phase provides the executive manager an opportunity to evaluate each nominee's application and provide general comments on how well the nominee is suited for an executive role. An executive manager may only evaluate an employee who reports to him or her.

Indicating "support" for one or more Successor Pools means that an executive manager believes that the nominee could, with targeted development, be ready to assume executive responsibilities within the next 5 years, or sooner. Conversely, indicating "decline support" for one or more Successor Pools means that the executive manager does not believe that the nominee will be ready to assume executive responsibilities within the readiness window.

The executive manager is required to provide brief pool selection comments justifying his or her decision to support or decline support of a nominee for each Successor Pool identified. The executive manager may also provide additional general comments for the ERB's consideration.

The ERB reviews the executive manager's indication of support and comments along with all information provided in each SPA to

determine which nominees to recommend for the Successor Pools in their function.

An ERB is required to provide written justification for its decision to support, or decline support, of a nominee's application. The justification should include objective and specific feedback on areas of strength and areas in need of development for each nominee, regardless of the nominee's success in the CSP process. The ERB will also identify the readiness of each recommended nominee for each Successor Pool identified.

The officer reviews the recommendations made by the ERB and decides which nominees to recommend as potential successors for the Successor Pools within his or her function. Each officer then consults with his or her Executive Committee member for final approval regarding the proposed composition of the pools under the officer's function.

Step Three: Notifications, Feedback, and Individual Development Planning. Once the Successor Pools have been finalized, all nominees will be notified of the status of their SPA. Upon notification, the executive manager is required to meet with each nominee, both successful and unsuccessful, to provide feedback and determine next steps, as appropriate.

After a potential successor meets with his or her executive manager, the potential successor will create an Individual Development Plan (IDP) for review and approval by the executive manager. The IDP should outline the developmental activities and assignments that the potential successor intends to complete within the identified developmental cycle. After the executive manager approves the IDP, the ERB either reviews and approves the IDP or requires changes.

The developmental activities and assignments identified in each potential successor's IDP must be updated by the potential successor at least biannually and monitored by the executive manager. In turn, ERBs meet biannually to review the progress on each potential successor's IDP and recommend any additional assignments or activities, as needed.

Step Four: Talent Reviews. Executive Committee members meet with their subordinate officers and representatives of ED&D biannually to assess functional talent strengths and gaps and monitor ongoing development of their potential successors.

Administrative Responsibilities and Business Rules

Executive Committee Member

Each member of the Executive Committee is:

- a. Responsible for providing a final review and approval of the placement of potential successors into the Successor Pools under his or her function.
- b. Encouraged to review and discuss with his or her respective officers the developmental progress of key potential successors.

Area office CSP Successor Pools require approval by the Deputy Postmaster General/Chief Operating Officer and functional concurrence from the appropriate Executive Committee member.

Executive Committee members must approve all modifications to Successor Pools throughout the CSP cycle, as necessary. Additions made to Successor Pools outside of the periodic CSP Open Season cycle require the additional approval of the Vice President, ED&D.

Officer

The officer must:

- a. Appoint a liaison to coordinate CSP-related activities for his or her functional organization.
- b. Determine the composition of the ERB responsible for making recommendations for potential successors to Successor Pools in the officer's function.
- c. Ensure that the ERB is inclusive and will conduct reviews in a fair, objective, and transparent manner.
- d. Review the ERB's recommendations for Successor Pools that the officer oversees.
- e. Indicate whether he or she supports each nominee as a potential successor for the Successor Pools under his or her function.
- f. Discuss nominee recommendations with his or her member of the Executive Committee prior to approving Successor Pools.
- g. Ensure that potential successors are being developed according to their IDPs.
- h. Actively assess the vitality of his or her Successor Pools, including determining if additional talent is necessary.

The officer also may at any time recommend modifications (addition or deletion of potential successors) to the Successor Pools within his or her function by making a written request to his or her Executive Committee member. Final approval of these requests rests with the Vice President, ED&D.

Executive Resource Board

The ERB must:

- a. Indicate readiness for and whether it supports or declines to support each nominee's pool selections as reflected on the application.
- b. Provide a list to the officer of recommended potential successors for each Successor Pool under the officer's function.
- c. Provide written justification and feedback for its decision to support or decline its support for each nominee; justification should include specific and objective comments identifying the nominee's strengths and areas for development.
- d. Review all IDPs developed by potential successors by approving, declining, or recommending changes to their developmental objectives or activities.
- e. Meet biannually to review and monitor the developmental progress of each potential successor against the objectives set in the IDP.

- f. Make recommendations, when necessary, to the officer for removal of a potential successor from Successor Pools under the officer's function.

Executive Manager

The executive manager must:

- a. Assess each nominee against the ECM.
- b. Indicate whether he or she supports or declines to support the nominee for each Successor Pool for which the nominee applied.
- c. Provide written, specific, and objective comments and feedback providing detail regarding his or her decision to support or decline to support each Successor Pool applied for by the nominee.
- d. After Successor Pools have been established, hold discussions with his or her nominees who applied for CSP to provide feedback regarding the status of the nominee's SPA.
- e. Assist potential successors to develop and maintain their IDPs.

Potential Successor

The potential successor must:

- a. Develop an IDP with his or her immediate executive manager.
- b. Obtain approval from the executive manager and the ERB on the developmental assignments and activities for his or her proposed IDP.
- c. Update the IDP to indicate progress made towards meeting the developmental objectives, including the completion or amendment of developmental activities and assignments identified in the IDP.
- d. Update and maintain his or her CSP profile on a regular basis.

Nominee

The nominee must submit an SPA during the CSP Open Season to be considered for identification as a potential successor. Incomplete applications will not be considered.

Eligibility Requirements

Nominee

Headquarters, Field, or Inspection Service employees at EAS level 22 and above, management pay band, technical pay band, attorney, and PCES levels are eligible to apply for a limited number of Successor Pools during the CSP Open Season. To be deemed eligible to apply for CSP, the employee's position of record (as specified on PS Form 50, Notification of Personnel Action) must meet these level requirements prior to the beginning of CSP Open Season:

- a. Current EAS employees who are or have been impacted by prior organizational change (transfer-of-function, Reductions-In-Force (RIF), or RIF avoidance), and therefore have saved grade status

may be eligible to apply for CSP only if their saved grade status meets the level requirements stipulated above.

- b. Eligible employees covered under the Uniformed Services Employment and Reemployment Rights Act (USERRA) returning to employment following an absence due to active duty military service of more than 30 days may complete SPAs outside of the periodic CSP Open Season cycle.

Participation in Multiple Programs

Employees are limited to participation in only one talent management program at any one time (i.e., Corporate Succession Planning or EAS Leadership Development). The system will retain the employee in the program using the highest-level competency model and will notify the employee when he or she has been dropped from other programs.

Successful Potential Successors

In order to better assess and manage organizational talent, potential successors promoted or reassigned to their current Successor Pools will be dropped from the pool they have succeeded into, if applicable.

Executive Manager

An executive manager must hold a PCES position in order to review and evaluate a nominee's application. If an employee's immediate PCES manager is detailed into the PCES position, then the next higher-level PCES manager reviews the nominee's application for one or more Successor Pools in consultation with the employee's previous PCES manager. Employees who are saved-grade PCES may not act in the capacity of either executive manager or ERB member during any step in the CSP process since they do not hold an active PCES position.

Successor Pool Modifications

On an exception basis, officers have the authority to nominate high-potential employees throughout the CSP cycle, provided these employees meet basic eligibility requirements. An officer may only nominate high potential employees for Successor Pools within his or her functional area. An officer will submit the name of the nominated employee to his or her ECM for consideration. If the Executive Committee member concurs, the employee's name will be submitted to the Vice President, ED&D, for final approval. The employee, if approved for inclusion in a CSP Successor Pool, must enter his or her basic information into the CSP program. Only an officer may recommend additions to the Successor Pools under his or her function at any time during the CSP cycle. Once the potential successor is added to a Successor Pool, he or she meets with his or her executive manager to develop an IDP following the same procedures as other potential successors.

An officer may request that a potential successor be dropped from a Successor Pool at any time throughout the CSP cycle. To drop a potential successor from a Successor Pool, an officer submits to his or her Executive Committee member a formal "Drop Request" memorandum indicating that the officer wishes to drop an individual

from a Successor Pool. If the Executive Committee member and the Vice President, ED&D, concur, the requesting officer must notify the potential successor in writing that his or her name has been dropped from the Successor Pool and provide written justification and feedback for the decision. Justification should include specific and objective comments identifying the employee's areas for development. Additionally, the officer requesting the drop shall hold a discussion with the potential successor being dropped to provide feedback regarding the reason for the drop. There is no appeal process within CSP for employees to challenge the decision of an officer or an Executive Committee member.

Individual Development Planning

The IDP is a crucial component of the CSP process. Developmental activities and assignments for potential successors should be determined by the PCES manager and potential successor using the results of competency assessments and feedback from ERBs and officers.

Current business conditions need to be taken into consideration when determining appropriate developmental activities for a potential successor. The scope of developmental activities, which may be subject to ongoing budgetary constraints, should reflect a 2-year developmental cycle based on the date the potential successor was added.

The potential successor is responsible for recording any progress in achieving the developmental activities and assignments and amending the IDP, which is subject to approval by his or her executive manager and the ERB. A potential successor may be dropped from the CSP program for failure to complete and maintain an IDP or for failing to satisfactorily complete developmental assignments or activities. There is no appeal process within CSP for employees to challenge the decision to drop a potential successor from the CSP program for failure to complete and maintain an IDP.

Filling PCES Vacancies

Vacancies for PCES-1 positions may be filled by one of the following methods:

- a. Reassignment of an existing PCES executive.
- b. Selection based on the Corporate Succession Plan.
- c. Selection of an employee (EAS-22 or above) outside the Corporate Succession Plan with concurrence of an Executive Committee member.
- d. Recruitment of an outside hire.

Eligible EAS employees may be added to one or more CSP Successor Pools outside of the regular CSP Open Season with the concurrence of an Executive Committee member; however, these candidates may not be selected to fill a PCES vacancy associated with these Successor Pools for a period of 90 days.

Appendix B

Schedule of Medical Examinations and Procedures for PCES Employees

Examination Content	Exam Procedure is Performed at Age...																				
	32	35 ¹	38	41	44	46	48	50	52	54	55	56	57	58	59	60	61	62	63	64	65+
Review Health History	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Complete Medical Examination	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Eye Tests: Near, Distant, Color		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Tonometry or Glaucoma								X	X	X		X		X		X		X		X	X
Electrocardiogram, Resting	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Exercise Treadmill Cardiac Stress Test		X	X	X	X	X	X	X	X	X		X		X		X		X		X	X
Complete Blood Count Including Different (WBC)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Blood Chemistries with Lipid Profile	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Routine Urinalysis	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Hemoccult	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
X-Ray: Heart and Lungs		X	X	X	X		X		X			X				X				X	X
Hearing (Audiogram)		X	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X
Flexible Sigmoidoscopy								X	X	X			X			X			X		X
PSA (Males)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Papanicolaou (PAP) Test (Females)		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Breast Physical Examination (Females)		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Mammogram (Females) ²				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Pelvic Examination (Females)		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Tetanus Booster ³	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

1 The requirements in the age 35 column are also the requirements for the initial examination for an employee's entrance into the PCES Program.

2 Baseline at age 40 or younger for high-risk individuals.

3 Every 10 years from previous inoculation. If executive cannot recall date of previous inoculation, then a Tetanus booster is given.

Appendix C

Compensation Policies and Benefits Applicable to Involuntary Assignments to Non-PCES Positions Due to Organizational Change

The pay and benefits listed in this appendix are exceptions to the provisions of this handbook; they apply **only** to PCES employees who are involuntarily assigned to non-PCES positions due to transfer of function, or reduction in force, or other similar events motivated by organizational changes that affect departments or groups of individuals. These provisions do not apply to voluntary or involuntary assignments made for individual disciplinary or performance-based reasons.

Pay	
Salary	Employees will receive saved grade for 2 years from the PS Form 50, <i>Notification of Personnel Action</i> , effective date. At the end of the 2-year period, if the employee's salary is within the salary range for the lower grade, the salary is continued. However, if the employee's salary exceeds the maximum of the new grade at the end of the 2-year period, the salary is immediately reduced to the grade maximum.
Merit	The PCES PFP program applies for 2 years (104 weeks) from the PS Form 50 effective date; then the EAS merit program applies.

Benefits	
Health Insurance	The Postal Service pays its share of health insurance premiums based on the rates for PCES employees for 2 years (104 weeks) from the PS Form 50 effective date. This means that beginning in 2012, the employee will begin paying a share of the health insurance premiums since this applies to PCES employees. After 2 years, the employee pays the employee share of health insurance premiums based on the position of record. The employee has two open season opportunities to change plans before the PCES benefit ceases.
Life Insurance Premiums	<ul style="list-style-type: none"> ■ The Postal Service pays the full cost of premiums for Option A (Standard) life insurance (additional \$10,000) for 2 years (104 weeks) from the PS Form 50 effective date. Then the employee will be responsible for paying premiums for Option A (Standard) life insurance unless he or she cancels coverage. ■ There is no change to Option B (Additional) and Option C (Family) insurance, which the employee pays in full. There is no change to Basic, which the Postal Service pays in full for non-law enforcement career employees.

Annual Leave Carryover Maximum	<ul style="list-style-type: none"> ■ Earned annual leave balance is allowed to accumulate for 2 years (104 weeks) from the PS Form 50 effective date under PCES guidelines. At the end of the leave year during which the 2-year (104-week) period ends, the earned unused annual leave balance (if above the EAS carryover maximum) will become the employee's individual carryover maximum. ■ For subsequent leave years, if the number of hours of annual leave carried over into a future leave year falls below the individual carryover maximum, the then-current annual leave balance becomes the new individual carryover maximum. If the number of hours of annual leave carried over into a future leave year falls to or below the standard EAS carryover maximum, then the standard EAS policy applies from that point forward, and the individual carryover maximum is no longer in effect.
Annual Leave Earnings	<ul style="list-style-type: none"> ■ Eligible to earn 8 hours of annual leave per pay period (up to 208 hours per year) for 2 years (104 weeks) from the PS Form 50 effective date. During this period, must use 80 hours of annual leave each year if balance exceeds EAS carryover maximum. ■ Two years (104 weeks) from the PS Form 50 effective date, eligible to earn annual leave based on the employee's creditable years of service (ELM 512). Must exchange (per leave exchange rules), use, or lose any annual leave earned each year in excess of the individual's carryover maximum or the EAS carryover maximum, whichever is higher.
Annual Leave Exchange Program	Eligible to exchange leave under the PCES leave exchange program guidelines for 2 years (104 weeks) from the PS Form 50 effective date. Thereafter, EAS leave exchange program guidelines apply.
Physical Exams	Employee is eligible for physical examinations under the PCES Physical Examination Program for 2 years (104 weeks) from the PS Form 50 effective date.
Survivor Payments	If an employee dies within 2 years (104 weeks) of the PS Form 50 effective date, survivors receive the difference between full pay and normal survivor benefits for 26 pay periods (death in service).
Relocation	<ul style="list-style-type: none"> ■ Employee retains PCES relocation benefits for any relocation within 2 years (104 weeks) from the PS Form 50 effective date, subject to all of the eligibility and other requirements of the relocation policy in effect at the time of the move. ■ Employee retains eligibility for the final PCES retirement move at the time of his or her retirement, subject to all of the eligibility and other requirements of the relocation policy in effect at the time of retirement or initiation of the final move, whichever is later.

Note: The PS Form 50 effective date is found in Block 01 of the form.