

## **Performance Awards and Quality Step Increases – What are they and how are they different?**

Did you know there are several types of awards that Federal civil service employees may receive? They are:

- Lump-sum cash awards (i.e., Performance and Superior Accomplishment Awards)
- Quality Step Increase (QSI)
- Time-Off Award (TOA)
- Informal recognition and Honorary awards

It is important to understand when and how to use these awards appropriately. In addition, awards are not an “entitlement” like other benefits Federal Government employees receive, such as health benefits, insurance programs, and federal leave programs.

Awards are granted by managers and supervisors to reward an employee’s high-level of performance and behaviors that are most conducive to the Center achieving its values, goals and mission. When we refer to employees in this article, we mean General Schedule employees, not SES employees.

This article takes a look at performance-based cash and Quality Step Increase awards. Articles 2 and 3 posted on the OHCM Awards Web site (<http://ohcm.larc.nasa.gov/benefits/awards/>) address Superior Accomplishment Awards, Time-Off Awards, and Honorary and Informal Recognition awards.

### **Performance-Based Cash Awards**

A performance-based cash award recognizes an employee’s performance over an entire performance rating period which currently runs from May 1 to April 30. Our performance award program is designed to make meaningful distinctions based on levels of performance to ensure employees with higher ratings of record receive larger cash awards. Under our five-level rating system, employees who receive a rating of Fully Successful, Accomplished or Distinguished are eligible to receive a performance-based cash award.

### **How are performance awards calculated?**

Performance award amounts are based on a range of percentage of salary. These percent ranges are established by the Center for each appraisal cycle. The percent ranges for FY 2010 were:

<u>Rating of Record</u>	<u>Award Range</u>
Fully Successful:	0 - .5%
Accomplished:	.6 – 1.5
Distinguished:	1.6 – 3%

If an employee receives a “Distinguished” rating, then the cash award could fall within the 1.6 to 3 percent range of salary. We qualify this statement with “could” because there are some instances that may call for deviating from the established percent ranges. For instance, if an employee is promoted during the appraisal period and the promotion results in an increase in pay, the employee may receive a lesser award than the percentage range for the assigned performance summary rating level.

(NOTE: For more information about performance element rating levels and performance summary rating levels refer to the NPR 3430.1C, Employee Performance Communication System, paragraph 5.4, Performance Assessing.)

### **Quality Step Increase (QSI)**

A QSI is a faster-than-normal within-grade increase used to reward employees in the General Schedule (GS) system for consistent, significantly exceptional performance. What is really great about a QSI, is that it is given, in addition to, an employee’s regular within-grade Increase.

QSIs are limited in number at the Center because it is the highest monetary award based on performance that may be granted to an employee and it is a *permanent* increase to an employee's rate of basic pay (for example, if you are currently a GS-13, step 3, a QSI would move you to the next step (step 4) in the federal graded system).

To be eligible for a QSI, employees must:

- be no higher than step 9 of the grade;
- have demonstrated sustained performance of high quality and have received the highest rating available under the Agency’s performance appraisal system (i.e., Distinguished); and,
- have not received a QSI within the preceding 52 consecutive calendar weeks.

Remember awards are not an employee entitlement. You may meet the eligibility requirements for a performance award or QSI. However, that does not mean that you will automatically receive an award.

### **How Can Employees Be Involved in the Awards Process?**

It is important for employees to provide an accurate assessment of what they have accomplished during their performance cycle to their supervisors. The individual assessment should document the actual results achieved toward each Element in the performance plan. Providing an individual assessment along with samples of actual work or feedback received from customers is most helpful in reminding the supervisor of all the successful activities that you were a part of during the performance cycle. Your supervisor may not remember everything that each employee has accomplished during the entire 12 month cycle. It is a good idea to create a folder for setting aside examples of work products or customer feedback correspondence received

during the performance cycle. This will make it easier to compile achievements at the end of the cycle and prepare for the performance discussion with your supervisor.

To find out more information about awards, you may contact the Awards Office in the Office of Human Capital Management (OHCM) at extension 43194, refer to the Questions and Answers below, and go to the following NASA and LaRC Awards Policy documents and websites:

- NPR 3451.1B, NASA Awards and Recognition Program Requirements;
- LPR 3451.1 Incentive Awards and Recognition Program;
- NPR 3430.1C, Employee Performance Communication System
- Center's OHCM Web site at: <http://ohcm.larc.nasa.gov/benefits/awards/>
- Agency's NASA People Web site at:  
[http://nasapeople.nasa.gov/awards/external\\_awards.htm](http://nasapeople.nasa.gov/awards/external_awards.htm)
- Human Resources Portal at:  
[https://hr.nasa.gov/portal/server.pt/community/policies\\_and\\_programs/233/awards/129907](https://hr.nasa.gov/portal/server.pt/community/policies_and_programs/233/awards/129907)

### **FAQ's on Performance, Quality Step Increase, and other awards:**

#### ***What does "meaningful distinctions based on levels of performance" mean?***

When employees with higher performance summary ratings (i.e., Rating of Records) receive larger rating-based cash awards than those with lower ratings, the Center is making meaningful distinctions based on levels of performance.

#### ***Who is eligible to receive a performance award?***

Any General Schedule employee who receives a performance summary rating of Distinguished, Accomplished, or Fully Successful is *eligible* for an annual monetary performance award based on the rating. There is a separate statutory and regulatory authority for granting performance awards to SES employees.

#### ***Is everyone who receives a performance summary rating of Distinguished, Accomplished, or Fully Successful entitled to a performance award?***

No; there is no entitlement to a performance award.

#### ***Is an employee who receives a Needs Improvement or Unacceptable performance summary rating eligible to receive a performance award?***

No; an employee who receives a performance summary rating below Fully Successful (i.e., Needs Improvement or Unacceptable) is not eligible to receive a monetary award or nonmonetary recognition based on his/her performance.

***How long must an employee be under a performance plan before he/she can receive a Rating of Record and be eligible for a performance award?***

An employee must be under a performance plan for a minimum of 90 days before he/she can be given a Rating of Record. In addition, based on the Rating of Record, the employee may be eligible for a performance award. However, to ensure fairness, the amount of the award established by the Center for the performance summary rating the employee receives should be pro-rated for the amount of time under the performance plan.

***Does the value of a time-off award have to be taken into consideration when determining the amount of a cash award based on a percentage of salary established as a Center's guideline for a particular performance summary rating?***

Yes, since a time-off award is time off without charge to leave, the value of a time-off award must be calculated and included in the percentage of salary because there is a cost to the Agency as pay for time not worked.

***If a monetary performance award (lump-sum cash award) is based on a percentage of salary, is the award amount based on base pay or locality pay?***

When computing a performance-based cash award as a percentage of salary, it is based on locality pay.

***What justification is required to support a recommendation for a performance award?***

The narrative summary for the performance appraisal is justification for all performance awards, including a QSI. However, the summary must clearly and completely justify the rationale for the performance summary rating level assigned and the performance award being recommended.

***Should other factors, such as other cash or time-off awards, promotion, etc., be considered when determining the amount of a rating-based performance award?***

Yes, a manager/supervisor should consider other recognition given throughout the appraisal period and consider the value of such when determining the amount of a performance award relative to the Center's guideline (range of percentage of salary) established for the employee's Rating of Record. If an employee is promoted during the appraisal period and the promotion results in an increase in pay, the employee may receive a lesser award than the percentage range for the assigned performance summary rating level.

***Why should other factors, such as other cash or time-off awards, promotion, etc., be considered when determining the amount of a rating-based performance award?***

Presumably, other cash/time-off awards or a promotion were given in recognition of an employee's performance which was considered and attributed to the determination of the employee's performance summary rating.

***Can an employee receive both a performance-based award and an award for a specific contribution (superior accomplishment award) in the same year?***

Yes, in some circumstances, an employee may receive both an award based on a rating of record and an award based on a specific contribution in a single year.

Consideration must be given as to whether the accomplishment being recognized with a superior accomplishment award is also part of the employee's performance plan. When the accomplishment is not included in the performance plan (e.g., an employee's contribution to a special project is not related to his/her expected performance), then it would need to be determined whether the accomplishment, on its own merits, deserves recognition without regard to whether a performance-based award will be granted to the employee.

When the accomplishment is included in, or related to, the employee's performance plan, it generally is more appropriate to grant a performance-based award, which recognizes the employee's overall performance. However, it is important to consider the extent of the accomplishment's value to the organization to determine whether further recognition is appropriate. In very rare circumstances when the value of the accomplishment to the organization is so high that the performance-based award alone would not fully recognize it, both a performance award and a superior accomplishment award may be warranted.

In all cases, the most important factor in deciding whether to grant multiple awards is that the total value of the awards must be commensurate with the value to the organization of the accomplishment being recognized.

### ***How does a Quality Step Increase (QSI) affect a within-grade increase (WIG)?***

QSIs are given in addition to regular within-grade increases and do not affect the timing of an employee's next regular within-grade increase, unless the QSI places the employee in a step 4 or step 7 of the grade. In these cases, because the employee is entering a new waiting period, the waiting periods are extended an additional 52 weeks (waiting periods are 52 weeks for steps 1-3, 104 weeks for steps 4-6, and 156 weeks for steps 7-9). The time an employee has already waited counts towards the next increase, but they must wait the full period that the new step requires.

### ***Who is eligible for a QSI***

Only those General Schedule employees who receive a performance summary rating of Distinguished is *eligible* for a QSI.

### ***Why is a Quality Step Increase (QSI) considered the highest monetary award?***

A Quality Step Increase (QSI) is an accelerated within-grade increase. It is considered the highest monetary award because it is a *permanent* increase to an employee's rate of basic pay and an increase to retirement and Thrift Savings Plan contributions as well. In addition, a QSI must become effective within 120 calendar days following the end of the appraisal period.

***Can an employee receive a QSI and a monetary and/or time-off award?***

No. An employee may receive either a QSI or a lump-sum cash award and/or time-off award during a performance year.

***What justification is needed to support a QSI?***

As is in the case of annual performance awards, the narrative summary for the appraisal is the required justification. The summary must clearly and completely justify the rationale for the Distinguished performance rating level assigned.