§ 801.6

For purposes of the limitation contained in this paragraph (e), evaluate includes any process used to appraise or measure an employee's performance for purposes of providing the following:

(A) Any required or requested performance rating.

(B) A recommendation for an award covered by Chapter 45 of Title 5; 5 U.S.C. 5384; or section 1201(a) of the Act.

(C) An assessment of an employee’s qualifications for promotion, reassignment, or other change in duties.

(D) An assessment of an employee’s eligibility for incentives, allowances, or bonuses.

(E) Ranking of employees for release/recall and reductions in force.

(2) Employees who are responsible for exercising judgment with respect to tax enforcement results in cases concerning one or more taxpayers may be evaluated on work done on such cases only in the context of their critical elements and standards.

(3) Performance measures based in whole or in part on quantity measures (as described in § 801.6) will not be used to evaluate the performance of any non-supervisory employee who is responsible for exercising judgment with respect to tax enforcement results (as described in § 801.6).


§ 801.5 Employee satisfaction measures.

The employee satisfaction numerical ratings to be given operating units within the IRS will be determined on the basis of information gathered through various methods. For example, questionnaires, surveys, and other information gathering mechanisms may be employed to gather data regarding employee satisfaction. The information gathered will be used to measure, among other factors bearing upon employee satisfaction, the quality of supervision and the adequacy of training and support services. All employees of an operating unit will have an opportunity to provide information regarding employee satisfaction within the operating unit under conditions that guarantee them anonymity.


§ 801.6 Business results measures.

(a) In general. The business results measures will consist of numerical scores determined under the quality measures and the quantity measures described elsewhere in this section.

(b) Quality measures. Quality measures will be determined on the basis of a review by a specially dedicated staff within the IRS of a statistically valid sample of work items handled by certain functions or organizational units determined by the Commissioner or his delegate such as the following:

(1) Examination and collection units and Automated Collection System Units (ACS). The quality review of the handling of cases involving particular taxpayers will focus on such factors as whether IRS personnel devoted an appropriate amount of time to a matter,
properly analyzed the facts, and com-
plied with statutory, regulatory, and
IRS procedures, including timeliness,
adequacy of notifications, and required
contacts with taxpayers.

(2) Toll-free telephone sites. The qual-
ity review of telephone services will
focus on such factors as whether IRS
personnel provided accurate tax law
and account information.

(3) Other work units. The quality re-
view of other work units will be deter-
mained according to criteria prescribed
by the Commissioner or his delegate.

(c) Quantity measures. Quantity mea-
ures will consist of outcome-neutral
production and resource data that does
not contain information regarding the
tax enforcement result reached in any
case that involves particular tax-
payers. Examples of quantity measures
include, but are not limited to—
(1) Cases started;
(2) Cases closed;
(3) Work items completed;
(4) Customer education, assistance,
and outreach efforts completed;
(5) Time per case;
(6) Direct examination time/out of of-
fice time;
(7) Cycle time;
(8) Number or percentage of overage
cases;
(9) Inventory information;
(10) Toll-free level of access; and
(11) Talk time.

(d) Definitions—(1) Tax enforcement re-
sults. A tax enforcement result is the
outcome produced by an IRS employ-
nee’s exercise of judgment in recom-
mending or determining whether or
how the IRS should pursue enforce-
ment of the tax laws. Examples of tax
enforcement results include a lien
filed, a levy served, a seizure executed,
the amount assessed, the amount col-
lected, and a fraud referral. Examples
of data that are not tax enforcement
results include a quantity measure and
data derived from a quality review or
from a review of an employee’s or a
work unit’s work on a case, such as the
number or percentage of cases in which
correct examination adjustments were
proposed or appropriate lien deter-
minations were made.

(2) Records of tax enforcement results. Records of tax enforcement results are
information or other numerical or quan-
titative recordings of the tax en-
forcement results reached in one or
more cases. Such records may be used
for purposes such as forecasting, finan-
cial planning, resource management,
and the formulation of case selection
criteria. Records of tax enforcement
results may be used to develop meth-
odologies and algorithms for use in
selecting tax returns to audit. Records of
tax enforcement results do not include
tax enforcement results of individual
cases when used to determine whether
an employee exercised appropriate
judgment in pursuing enforcement of
the tax laws based upon a review of the
employee’s work on that individual
case.

§ 801.7 Examples.

(a) The rules of § 801.3 are illustrated
by the following examples:

Example 1. (i) Each year Division A’s Exa-
namination and Collection functions develop de-
tailed workplans that set goals for specific
activities (e.g., number of audits or accounts
closed) and for other quantity measures such
as cases started, cycle time, overage cases,
and direct examination time. These quantity
measure goals are developed nationally and
by Area Office based on budget allocations,
available resources, historical experience,
and planned improvements. These plans also
include information on measures of quality,
customer satisfaction, and employee satis-
faction. Results are updated monthly to re-

clude the Territory level. Head-
quarters management expects the Area Di-
rectors to use the information in the Area
plans to guide the activity in their Territ-
ories. For 2005, Area Office 1’s workplan has
a goal to close 1,000 examinations of small
business corporations and 120,000 taxpayer
delinquent accounts (TDAs), and there are 10
Exam Territories and 12 Collection Terri-
itories in Area Office 1. While taking into ac-
count the mix and priority of workload, and
available staffing and grade levels, the Ex-
namination Area Director communicates to the
Territory Managers the expectation that,
on average, each Territory should plan
to close about 100 cases. The Collection Area
Director similarly communicates to each
Territory the expectation that, on average,