

## 470 Incentive Awards and Service Recognition

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### 471 Overview

#### 471.1 Policy

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

See Exhibit 471, *Overview of Recognition and Award Programs*.

#### 471.2 Management

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.

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 Employee Resource Management 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 and Report of Taxable Awards

After approval, the following forms are forwarded to the Eagan Accounting Service Center (ASC) to request award checks and to report noncash taxable awards:

- a. Form 1727, *Award Recommendation/Authorization*, for all bargaining unit employee awards except Quality Step Increases (QSI) and Certificates of Appreciation.
- b. Form 8167, *PCES Recognition Authorization or Vice President Award Authorization for PCES in EAS Positions* (form not required for noncash tangible awards less than \$50).
- c. Form 8168, *Individual EAS Recognition/Awards Program Authorization* (form not required for informal noncash tangible awards less than \$50).
- d. Form 8169, *EAS Team Recognition Authorization* (form not required for noncash tangible awards less than \$50).

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**Overview of Recognition and Award Programs**

EAS award recommendations are submitted using the following forms (available in the F3Fill computer program):

- a. Form 8167, *PCES Recognition Authorization or Vice President Award Authorization for PCES in EAS Positions*.
- b. Form 8168, *Individual EAS Recognition/Awards Program Authorization*.
- c. Form 8169, *EAS Team Recognition Authorization*.

Awards for bargaining unit employees are processed using Form 1727, *Award Recommendation/Authorization* (also available in F3Fill).

Quality Step Increases are recommended and approved using Form 1727 and processed using Form 50, *Notification of Personnel Action*.

Certificates and Service Award Pins, other than the 50-year pin, may be obtained from the material distribution centers. The 50-year pin is provided by the area office, or for Headquarters employees, by Corporate Personnel Operations.

| Type  | Award                                 | Approval Authority  | Requirements   |
|---|---------------------------------------|---|--|
| <b>Private Citizens, Noncareer Postal Employees, and Contract Employees</b> |                                       |   |  |
| 1. Simple verbal or written "Thank You"                                     | Verbal or letter                      | None required   | Genuine expression of recognition for extra effort or contribution.  |
| 2. Certificate of Appreciation  | Certificate (a letter is optional)    | Installation heads, facility managers, or PCES executives   | Nonmonetary award. Provides postmasters and other installation heads with a way to recognize and commend employees or private citizens for their contributions to the improvement of the Postal Service.   |
| <b>All Career Employees</b>   |                                       |   |  |
| 1. Simple verbal or written "Thank You"                                     | Verbal or letter                      | None required   | Genuine expression of recognition for extra effort or contribution.  |
| 2. Certificate of Appreciation  | Certificate (a letter is optional)    | Installation heads, facility managers, or PCES executives   | Nonmonetary award. Provides postmasters and other installation heads with a way to recognize and commend employees or private citizens for their contributions to the improvement of the Postal Service.   |
| 3. Service Award Pins   | Emblem pin and letter of appreciation | Field: District managers<br>Area: Vice president or designee<br>Headquarters: Officers or designees | Presented (with a letter of appreciation) by installation or functional organization heads or their designees, with appropriate ceremony and publicity, to employees who have completed 25, 30, 35, 40, and 45 years of creditable service to the government. All federal and military service is creditable. Responsibility for presenting 50-year pins, with appropriate ceremony and publicity, remains with the vice president, who may delegate the responsibility. |
| 4. Service Award at Retirement  | Certificate and letter                | Same as Service Award Pins  | Presented to employees who retire under optional provisions of retirement law, disability, or under mandatory retirement for postal inspectors. PMG signs certificate and commendatory letter for retirees with 50 or more years of federal service.   |

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**Overview of Recognition and Award Programs**

| Type   | Award   | Approval Authority   | Requirements  |
|--|---|--|---|
| <b>All Career Employees (cont'd)</b>                                       |   |  |   |
| 5. Service Award at Time of an Employee's Death                            | Certificate and letter  | Same as Service Award Pins                                       | Honors employees who were not eligible for retirement but who died after 5 or more years of creditable service. Presented posthumously to the nearest relative. Creditable service is defined as service that qualifies for retirement under CSRS or FERS.  |
| 6. Benjamin Franklin Award   | Plaque with bust and a canceled 1847 issue of a 5-cent Benjamin Franklin Stamp                | Postmaster general (Recommendations may not be made to the PMG.) | Highest award given by the Postal Service. Reserved for employees who have performed service in a highly responsible Postal Service position and who meet the following criteria: (a) accomplishments having a unique impact on major postal programs or (b) accomplishments effecting an unusual degree of significant improvement of service to the public or general overall improvement of operations. This is a noncash award and recipients have been limited to officers and people of like stature. |
| <b>EAS Recognition and Award Program and PCES Noncash Recognition Only</b> |   |  |   |
| 1. Informal Award  | Noncash: less than \$50 value; cash equivalent; noncash tangible, or a letter of appreciation | Immediate supervisors  | Nonmonetary award. Provides immediate positive feedback and special thanks for a job well done and gratitude for exemplifying noteworthy role-modeling behavior.<br><br>No limit on number.<br><br>Eligibility: All career EAS and PCES employees.  |
| 2. Spot Award  | Cash: \$50 to \$2,000; cash equivalent: \$50 to \$2,000; or noncash tangible: \$50 to \$2,000 | Postmasters, managers grade EAS-22 and above, and PCES           | Provides immediate recognition for a specific action or achievement beyond what is normally expected of an employee. No limit on number, but maximum of \$2,000 cash per employee per fiscal year (independent of Team Award dollar limit).<br><br>Eligibility: All career EAS employees.   |
| 3. Vice President Award  | Cash: up to \$5,000   | Vice presidents  | Acknowledges and rewards superior individual contribution or achievement deserving of systemwide recognition.<br><br>Eligibility: All career EAS employees and PCES employees in EAS positions.   |
| 4. Team Award  | Cash: \$50 to \$2,000; cash equivalent: \$50 to \$2,000; or noncash tangible: \$50 to \$2,000 | Vice presidents  | Rewards superior team contribution or achievement deserving of systemwide recognition. The amount of an award should be commensurate with the magnitude of the effort or achievement.<br><br>An EAS employee may receive up to \$2,000 in cash Team Awards in a fiscal year (independent of Spot Award dollar limit).<br><br>Eligibility: All career EAS employees. (Note: PCES and PCES in EAS positions are eligible for noncash awards only.)  |

471.32

Pay Administration  
Incentive Awards and Service Recognition

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**Overview of Recognition and Award Programs**

| Type  | Award   | Approval Authority  | Requirements   |
|---|---|---|--|
| <b>EAS Recognition and Award Program and PCES Noncash Recognition Only (cont'd)</b> |   |   |  |
| 5. Exceptional Performance Award  | Cash: up to \$7,500   | Management committee officers or senior vice president  | Acknowledges and awards exceptional individual contribution and achievement deserving of systemwide recognition<br><br>Eligibility: All career EAS employees and PCES employees in EAS positions.  |
| <b>Career Bargaining Unit Employees Only</b>  |   |   |  |
| 1. Special Achievement Award  | Certificate and cash award up to \$500  | Field: Installation heads, inspectors in charge, district managers, senior plant managers, or their designees<br><br>Area: Managers, vice presidents, and Inspection Service Operations Support Group managers<br><br>Headquarters: Officers or their designees | The basis for this award is an employee contribution that exceeds usual work requirements. Criteria include exceeding requirements in one or more important job elements for 12 months or more; devising new or improved methods that save manpower, space, materials, equipment, or other cost items; contributing to outstanding economy, efficiency, added income, or measurably improved service to the public; breaking production records or inspiring others to improve quantity and quality of work; risking life or personal safety in an act of heroism; overcoming unusual difficulties or demonstrating exceptional safety performance; or maintaining work schedule in absence of supervisor or meeting unusual demands of higher level duties on one's own initiative. |
| 2. Quality Step Increase  | Certificate and one step increase   | Field: District managers, senior or lead plant managers or their designees<br><br>Headquarters: Officers or their designees   | Recognizes sustained high quality performance and is granted only when the performance level is likely to continue.  |
| 3. Meritorious Service Award  | Certificate and cash award up to \$2,000  | Field: District managers, senior or lead plant managers<br><br>Area: Vice presidents<br><br>Headquarters: Officers or their designees   | Given for accomplishments that have significantly and measurably contributed to the improvement of the Postal Service and that extend beyond the employee's own area of responsibility or substantially exceed the performance expected of an employee in that position.   |
| 4. Distinguished Service Award  | Certificate, letter of commendation signed by the PMG, and cash award up to \$3,500 | Postmaster general  | Granted for extraordinary contributions to the Postal Service that deserve servicewide acclaim. 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.  |

**471.4 Privacy Act Considerations**

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).

Records of cash awards received by employees are maintained in the Privacy System Postal Service 120.070, Personnel Records — General Personnel Folders — Official Personnel Folders and Records Related Thereto. Records of achievement awards are maintained in Postal Service 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 Certificates of Appreciation for Private Citizens, Noncareer Postal Employees, and Contract Employees****472.1 Purpose**

The Certificate of Appreciation, a nonmonetary award, provides postmasters and other installation heads with a way to recognize and commend private citizens, noncareer postal employees, and contract employees 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 corporate signature.

**472.3 Eligibility**

Private citizens, noncareer postal employees and contract employees (as well as other employees designated in 473) are eligible to receive Certificates of Appreciation.

**472.4 Basis**

Certificates of Appreciation may be issued to private citizens, noncareer postal employees and contract employees 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 Bond drives, Combined Federal Campaigns, blood donor drives, 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.

#### 472.5 **Responsibility**

##### 472.51 **Headquarters and Headquarters-Related Units**

The manager of Corporate Personnel Operations administers the program for Headquarters and Headquarters-related units.

##### 472.52 **Areas, Districts, and Plants**

Area vice presidents, district managers, and senior or lead plant managers administer the program in their organization units.

#### 472.6 **Approval Authority**

##### 472.61 **Headquarters and Headquarters-Related Units**

PCES executives may approve Certificates of Appreciation for private citizens, noncareer postal employees and, contract employees (as well as other employees designated elsewhere in 470).

##### 472.62 **Areas**

The area vice president or designee may approve Certificates of Appreciation recommended for private citizens, noncareer postal employees, and contract employees (as well as other employees designated elsewhere in 470).

##### 472.63 **Field**

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

#### 472.7 **Ordering Certificates**

Employee Resource Management at Headquarters is responsible for maintaining the stock of Certificates of Appreciation in the material distribution centers. Certificates may be ordered by personnel offices under the following item number:

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

**472.8 Presenting Awards**

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 work site. A commendatory letter may accompany the Certificate of Appreciation at the discretion of the approving official.

**473 Awards and Service Recognition for All Career Employees****473.1 Certificates of Appreciation****473.11 Purpose**

The Certificate of Appreciation, a nonmonetary award, provides postmasters and other installation heads with a way to recognize and commend postal employees for their contributions to the improvement of the Postal Service.

**473.12 Description**

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

**473.13 Eligibility**

All career bargaining unit employees and career nonbargaining unit employees (as well as private citizens, noncareer postal employees, and contract employees designated in 472) are eligible.

**473.14 Basis**

Certificates of Appreciation may be issued to career employees for contributions that do not meet the standards or otherwise qualify for cash awards. 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 Bond drives, Combined Federal Campaigns, blood donor drives, 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.

**473.15 Responsibility****473.151 Headquarters and Headquarters-Related Units**

The manager of Corporate Personnel Operations administers the program for Headquarters and Headquarters-related units.

**473.152 Areas, Districts, and Plants**

Area vice presidents, district managers, and senior or lead plant managers administer the program in their organization units.

**473.16 Approval Authority****473.161 Headquarters and Headquarters-Related Units**

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

**473.162 Areas**

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

**473.163 Field**

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

**473.17 Ordering Certificates**

Employee Resource Management at Headquarters is responsible for maintaining the stock of Certificates of Appreciation in the material distribution centers. Certificates may be ordered by personnel offices under the following item number:

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

**473.18 Presenting Awards**

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 work site. A commendatory letter may accompany the Certificate of Appreciation at the discretion of the approving official.

**473.2 Service Award Pins****473.21 Description**

Service awards consist of an emblem pin and a letter of appreciation issued in recognition of government service.

**473.22 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.



**473.23 Responsibility****473.231 Headquarters**

The manager of Corporate Personnel Operations is responsible for the administration of the program for Headquarters and Headquarters-related units.

**473.232 Areas**

The area vice president or designee is responsible for the administration of the program for personnel on area 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.

**473.233 Districts and Plants**

District managers are responsible for the administration of the program for district and plant employees.

**473.234 Inspection Service**

The Chief Postal Inspector is responsible for the administration of the program for Inspection Service employees.

**473.24 Providing Lists of Eligible Employees**

Officials at the Eagan ASC 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.

**473.25 Ordering Pins**

50-year service award pins are provided to area personnel offices by Employee Resource Management at Headquarters. Other service award pins may be requisitioned from the material 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    |

**473.26 Presenting Awards**

Service award pins, except those for 50 years, are presented by installation heads or functional organization heads or their designees, with appropriate ceremony and 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 or department head. Responsibility for presenting 50-year pins will remain with the vice president, who may delegate the responsibility.

### 473.3 **Service Award Certificates**

#### 473.31 **Basis**

##### 473.311 **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.

##### 473.312 **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 that qualifies for retirement under the procedures for the Civil Service Retirement System or Federal Employee Retirement System.

#### 473.32 **Responsibility**

##### 473.321 **Headquarters**

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

##### 473.322 **Areas**

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.

##### 473.323 **Field**

District managers are 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.

#### 473.33 **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) |

| Item No. | Description                          |
|----------|--------------------------------------|
| 0-1100-H | Service Award Folder (Single Window) |
| 0-1100-K | Service Award Folder (Double Window) |

473.34 **Preparing Commendatory Letters**473.341 **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 473.341 for a general example of a commendatory letter that should be modified to be suitable for the retiring employee.

Exhibit 473.341

**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*]

**473.342 Deceased Employees**

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

**473.35 Presenting Awards****473.351 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.

**473.352 Posthumous Awards**

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

- a. The nearest relative should be contacted by district Human Resources personnel 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. District Human Resources personnel should mail the service award only as a last resort, making certain that the award is carefully and securely wrapped before mailing.

**473.36 Documenting Awards**

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

**473.4 Benjamin Franklin Awards****473.41 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 canceled 1847 issue of a five-cent Benjamin Franklin Stamp, and an engraved metal plate attached to the plaque.

**473.42 Eligibility**

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

**473.43 Basis**

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

- a. Service in highly responsible Postal Service 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.

473.44 **Approval Authority**

The postmaster general alone approves this award.

473.45 **Documenting Awards**

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

474 **Awards for Career Bargaining Unit Employees Only**

474.1 **Special Achievement Awards**

474.11 **Description**

The Special Achievement Award (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.

474.12 **Eligibility**

All career bargaining unit employees are eligible to receive SAAs.

474.13 **Basis**

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

- 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.

**474.14 Approval Authority****474.141 Headquarters and Headquarters-Related Units**

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

**474.142 Areas**

Approval authority at the area level is as follows:

- a. Immediate managers may approve awards up to \$250, and area vice presidents may approve awards up to the maximum for eligible area office employees.
- b. Inspection Service Operations Support Group managers may approve awards up to the maximum for eligible Inspection Service employees under their jurisdiction.

**474.143 Field**

Approval authority in the field is as follows:

- a. 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.
- b. Installation heads with more than 500 employees and inspectors in charge may approve awards up to \$500 for eligible employees under their jurisdiction.
- c. District managers, senior plant managers, or their designees may approve awards up to the maximum for eligible employees under their jurisdiction.

**474.15 Recommending an Award**

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

The recommending official reviews the employee's job description, assigned duties, and performance requirements and decides to what degree the contribution exceeds average requirements by:

- a. Measuring 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 are employees at lower levels.)
- b. Deciding the extent of contribution and benefits outside employee's immediate installation.
- c. Considering the degree of ingenuity, magnitude of accomplishment, and nonmonetary benefits (see 474.13).

**474.16 Initiating Documentation**

The official who is recommending the Special Achievement Award initiates Form 1727, *Award Recommendation/Authorization*, and includes on the 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.

The recommending official forwards the recommendation through management channels to approving official.

**474.17 Evaluating and Approving the Award**

Management evaluates the recommendation, decides if an award is warranted, and approves the degree of recognition on Form 1727.

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

**474.2 Quality Step Increase****474.21 Description**

A quality step increase (QSI) 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.

**474.22 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.

**474.23 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 include the following:

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

**474.24 Comparisons****474.241 Comparison to Regular Within-Grade Increases**

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.

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.

**474.242 Comparison to Special Achievement Awards**

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 474.13 and 474.23).

The primary difference is that the QSI is a continuing pay increase for continuing high performance; the SAA is a one-time cash award.

The SAA may be preferable when (1) the employee is at the top of the grade or (2) group recognition is desired.

**474.25 Approval Authority****474.251 Headquarters and Headquarters-Related Units**

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

**474.252 Areas, Districts, and Plants**

Area vice presidents, district managers, senior or lead plant managers, or their designees may approve QSIs for eligible employees under their jurisdiction.

**474.26 Recommending an Award**

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

**474.27 Initiating Documentation**

The official who is recommending the QSI Award initiates Form 1727, *Award Recommendation/Authorization*, as follows:

- a. Specifies how the employee's performance in the most important functions of the job substantially exceeds requirements. Cites 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.

The recommending official forwards the recommendation through management channels to approving official.



**474.28 Evaluating and Approving the Award**

Management evaluates recommendations by reviewing the employee's job description, assigned duties, and performance criteria (see 474.23 and 474.24), and approves the QSI on Form 1727.

**474.29 Initiating a Personnel 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).

**474.3 Meritorious Service Awards****474.31 Description**

The Meritorious Service Award (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.

**474.32 Eligibility**

All career bargaining unit employees are eligible to receive MSAs.

**474.33 Basis**

This award is given for accomplishments that 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 that extend beyond the employee's own area of responsibility or substantially exceed the performance expected of an employee in that position. As examples, this award may be given for an innovation in a policy, procedure, program, method, or system that results in improved service to postal customers. The award may also be given to employees who are members of a group or task force that made a significant contribution to the Postal Service.

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.

**474.34 Approval Authority****474.341 Headquarters and Headquarters-Related Units**

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

**474.342 Areas, Districts, and Plants**

Area vice presidents, district managers, and senior or lead plant managers may approve awards for eligible employees under their jurisdiction.

**474.35 Recommending an Award**

Recommendation is submitted promptly by the manager or person having immediate knowledge of the performance, deed, or act.

**474.36 Initiating Documentation**

The official who is recommending the Meritorious Service Award initiates Form 1727, *Award Recommendation/Authorization*, and includes on the form the following information:

- a. A complete description of the contribution.
- b. An explanation of the specific benefits or 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.

Recommendations are referred through management channels to the approving official.

**474.37 Evaluating and Approving the Award**

Management evaluates the recommendation, decides if an award is warranted, and approves the award on Form 1727.

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

**474.38 Ordering Certificates**

Certificates may be requisitioned from the material 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 Award |

**474.4 Distinguished Service Awards****474.41 Description**

The Distinguished Service Award (DSA) consists of a citation certificate, a letter of commendation signed by the postmaster general, and a one-time cash award of up to \$3,500 for bargaining unit employees.

**474.42 Eligibility**

All career bargaining unit employees are eligible to receive DSAs.

**474.43 Basis****474.431 General**

The Distinguished Service Award is granted for extraordinary contributions to the Postal Service that 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.

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

**474.44 Recommending an Award**

Recommendation is best initiated by the manager or person having personal knowledge of the contribution who follows procedures contained in 474.36.

**474.45 Evaluating the Award**

The process in 474.37 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.

**474.46 Approving the Award**

The postmaster general approves this award.

**474.47 Obtaining Certificates**

The supply of Distinguished Service Award certificates is maintained by Compensation at Headquarters. Certificates are requested and prepared by the employee's local personnel office.

## 475 Awards for Career EAS and PCES Employees Only

### 475.1 Informal Awards

#### 475.11 Purpose

Informal awards are to provide immediate positive feedback and special thanks for a job well done and gratitude for exemplifying noteworthy role-modeling behavior.

#### 475.12 Description

Awards are noncash. Awards must be less than \$50 in value and may be cash equivalent, noncash tangible, a letter of appreciation, or a certificate of appreciation:

- a. *Cash equivalent awards* include items that can be converted to cash, such as bonds, securities, and redeemable tickets. Cash equivalent awards also include gift certificates that are negotiable or that confer the right to receive anything other than tangible personal property. Cash equivalent awards are taxable, and it is the employer's responsibility to report to the IRS.
- b. *Noncash tangible awards* include items of personal property with a value of less than \$50, including but not limited to coffee mugs, T-shirts, pens, or similar items that cannot be converted to cash. Noncash tangible awards of less than \$50 are not taxable.

#### 475.13 Eligibility

All career EAS and PCES employees are eligible to receive informal awards.

#### 475.14 Expenditure Limitation

Informal awards do not have a specific limitation.

#### 475.15 Approval Authority

Immediate supervisors may approve informal awards.

#### 475.16 Documenting and Processing the Award

Cash equivalent and noncash tangible items are obtained using normal purchasing procedures. Expenses should be charged to line 2C of the organization expense budget in order to track recognition. Forms 8168, *Individual EAS Recognition/Awards Program Authorization*, and Forms 8167, *PCES Recognition or Vice President Award Authorization for PCES in EAS Positions*, are submitted to Eagan ASC for cash equivalent informal awards only.

### 475.2 Spot Awards

#### 475.21 Purpose

Spot Awards are to provide immediate recognition for a specific action or achievement beyond what is normally expected of an employee. They are not intended to reward contributions that are encompassed by an employee's

basic pay and the formal pay for performance programs such as individual merit pay adjustments and EVA Variable Pay Program.

#### 475.22 **Description**

Awards may be cash, cash equivalent, or noncash tangible. Awards should be valued at a minimum of \$50 and may not exceed \$2,000. The amount of an award should be commensurate with the magnitude of the effort or achievement. With the exception of engraved plaques and trophies, all Spot Awards are taxable and must be reported to the IRS.

- a. *Cash awards* are \$50 to \$2,000 issued in the form of a check.
- b. *Cash equivalent awards* include items that can be converted to cash, such as bonds, securities, and redeemable tickets. Cash equivalent awards also include gift certificates that are negotiable or that confer the right to receive anything other than tangible personal property. Cash equivalent awards are taxable, and it is the employer's responsibility to report to the IRS.
- c. *Noncash tangible awards* include items of personal property with a value of \$50 or more, including but not limited to briefcases, clocks, appliances, or similar items, whether engraved or not. With the exception of engraved plaques and trophies, all Spot Awards are taxable and must be reported to the IRS.

#### 475.23 **Eligibility**

All career EAS employees are eligible to receive Spot awards.

#### 475.24 **Award Limit Ceilings**

An employee may receive up to \$1,000 in cash Spot Awards in a fiscal year (independent of Team Award dollar limit).

#### 475.25 **Expenditure Limitation**

The fiscal year expenditure for Spot Awards is limited to one-half of one percent (0.5 percent) of the salaries of all eligible EAS employees in a vice president's function, calculated on the salaries in effect at the close of the prior fiscal year.

- a. Each vice president must ensure proper delegation of funding and authority to fulfill the objectives of this program and maintain fiscal integrity.
- b. All forms of employee recognition with a value of \$50 or more must be recorded under the accounts for this Spot Award program. Any costs for merchandise purchased for these awards via credit card should be transferred to the Spot Award program accounts.

#### 475.26 **Approval Authority**

Postmasters and managers grade EAS-22 and above (or lower level managers at the discretion of the vice president) and all PCES executives may approve Spot Awards. Each vice president must ensure proper delegation of funding and authority to fulfill the objectives of this program and maintain fiscal integrity.

**475.27 Documenting and Processing the Award**

The recommending official completes Form 8168, *Individual EAS Recognition/Awards Program Authorization*, for all Spot Awards, obtains necessary approvals, and processes as follows:

- a. *Cash Awards.* Obtain necessary approvals and forward Form 8168, to the Eagan ASC for payment and tax withholding.
- b. *Cash Equivalent and Noncash Tangible Awards.* Items are obtained using normal purchasing procedures. Expenses are to be charged to line 2C of the organization expense budget to track recognition.

Forms 8168 are submitted to the Eagan ASC for tax purposes.

**475.3 Vice President Awards****475.31 Purpose**

Vice President Awards are cash payments to acknowledge and reward superior individual contribution or achievement that is deserving of systemwide recognition. They are intended to recognize contributions not encompassed by basic salary, merit salary adjustments, or formal pay for performance programs.

**475.32 Description**

Awards are for amounts up to \$5,000, paid by check. The amount of an award should be commensurate with the magnitude of the effort or achievement. Vice President Awards are taxable and must be reported to the IRS. Tax withholding is processed as described in paragraph 475.36 below.

**475.33 Eligibility**

All career EAS employees and PCES employees in EAS positions are eligible for Vice President Awards.

**475.34 Expenditure Limitation**

The fiscal year expenditure for Vice President Awards is limited to \$10,000 or to one-tenth of one percent (0.1%) of the salaries of all eligible EAS employees in a vice president's function, whichever is greater, calculated on the salaries in effect at the close of the prior fiscal year. The increase in funding recognizes the need to recognize employees outside of the vice president's group. The use of the additional funds is limited to recognition of those in another vice president's group. Expenditures are to be separated. Account 51322 is used for Vice President Awards given to employees within the vice president's group. Account 51325 is used for Vice President Awards given to employees who are part of another vice president's group.

**475.35 Approval Authority**

Vice presidents must approve these awards and are responsible for establishing administrative procedures for issuing this award within their respective organizations.

**475.36 Documenting and Processing the Award**

The recommending official completes Form 8168, Individual EAS Recognition/Awards Program Authorization, or Form 8167, PCES Recognition Authorization or Vice President Award Authorization for PCES in EAS Positions, and submits the form to the Eagan ASC for payment and required withholdings.

**475.4 Team Awards****475.41 Purpose**

Team awards are to reward superior team contribution or achievement deserving of systemwide recognition.

**475.42 Description**

Awards may be cash, cash equivalent, or noncash tangible for EAS employees. Awards should be valued at a minimum of \$50 and may not exceed \$2,000. The amount of an award should be commensurate with the magnitude of the team achievement. With the exception of engraved plaques and trophies, all Team Awards are taxable and must be reported to the IRS.

- a. *Cash awards* are \$50 to \$2,000 issued in the form of a check.
- b. *Cash equivalent awards* include items that can be converted to cash, such as bonds, securities, and redeemable tickets. Cash equivalent awards also include gift certificates that are negotiable or that confer the right to receive anything other than tangible personal property. Cash equivalent awards are taxable, and it is the employer's to report to the IRS.
- c. *Noncash tangible awards* include items of personal property with a value of \$50 or more, including but not limited to briefcases, clocks, appliances, or similar items, whether engraved or not.

**475.43 Eligibility**

All career EAS employees and PCES executives are eligible for team awards. PCES executives in EAS positions are eligible for noncash awards only.

**475.44 Award Limits Ceilings**

An EAS employee may receive up to \$2,000 in cash Team Awards in a fiscal year (independent of Spot Award dollar amounts).

**475.45 Expenditure Limitation**

The fiscal year expenditure for Team Awards is limited to \$50,000 for each officer.

**475.46 Approval Authority**

Vice presidents must approve these awards and are responsible for establishing administrative procedures for issuing this award within their respective organizations.

**475.47 Documenting and Processing the Award**

The recommending official completes Form 8169, *EAS Team Recognition Authorization*, and submits it to the Eagan ASC for payment and required withholdings.

**475.5 Exceptional Performance Awards****475.51 Purpose**

Exceptional Performance Awards are cash payments to acknowledge and reward superior individual contribution or achievement that is deserving of systemwide recognition. They are intended to recognize contributions not encompassed by basic salary, merit salary adjusts, or formal pay for performance programs.

**475.52 Description**

Awards are for amounts up to \$7,500 paid by check. The amount of an award should be commensurate with the magnitude of the effort or achievement. Exceptional Performance Awards are taxable and must be reported to the IRS. Tax withholding is processed as described in paragraph 475.56.

**475.53 Eligibility**

All career EAS employees and PCES employees in EAS positions are eligible for Exceptional Performance Awards.

**475.54 Expenditure Limitation**

The fiscal year expenditure for Exceptional Performance Awards is limited to \$30,000 for each management committee officer.

**475.55 Approval**

Management committee or senior vice presidents must approve these awards and are responsible for establishing administrative procedures for issuing these awards within their respective organizations.

**475.56 Documenting and Processing the Award**

The recommending official completes Form 8168, *Individual EAS Recognition/Awards Program Authorization*, or Form 8167, *PCES Recognition Authorization or Vice President Award Authorization for PCES in EAS Positions*, and submits the form to the Eagan ASC for payment and required withholdings.