

Linking Performance to Pay & Reward

We have discussed the performance appraisal process including the types of appraisals, how they are completed, and the impact on pay in the form of Within Grade Increases, Reduction in Force, and Merit Promotion Consideration. Now we will discuss one of the real benefits of acceptable performance: Performance Awards or Recognition.

Employees can benefit from “Acceptable” ratings by receiving:

- Bonus (Lump Sum Award)
- Quality Step Increase (QSI)
- Time Off Awards
- Incentive Awards
- Within-Grade Increase (WGI)
- Service Credit for Reduction in Force (RIF)
- Promotion Consideration

A performance award is an approved percentage of an employee's salary that is paid as a lump sum cash amount and it may include time off and it is a result of employee's annual performance appraisal.

There is no longer a minimum amount that may be approved. However, the amounts that can be approved locally are limited to not more than 10% without Secretary of the AF approval and not more than \$10,000 without OPM approval.

The award with the greater form of recognition is the Quality Step Increase (QSI) which conditions are more stringent and impact on pay is greater.

Quality Step Increases (QSI).

An employee who receives a QSI must display the highest quality performance, significantly above that ordinarily found in the type of position to which the employee is assigned. The award justification will describe specific accomplishments that demonstrate sustained exemplary performance, well above normal expectations. The employee must have a current rating of record at the highest level (“Acceptable”) at the time the QSI is made effective.

- Recommendations for QSIs must be accomplished in conjunction with the annual performance rating. Charge a minimum of 3 percent of the employee's salary against the awards budget for each QSI.
- Employees may receive only one QSI at the same grade level in a three-year period, unless an exception is approved at MAJCOM or equivalent level. In any case, a QSI may not be granted to an employee who has received a QSI in the previous 52-week period.

- A QSI and performance cash award are not approved for the same period of performance. The QSI should be made effective as soon as practicable after it is approved and the employee meets all eligibility requirements. The effective date may be delayed only to give a greater advantage to the recipient, e.g., to allow a regular step increase to step 7 to be processed first. However, the delay should not exceed four pay periods.
- AF Form 2857, **Quality Step Increase**, is available for optional preparation and presentation by the presenting organization.

QSI Eligibility

It is only for GS employees who have an Acceptable rating. Employee must display the highest quality of performance, significantly above that ordinarily found in the type of position to which employee is assigned. It is limited to GS employees because there are more steps to advance through, compared to the Federal Wage System (FWS) pay systems.

The QSI does not affect the waiting period for the next step, except if an employee is at Step 6 before receiving the QSI.

- Examples:
- a. One employee has 9 months at Step 4 of GS-07 when she received a QSI moving her to Step 5. When she reaches her anniversary date in 1 year and 3 months, she will be eligible to receive Step 6.
 - b. Another employee has 9 months at Step 5, and he received a QSI to Step 6. When he reaches his anniversary date in 1 year and 3 months, he will be eligible for Step 7, rather than 2 full years.
 - c. Another employee has been at Step 6 for 9 months and receives a QSI moving her to Step 7. The employee now has 2 years and 3 months to wait to be eligible for Step 8, rather than 3 full years.

Repetitive QSIs should be avoided unless it can be documented with specific, evidence of increased quality of performance significantly over and beyond that which the previous increase was granted.

Within-Grade Increases (WGI). An employee automatically receives a WGI who:

- Completes the required waiting period.
- Did not receive an equivalent pay increase during the period.
- Demonstrates overall acceptable performance.

A GS employee who completes the waiting period but is in a duty status for fewer than 60 calendar days during the final 52 calendar weeks of the waiting period due to absences considered creditable service, such as paid leave or service credit under the back pay provisions of 5 CFR Part 550, receives a WGI without demonstrating acceptable performance.

An FWS employee in a duty status for fewer than 30 calendar days during the 26-calendar weeks waiting period receives a WGI in the same manner as a GS employee.

Granting WGI. Employees meeting service requirements automatically receive the WGI when their last assigned rating was Acceptable. If performance declines to unacceptable on any critical element(s), see instructions below on withholding the WGI.

To grant a WGI any time following denial or when an employee's performance improves from unacceptable to acceptable, complete the appraisal form (indicating an Acceptable rating) and submit it to the CPF no later than 14 calendar days before the WGI due date.

When an employee transfers to an Air Force activity, the AFPC/CPF tries to obtain ratings from the losing activity/agency. If those ratings do not arrive in sufficient time to ensure the timely receipt of a WGI, the CPF may contact the gaining supervisor to obtain and input an Acceptable rating to ensure that the WGI will not be delayed if deserved.

Postponing WGI. Postpone giving the WGI to a GS or FWS employee when either condition below exists.

- The employee's performance is unacceptable and you have not given the employee a performance plan or explained the specific requirements for acceptable performance at least 30 calendar days before the end of the waiting period. Notify the CPS that you intend to postpone granting a WGI.
- The employee was reassigned or demoted due to unacceptable performance and is eligible within 60 calendar days for a WGI. The CPS notifies the supervisor of the increase due date and the requirement to postpone.

Commanders should establish a quality control process to ensure accurate completion of the appraisal process. A quality control review of performance plans is accomplished at the beginning of the appraisal when the rating and reviewing official certify the performance plan.

Another review may be done when the rating is rendered and may include a review of the performance plan as well as the overall rating. With the use of more and more standardized core personnel documents and the decrease in the justification required; this review will probably focus more on the justification of an award to assure employees are treated equitably.

Reduction in Force and Merit Promotion Consideration

The present climate of downsizing/rightsizing, Competitive Sourcing & Privatization and reorganization has made RIF our almost constant companion in the CPS. In our previous system, one of the most important performance linkages was RIF service credit earned by the assigned performance ratings with fully successful, excellent, and superior ratings earning 12, 16, and 20 years respectively added to for RIF service credit. Now, everyone with acceptable performance receives 20 years for RIF service credit.

After the supervisor has assigned the rating, the job is not yet finished. If the employee's performance has been above the standards, then an award should be considered. If the employee's performance has been below standards, then remedial action is required.

We'll discuss remedial actions later. Right now, let's look at some of the ways we can recognize our better performers.

Please look at Chapter 2, [AFI 36-1004](#). This is the cash award policy for Air Force employees.

Some incentive awards are Notable Achievement Award (monetary), Special Act or Service Award (SASA) (monetary), Letter of Commendation, and Letter of Appreciation (non-monetary). The Special Act or Service Awards are given only for non-recurring employee or group contributions that are highly exceptional and unusually outstanding and in an area beyond normal job responsibilities and performance standards.

Performance awards and incentive awards are different. Performance awards are awards based on the employee's rating of record. Incentive awards are monetary or non-monetary awards for tangible or intangible savings and/or benefits to the government. Examples include superior contributions or accomplishments either within or outside the scope of the employee's job: suggestions, inventions, or special acts or services.

If this criterion sounds different than that for performance awards and QSI's, you're right. Incentive awards are specifically NOT to be used to recognize performance documented on the AF Form 860A. Written justification separate from the employee's performance plan is required.

The maximum amount one can receive for an SASA at the installation level is \$10,000 and the maximum amount one can receive for an SASA at the OPM level is \$25,000. For additional limits, please review Table 2.1.

We've barely scratched the surface on the recognition program. Money for all awards is paid from the Civ Pay line of your base's budget. Air Force recommends that approximately one percent of each base's Civ Pay line be set aside for awards programs. Awards policies and processing procedures vary from base to base; inquire further into how things are done at your base. Since the approval of cash awards is a pay voucher, supporting documentation should be closely screened.