



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

OCT 11 2006



PERSONNEL BULLETIN NO. 06-12

SUBJECT: Departmental Policy on Performance Awards

1. This Bulletin establishes the Department of the Interior (DOI)'s policy on performance awards.
2. **Authorities.** Title 5 of the United States Code of Federal Regulations (CFR), Part 430, and 5 U.S.C 4505a.
3. **General.** The Department's 5 level performance management system for general workforce employees became effective on October 4, 2004. Under this performance system, the year-end performance rating is used as a basis for appropriate personnel actions, including rewarding noteworthy performance.
4. **Definitions.**
 - a. **Performance-based Cash Awards.** Performance-based Cash Awards are given to employees who are rated at Level 4 (Superior) or Level 5 (Exceptional). A cash award may be a specific dollar amount or a percentage of the employee's pay. Based on 5 CFR 451.104(g), when awards are computed as a percentage of an employee's rate of base pay, the rate of base pay must include locality payments under 5 U.S.C. 5304, special rate supplements under 5 U.S.C. 5305 and/or other similar payments. Such awards are recommended by the immediate supervisor or rating official, and are approved under appropriate bureau delegations.
 - b. **Quality Step Increase.** A Quality Step Increase (QSI) is a pay increase that provides faster than normal progression within grade steps for permanent General Schedule employees. A determination to grant a QSI should be made as soon as practicable after a rating of record is approved. The employee's current rating of record is the basis for a QSI. To be eligible, the employee must achieve an overall rating of Exceptional (level 5) on their Employee Performance Appraisal Plan and display exceptional performance that is expected to continue. A brief specific example of how expectations were exceeded for each element must be provided in the justification. Only one QSI may be granted in a 52-week period. QSIs are recommended by the immediate supervisor or rating official, and are approved under appropriate bureau delegations.
5. **Policy.** Although under 370 DM 430, an employee must be rated at Superior (Level 4) or Exceptional (Level 5) to be eligible for a performance-based award, an employee rated Exceptional (Level 5) must be considered for an award. There may be circumstances when awards cannot be given. However, in accordance with 5 C.F.R.

451.104 (g), performance-based cash awards must make a meaningful distinction based on levels of performance. In other words, an employee who receives an award based on a performance rating of level 5 must receive a larger cash award, in terms of percentage of base pay, than an employee who received a rating of level 4. Managers/Supervisors have the flexibility to recognize employees using any of the award recognitions outlined below, or a combination thereof:

a. Exceptional (Level 5). Eligible for a Cash Award of up to 5 percent of base pay, a QSI, Time-Off Award or other appropriate equivalent recognition. Additionally, may be eligible for a salary increase of up to 5 percent from the Human Capital Performance Fund if OPM approves the fund for use by Federal agencies.

b. Superior (Level 4). Eligible for a Cash Award of up to 3 percent of base pay, Time-Off Award, or other appropriate equivalent recognition.

c. Fully Successful (Level 3). Not eligible for any performance-based award.

6. Processing of Awards. The revised awards form, DI-451, is attached to this bulletin for your use.

a. Processing Timelines. For employees whose performance appraisal cycle ends on September 30, all awards must be input into FPPS no later than November 30. Ratings must be input PRIOR TO input of the award into the system.

b. Processing Codes. All performance-based cash awards must be input using Nature of Action Code 840-A2. Performance-based time off awards must be input using Nature of Action Code 846-A2. See Attachment for processing screens.

c. Delayed Processing of QSIs. In situations where an employee is awarded a QSI and that employee's regular Within-Grade Increase (WIGI) is due between October 1 and December 31, the QSI can be delayed to allow for processing the WIGI prior to processing the QSI. However, in no case can the QSI be delayed past December 31.

7. Delegation of Authority. Bureaus are authorized to establish nomination process and approval authorities for implementing this policy.

8. Point of Contact. The Departmental point of contact on this policy is Joy Buhler, (202) 219-0811, or by e-mail at Joy_Buhler@ios.doi.gov.



Marilia A. Matos
Director, Office of Human Resources