

## 470 Incentive Awards

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**Reference Note:**

For nonbargaining unit employees, 471.3, 473, 474, 475, and 476 are superseded by the recognition award policies issued by Vice President, Human Resources, Memorandum of March 19, 1998. All other sections of 470 are applicable to both nonbargaining unit and bargaining unit employees.

### 471 Overview

#### 471.1 Policy

Recognition and rewards are given to individuals for outstanding achievements, superior competence, or other personal efforts that improve USPS effectiveness. Similar recognition is granted for special acts or services in the public interest related to USPS employment.

#### 471.2 Management

471.21 Postal managers use appropriate review and control procedures to identify individual performance, programs, or operational areas of superior work. Management must ensure that related actions, such as merit performance evaluations, are fully considered to maintain compatibility between awards and other relevant factors.

471.22 It is the responsibility of all levels of management to ensure that all employees are treated fairly and equitably. In this regard, vice presidents, district managers, senior and lead plant managers, and the Headquarters vice president of Human Resources must periodically audit the awards process.

#### 471.3 Awards

##### 471.31 Cash Amounts

A cash award is in addition to regular salary and is considered income under federal tax laws. Appropriate taxes and involuntary deductions including tax levies, garnishments, etc. are withheld from each award.

##### 471.32 Payment

Approved Forms 1727, *Award Recommendation/Authorization*, are forwarded to the Minneapolis Accounting Service Center for award checks for all awards except Quality Step Increases (QSI) and Certificates of Appreciation.

471.4

**471.4 Privacy Act Considerations**

- 471.41 Award records contain personal information; therefore, such records must be handled and disclosed only as stipulated in the Privacy Act and implementing instructions. (See *Administrative Support Manual* 353).
- 471.42 A record of cash awards received by employees is maintained in the privacy system (USPS 120.070, Personnel Records — General Personnel Folders — Official Personnel Folders and Records Related Thereto). Achievement Awards are maintained in USPS 120.100, Personnel Records — Performance Awards System Records.

**471.5 Presentation Ceremonies**

Whenever possible, installation heads should (a) coordinate publicity with public information personnel, and (b) provide an appropriate ceremony for each award in the presence of the employee's managers and co-workers.

**472 Certificate of Appreciation****472.1 Purpose**

This nonmonetary award provides postmasters and other installation heads with a way to recognize and commend postal employees or private citizens for their contributions to the improvement of the Postal Service.

**472.2 Description**

This award has Certificate of Appreciation printed on 8 1/2 x 11 parchment paper in black letters, with a Postal Service logo.

**472.3 Responsibility**

- 472.31 The manager of Corporate Personnel Operations administers the program for Headquarters and its administrative support facilities.
- 472.32 The district manager and senior or lead plant managers administer the program in their organization units.

**472.4 Approval Authority****472.41 Field**

Postmasters and installation heads may approve Certificates of Appreciation to suit local needs.

**472.42 Areas**

The area vice president or designee may approve awards recommended for all personnel on area office rolls and employees reporting directly to the area office.

**472.43 Headquarters and Related Units**

PCES executives may approve Certificates of Appreciation for employees who are under their functional jurisdiction.

472.5 **Administration**472.51 **Basis**

Certificates of Appreciation may be issued to employees for contributions which do not meet the standards or otherwise qualify for cash awards. They may also be issued to private citizens for noteworthy assistance to the Postal Service. Examples of such contributions are:

- a. Reflecting credit on the Postal Service through civic service and humanitarian endeavors.
- b. Participating significantly in Postal Service programs such as Savings Bonds, Combined Federal Campaign, blood donor, etc.
- c. Performing exceptionally in one or more important job projects.
- d. Meeting unusual demands on one's own initiative, along with regularly assigned duties, during unplanned absences of associates.
- e. Improving public relations or sustaining good public relations in unusual circumstances.
- f. Enabling the unit to meet unanticipated demands by performance of unusual duties for short periods.
- g. Demonstrating unusual courage or competence in an emergency.
- h. Improving service through actions that postal management feels are significant.

472.52 **Ordering Certificates**

Headquarters Human Resources is responsible for maintaining the stock of Certificates of Appreciation in the Materiel Distribution Centers. Certificates may be ordered by personnel offices under the following item number:

| Item No. | Description                 |
|----------|-----------------------------|
| 0-1100-F | Certificate of Appreciation |

472.53 **Presentation**

Certificates of Appreciation are presented by the immediate supervisor or higher official with appropriate ceremony and publicity in the presence of top officials and co-workers, preferably at the employee's worksite. A commendatory letter may accompany the Certificate of Appreciation at the discretion of the approving official.

473 **Special Achievement Award (SAA)**473.1 **Description**

The SAA consists of a citation certificate in a folder or frame and a one-time cash award of up to \$500 for bargaining unit employees.

473.2 **Eligibility**

All career bargaining unit employees are eligible to receive SSAs.

**473.3 Basis**

The basis for this award is an employee contribution (sustained performance, achievement, invention, special act, or service) that exceeds usual work requirements. Criteria:

- a. Exceed requirements in one or more important job elements for 12 months or more.
- b. Devise new or improved methods that save manpower, space, materials, equipment, or other cost items.
- c. Contribute to outstanding economy, efficiency, added income, or measurably improved service to the public.
- d. Break production records or inspire others to improve quantity and quality of work.
- e. Risk life or personal safety in an act of heroism.
- f. Overcome unusual difficulties or demonstrate exceptional safety performance.
- g. Maintain work schedule in absence of supervisor or meet unusual demands of higher level duties on one's own initiative.

**473.4 Procedures**

Recommendation for award originates with the immediate supervisor or person with knowledge of the employee or group contribution. The nominee is not advised of the recommendation. The recommendation is initiated promptly but no later than 1 year after the date of the achievement, act, or period covering the performance.

**473.5 Form 1727, Award Recommendation/Authorization**

Include on this form the following information:

- a. Basis for recommendation and specific examples.
- b. Dates of achievement, performance, act, or service.
- c. Performance expected in the position involved.
- d. Other evidence showing degree and extent of achievement.
- e. Estimate of yearly monetary benefits, if appropriate.

**473.6 Evaluation**

Management evaluates the recommendation, decides if an award is warranted, and approves the degree of recognition.

**473.7 Guidelines**

Review the employee's job description, assigned duties, performance requirements, and, when applicable, the Merit Performance Evaluation. Decide to what degree the contribution exceeds average requirements:

- a. Measure amount of savings or degree of improvement effected in relation to job responsibilities. (Savings alone cannot be used to

determine an award. Higher level employees are expected to effect more significant improvements and benefits than lower levels.)

- b. Decide the extent of contribution/benefits outside employee's immediate installation.
- c. Consider the degree of ingenuity, magnitude of accomplishment, and nonmonetary benefits. (See 473.3.)
- d. Forward recommendation through management channels to approving official.

#### 473.8 **Approval (Form 1727)**

##### 473.81 **Field**

473.811 Installation heads with fewer than 500 employees may approve awards up to \$250 for eligible employees under their jurisdiction, except that awards for employees reporting directly to them are approved by their immediate superiors.

473.812 Installation heads with more than 500 employees and inspectors-in-charge may approve awards up to \$500 for eligible employees under their jurisdiction.

473.813 District managers, senior plant managers, or their designees may approve awards up to the maximum for eligible employees under their jurisdiction.

##### 473.82 **Areas**

473.821 Immediate managers may approve awards up to \$250 and area vice presidents may approve awards up to the maximum for eligible area office employees.

473.822 Inspection Service Operations Support Group managers may approve awards up to the maximum for eligible Inspection Service employees under their jurisdiction.

##### 473.83 **Headquarters and Related Units**

Appropriate officers or their designees may approve awards up to the maximum for eligible Headquarters or related-unit employees.

##### 473.9 **Disapproval**

When the accomplishment fails to meet the outlined criteria, a brief written explanation is sent to the person who made the recommendation.

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

##### 474.1 **Description**

Recognizes sustained high quality performance. The total dollar benefit usually exceeds that of a one-time cash award and is granted only when the performance level is likely to continue.

474.2

**474.2 Eligibility**

All career bargaining unit employees are eligible to receive quality step increases. An employee cannot receive more than one QSI in any 52-week period.

**474.3 Basis**

High quality performance can be determined only after a thorough review of the position requirements, duties, and responsibilities. Consideration must be given to the quality and quantity of work, demonstrated professional and technical knowledge, manual skills, and other evidence of superior competence. Performance criteria:

- a. The most important function of the job is being performed in manner which substantially exceeds normal requirements.
- b. Another function of the job is being performed in a manner which is better than satisfactory.
- c. A specific job was sustained at a high level during the preceding year and gives promise of continuing.

**474.4 Comparisons****474.41 To Regular Within-Grade Increases**

- a. QSIs require exceptional authorization by management and are always in addition to regular within-grade increases. Any employee below the highest step of the position is advanced to the next higher step.
- b. Awarding a QSI may change the due date for advancement to the next higher step. When the number of weeks of service required for advancement from the new QSI step is less than the time already served in the lower step, the employee is given one additional step. A new anniversary date is established.

**474.42 To Special Achievement Awards**

- a. The standards for a QSI and an SAA are similar. Employee performance is evaluated according to the conditions required under both awards to see which is more appropriate. (See 473.3 and 474.3.)
- b. The primary difference is that the QSI is a continuing pay increase for continuing high performance; the SAA is a one-time cash award.
- c. The SAA may be preferable when (1) the employee is at the top of the grade, or (2) group recognition is desired.

**474.5 Procedures**

Normally, the employee's supervisor initiates the recommendation for QSI; however, such recommendations may be initiated by others with the supervisor's concurrence.

**474.6 Form 1727**

The official who is recommending the QSI Award initiates Form 1727 as follows:

- a. Specifies how the employee's performance in the most important functions of the job substantially exceed requirements. Cite specific accomplishments to illustrate.
- b. States whether the employee's performance in all other elements has been satisfactory.
- c. States whether, on the basis of past experience, the employee is likely to maintain a high level of competence.
- d. Forwards the form through channels to the approving official.

**474.7 Evaluation**

Evaluate recommendations by reviewing the employee's job description and performance criteria (474.3 and 474.4).

**474.8 Approval (Form 1727)****474.81 Field**

District managers, senior or lead plant managers, or their designees may approve QSIs for eligible employees under their jurisdiction.

**474.82 Headquarters and Related Units**

Appropriate officers or their designees may approve QSIs for eligible employees.

**474.9 Final Action**

When the approved Form 1727 is returned, the employee's personnel office completes Form 50, *Notification of Personnel Action*. The personnel action is effective the first day of the first pay period beginning on or after the approval date of Form 1727. File approved Form 1727 with the Official Personnel Folder copy of Form 50. (Authority: 39 U.S.C. 1003.)

**475 Meritorious Service Award (MSA)****475.1 Description**

The MSA consists of a citation certificate mounted on a wooden plaque and a one-time cash award of up to \$2,000 for bargaining unit employees. Arrangements for mounting are made at the district level for field employees. Arrangements at Headquarters are made by the manager of Corporate Personnel Operations.

**475.2 Eligibility**

All career bargaining unit employees.

475.3

**475.3 Basis****475.31 General**

This award is given for accomplishments which have significantly and measurably contributed to the improvement of the Postal Service. The accomplishment may not have the Servicewide effect or lasting importance of an achievement deserving of the Distinguished Service Award, but to a lesser degree has consequences which extend beyond the employee's own area of responsibility or substantially exceed the performance expected of an employee in that position.

**475.32 Other**

475.321 As examples, this award may be given for an innovation in a policy, procedure, program, method, or system which results in improved service to postal customers. The award may also be given to employees who are members of a group or task force which made a significant contribution to the Service.

475.322 Individual work performance is also an important factor. Note the following:

- a. For sustained superior performance, "outstanding" ratings are not required, but a recent series of high ratings may be considered evidence of sustained superior performance.
- b. The superior level of performance must be sustained over a substantial period of time (at least 3 fiscal years) and must include all the essential elements of the employee's responsibilities.
- c. The performance must be superior in comparison to that of the employee's peers, and the results must show a significant benefit to the employee's organizational unit or broader area.

**475.4 Procedures**

Recommendation is submitted promptly by the person having immediate knowledge of the performance, deed, or act. Include in documentation:

- a. A complete description of the contribution.
- b. An explanation of the specific benefits/monetary savings accrued, or expected to accrue, during the first full year the contribution is in operation.
- c. A copy of the individual's position description.
- d. A copy of merit performance evaluations for the last 2 years including the current year's objectives, if appropriate.
- e. A review and recommendation from each successive level of management.

**475.5 Evaluation**

Field recommendations are referred through management channels to the district manager or the senior or lead plant manager. Headquarters recommendations are referred through management channels to the appropriate officer.

475.6 **Approval (Form 1727)**475.61 **Field**

District managers and senior or lead plant managers may approve awards for eligible employees under their jurisdiction.

475.62 **Areas**

Area vice presidents may approve awards for eligible area office employees.

475.63 **Headquarters and Related Units**

Appropriate officers or their designees may approve awards for eligible employees under their jurisdiction.

475.7 **Ordering Certificates**

Certificates may be requisitioned from the Materiel Distribution Centers under the following item numbers:

| Item No. | Description               |
|----------|---------------------------|
| 0-1100-B | Special Achievement Award |
| 0-1100-S | Quality Step Increase     |
| 0-1100-T | Meritorious Service       |

476 **Distinguished Service Award (DSA)**476.1 **Description**

The DSA consists of a citation certificate, a letter of commendation signed by the PMG, and a one-time cash award of up to \$3,500 for bargaining unit employees.

476.2 **Eligibility**

All career bargaining unit employees are eligible to receive DSAs.

476.3 **Basis**476.31 **General**

The Distinguished Service Award is granted for extraordinary contributions to the Postal Service which deserve servicewide acclaim. The contributions must ordinarily affect all or a substantial part of the Postal Service or are truly exceptional or unique in comparison to the accomplishments of other employees in similar positions.

476.32 **Other**

Extraordinary achievement in any postal activity, function, or organizational unit qualifies for nomination. As an example, this award may be given for original developments or major improvements in services or programs that result in substantial benefits to the Postal Service, increased savings, or

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favorable public or professional recognition to the individual and credit to the Service.

#### 476.4 **Procedure**

Recommendation is best initiated by the person having personal knowledge of the contribution. Follow procedures contained in 475.4.

#### 476.5 **Evaluation**

The process in 475.5 applies here. In addition, the recommendation and concurrence by the district manager or senior or lead plant manager must be included for field employees and by the area vice president for area employees. The recommendation and concurrence of the appropriate Senior Management Committee member must be included for Headquarters' employees. All recommendations that the Senior Management Committee member concurs with are forwarded directly to the Postmaster General.

#### 476.6 **Approval**

The Postmaster General.

#### 476.7 **Award Certificates**

The supply of distinguished Service Award certificates is maintained by the USPS Headquarters, Compensation Unit. They are requested and prepared by the employee's personnel office.

### 477 **Benjamin Franklin Award**

#### 477.1 **Description**

The Benjamin Franklin Award is the highest award given by the Postal Service. It is a 12 1/2 x 15 inch walnut plaque grouted to hold a Parian ware bust of Benjamin Franklin, a cancelled 1847 issue of a five-cent Benjamin Franklin Stamp, and an engraved metal plate attached to the plaque.

#### 477.2 **Eligibility**

The PMG designates those to be honored. Recommendations may not be made to him.

#### 477.3 **Basis**

This award is reserved for employees who meet the following criteria:

- a. Service in highly responsible USPS positions.
- b. Accomplishments having a unique impact on major postal programs.
- c. Accomplishments effecting an unusual degree of (1) significant improvement of service to the public, or (2) general overall improvement of operations.

**477.4 Approval**

The PMG alone approves this award.

**477.5 Documentation**

A permanent record of the award is documented in the recipient's official personnel folder.

**478 Service Award Pins****478.1 Description**

This award consists of an emblem pin and a letter of appreciation issued in recognition of government service.

**478.2 Basis**

Service award pins are presented to employees who have completed 25, 30, 35, 40, 45 and 50 years of creditable service to the government. All federal and military service is creditable.

**478.3 Responsibility**

- a. *Headquarters.* The manager of Corporate Personnel Operations is responsible for the administration of the program for Headquarters and its administrative support facilities.
- b. *Areas.* The area vice president or designee is responsible for the administration of the program for personnel on regional rolls and employees reporting directly to the area office. The area vice president or designee is also responsible for administration of 50-year service pin awards for eligible employees within the area.
- c. *Districts and Plants.* The district manager is responsible for the administration of the program for district and plant employees.
- d. *Inspection Service.* The Chief Postal Inspector is responsible for the administration of the program for Inspection Service employees.

**478.4 Administration**

Officials at the Minneapolis Information Service Center furnish a printout prior to each quarter listing all employees whose retirement computation date indicates sufficient government service to receive a service award pin. The printouts are provided to the officials who are responsible for administration of the program.

**Note:** To determine an individual's eligibility for a service award pin, federal civilian and military service that is not creditable for retirement purposes must be added to service indicated by the retirement compensation date.

**478.5 Presentation**

Service award pins, except those for 50 years, are presented by installation heads/department heads or their designees, with appropriate ceremony and

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publicity, in the presence of top officials and co-workers. Presentation of the pin is accomplished by a letter of appreciation for service signed by the installation/department head. Responsibility for presenting 50-year pins will remain with the vice president, who may delegate the responsibility.

#### 478.6 **Ordering Pins**

50-year service award pins are provided to area personnel offices by Headquarters Human Resources. Other service award pins may be requisitioned from the Materiel Distribution Centers under the following item numbers:

| Item No. | Description |
|----------|-------------|
| 0-917-C  | 25 Years    |
| 0-917-G  | 30 Years    |
| 0-917-D  | 35 Years    |
| 0-917-E  | 40 Years    |
| 0-917-H  | 45 Years    |

### 479 **Service Award Certificates**

#### 479.1 **Basis**

#### 479.11 **Retirement**

Service award certificates and commendatory letters are presented in a blue leatherette folder to career employees at the time of their retirement. This includes employees who retire (1) under the optional provisions of retirement law, (2) due to disability, and (3) under mandatory retirement for Postal Inspectors. Retirees with 50 or more years of service receive a certificate and commendatory letter signed by the Postmaster General.

#### 479.12 **Death**

To honor employees who are not eligible for retirement but who die after 5 or more years of creditable service, a special recognition certificate is presented posthumously to the nearest relative. Creditable service is defined as service which qualifies for retirement under the procedures for the Civil Service Retirement System or Federal Employee Retirement System.

#### 479.2 **Responsibility**

#### 479.21 **Headquarters**

The manager of Corporate Personnel Operations is responsible for preparing award certificates and letters for Headquarters and Headquarters field unit employees and for submitting requests to the Postmaster General for certificates and letters for retirees with 50 or more years of service.

**479.22 Area Headquarters**

The area vice president is responsible for preparing award certificates and letters for area employees in the area office and for submitting requests to the Office of the Postmaster General for certificates and letters for retirees with 50 or more years of service.

**479.23 Field**

The district manager is responsible for the administration of the service award program for field employees and for submitting requests to the Office of the Postmaster General for certificates and letters for retirees with 50 or more years of service.

**479.3 Commendatory Letters****479.31 Retirees**

When an employee with 50 or more years of service submits a retirement application, the responsible vice president, district Human Resources manager, or designee drafts a suggested letter appropriate to accompany the retirement certificate and forwards it by electronic mail, headed "50-Year Retirement," to the Office of the Postmaster General. See Exhibit 479.3 for a general example of a commendatory letter that should be modified to be suitable for the retiring employee.

**479.32 Deceased Employees**

Letters to accompany posthumous awards may be best drafted by those close to the deceased.

479.32

Pay Administration  
Incentive Awards

Exhibit 479.3

**Sample Commendatory Letter for Retiring Employees**

Dear [*name*]:

It gives me a great deal of pleasure to present, with this letter, a Service Award Certificate in commemoration of your [*number of*] years of service.

The good reputation the Postal Service enjoys is built on the loyal service of people like you, and I am happy to commend you for your contribution to our efforts for a better Postal Service.

I wish to extend my warm personal greetings and the hope that you will accept this certificate as a symbol of my deep appreciation for a career of commendable service.

Best wishes for many years of happy retirement.

Sincerely,

[*signature*]

[*name*]

[*title*]

479.4 **Presentation**479.41 **Retirement Award Certificates**

Whenever possible, installation heads must coordinate publicity with public information personnel and provide an appropriate ceremony for each award in the presence of the employee's managers, co-workers, and family. Only under unusual circumstances should the award be mailed.

479.42 **Posthumous Awards**

Presentation of posthumous awards must be tailored to the wishes of the family.

- a. Contact the nearest relative to determine whether the recipient prefers to have the certificate presented formally or taken to the home.
- b. At a formal ceremony, attendance should be limited to a few close friends and co-workers of the deceased.
- c. When delivery to the home is preferred, the management representative should consider having some close friends of the deceased accompany him or her.
- d. Mailing the service award should be done only as a last resort and it should be carefully and securely wrapped.

479.5 **Documentation**

A permanent record is filed in the recipient's official personnel folder.

479.6 **Ordering Certificates**

Service award certificates and retirement folders may be requisitioned from the material distribution centers under the following item numbers:

| Item No. | Description                            |
|----------|--|
| 0-1100-N | Service Award Certificate (Retirement) |
| 0-1100-P | Service Award Certificate (Posthumous) |
| 0-1100-H | Service Award Folder (Single Window)   |
| 0-1100-K | Service Award Folder (Double Window)   |