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**Civilian Personnel**  
**PERFORMANCE MANAGEMENT PROGRAM**

This regulation establishes a program that integrates certain performance, pay, and recognition processes. It implements the requirements of 5 CFR, Part 430 (performance appraisal), Part 540 (merit pay), Parts 531 and 532 (within-grade increases (WGI)), Part 315 (probation), and Part 451 (performance awards). It also implements that part of Federal Personnel Manual (FPM) Supplement 335-1 pertaining to the use of performance appraisals in promotion. This regulation is affected by the Privacy Act of 1974. The authority for maintenance of the systems of records required by this document is 5 U.S.C. 4301-4308; 4501-4506; Office of Personnel Management (OPM)/Government (GOVT) 1, General Personnel Records; OPM/GOVT 2, Employee Performance File System; 5 U.S.C. 1302, 2951, 3301, 3372, 4118, 4303, 8347; 5 CFR 432 of OPM Regulations; and Executive Orders 9379 and 12107. NOTE: For applicability statement, see paragraph 1-6b.

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## Chapter 1

## OVERVIEW OF THE PROGRAM

**1-1. Background Information:**

a. The Civil Service Reform Act (CSRA) of 1978 was enacted to improve government efficiency and give sufficient authority to supervisors and managers and adequate protection to employees. The CSRA requires that new supervisors and managers serve probation; that supervisors and management officials in General Schedule (GS) grades 13 through 15 are covered by a merit pay system; and that the appraisal and rating of employees' job performance are based on written performance elements and standards. The CSRA requires that the performance appraisal rating is used as a basis for decisions to pay, reward, assign, train, promote, retain, or remove employees.

b. The Uniform Guidelines on Employee Selection Procedures of 1978, commonly known as the Uniform Selection Guidelines (USG), were developed by the Departments of Justice and Labor, The Civil Service Commission (now Office of Personnel Management (OPM)), and the Equal Employment Opportunity Commission (EEOC). The guidelines help agencies meet their responsibilities under the Equal Employment Opportunity Act of 1972. The USG establishes criteria to assure that employee selection procedures used in making certain employment decisions are job-related and valid. The FPM Supplement 335-1, Evaluation of Employees for Promotion and Internal Placement, implements the USG. It requires that when appraising work behavior, skill, or other characteristics for promotion consideration, the appraisal *must be relevant to the job for which the employee is being considered.*

c. The performance and promotion appraisal system established by this regulation is based on research and development conducted by the Air Force Human Resource Laboratory (AFHRL) Brooks AFB TX. The system meets statutory requirements, the guidelines explained above, and OPM regulations.

d. Not all aspects of the performance management program apply to all categories of employees (attachment 1). For instance, while a performance plan is required for most employees, it is not required for a summer hire. Consequently, a cash award for a summer hire must be supported by a narrative justification—not a performance appraisal rating. In addition, there are several kinds of recognition that are neither cash nor honorary awards; for example, a promotion. Finally, there are forms of recognition not necessarily based on job performance; for example, a valor award. These exceptions or deviation from the general rule of this regulation are explained. Questions regarding the coverage of a particular process or requirement will be directed through civilian personnel program channels to HQ USAF/MPKE.

e. Supplementation to this regulation will be as outlined in AFR 40-171. In order to ensure consistent application of this program, major command (MAJCOM) supplementation to this regulation must be reviewed and approved by HQ USAF/MPKE. The MAJCOM may review and approve base supplementation in a like manner.

**1-2. Performance Management Concept.** Performance management is a continuous, systematic process by which commanders, managers, and supervisors integrate the planning, directing, and executing of organizational work with civilian personnel performance appraisal, pay, awards, promotion, and other systems. The process includes four phases:

a. **Phase 1—Planning and Assigning Work.** The higher management chain-of-command identifies missions and goals; assigns objectives and projects; develops plans, initiatives, and strategies. The lower management chain-of-command organizes work, makes specific assignments; assigns duties and tasks; and establishes standards to follow when doing the work. Individual employee work requirements are documented and communicated in writing to the employee in a performance plan.

b. **Phase 2—Executing Work and Motivating Employees.** Managers and supervisors direct and assist employees who perform the work. Supervisors develop a sense of organizational commitment. They make clear to employees how their work promotes the Air Force mission, how their work relates to the work of other organizations, and which tasks are most important. This information, along with regulations, manuals, guidelines, and clearly written performance plans, gives employees direction and challenge. The work performed is tracked and monitored; and, supervisors keep employees advised of how well they are meeting expectations by giving them personal performance feedback. Supervisors use these discussions to review the relevance of initiatives and tasks, keep projects on course, determine where expectations should be altered, counsel and help employees who may be having difficulty, and recognize employees who are meeting or exceeding standards. Although written documentation of each discussion is not required, sufficient documentation of critical matters may be required to support phase 3.

c. **Phase 3—Appraising Individual Performance and Assessing Organizational Achievements.** This phase is made easier to the extent that phase 2 has been conducted effectively. If supervisors have kept employees advised of how well they are doing, and appropriate documentation is available, the actual event of appraising performance and work behavior and assigning a rating

will hold no surprises. In any event, supervisors and managers exercise their performance rating and reviewing responsibilities by comparing performance results with the previously established written standards. Managers and supervisors also assess the achievements of the entire organization to identify problems and make adjustments in procedures, resources, equipment, personnel authorizations, and similar matters. This provides the foundation for necessary change in the next phase 1 planning cycle, along with any necessary modifications to individual performance plans.

**d. Phase 4—Using the Individual Appraisal Rating for Personnel Management Decisions.** The end result of the four-phase process is using the appraisal rating to make a decision on pay and cash awards, promotion consideration and ranking, performance enhancement, training, assignment changes, developmental details, reduction-in-force (RIF) "standing." (See paragraph 2-22 for additional information on using the results of the performance appraisal process.)

**1-3. Pay-For-Performance Concept.** The concept is similar to a cash bonus system that provides money in addition to or over and above the basic salary that is normally due, where there is no automatic requirement or precommitment to do so; and where the total combined salary and bonus are needed to properly recognize the level of performance.

**a.** The Merit Pay System is based on the use of a range of basic pay for each grade to compensate for employee performance. The objective is to ultimately place an employee in the pay range based on his or her performance and the value of that performance to the organization. The General Schedule (GS) and Federal Wage Systems (FWS) are based on the use of a range of pay for each grade with uniform pay steps WGI based on specific time-in-grade waiting periods and evidence that the demonstrated performance deserves the increased compensation. Excellence in performances may be recognized by advancing a GS employee in basic salary by granting a quality step increase (QSI).

**b.** The pay-for-performance concept recognizes that circumstances may exist where basic pay or the normal pay step is insufficient or inappropriate to recognize the nature, level, or worth of the performance. In this circumstance, the basic pay may be increased with a QSI (GS employee) or supplemented with a cash award as a bonus. For example, cash awards may be appropriate for:

- (1) An employee who has performed in an outstanding manner on a detail of either short or long duration.
- (2) An employee who is at or near the maximum of the pay range and whose exceptional performance on a particular project warrants special, one-time recognition beyond what could be handled within the pay range.
- (3) An unusual, one-time employee accomplish-

ment that merits an immediate award.

**c.** It must be emphasized that it is the combination of events and circumstances plus the use of managerial judgment that determines the use of cash awards or QSIs rather than any single criterion, such as the linking of a final performance appraisal rating to an automatic cash award. However, a list of potentially influencing factors might include:

- (1) Nature, frequency, and level of accomplishments.
- (2) Importance of the accomplishments to the organization.
- (3) Employee's time on the job and position in the pay range.
- (4) Effort expended.
- (5) Work environment.
- (6) Availability of funds.
- (7) Recent or pending promotion.
- (8) Pay compression.
- (9) Recognition of a specific performance-related factor such as reduction in paperwork.
- (10) An employee's past receipt of a cash award (specifically, the amount, reason, and time since the last award).

**d.** For most employees, the performance appraisal will guide consideration of the appropriateness of a cash award in addition to a merit pay or WGI. For those employees excluded from the formal performance appraisal requirements of this regulation (attachment 1), award recommendations are based on performance and supported by a narrative justification. Cash awards are not used to augment salary only because an individual is at a pay ceiling. Neither will cash awards of a specific percent or dollar amount be automatically linked to specific appraisal ratings. Cash awards will not be used solely as a substitute for merit pay, or used as an automatic safety valve, or become a nonjudgmental standard operating procedure. In other words, the pay-for-performance concept must be applied to *individual employee* circumstances. Pay and cash awards used as a bonus form a unified, flexible way to reward quality performance and distinguish among employee performance. An automatic link between a single criterion and a specific cash award, or the use of cash awards to simply augment pay is contrary to Air Force policy. The cash awards authorized in chapter 7 are used along with basic salary to implement the pay-for-performance concept. Implementation and maintenance of the pay-for-performance concept will be made a matter for special reviews or evaluations.

**1-4. Recognition for Performance.** The primary intent of this program is to *pay for performance*. Adequate funds must be budgeted to do this (paragraph 1-8). However, it is contrary to Air Force policy for this program to result in a practice where cash awards are granted in exorbitant amounts, or where cash awards,

WGIs, and QSIs, for example, are given routinely or to employees who have not earned them. To preclude this, judicious use should be made of honorary and non-monetary recognition, including unique command and base awards and trophies. More important, the job performance rating must reflect the true level of performance and productivity.

a. Superior performance *will be* recognized in some way, in addition to basic pay (including merit pay or WGI); excellent performance *should be* considered for additional recognition; and fully successful performance *may be* considered for recognition, provided the specific recognition criteria are met. The type and extent of recognition are not automatic because a specific type of recognition or a specific amount of money does not necessarily relate directly to a specific performance appraisal rating. To determine which type of recognition is most appropriate, supervisors must use good judgment and select the recognition that will best reinforce the relationship between performance and recognition. The recommendation to recognize an employee is not discussed with the employee until final action is taken.

b. Recognition will not be considered only in terms of monetary reward. Supervisors must consider all available methods of recognition and exercise flexibility in matching monetary or nonmonetary recognition to performance. Examples of such recognition might include granting a WGI for fully successful performance; granting a cash award for performance that is above fully successful; granting a QSI for superior performance that is expected to continue; selection for promotion, letter of commendation, letter of appreciation, or honorary award.

c. Since a promotion is based partly on the quality of performance in the employee's previous job, a promotion following an excellent or superior rating is normally considered to be full and adequate recognition of that performance. Therefore, an additional cash award is not usually warranted. In unusual circumstances, however, based on extraordinary achievement, a cash or honorary award may be given to a promoted employee when both award and promotion recognition are clearly justified, and the award criteria are met.

d. Similarly, multiple cash awards for the same period of performance should be avoided. However, a Special Act or Service Award (SASA) or Notable Achievement Award (NAA) for performing one aspect of the performance plan does not necessarily preclude subsequent monetary recognition, provided performance of the entire work plan warrants it. Cash awards previously granted during the rating period which were based on performance in that appraisal period should be considered in setting the amount of subsequent recognition.

e. In addition to an SASA granted upon local application of a contribution, a further award may be granted if there is wider application, or if there are greater benefits than originally determined.

#### 1-5. Air Force Policy:

a. Commanders, managers, and supervisors carry out the spirit and intent of this program and the requirements of this regulation to increase productivity and improve Air Force readiness.

b. Supervisors encourage employees to participate in identification of job performance elements and development of performance standards.

c. This program will be administered without regard to politics, race, color, religion, age, sex, marital status, national origin, or handicapping condition.

d. Special attention is to be paid to prevention of unwarranted performance rating inflation. However, required or predetermined distributions of performance ratings are prohibited. Performance ratings will be based solely on demonstrated and adequately substantiated individual performance and the authorized rating definitions, without regard to the performance ratings received by other employees. The ratings on performance behavior will be reasonably consistent with the ratings on demonstrated performance.

e. Classified information contained in performance appraisal or award recommendation documentation will be processed according to Department of Defense (DOD) 5200.1-R/AFR 205-1.

f. Employees receiving individual recognition under AFR 900-48 are not eligible for recognition under this regulation for the same act or service.

g. Pay and cash awards will be used together to pay for the value of performance, and in an equitable, and not excessive manner.

#### 1-6. Authority, Coverage, and Exclusions:

a. **Authority.** The provisions of this regulation are based on the following documents:

(1) Performance and Promotion Appraisal and Probation:

(a) 5 U.S.C. 3321; Competitive Service and Probationary Period.

(b) 5 U.S.C. 4302; Establishment of Performance Appraisal Systems.

(c) 5 CFR, Part 315; Career and Career-Conditional Employment.

(d) 5 CFR, Part 430; Performance Appraisal.

(e) FPM Chapter 335; Promotion and Internal Placement.

(f) FPM Supplement 335-1; Evaluation of Employees for Promotion and Internal Placement.

(2) Merit Pay:

(a) 5 U.S.C. 5402; Merit Pay System.

(b) 5 CFR, Part 540; Merit Pay System.

(3) WGIs:

(a) 5 U.S.C. 5335; GS Periodic Step-Increases.

(b) 5 U.S.C. 5343; FWS Prevailing Rate Determinations, Wage Schedules, and Night Differentials.

(c) 5 CFR, Part 531; GS Pay Under the General Schedule.

(d) 5 CFR, Part 532; FWS Prevailing Rate System.

(4) Performance Recognition:

(a) 5 U.S.C. 4502-4505; General Provisions; Agency Awards, Presidential Awards, and Awards to Former Employees.

(b) 5 U.S.C. 5336; Additional Step Increases.

(c) 5 U.S.C. 5403; Cash Award Program (Merit Pay).

(d) 5 CFR, Part 451; Incentive Awards.

(e) 5 CFR, Part 531; Pay Under the General Schedule.

(f) 5 CFR, Part 540; Merit Pay System.

**b. Coverage and Exclusions.** The coverage and exclusions are complex and set forth in detail in attachment 1. A partial explanation follows:

(1) The program *does not* apply to non-US citizen employees, *except* for non-US citizen employees in Panama to which only AF Form 860, Civilian Performance and Promotion Appraisal, Part I, and chapters 7, 8, and 9 of this regulation apply. Other provisions may be included upon local determinations.

(2) The program *does not* apply to members of the Senior Executive Service (SES) *except that* they are eligible for all honorary awards, nonfederal awards, service awards, and the SASA.

(3) The program *does not* apply to US citizen non-appropriated fund employees administered under AFR 40-7 *except that* they may receive honorary awards according to *this* regulation.

(4) The program *applies equally* to GS and FWS employees *except that* the FWS employees *are not* eligible, by law, for the QSI; and, *except for* differences between the respective WGI systems.

**1-7. Responsibilities:**

**a.** The Directorate of Civilian Personnel, HQ USAF/MPK, sets policies and procedures for probation, appraisal, pay, cash award, and other programs covered by this regulation. The Employee Relations Division, HQ USAF/MPKE, develops and implements the program, provides advice and assistance to field activities, and establishes training requirements.

**b.** The Office of Civilian Personnel Operations (OCPO) furnishes executive secretariat services to the Air Force Incentive Awards Board (AFIAB) (chapter 6), submits reports, and provides research, evaluation and Personnel Data System-Civilian (PDS-C) support.

**c.** MAJCOM and Comparable Organizations, through the Director of Civilian Personnel, establishes supplemental policies and procedures when required, ensures completion of essential training, and advises and assists field activities. Commanders or designated management officials establish Merit Pay Units (MPU) and appoint MPU officials.

**d.** Installation Level. The Central Civilian Personnel Office (CCPO) identifies merit pay positions and notifies

employees regarding merit pay coverage. The CCPO conducts implementation and operational training; provides advice and assistance to managers and supervisors on performance and promotion appraisal, performance recognition, probationary requirement, performance problems and other related performance management areas; processes data into the PDS-C and ensures effective program implementation and operation. The CCPO provides final merit pay share information to non-Air Force personnel offices servicing Air Force General Manager (GM) employees according to inter-agency servicing agreements. The CCPO also may be required to support a MPU when collocated.

**e.** Air Force Manpower and Personnel Center (AFMPC), Randolph AFB TX, develops and sends the central table to CCPOs to process merit pay salary adjustments and carries out responsibilities regarding operation of the PDS-C.

**f.** Commanders, Management Officials, and Supervisors. In addition to establishing MPUs, the commander or a high level management official of a major organizational component will establish a quality control review procedure to ensure chain-of-command review of performance plans for adequacy before or early in the appraisal cycle. The review will emphasize the validity of job performance elements and performance standards established by rating and reviewing officials. A similar quality control review is made when performance appraisals and ratings are completed by rating and reviewing officials. Management officials should obtain the advice of the CCPO in establishing the quality control procedure. Other responsibilities include:

(1) Rating Officials:

(a) Analyze the job, review mission statements and anticipated work, review position descriptions, identify and communicate critical and noncritical performance elements to the employee.

(b) Establish and communicate performance standards to each employee.

(c) Write performance elements and standards into a performance plan.

(d) Conduct periodic reviews and discussions of employee performance.

(e) Evaluate and rate performance and work behavior, grant or recommend awards.

(f) Complete probation period certifications.

When the immediate supervisor is unable to discharge these responsibilities, the next higher level supervisor accomplishes them.

(2) Reviewing officials review and approve employee performance plans and ratings. They ensure that performance plans are completed for each employee before or within 30 days after the beginning of the annual appraisal period. The reviewing official's signature on the performance appraisal certifies that the appraisal has been reviewed, the performance rating has been approved, and that the reasons for any changes



made in the ratings have been discussed with the rating official.

(3) Merit Pay Unit Officials (MPUO) exercise executive control over the MPU. They assure that each GM employee has a performance plan that has been reviewed for validity before or early in the appraisal cycle (paragraph 2-13). They ensure that appraisal forms are processed according to the Merit Pay Timetable in chapter 11. They review the completed forms and obtain correcting or clarifying substantiation from the reviewing official. Finally, the MPUO approves the final appraisal rating and approves or recommends any accompanying award recommendations. The MPUO may use a supporting Merit Pay Committee, if desired.

(4) Management officials and supervisors at all levels, use the program to:

- (a) Direct and manage the civilian force.
- (b) Assist employees by advising, coaching, and training.
- (c) Recognize and reward high quality performance.

(d) Initiate administrative corrective actions, when appropriate. Commanders and management officials arrange for and conduct recognition ceremonies for award recipients, peers, and family members when appropriate and permitted (paragraph 6-7).

(5) Reconsideration officials consider the employee's request for reconsideration of denial of the WGI and renders a final decision, in writing, to either sustain or reverse the negative determination.

(6) Endorsing official, (where the decision is made to use an endorsing official), provides an additional higher level of review above the reviewing official. An endorsing official may perform the quality control review specified in paragraph 2-13. When reviewing performance appraisals and ratings the endorsing official reviews the documentation to assure consistency of ratings of equal levels or quality of performance. Also see attachment 2.

g. Employees cooperate with the supervisors in developing performance elements and standards, discuss with supervisors any factors that should be considered in appraising performance, and participate in the discussion and documentation of accomplishments during appraisal discussions and meetings.

#### 1-8. Funding and Cost Management Program:

a. This program must be adequately funded in order for it to work as intended and have a genuine and positive effect on civilian performance and productivity. Accountability for civilian personnel cost management is vested in command, staff, and line management. Periodic reviews of expenditures versus program requirements are made to ensure that adequate funds are available for a continuing viable program.

b. Cash awards and pay increases are financed from operations and maintenance (O&M) funds, research,

development, test, and evaluation funds, or industrial funds (operating expense), as applicable to the activity to which the employee was assigned when the performance was demonstrated. MAJCOMs and comparable organizations budget funds necessary to conduct a successful performance management program and include the funds in element of expense 39X for each program element in which civilian salaries are included. Except for the Merit Pay System, the cost of basic salary, WGIs, cash awards, and QSIs must be managed within available funds under the workyear cost management and salary control programs outlined in AFRs 40-112 and 40-312.

#### 1-9. Evaluating Program Effectiveness:

a. The OCPO, Randolph AFB TX, is responsible for Air Force civilian personnel program evaluation. The OCPO Evaluation and Operations Division evaluates the Performance Management Program operation during special or general Air Force evaluation visits to field activities and in similar joint evaluation visits conducted by the OPM.

b. MAJCOM/Directors of Civilian Personnel establish and operate intracommand evaluation of Performance Management Program operations according to AFR 40-5. This includes CCPO and organizational self-evaluation analyses and reports, and evaluations conducted by MAJCOM/Directors of Civilian Personnel. Evaluation will include comparison of performance appraisal ratings and award distributions by organization, pay systems, grade level, minority groups, and similar categories. The findings are used for internal program improvements and are not publicized or communicated installation-wide.

#### 1-10. Appeals and Grievances:

a. **Performance Elements and Standards.** The substance of performance elements and performance standards *may not* be appealed to the Merit Systems Protection Board (MSPB) or grieved under the Air Force grievance system described in AFR 40-771. Similarly, disputes concerning the identification of the critical elements of a position and establishment of performance standards are nongrievable and nonarbitrable under negotiated grievance and arbitration procedures.

b. **Performance Ratings.** Nonbargaining unit employees resolve disagreements on ratings according to AFR 40-771. Bargaining unit employees resolve disagreements on ratings through a negotiated grievance procedure, as appropriate.

c. **Termination During Probation for New Employees (Chapter 3).** An employee may appeal to the MSPB a decision to terminate him or her during a probationary period only as provided in Civil Service Regulation 315.806. (See paragraph 3-6e.) This action is excluded from coverage under AFR 40-771.

d. **Return of an Employee During Probation as a**

**Supervisor or Manager (Chapter 4).** A supervisor or manager probationer returned to his or her previous nonsupervisory or nonmanagerial position according to chapter 4, may not appeal the action to the MSPB or grieve the action under AFR 40-771, or under negotiated grievance and arbitration procedures.

**e. Demotion or Removal for Unacceptable Performance.** Except for a probationer covered by chapter 3 or 4, an employee who is a preference eligible or is in the competitive service who has been demoted or removed for unacceptable performance is entitled to appeal to the MSPB or through the negotiated grievance procedure, where applicable, *but not both*. Nonbargaining unit employees who are nonpreference eligibles in the excepted service may use AFR 40-771 procedures to resolve such disputes. Bargaining unit employees who are nonpreference eligibles in the excepted service and who are covered by a negotiated grievance procedure may not use AFR 40-771 procedures to resolve such disputes, but instead must use the negotiated grievance procedure.

**f. Awards.** The nonreceipt of a cash award, honorary award, or QSI *may not* be appealed to the MSPB, or grieved under AFR 40-771, or under negotiated grievance and arbitration procedures.

**g. WGI.** If the decision to withhold a WGI remains

unchanged after completion of the reconsideration process explained in paragraph 10-9, the GS employee may appeal the decision to the MSPB or grieve the decision under applicable negotiated grievance system, but not both. The FWS employee, by law, *may not* appeal to the MSPB on this issue. Instead, the FWS employee may grieve the WGI withholding decision under AFR 40-771, or an applicable negotiated grievance procedure but not both.

**h. Allegations of Discrimination:**

(1) Nonbargaining Unit Employees. Matters involving allegations of discrimination based on race, color, religion, sex, national origin, age, or handicapping condition are processed according to AFR 40-1613.

(2) Bargaining Unit Employees. Matters involving allegations of discrimination that are otherwise grievable under a negotiated grievance procedure may be raised under that grievance procedure or under AFR 40-1613, but not both. Selection of the negotiated grievance procedure does not prejudice the right of the aggrieved employee to request the EEOC to review a final decision made under the negotiated procedure in a matter which involves a complaint of discrimination based on race, color, religion, sex, national origin, age, or handicapping condition.

## Chapter 2

### THE PERFORMANCE AND PROMOTION APPRAISAL PROCESS

**2-1. Performance Planning and the Appraisal Process.** The system described in chapter 1 provides a structured process to:

- a. Define duties and performance elements.
- b. Set standards of performance.
- c. Review progress.
- d. Appraise performance.

If the employee is included in the process, it should be easier to accomplish. The process is documented on AF Form 860.

**2-2. The Initial Performance Appraisal.** When an employee is appointed, reinstated, or transferred to the Air Force from another federal agency, the employee is assumed to have an entrance appraisal of fully successful. A fully successful rating will be automatically generated by PDS-C, in these circumstances, for AF Form 860, Parts III and IV. This assumed rating is used until replaced by the rating required at the end of the first 90 days. Employees *will not* be barred from promotion consideration during this period but compete with fully successful ratings. Ninety days is considered the minimum amount of time in which a supervisor can make an objective appraisal. The employee must be appraised at the end of, but no earlier than 90 days.

**2-3. The Annual Performance Appraisal.** The appraisal period for all GM, GS, and Scientific and Technical (ST) employees starts 1 July and ends 30 June. The appraisal period for all FWS employees starts 1 February and ends 31 January. The corresponding effective date of the appraisal for use in personnel decisions is 1 September and 1 April, respectively. A processing period is allowed between the close out date of the appraisal period and the effective date of the rating (table 2-1). If the 90-day period for the initial appraisal (paragraph 2-2) ends between 3 April and 30 June for GM, GS, and ST employees or 3 November and 31 January for FWS employees, the supervisor may recertify the initial ratings. These ratings become the ratings of record for the annual appraisal. The supervisor may recertify by submitting a letter to the CCPO or by initialing the record copy of the AF Form 860. If accomplished by letter, the letter must be attached to the record copy of the AF Form 860. The employee is informed of the recertification.

**2-4. Inservice Placement Actions.** Employees reassigned, promoted, converted, or changed-to-lower grade (table 2-1), will carry their current rating of record until the next annual appraisal is completed. When an employee is reassigned, promoted, converted, or changed to lower grade toward the end of the performance

appraisal period and the limited time remaining in the period precludes setting up a valid, useful performance plan that will afford reasonable opportunity for the employee to perform all critical elements and most noncritical elements of the position, the losing rating official will complete and submit an appraisal form to the gaining supervisor. The rating and reviewing officials of the gaining organization may use that form in determining the overall rating for the 30 June or 31 January rating. When an employee is assigned to a GM position less than 90 days before 30 June, a fully successful rating will be assigned for merit pay purposes unless the assignment results from a classification action, classification appeal or Federal Labor Relations Authority (FLRA) decision where the duties of the position did not change.

**2-5. Off-Cycle Ratings.** Ratings are normally given only during the annual rating cycle. There are, however, instances when a rating must be given outside the normal cycle. These are:

a. **Rating Needed To Grant WGI.** A performance rating of at least fully successful is the basis for granting a WGI. A WGI is withheld when an employee is assigned a rating of less than fully successful. An employee's performance may be reappraised at anytime after the employee has demonstrated sustained performance at the fully successful or above level. AF Form 860, must be completed to support the granting of the WGI and to provide an appraisal for use in competitive actions. A new performance plan is initiated for the duration of the current appraisal unless the employee is within 90 days of the annual appraisal rating date. A new WGI anniversary date is automatically established.

b. **Rating Needed To Withhold WGI.** When a decision is made to withhold the WGI because the employee's performance has deteriorated to less than fully successful, a rating of less than fully successful must be assigned to support withholding the WGI. (For an exception refer to "NOTE" in paragraph 10-7).

c. **Rating Needed When Performance Improves From Less Than Fully Successful to Fully Successful.** Employees in a 2- or 3-year waiting period or the top step of the grade whose annual performance appraisal rating is below fully successful, may be reappraised at anytime after the employee's performance has improved and been sustained at the fully successful or higher level. The rating official must complete AF Form 860, assign a rating of at least fully successful, have it recorded in PDS-C, and initiate a new performance plan for the duration of the current appraisal period. This out-of-cycle rating will not change a future WGI anniversary due date.

d. If an employee has gone 1 year without a rating, an off-cycle rating will be rendered. A PDS-C notice

from the CCPO will advise the supervisor that a rating is due. This would usually only happen when an employee changes pay plans through an inservice placement action.

**2-6. Change of Rating Official.** If the rating official changes or departs during the rating period and has supervised the employee for 90 days or more, a closeout appraisal and discussion is accomplished before the supervisor leaves. This is not a rating of record for official purposes and will not be documented in PDS-C but serves only as information for the new supervisor. If the rating official changes or departs during the rating period and has supervised the employee for less than 90 days, the performance plan, standards, and documentation of performance progress discussions are transferred to the new supervisor.

**2-7. Developing the Performance Plan.** Most employees are required to have a performance plan. Attachment 1 identifies which employees must have a plan. Employees are informed of the job requirements upon entry into a new position. Air Force Form 860, Part I, Performance Plan, is completed within 30 days of accession. The plan documents the required performance elements and standards. For new employees, the performance plan is restricted to the initial 90-day cycle. Each employee is encouraged to participate in the development of performance standards for his or her position. However, the final determination of performance elements and performance standards rests with management.

**2-8. Identifying Performance Elements.** The official position description establishes a set of duties and responsibilities on which basic pay is set. These duties are described in a broad manner and encompass the total area of responsibility. Performance elements are the significant duties and responsibilities on which employee performance is appraised. They are identified through an analysis of the major job requirements of each employee's job. Within the context of the organization's goals, the employee's major duties and responsibilities are specified, including important tasks and projects which contribute to those goals and for which the employee will be held accountable. There is no requirement that performance elements be derived directly or solely from the official description. There may be projects or tasks which are not addressed specifically in the position description but which are required to be accomplished. The performance elements must, however, be consistent with the level of responsibility and duties of the position description. It is important that supervisors realize the uses that may be made of critical elements in an employee's performance plan. For example, when an employee has applied for disability retirement, a statement that the employee is not able to perform successfully in a critical element due to a

medical condition which has existed for a long time might appear to be inconsistent with a recent performance rating indicating fully successful performance on that same element. Performance elements may be developed by the supervisor, or as a cooperative effort with the employee or a group of employees, depending upon the similarity of the position to other positions.

a. A special duty such as program coordinator assigned according to AFRs 40-113, 40-306, and 40-792, must also be covered in the performance plan. These special duties may be designated as critical or noncritical elements depending on program conditions.

b. A collateral Equal Employment Opportunity (EEO) program duty, when included in the position description, must be covered by a performance plan. The performance elements, performance standards, and appraisal will be coordinated with the collateral duty supervisor. Such duties *will not* be designated as critical elements. If performance falls below the standards, corrective action beyond counseling or training is limited only to deleting the collateral duty.

**2-9. Identifying Special Supervisory Performance Elements.** For most managers and supervisors, both individual performance requirements and organizational goals must be addressed. That is, job performance elements should cover major personal responsibilities that are not delegated to a subordinate and which describe the supervisor's or manager's performance apart from that of the subordinate staff. In addition, performance elements also should cover major organizational objectives, goals, products, etc., that subordinate staff members accomplish under the general guidance and direction of the manager or supervisor. There are other supervisor responsibilities that cut across functional and organizational lines.

a. **Personnel Management.** Include significant supervisory military or civilian personnel management responsibilities as set forth in Air Force 30-, 35-, and 40-series regulations, particularly AFR 40-312, paragraph 4c. It is recommended that job performance elements be set up on how well supervisors appraise and rate employees and take appropriate follow-on action in compliance with *this* regulation.

b. **Equal Employment Opportunity (EEO).** Include a specific requirement when it is set forth in the organization's Affirmative Action Plan, or is required of the supervisor according to the local EEO program administered under AFR 40-713.

c. **Safety and Health.** 29 CFR, Part 1960.11, DOD Instruction 6055.1; and AFR 127-12, *requires* that the appraisal of civilian managers and supervisors include how well they discharge safety and health responsibilities, consistent with specifically assigned duties. General responsibilities are contained in AFR 127-12. They vary in significance and will specifically apply depending on the work-site safety and health envi-

ronment. *A specific significant safety and health responsibility will be included in the performance plan.* Air Force safety and occupational health specialists should be consulted, if necessary, when performance plans are developed.

**2-10. Identifying Critical Performance Elements.** Each performance plan must contain at least four performance elements of which *three must be critical elements.* At least one noncritical element must be included. As a general guideline, five to nine performance elements should be a sufficient total number of elements for evaluating performance of most employees. The critical elements must total more than one-half of the total of critical and noncritical elements. After performance elements have been determined, the critical elements must be identified.

**2-11. Setting Performance Standards.** A performance standard is a further refinement or description of the performance element. It describes how the element is to be done and at what level it should be done to be considered fully successful performance. It is a statement of a given level of proficiency at which a performance element can be carried out during a specified period. A performance standard should recognize the degree of difficulty and reflect the consequences of the work outcomes to the organization and mission. It is the yardstick that permits accurate evaluation of job performance in relation to the requirements of the position. The performance standard for each performance element must be defined in measurable terms. The standard (or measurement) forms the framework for dialogue between the supervisor and employee on what must be accomplished and what is expected. Performance standards recognize requirements that may be prescribed in directives, technical orders, office instructions, etc., and should be expressed in terms of one or more of the following criteria:

**a. Quality.** Applicable to work which can be measured in terms of accuracy, excellence, cost requirements, courtesy to the public, or any other way. May be evaluated in terms of how the work is accomplished versus the results of the work.

**b. Timeliness.** Applicable to work which can be measured by the length of time allowed to perform something or in terms of completion dates. Timeliness is a results oriented standard.

**c. Quantity.** Applicable to work measured by the amount or percentage of work produced or by how many times something is done.

**2-12. Using Similar Performance Elements and Standards:**

**a.** To facilitate equitable treatment of employees, performance elements and performance standards should be similar where practical, and where both of the

following factors exist for a particular category of positions.

(1) The work performed is substantially similar in duties, responsibilities, and skills required.

(2) There are not substantial variations in the working environment which would lead to differences in performance expectations.

**b.** For career broadening positions described in AFR 40-110, OCPO/MPKC may issue special instructions regarding performance plans.

**2-13. Quality Control Review.** The commander or a high level management official of a major organizational component will establish a quality review procedure to ensure chain-of-command review of performance plans at the beginning of the appraisal period and subsequent performance appraisal and rating.

**a.** Early in the performance plan preparation process and before the plans are finalized, officials in the chain-of-command will review performance plans for compliance with this regulation. This includes a review of the administrative requirements, such as correct completion of the front page, but with emphasis on the correctness and validity of the performance elements and standards. Particular attention will be given to assuring that the performance standards in Part I, *are actual standards*, and not simply restatements of the performance elements. The review should determine that there are at least four performance elements. Elements should be compatible with the position description, and cover the primary position responsibilities (paragraph 2-8). The CCPO provides advice as needed and assists management in evaluation of this performance management program. The review should also determine if special requirements for supervisors are included as outlined paragraph 2-9; for example, safety and health responsibilities.

**b.** When the performance appraisal and rating is accomplished, the review process is repeated. At this point the emphasis is on the adequacy of the rating substantiation, reasonable correlation between the evaluation of individual performance elements and the appraisal of individual work behavior factors, and computation of the overall performance rating using the definition in Part IV of the form. In addition, the review will compare similar levels of substantiated performance and work behavior to assure that ratings are reasonably consistent for employees who demonstrate similar or equal levels of performance and related behavior. *It is recommended that a copy of the form be completed in pencil until the review is complete and any necessary adjustments are made.* Where the decision is made to use an endorsing official (paragraph 1-7f(6)), he or she accomplishes this review. The same procedures apply to the MPUO.

(1) At this point, there should be no disagreement with performance plans since they should have been

approved during the pre-review.

(2) If ratings on individual elements are substantiated, the rating may not be changed. If ratings on individual elements support the overall summary rating according to the rating definitions, the overall rating may not be changed.

(3) If the documentation does not clearly explain or support a rating on an individual element, the reviewing official is given the opportunity to provide clarifying or additional information. If the clarifying or additional information is insufficient to support the rating, the rating may be changed. Reason(s) for the change is documented. This decision is final at this point.

(4) If the review accomplished at the end of the appraisal period reveals performance elements and standards that are inadequate, the final decision on ratings should address those elements which can be rated, assuring that employees are treated equitably and ratings assigned are consistent with actual performance. This may require additional information from the rating and reviewing officials. Where there are no measurable standards, an assumed fully successful will be assigned.

**2-14. Appraising Temporary Duty Performance.** When an employee is on a detail or temporary promotion, appropriate consideration of the employee's performance is required. The employee's rating official will coordinate with the detail or temporary promotion supervisor so that the duties and responsibilities of the temporary assignment are properly reflected in the performance plan maintained by the rating official or in a performance plan set up, kept, and completed by the detail or temporary promotion supervisor. *If an annual appraisal is due* and the employee is on detail or temporary promotion, the appraisal will be documented on AF Form 860, by the detail or temporary promotion supervisor, if the assignment has lasted for 90 days or more. *If the annual appraisal is due* and the detail or temporary promotion has been for less than 90 days, the rating official completes his or her appraisal when due, but consults with and considers the views of the detail or temporary promotion supervisor in the completion of AF Form 860. If, at the time of the annual appraisal, the employee is not then, but had been, on detail or temporary promotion during the appraisal period, the rating official will complete the appraisal but consults with and considers the views of the detail or temporary promotion supervisor. (For GM employees on temporary promotion also refer to paragraph 2-21.)

**2-15. Performance Appraisal Discussions.** The supervisor meets with the employee at the beginning of each appraisal cycle or upon assignment of a new employee or supervisor, to discuss the performance elements and performance standards on which the employee's work will be evaluated. Periodic employee-supervisor discussions are required during the appraisal period, to review

currency of performance elements, to discuss work performance, and make any necessary changes to the performance plan. Planned systematic discussions will be beneficial to both supervisors and employees. At the end of the appraisal period, performance accomplishments are discussed.

**2-16. Rating Employee Performance.** A significant responsibility in the performance management process is the rating of employee performance.

**2-17. Completing the Performance Plan.** At the end of the appraisal period the supervisor must complete Parts I and II of the performance plan and assign an overall rating in Part IV.

**a. Part I.** Based on the supervisor's observation of the employee's performance, the supervisor determines whether the employee has exceeded, met, or did not meet the standard for each element. The supervisor marks the appropriate evaluation block in Part I.

**b. Part II.** For each element that the employee either exceeded or did not meet, a written justification is provided by the supervisor in Part II. If an element is met, a check on the form is sufficient.

**c. Part IV.** Based on the evaluation of the employee's performance from Part I, an overall rating will be assigned and entered in Part IV. Ratings are to be assigned as follows:

(1) Superior. Employee has exceeded all the elements of the performance plan.

(2) Excellent. Employee has exceeded more than one-half of the critical elements, and meets all other elements.

(3) Fully Successful. Employee meets the requirements of all of the elements of the performance plan.

(4) Minimally Acceptable. Employee did not meet the requirements of one or more noncritical elements of the performance plan, but meets the requirements of all the critical elements.

(5) Unacceptable. Employee did not meet the requirements of one or more critical elements of the performance plan.

**2-18. Rating Manner of Performance.** The appraisal factors in AF Form 860, Part III, represent work behaviors that can be observed in the context of the employee's current position, as reflected in the performance plan in Part I of the form.

**2-19. Completion of AF Form 860, Part III.** Each of the nine appraisal factors must be rated by marking an "X" through the scale number in the appropriate box next to each appraisal factor. If an appraisal factor is rated 1, 2, 8, or 9, the supervisor must identify the performance element(s) in which the behavior was observed in the corresponding appraisal factor block. (For example: appraisal factor 3, Problem Solving, is rated 8 and was

observed or demonstrated in performance elements 1 and 5, in Part I, write "1" and "5" in Part III, appraisal factor 3.) No further justification is necessary if appraisal factors in Part III, rated 1, 2, 8, or 9, were identified with a performance element(s) in Part I that was substantiated in Part II as a part of that evaluation. However, a brief narrative justification is required when a rating of 1, 2, 8, or 9, is assigned against a performance element(s) that was rated "met".

**2-20. Processing AF Form 860 for GS, ST, and FWS Employees.** Within 30 days after the completion of the appraisal period, the supervisor will check the appropriate evaluation blocks in Part I, complete Parts II, III, and IV of the form, and sign the form in Part IV. The form is sent to the reviewing official for signature and then if required by a career program council or MAJCOM, according to this regulation, to an endorsing official. If it has not already been accomplished, the quality control review will be performed at this time. After all of the required approvals have been obtained, the form is discussed with the employee who then signs the form. The form is then sent to the CCPO. A copy of the AF Form 860 will be given to the employee, upon request.

a. For a new GM, GS, ST, or FWS employee who is subject to the probation requirements of chapter 3, the initial 90-day appraisal is not used to evaluate completion of the probation. However, it is used to determine how well the employee is doing at that time.

b. A new employee appointed to an FWS position in step 1 is eligible for the step 2 WGI 6 months after initial appointment (paragraph 10-3). The 90-day appraisal may be used to determine whether to grant the first WGI. The PDS-C notice will tell the supervisor that if the 90-day overall performance appraisal rating is fully successful or higher, that level of performance will be assumed to continue unless the supervisor notifies the CCPO and initiates action according to chapter 3 if the employee is on probation, or chapter 5 if the employee is not on probation.

c. The annual appraisal cycle for FWS employees starts 1 February and ends 31 January. The completed and signed AF Form 860 is due in the CCPO no later than 15 March.

d. The annual appraisal cycle for GS and ST employees starts 1 July and ends 30 June. The completed and signed AF Form 860 is due in the CCPO no later than 15 August.

**2-21. Processing AF Form 860 for GM Employees.** Completion and processing of the AF Form 860, according to strict time limits is vital to the integrity and credibility of the merit pay system. Accordingly, use Merit Pay Timetable, to process the forms. Some exceptions follow:

a. For personnel actions occurring between 1 July

and the October merit pay comparability adjustment date and under the conditions listed below, the personnel action will trigger a PDS-C calculation of merit pay using an assumed rating of fully successful.

(1) An employee is permanently promoted from one GM position to another GM position.

(2) A non-GM employee is permanently promoted or reassigned to a GM position.

b. Between 1 July and the October merit pay comparability adjustment date and under the conditions listed below, the performance rating assigned as of 30 June (with an effective date of 1 September) is used for the pay adjustment that same year. This rating is documented and processed on AF Form 860 and used within PDS-C to calculate merit pay:

(1) A GM employee entitled or not entitled to the retained grade provision of OPM Regulation, Part 536, is demoted to a lower GM position.

(2) A GM employee is reassigned from one MPU to another MPU.

c. If an employee is temporarily appointed to a GM position or is temporarily reassigned or promoted from a non-GM position to a GM position and occupies the GM position on the October comparability adjustment date, he or she is entitled to a merit pay increase.

(1) If the temporary personnel action is effected before 30 June, the performance rating assigned as of 30 June (with an effective date of 1 September) is used for the merit pay determination.

(2) If the temporary personnel action is effected on or after 1 July, the situation will be managed according to b(2) above for the pay adjustment.

d. If an employee is temporarily promoted from a GM position to another GM position within 120 days before the October comparability adjustment date and occupies the higher GM position on that date, the merit pay determination is waived. However, the employee will receive a pay adjustment based on an assumed fully successful rating at the higher grade. For the purpose of pay setting upon return to the lower grade, see paragraph 11-33.

e. If an employee is temporarily promoted from a GM position to another GM position anytime before 120 days before the October comparability adjustment date the following applies:

(1) If the employee occupies the higher GM position on the October comparability adjustment date, he or she is entitled to a merit pay determination at the higher grade. A rating assigned as of 30 June (with an effective date of 1 September) is used for the merit pay determination. Upon return to the permanent position, the pay will be set according to paragraph 11-33.

(2) If the employee is returned to the permanent position before the October comparability adjustment date, pay will be set using the 30 June assigned rating.

**2-22. Uses of Appraisal.** Performance appraisal is not



an isolated process with the sole purpose of assigning ratings. It is part of the total performance management process designed to plan work, identify and correct performance problems, recognize and reward quality performance, improve productivity, assign pay, and effect other actions. Personnel actions, award recommendations, and other corrective, remedial, or required actions should be started at the same time or shortly after the completed appraisal form is submitted, or as otherwise required by regulation.

a. The current performance rating or rating of record, used for the purposes described herein, is the last one received and recorded by the CCPO in PDS-C.

b. A fully successful performance rating is given when the employee's performance is right on target and reflects what was expected of the employee. If otherwise eligible, the employee competes for promotion. Other career development training may be appropriate. High level awards normally would not be justified, but certain awards may be appropriate.

**2-23. Recognizing the Employee.** The most common and direct means of recognizing fully successful or higher performance involves pay increases and awards.

a. **Pay.** FWS and GS employees will receive the WGI, when otherwise eligible, if a fully successful or higher performance rating is assigned. GM employees with similar performance ratings will receive merit pay according to chapter 11.

b. **Awards.** If the employee receives a superior performance rating, paragraph 1-4a *requires* that he or she be given some kind of recognition in addition to the receipt of merit pay or a WGI. To carry out the purpose of the pay-for-performance concept (paragraph 1-3) employees who get superior performance ratings should *first* be considered for monetary recognition according to chapter 7. However, other recognition may be granted as explained in chapter 1. Employees who receive excellent performance ratings should be considered for recognition. Employees who receive fully successful performance ratings may be eligible for some kind of recognition.

**2-24. Retaining the Employee.** Each employee who has a current performance appraisal rating of superior will have 4 years of service added to his or her creditable service for purposes of RIF. Each employee who has a current performance appraisal rating of excellent will have 2 years of service added to his or her creditable service for purposes of RIF (AFR 40-351).

**2-25. Training the Employee.** Performance appraisals must be used as a basis for determining the training needs of employees (AFR 40-410).

a. Employees may receive training to improve performance and acquire job-related skills. The performance appraisal should help identify remedial or

developmental training necessary for an employee to meet a specified performance standard. Supervisors should make every effort to determine whether training will assist an employee's performance.

b. Developmental training is provided for employees participating in formal training programs under written training plans to expand the scope and depth of their jobs in order to prepare for the additional duties and responsibilities of an intermediate or target grade.

c. If an employee is on long-term full-time (LTFT) training when the annual appraisal is due, the rating of record will continue until the close of the next rating cycle. If the LTFT continues through a second rating cycle, the rating of record will continue for RIF purposes. *But* merit pay will be paid based on a fully successful rating. The employee will be treated as fully successful for award purposes in all cases.

**2-26. Using the Results of Appraisal for Competitive Promotion and Inservice Placement.** FPM chapter 335, Promotion and Internal Placement, requires that methods of evaluation for promotion and placement, and selection for training that lead to promotion be consistent with FPM Supplement 335-1, Evaluation of Employees for Promotion and Internal Placement. It also requires that due weight be given to performance appraisals.

**2-27. Appraisal of Work Behavior.** FPM Supplement 335-1 permits the appraisal of work behavior, knowledges, skills, abilities (KSA) and other characteristics for inservice placement purposes. It *requires* that appraisals used to evaluate employees for promotion *be relevant to the job for which they are being considered*. In the Air Force, the work behavior appraisal is made in AF Form 860, Part III. A rating of fully successful or higher on AF Form 860, Part IV, is required for an employee to be eligible to compete for promotion or other competitive inservice placement.

**2-28. How the Appraisal of Work Behavior is Used.** While it is not always possible to relate the performance of specific job tasks or elements from one position to another, the work behaviors used in the actual performance of the duties can be identified. Therefore, employees receive "credit" in appraisal for related work behaviors. Air Force research has identified nine appraisal factors or work behaviors to be used in assessing an employee's current performance. The relative importance of these work behaviors to occupations in the Air Force civilian work force has been determined. As a part of the research study, groups of subject matter specialist identified those work behaviors critical to their respective occupations. The selected work behaviors were then weighted according to their degree of importance. The resulting mathematical computation or algorithm is the total score an employee may receive.



The weight of a particular appraisal factor in the algorithm is multiplied by the rating assigned (on the scale of 1 to 9) by the supervisor. The total score for an employee may differ depending on the position for which he or she is being considered.

**2-29. When the Appraisal of Work Behavior is Used.** The appraisal is used for all competitive inservice placement actions including promotion; reassignments to positions with known growth potential or to positions which provide new KSAs which enhance future career growth; selection for training that would result in the enhancement of career growth; demotion to lower graded positions which have career growth above the employees current position; and other instances that may be determined by the CCPO according to AFR 40-335. The ratings on AF Form 860, Part III, are used as a factor in determining final rank order between competing employees. Scores achieved on Part III become the second ranking factor used to determine rank order of those employees having substantively equal KSAs. The

total algorithm score applicable to the position being filled is used at all times.

**2-30. Algorithm Security and Control Requirements.** To maintain the merit system principle of fair and equal job competition, certain material used in competitive inservice placement may not be given or made available to unauthorized persons. This will preclude compromise of the competitive selection process, and prevent unfair advantage to some competing candidates. Accordingly, the algorithms explained in this chapter will not be released to the public, Air Force or other government employees, commanders, managers or supervisors, or union officials.

a. AFMPC/MPCD will maintain the algorithm in a secure fashion in PDS-C.

b. The AFHRL, or other qualified personnel research organization, as authorized by HQ USAF/MPKE, may have access and use of the algorithms for research validation purposes.

Table 2-1. Appraisal Types, Periods, and Rating Dates.

Appraisal Type	Category	Presumptive Rating	Carry Over Last Appraisal	Pay Plan	Appraisal Period
I. Initial	1. Accession	Yes	No	GS	Days 1-90 after entrance on duty with Air Force
	a. Initial Appointment (see note 1)			GM	
	b. Transfer from other agency			ST	
	c. Reinstatement			FWS	
II. Annual	2. Annual rating required normal cycle	No	No	GS	1 Jul-30 Jun
				GM	
				FWS	1 Feb-31Jan
	3. Inservice action occurring during effective period	No	Yes	GS	1 Jul-30 Jun
a. Conversions					
b. Promotions			FWS	Date of Action to 31 Jan (see note 2)	
c. Reassignment					
d. Change to Lower Grade					
III. Other	4. Withhold WGI (if employee has Fully Successful or higher rating)	No	No	GS FWS	N/A
	5. Grant WGI (if employee has less than Fully Successful rating)	No	No	GS FWS	N/A
	6. When performance improves from unacceptable or minimally acceptable to fully successful	No	No	GS GM FWS ST	Determined by supervisor
	7. Employee has gone 1 year without rating	No	No	GS FWS ST	N/A
	8. Long-Term Full-Time (LTFT) Training	No	Yes	GS GM FWS ST	N/A

## NOTES:

1. Appointment must be for 120 days or longer.
2. The supervisor of record on 30 Jun (31 Jan for FWS) renders the appraisal with input from losing supervisor.
3. The appraisal effective date for personnel action and PDS-C purposes is the beginning date for the effective period.
4. Reemployed annuitants, with a break in service that would render their last rating of record more than 1 year old, will begin an initial appraisal.

Date Rated	Processing Period	Effective Period (see note 3)	Remarks
90 days from entrance on duty with Air Force	Days 91-120	Day 121 through 31 Aug  Day 121 through 31 Mar	If the 90-day period for the initial appraisal ends between 3 April and 30 June for GS/GM or 3 November and 31 January for FWS, the supervisor may recertify the initial rating. This rating becomes rating of record for annual appraisal.
1 Jul	1 Jul-31 Aug	1 Sep-31 Aug	
1 Feb	1 Feb-31 Mar	1 Apr-31 Mar	
1 Jul	1 Jul-31 Aug	1 Sep-31 Aug	Includes change of appointing office actions and reemployed annuitants (see note 4).
1 Feb	1 Feb-31 Mar	1 Apr-31 Mar	If employee converted from appointment not requiring a performance plan, a presumptive rating is assigned and a rating is completed after 90 days.
30 days before date WGI is due	N/A	Date appraised until superseded by new rating	See paragraph 2-5b.
30 days before date WGI is due	N/A	Date appraised until superseded by new rating	See paragraph 2-5a.
Determined by supervisor	N/A	Date appraised until superseded by new rating	
See remarks	N/A	Date appraised until superseded by new rating.	CCPO will advise supervisor, rating is due.
N/A	N/A	Date appraised until next rating period following completion of LTFT training	See paragraph 2-25c for use of rating in personnel actions.

## Chapter 3

## PROBATION FOR NEW EMPLOYEES

**3-1. Basic Probation Requirements.** An employee must serve a probation during the first year of his or her first permanent Federal appointment to determine fitness for continued employment. This probation is an extension and continuation of the merit system competitive examining process required for initial entry into Federal civilian service. During probation, the new employee is evaluated for qualities and characteristics essential for effective performance, but which cannot be measured adequately by preemployment testing and examination methods. The supervisor gives the probationer the guidance and help necessary for fully successful performance. If the employee does not satisfactorily complete probation, he or she must either be assigned to another position or separated according to paragraph 3-5.

**3-2. Application of These Requirements.** This chapter applies to employees who are appointed to the first year of a 3-year career conditional appointment; who have not previously completed a probation; or who are required to complete one, as determined by the CCPO, (FPM chapter 315, subchapter 8-2).

**3-3. Factors To Be Evaluated.** Job performance and work behavior is appraised according to this regulation. In addition to and concurrent with that appraisal process, the probationer's character, conduct, and attitude that directly affect job performance are evaluated against applicable standards of conduct set according to such regulations as AFRs 40-735, and AFR 30-30. (Also see AFP 40-11.)

**3-4. Certifying Completion of Probation.** The supervisor is required to make a written certification of the probationer's performance not later than the tenth month of the probation. The CCPO will advise the supervisor of this requirement with a notice from the PDS-C. The supervisor must complete and return the notice to the CCPO by the time specified. *If the certification is not timely or completed properly, an employee who does not deserve continued employment may attain that status by default.*

**3-5. Action When Employee Fails Probation.** When an employee fails to exhibit fitness for continued employment, the supervisor takes appropriate action as soon as possible and before the 1-year probation ends. When failure is indicated, the supervisor will consult the CCPO staff concerning appropriate action.

a. An employee failing probation will be assigned to another position *only* when there is enough time left in the probation to determine his or her fitness for retention

in that position and the Federal service and where there is good reason to believe that the employee will successfully complete the continued probation.

b. When demotion or separation is appropriate, the supervisor consults the CCPO staff and issues a notice of the action. A probationer has no entitlements to the adverse action benefits provided by law or OPM Regulation, Part 752. Therefore, AFR 40-750 is not used to demote or separate a probationer.

c. If it is decided to terminate a probationer based in whole or in part on conditions arising before appointment, requirements of OPM Regulations 315.805 and 1201.21 must be observed. A probationer's petition for appeal to the MSPB must be filed anytime from the day after the effective date of the action being appealed until not later than 20 days after the effective date.

**3-6. Notice of Action.** The notice of action to demote or separate a probationer will meet these requirements. The notice:

a. Must state what will be done and when it is to be effective.

b. Must provide reasons to support the action. The reasons must be sufficient to conclude that it would be doubtful that the probationer will render subsequent continued satisfactory service.

c. Must tell the probationer that he or she may request review of the action by the reviewing official (attachment 2). The notice will provide the name and official address of that person. The notice will state that the request must be written and must set forth reasons why the action should not be taken. Specific time limits will be set for the request. At least 3 workdays will be allowed.

d. Will tell the probationer that he or she will be kept in a duty status until the effective date, unless leave is requested and approved.

e. Must tell the probationer that he or she may appeal to the MSPB only on ground of alleged partisan political reasons or marital status (OPM Regulation 315.806(b) or on discrimination, if raised in addition to political reasons or marital status, (OPM Regulation 315.806(d)). Also, the requirements of OPM Regulation 1201.21 must be observed. A probationer's petition for appeal to the MSPB must be filed anytime from the day after the effective date of the action being appealed, until not later than 20 days after the effective date.

f. Normally, the supervisor will sign and deliver the notice to the probationer at least 14-calendar days before the effective date. If the action must be taken within the 14-calendar days before the probation completion date, the notice will be signed and delivered as far in advance as possible.

**3-7. Action by the Reviewing Official.** When requested by the probationer, the reviewing official determines whether the action is arbitrary, capricious, or unreasonable in view of the documentation required by this regu-

lation, and other information provided by the supervisor relative to required conduct, behavior, and attitude. When time permits, the probationer is notified in writing of the reviewing official's decision.

## Chapter 4

## PROBATION FOR NEW SUPERVISORS AND MANAGERS

**4-1. Basic Probation Requirements.** An employee must serve a probation before initial assignment as either a supervisor or manager becomes final. If the employee does not satisfactorily complete the probation, he or she has a right under 5 U.S.C. 3321 to be returned to a position of no lower grade and pay than the position from which transferred, reassigned, promoted, or demoted.

**4-2. Application of These Requirements.** This chapter applies to an employee when he or she is appointed, promoted, demoted, transferred, or reassigned to his or her *first* supervisory or managerial position. It does not apply to time limited appointments of less than 120 days. It may be applied to a temporary promotion or reassignment expected to last at least 6 months (c below). The supervisory and managerial positions covered by this chapter are defined in FPM chapter 315, subchapter 9.

a. Upon initial assignment to a supervisory position, an employee must complete a single probationary period.

b. Upon initial assignment to a managerial position, an employee must also complete a single probationary period unless the selecting official waives the requirement based on the employee's previous satisfactory completion of a supervisory probationary period.

c. Upon initial assignment to a position that is both supervisory and managerial, by temporary appointment, promotion, or reassignment expected to *exceed* 120 days, an employee must complete a single probationary period.

**4-3. Exceptions.** An employee who, on 11 August 1979, was serving or had served for any length of time in a Federal civilian supervisory or managerial position, is exempt from serving a *comparable* probationary period under this chapter. For example:

a. An employee in that status as a supervisor may not be subject to the supervisory probation.

b. An employee in that status as a manager may not be subject to the managerial or supervisory probation.

c. Time served on a temporary appointment or promotion in excess of 120 days, as a supervisor or manager before 11 August 1979, counts in the same way as service on a permanent appointment. Time served on official or nonofficial detail does not count.

d. Evidence of current or prior Federal civilian supervisory or managerial experience must be supported by official records or other convincing evidence supplied by the employee or a Federal official.

**4-4. Advance Notification.** Before assignment to a supervisory or managerial position, the employee must be informed in writing of the probation requirement, the entitlement to placement if the probation is not successfully completed, and the absence of grievance rights

over such placement action. Recruitment notices and vacancy announcements must explain these requirements and entitlements.

**4-5. Training.** Early in the probation, first-year training or career development requirements for the new supervisor or manager must be determined. Particular emphasis will be given to determining required supervisory and managerial skills training and providing it in the time limits specified in AFR 40-418, chapters 5 and 6.

**4-6. Full and Fair Evaluation.** A performance plan will be developed to evaluate the probationer upon initial appointment to the supervisory or managerial position. This is the same performance plan required in chapter 2. It is *not* in addition to the normal required plan. Performance discussions will be held during probation to monitor the progress of the new supervisor and manager and to keep him or her informed on progress.

**4-7. Length of Probation.** The maximum length of the probation is 1 year. Normally, all new supervisors and managers will be required to serve the entire period. The PDS-C will produce a notice 90 days before the end of the probation to remind the CCPO and supervisor when certification is required.

a. The supervisor, with the concurrence of the next higher level manager, may terminate the probation at any time when it becomes clear that the employee lacks the necessary aptitude or skill required in the position and that further training and experience will not provide the skills needed for full and effective performance.

b. As an exception to the normal rule, and based on consistently demonstrated fully successful performance, for not less than 6 months, the supervisor may certify that the probation has been satisfactorily completed. This will be documented in writing, signed by the supervisor, and filed in the employee's SF 66, Official Personnel Folder.

**4-8. Failure To Complete the Probation.** Satisfactory completion of the probation is necessary for continuation in the position. When probation is not satisfactorily completed, the employee is returned to a nonsupervisory or nonmanagerial position.

a. The return of an employee to a nonsupervisory or nonmanagerial position, by demotion for failure to complete the probation within the probationary period, is not an adverse action. It is not appropriate to demote an employee under this chapter for reasons other than those having a direct relationship to supervisory or managerial effectiveness. Demotions for reasons unrelated to supervisory or managerial job performance are

adverse actions and must be processed under AFR 40-750.

b. The decision to return an employee to a non-supervisory or nonmanagerial position is made by the employee's immediate supervisor, with the concurrence of the next higher official in the organization.

c. An employee who is returned to a nonsupervisory or nonmanagerial position must be given sufficient factual information to make clear the basis for the action. A written notice of the reasons for the action will be given to the employee. The notice will also contain information about how the employee's placement rights will be satisfied.

d. The return of an employee to a nonsupervisory or nonmanagerial position is not grounds for denying the employee consideration for subsequent assignment to other supervisory or managerial positions. Position requirements and individual abilities vary. An employee not suitable to one supervisory or managerial position may be able to perform very well in another supervisory or managerial position.

e. An employee who is returned to a nonsupervisory or nonmanagerial position is not entitled to grade or pay retention provided by 5 U.S.C. 5362 and 5363.

f. An employee who is returned to a nonsupervisory or nonmanagerial position under this regulation is entitled to a position of no lower grade and pay than the one the employee left to accept the supervisory or managerial position.

(1) Except when returned to another DOD component, as explained in h below, an employee who transferred from a nonsupervisory or nonmanagerial position in another agency to a supervisory or managerial position in the Air Force and does not satisfactorily complete the probation, has a right to a position in the Air Force, not to a position in the agency from which transferred.

(2) An employee who is appointed to a supervisory or managerial position from an OPM register, or based on reinstatement eligibility, and who is not serving a probation under chapter 3 of this regulation, is entitled to be placed in a vacancy equal in grade to that currently held, subject to the referral and selection priorities in AFR 40-300.

(3) RIF procedures will not be used to determine the position to which assigned.

(4) The position vacated by the new supervisor or manager will not be left vacant or filled in a temporary manner in order to provide a fall-back job in case the supervisor or manager may have to exercise return rights. It may not be obligated, except in connection with oversea employment with return rights under Public Law 86-585. (See Air Force Supplement to FPM chapter 301, subchapter 1-3.) It may be filled on a short-term, temporary basis to meet mission needs, but may not be filled by a temporary appointment with the *purpose* of providing a "fall-back" job.

g. When it is determined that an employee is to be returned to a nonsupervisory or nonmanagerial position, the supervisor and the CCPO will take action to reassign, promote, or demote the employee to a position of no lower grade and pay than the one the employee left to accept the supervisory or managerial position. If a suitable vacancy is not available, manpower, and personnel officials in coordination with management, will authorize and establish a position somewhere in the command to meet the statutory placement requirement. If establishment of a position and placement of the employee results in an overauthorization, RIF will not be used as a remedy. Rather, at the earliest opportunity, an authorized vacant position will be used to correct the problem.

h. An employee serving a supervisory or managerial probationary period in an oversea position, who was assigned to the current position from a nonsupervisory or nonmanagerial position to which they have return rights may be required to exercise those return rights.

**4-9. Crediting Service When the Probation is Interrupted.** Service in a supervisory or managerial position that is interrupted during the probation is credited toward completion of probation in the following manner:

a. A supervisor who is assigned, promoted, or demoted to another supervisory position during the probation is subject to the probation prescribed for the new position. Service in the former position counts toward completion of the probation prescribed for the new position. The same applies to a manager who is placed in another managerial position. The same rules apply when the probation is interrupted by assignment to a position where probation is not required or when a break in service occurs, other than for cause.

b. A supervisor or manager who is serving probation under this chapter and then is temporarily promoted or assigned to another position may be credited with the time spent in the other position, in the same manner as in a above. Time spent on details does not count.

c. Absence on or off the rolls due to compensable injury or illness or military duty from which the employee is entitled to restoration rights or priority consideration under FPM chapter 353, is credited in full.

d. When an employee is separated for cause or returned to a nonsupervisory or nonmanagerial position during the probation, his or her service does not count toward completion of a probation required under subsequent appointment or assignment.

**4-10. Relationship To Other Personnel Actions:**

a. If, on appointment, an employee is required to serve both a probation under this chapter and a probation under chapter 3, the latter takes precedence. Completion of the chapter 3 probation fulfills the requirements of this chapter.

b. Nothing in this chapter prohibits management from removing an employee for reasons unrelated to supervisory or managerial performance.

c. The procedures of 5 CFR, Part 432, do not apply to a demotion under the provisions of this chapter.



## Chapter 5

### DEALING WITH PERFORMANCE PROBLEMS

**5-1. Identifying Performance Problems.** To maintain a quality civilian work force and encourage employees to strive for top performance, supervisors should take positive action as soon as a performance problem is observed. The action taken should not be delayed until the end of the appraisal period. Supervisors are required to conduct periodic performance reviews. Planned, systematic reviews of work will help supervisors identify performance problems at the developmental stage.

a. At any time during the performance appraisal cycle that the employee's performance *in one or more critical elements* becomes less than fully successful, the supervisor must inform the employee of the critical element(s) for which performance is unacceptable, in what way it is unacceptable, and exactly what is required to bring it to a fully successful level. The supervisor will initiate an opportunity period to give the employee a reasonable time to demonstrate acceptable performance. This means an amount of time commensurate with the duties and responsibilities of the employee's position sufficient to allow the employee to show whether he or she can perform acceptably.

b. The supervisor will help the employee improve performance during the opportunity period. This can include closer supervision and counseling, personal demonstration, supervisory or peer coaching, frequent reporting, special assignments, on-the-job training, and the like. Although not required by regulation, formal training may be provided. This training should be given a sufficient high ranking within the appropriate priority.

**5-2. Action Required When a Medical Condition Affects Performance.** The supervisor will not always know whether the employee's health is impaired because of injury, disease, psychiatric problem, alcohol abuse, or other handicapping condition. Neither will the supervisor necessarily know whether the medical condition is causing the performance problem. *This issue must be addressed early in the problem identification and correction process.* Accordingly, the supervisor, CCPO, or medical official, as appropriate, will take the following steps:

a. If the employee's performance is suspected to be adversely affected by the abuse of alcohol or drugs, AFR 40-792, must be followed. An employee may not be removed from his or her position, through adverse action procedures because of ineffective performance, unless these requirements are fulfilled. Specific guidance on what to do is contained in AFR 40-792, attachment 3, Dealing With the Troubled Employee. The supervisor should also review AFP 40-10, A Supervisor's Guide—The Air Force Civilian Drug and Alcohol Abuse Prevention and Control Program. The employee may be given a copy of AFP 40-11, Air Force Civilian

Standards, and requested to read paragraph 11.

b. In *all* performance problem situations, *including those where the action described in a above has been started or accomplished*, the employee will be told that if he or she wants management to consider *any* medical condition that may contribute to the unacceptable performance, that he or she will be given a reasonable time to furnish medical documentation.

(1) Medical condition means health impairment which results from injury or disease, including psychiatric disease.

(2) Medical documentation is defined in 5 CFR, Part 339, Section 339.102. The employee will be informed of exactly what documentation is required. The amount of reasonable time will be specified; it should coincide, to the extent practical, with the opportunity period explained in paragraph 5-1a. When possible, the employee will provide the documentation within the time established. If the documentation is not provided on time, the supervisor may grant more time, or proceed with the correction process.

(3) Medical documentation furnished by the employee will be reviewed by the supervisor and an Air Force or other Federal medical officer.

(a) When the employee is in a job that requires physical or medical standards for retention or a job covered by the environmental health or bioenvironmental engineering programs under AFR 161-33, *and* the documentation review shows a direct question about the employee's ability to meet the job's physical or medical requirements, the supervisor *may require* the employee to report for a medical examination.

(b) When the employee is not in the kind of job described above, and the documentation review provides no basis to act on the employee's request for consideration of a medical condition, the supervisor *may offer* a medical examination to verify clinical findings and current clinical status.

(c) Regardless of the kind of job occupied by the employee, a management official may require or offer a psychiatric examination according to 5 CFR, Part 339, Section 339.302(e).

(4) When the supervisor requires or offers a medical examination, the employee will be told in writing of the reasons for the requirement or offer and the consequence of noncooperation.

(5) The medical examination procedures, whether required or offered, will be accomplished according to 5 CFR, Part 339, Section 339.302. The Air Force will pay for or provide the required or offered medical examination according to 5 CFR, Part 339, Section 339.303.

(6) If medical documentation is provided, and the

employee has 5 years of creditable service, the CCPO will give him or her information about disability retirement. The employee will also be advised that an application for disability retirement must not preclude or delay any other appropriate personnel action.

**5-3. Action Required When a Handicapped Employee has a Performance Problem.** A handicapped employee may not be able to provide medical documentation to support a medical condition, as defined above, but still have a physical or medical impairment that *requires reasonable accommodation* (example: mental retardation). Accordingly, when dealing with a handicapped employee's performance problem, both the supervisor and the CCPO must affirmatively discharge any obligation required by 29 CFR, Part 1613, Section 1613.704.

**5-4. Reassigning, Demoting, or Removing an Employee Based on Unacceptable Performance.** If the employee's performance continues to be unacceptable in one or more critical elements after the opportunity to improve period has expired, the supervisor must take appropriate action. The following procedures *do not* apply to:

a. Demotion or removal of an employee in the competitive service who is serving a probation under chapter 3.

b. Demotion or removal of an employee in the Excepted Service who has not completed 1 year of current continuous service.

c. Demotion of a supervisor or manager who is serving probation under chapter 4.

(1) When in the supervisor's judgment the employee will be unable to improve performance, reassignment to another position in the organization may be appropriate. Reassignment may provide the employee with a change in work environment, sufficient to improve the level of performance. When an employee is reassigned because of less than fully successful performance, the supervisor should make it clear to the employee why the action is being taken.

(2) The supervisor may change duties of the current position and demote the employee to a level where fully successful performance can be achieved.

(3) When an employee's performance continues to be unacceptable after attempts fail to improve performance fail and reassignment or demotion is not feasible, there is no justification for retaining the employee. Removal from employment, based on unacceptable performance, is authorized by 5 U.S.C. 4303 and 5 CFR, Part 432, of the OPM regulations.

(4) When demotion or removal is considered appropriate, the supervisor will give the employee a 30-day advance written notice of the proposed action. The notice must identify specific instances of unacceptable performance on which the proposed action is based and the critical elements involved in each instance of unacceptable performance. (The instances of unaccept-

able performance *must* have occurred during the 1-year period that ends on the date of the proposed notice.) The employee must be given a reasonable time to answer orally, and in writing, to the supervisor or other designated management official, and is entitled to be represented by an attorney or other representative. The supervisor must coordinate with the CCPO before issuing the notice.

(a) The notice period *expires absolutely* at the end of the 30 days *UNLESS* extended for no more than 30 additional days by authority of the MAJCOM or comparable organization, or, according to terms of a collective bargaining agreement. (The MAJCOM extension approval authority may be delegated to base level).

(b) Further extension of the notice period can be approved only by OPM; and OPM has no statutory authority to extend a notice period that has expired. Accordingly, if the base or MAJCOM wants further extension, the request with justification, including the purpose and amount of time required, will be sent by the fastest method direct to: Appellate Policies Division, Office of Personnel Management, Room 7459, 1900 E Street, NW Wash DC 20415.

(c) If the employee provides medical documentation during the notice period, it will be considered as part of his or her reply to the notice of proposed action. The documentation must be provided, when possible, within the time limit allowed for the reply. If such documentation is provided at this time, the provisions of paragraph 5-2 apply.

(5) In arriving at the decision, the supervisor or other designated management official considers only the unacceptable performance specified in the notice of proposed action. He or she considers any response to the notice of proposed action from the employee and or his or her representative, including any medical documentation.

(a) The final decision will not be made until the day after the advance notice period expires but must be made within 30 calendar days after the expiration of the notice period.

(b) If the decision is to effect the proposed action, the final decision notice must specify the unacceptable performance on which the demotion or removal is based. The final decision must have the concurrence of a management official who is in a higher position than the supervisor. The notice of decision must tell the employee of his or her appeal rights (paragraph 1-7e).

(6) If the employee's performance improves acceptably during the notice period and continues to be acceptable for 1 year from the date of the notice of proposed action, any entry or other documentation of unacceptable performance for which the action was proposed must be removed from the supervisor's, CCPO, and PDS-C records.

(7) When a demotion or removal for unacceptable

performance is affected, all relevant documents must be maintained according to AFR 12-50. As a minimum, the file will consist of a copy of the notice of proposed action, the answer of the employee when it is in writing, a summary there of when the employee makes an oral reply, the notice of decision and the reasons therefore,

and any supporting material including documentation regarding the opportunity afforded the employee to demonstrate acceptable performance. The above documentation must be available for review by the affected employee or his or her representative (5 CFR 432.207).

## Chapter 6

## THE AIR FORCE RECOGNITION PROGRAM

**6-1. Approval Levels.** The Secretary of the Air Force (SAF) approves all cash awards granted under this regulation for SES members. Approval levels for all other awards are described in table 6-1. Commanders at MAJCOM, comparable organizations, and installation level should designate members of their staffs, and serviced unit commanders or members of their staffs, to approve or disapprove QSIs and cash awards up to a designated amount without awards committee action. The chairperson of the incentive awards committee and the program manager also may be designated to approve such awards without review by the incentive awards committee. Program managers must ensure that awards granted under these provisions meet regulatory requirements before payment. Likewise, disapprovals must be reviewed to ensure that disapproval and the reasons are documented by the disapproving authority. If an award authority at any level considers that a different award is appropriate, either in addition to or instead of the award recommended, the supervisor should be consulted before further action is taken.

**6-2. Further Delegation.** It is highly recommended that commanders and servicing CCPOs establish broad authority to allow awards to be approved at the lowest possible level, without benefit of official committee actions. *As an example*, commanders might authorize Sustained Superior Performance Award (SSPA) approval authority of up to 3 percent of payable salary to other high level officials. Anything above 3 percent would be sent to Performance Awards Committees for their review and recommendations. This and other authority delegation is recommended in the interest of simplifying award procedures and allowing for more prompt recognition of deserving employees. This follows guidelines established in 5 U.S.C. 4503, Part 451, Section 451.206(a) and (b).

**6-3. Air Force Incentive Awards Board (AF-IAB).** The board is authorized to approve, disapprove, or modify awards. The full board meets as a group as conditions dictate. The board:

a. Advises SAF, Deputy Chief of Staff, Manpower and Personnel; and the Director of Civilian Personnel of desirable improvements in the civilian awards program.

b. Approves Merit Pay Cash Awards (MPCA) for GM employees of no more than \$10,000 for performance contributions outside the approval authority of the MPUO, or outside the authority of the MAJCOM if the MPUO elects to exercise the approval authority outlined in paragraph 7-4a or b.

c. Recommends to the SAF approval of the Air Force Decoration for Exceptional Civilian Service and

the Air Force Civilian Award for Valor for appropriated fund employees under this regulation and for nonappropriated fund employees under AFR 40-7.

d. Recommends to the SAF nominations for the DoD Distinguished Civilian Service Award, the President's Award for Distinguished Federal Civilian Service, and nonfederal awards for both appropriated and nonappropriated fund employees.

e. Recommends to the SAF for forwarding to Office of the Assistant Secretary of Defense (Civilian Personnel Policy and Requirements) nominations for cash awards in excess of \$10,000.

**6-4. Performance Awards Committee.** A committee may be established at each MAJCOM, and comparable organization with a Directorate of Civilian Personnel, and at each installation where a CCPO is located. A committee reviews recommendations for awards, recommends or selects nominees for honorary competitive awards; and provides advice on program improvements. They will ensure that the award criteria have been met by the recommended nominee (table 6-2). Criteria for nonfederal awards must be followed and not altered by a committee.

a. Commanders of Separate Operating Agencies (SOA) and Direct Reporting Units (DRU) (without a Command Directorate of Civilian Personnel) may exercise the MAJCOM award approval authority. SOA and DRU commanders may use the established installation performance award committee or the CCPO may establish a subcommittee composed of SOA and DRU members. However, in either case, the servicing CCPO will provide administrative support. Likewise, a tenant unit uses the local performance award committee and is provided program support by the servicing CCPO through host-tenant servicing agreements.

NOTE: Due to dispersion and size, the 1947 HSG/MPK will perform the MAJCOM function for personnel assigned to the following: Legal Services Center, Medical Services Center, Air Force Service Information and News Center, Combat Operations Staff, Air National Guard Support Center, HQ USAF Historical Research Center, Air Force Elements (3V Command), Air Force Engineering and Services Center, Office of Security Police, and Air Force Review Board Office.

b. Individual honorary competitive award solicitations normally request one Air Force nominee (in some cases a sponsor may give one award in each of two or more categories). To ensure that the Air Force candidate is the most competitive in relation to the award's criteria, and the most deserving in terms of contribution to the organization, the *owning*, not servicing, MAJCOM and comparable organization will submit their

nominee(s) to the Executive Secretary, Air Force Incentive Awards Board. The procedures established in a above should be followed in selection of local candidate(s). Tenant unit nominations should then be submitted to the parent MAJCOM for selection of a MAJCOM nominee. SOA and DRU commanders submit their nominee(s) to OCPO/MPKPO.

c. Committee membership may include military and civilian personnel. The decisions to grant or not grant an award is a management decision. (If the MPUO elects to use a committee to review recommendations for the MPCA, the Merit Pay Committee established according to paragraph 11-8 will be used.)

d. MAJCOM and Comparable Organization Committee. Except when the MPUO elects to exercise MPCA approval authority outlined in paragraph 7-4c, the committee:

(1) Reviews, computes, and recommends additional cash award amounts to the commander of the MAJCOM or comparable organization, or designated representative for approval or for forwarding to the AFIAB for approval; or recommends disapproval where appropriate.

(2) Recommends to the commander of the MAJCOM or comparable organization honorary recognition for meritorious, exceptional, or distinguished service and for valor; or recommends disapproval where appropriate.

(3) Selects and recommends command nominations for nonfederal awards to the commander for forwarding to the AFIAB.

e. Base Committee. Except when the MPUO elects to exercise MPCA approval authority outlined in paragraph 7-4c the committee:

(1) Accepts the final approved AF Form 860 when a cash award or QSI is recommended, as the sole and sufficient justification for the type of award and exercises committee authority *only with regard to the amount of the award*, except for the QSI where the amount is set by law.

(2) Computes and recommends to the commander, or designated representative, cash award amounts that require committee action for approval or for forwarding to the commander of the MAJCOM or comparable organization for approval; or recommends disapproval where appropriate. If the committee considers that a recommended award amount is excessive, the supervisor will be given opportunity to support the original recommendations, before a final decision is made.

(3) Reviews, analyzes, and submits honorary award recommendations to the commander for meritorious, exceptional, or distinguished civilian service and for valor; or recommends disapproval where appropriate.

(4) Reviews, selects, and recommends nominations for nonfederal awards.

f. Executive Secretary. The Executive Secretary, Performance Awards Committee, under direction of the

command Director of Civilian Personnel, or the base Civilian Personnel Officer:

(1) Ensures that all recommendations meet eligibility requirements and that the file completely documents the basis for each award.

(2) Discusses with originator the need for additional information or explains reasons for potential unfavorable consideration to ensure understanding and acceptance of actions taken.

(3) Refers committee award recommendations or nominations to the appropriate approving authority with all necessary documentation, coordination, and concurrence.

(4) Performs administrative and reporting duties and arranges for publicity.

g. Functioning of the Committee:

(1) Committee Quorum. A committee quorum consists of the chairperson or alternate and two voting members.

(2) Subcommittees. In the interest of expediting committee actions, a committee membership large enough to be divided into subcommittees is desirable. The commander appoints a chairperson and an alternate for each subcommittee to be responsible to the chairperson. The chairperson and alternate maintain close coordination with subcommittees. Subcommittee actions are not reviewed by the full committee, but the committee chairperson or alternate signs all official committee correspondence.

(3) Individual Action by Committee Members. To expedite processing and reduce work-hours required for meetings, committee members may review and act on cases individually without a meeting. The executive secretary completes action according to the members' votes.

**6-5. Requesting Reconsideration.** The recommending official may request reconsideration of decisions made on the recommendation for an award. The reasons for reconsideration must be stated in a written request within 30 days of the receipt of the decision. If a request also is made for personal oral presentation, the local incentive awards committee or approving authority will honor it and fully consider the reconsideration request. If an oral presentation is made, the information provided orally must become part of the file to show that the award is justified.

**6-6. Recognition of Supervisory Participation in the Program.** *To the extent that opportunities for such contributions were present*, award recommendations for supervisors must describe specific examples of how the supervisor exceeded normal performance of EEO, Affirmative Action, Position Management, and other Special Emphasis Program (SEP) responsibilities.

**6-7. Presentation Ceremonies.** The commander, desig-

nated representative, or supervisor recognizes employees and presents awards at a suitable ceremony. When an Air Force employee receives recognition outside the Air Force (for example, DOD Distinguished Civilian Service Award), the Air Force function, to which the employee belongs is responsible for making all arrangements with the awarding party, including protocol requirements. An approved award may be presented posthumously to the next of kin. If an honorary or cash award for an outstanding contribution is being presented, the recipient's family should be invited to attend, when feasible. Joint Travel Regulations, Volume II, C6001-4 and Comptroller General Decision, 55CG1332, prohibit the use of Federal funds to pay for the travel of family members of the awardee to attend award ceremonies. It does, however, provide that travel expenses for a family member may be paid when the person is needed as the award recipient's attendant because of a particular handicap. As an aid to good personnel and community relations, commanders may hold award ceremonies for award recipients attended by families, friends, work associates, and union representatives. According to FPM Chapter 451, Subchapter 2-2c, it is appropriate on such occasions to provide light refreshments at nominal cost under authority of 5 U.S.C. 4503.

**6-8. Community Publicity.** This program recognizes Air Force employees who have contributed significantly to the mission of the Air Force, and the welfare of the nation. Accordingly, significant achievements or contributions should be recognized and publicized to the local community in addition to the publicity normally provided on base. This can enhance the image of the Air Force and, at the same time, enhance the public image

of Air Force employees in particular and Federal employees in general. The emphasis should be on the nature and significance of the *achievement*, including the dollar amount of any *benefit to the government*. The employee's permission should be obtained before releasing the information to local community media.

**6-9. Braille Lettered Certificates.** All Air Force award certificates covered by this regulation and presented to blind award recipients will be in braille overlaid lettering as well as in the printed form. Use local purchase to obtain these certificates.

**6-10. Recognition of Local Community or Civic Persons (Nonfederal Employees).** From time to time, local business persons, or local civic officials have offered significant services or contributions to the installation and Air Force. Commanders may want to consider recognition of these non-Federal persons. Refer to AFR 900-48 for guidance.

**6-11. Incentive Awards Program Annual Report (Civilian), IRCN: 1059-OPM-AN.** The parent command of the servicing CCPO prepares the narrative portion of the annual report, including full documentation of individual cash awards of \$1,500 or more and group awards of \$3,000 or more, pertaining to awards and recognition administered under this regulation. The report is sent to OCPO/MPKPO by 10 October for the fiscal year ending 30 September. The corresponding statistical portion of the report is produced by OCPO/MPKPO, through PDS-C. Supplemental reporting instructions may be issued annually 60 to 90 days in advance.

TABLE 6-1

## AUTHORITY TO APPROVE AWARDS AND PERFORMANCE RECOGNITION (see note 1)

RULE	A	B	C
	Award or basis for award	and total amount of initial and additional award is	then approving authority is the (see note 2)
1	Notable Achievement	not less than \$50 or more than \$150	second-level supervisor.
2	tangible benefits	not less than \$50 or more than \$1,250	installation commander or members of his or her staff. For serviced unit, the commander or members of his or her staff when designated by the installation commander, (paragraph 6-4e). In HQ USAF, Deputy Chief of Staff level or designated member of his or her staff (see notes 3 & 5).
3	intangible benefits		
4	combined tangible and intangible benefits	not more than \$2,500 (of which not more than \$1,250 will be covered in rule 2 or 3)	
5	Quality Step Increase		
6	10 and 20 years of service (see notes 4 & 5)		
7	Sustained Superior Performance (see note 1)	not to exceed 5% of payable salary	
8	tangible benefits	not more than \$2,500 when added to installation awards	
9	intangible benefits		
10	combined tangible and intangible benefits	not more than \$5,000 when added to installation awards (of which not more than \$2,500 will be covered by rule 8 or 9)	
11	Outstanding Civilian Career Service		The Outstanding Civilian Career Service and the Meritorious Civilian Service Awards for HQ USAF personnel will be signed by the Chief of Staff and by commanders at MAJCOMs and comparable organizations level. Authority cannot be further redelegated.
12	Meritorious Civilian Service		
13	Command Award for Valor		
14	30 years of service		
15	tangible benefits	over \$2,500, but not more than \$10,000	Air Force Incentive Awards Board.
16	intangible benefits		
17	combined tangible and intangible benefits	over \$5,000, but not more than \$10,000	
18	40 years of service		Chief of Staff, HQ USAF (see note 5).
19	Exceptional Civilian Service		Secretary of the Air Force.
20	Air Force Civilian Award for Valor		
21	50 years of service		
22	Merit Pay Cash Award (MPCA)		Merit Pay Unit Official (MPUO) (see note 1).
23	Special Act or Service		approval authority depends on the amount of tangible and or intangible benefits. See rules 2, 3, and 4; 8, 9, and 10; and 15, 16, and 17.

## NOTES:

1. Except for Special Act or Service Award (SASA) for Senior Executives and Merit Pay Cash Awards (MPCA) for GM employees. The Secretary of the Air Force approves all cash awards for members of the Senior Executive Service (SES). The MPUO may elect to approve the MPCA up to \$5,000 for GM employees. Sustained Superior Performance Awards (SSPA) and MPCA amounts over \$5,000 up to \$10,000, are approved by the Air Force Incentive Awards Board.
2. In addition to authorities specified, officials may approve awards

and amounts authorized for approval at lower supervisory levels.

3. Commanders of SOAs and DRUs may exercise MAJCOM approval authorities provided in paragraph 6-4a.
4. For HQ USAF employees, by directors for 20-year awards, and, for 10-year awards, by the director or official at the next lower organizational level except where the awardee works directly for a higher level official.
5. In Office of the Secretary of the Air Force (OSAF), approval authority is the Secretary of the Air Force or a designated member of his or her staff.

Table 6-2. Criteria for Various Types of Recognition.

Type	Who May Receive	Nature of Contribution	Requirements Which Must Be Met	Description
Honorary (Federal, DOD, or Air Force.)	An employee or group, a former employee, or the estate of a deceased employee, provided the contribution was made while the person was a government employee.	A special achievement, or other personal effort that contributed to efficiency, economy, or improved government operations; or for clearly significant achievements in fostering equal employment opportunity, energy conservation, scientific research, improved communications with the public, public service, etc.	As contained in appropriate announcements inviting nominations or in department and agency regulations.	Usually takes the form of a medal, plaque, or certificate.
Monetary (a) for sustained high-quality job performance.	An individual <sup>1</sup> , a former employee, or the estate of a deceased employee, provided the performance took place while the person was a government employee.	Individual performance which exceeded fully successful.	<p>The recommendation is based upon a performance appraisal rendered under this regulation.</p> <p>Performance of all performance elements has been at least fully successful and overall performance has been rated at least excellent.</p> <p>Supervisors must have furthered the EEO, Affirmative Action, position management, and Special Emphasis Programs to the extent they had opportunity to do so.</p> <p>The MPCA and SSPA are only granted in conjunction with the annual performance rating, therefore, only one such award may be granted for a 12-month period.</p>	MPCA or SSPA. The amount is based on a percentage of the payable salary. An honorary award may be granted in addition to, or instead of a cash award, if it better serves the purpose of matching the award to both the contribution and the employee.
(b) for special act or service.	An employee or group, a former employee, or the estate of a deceased employee, provided the special act or service took place while the person was a government employee.	Performance which has significantly exceeded job requirements as a one-time occurrence. For example, a particular project or assignment which involved overcoming unusual difficulties, performance of assigned duties with special effort or innovation that resulted in significant economies or other highly desirable benefits, creative efforts that made important contributions to science or research, exemplary or courageous handling of an emergency situation related to official employment, or performance above fully successful on one or more critical performance elements, when the overall performance rating is fully successful.	The achievement is described in writing and submitted promptly, but no later than 60 days after completion of the special act or service.	Certificate with cash award from \$250 to \$35,000. The amount is in proportion to the benefits realized by the government. When the award is for a group, all members of the group may receive equal shares, or the total may be divided in proportion to the individual contributions to the group effort. However, the total amount of the award may not exceed the amount authorized for that type of contribution if it were being awarded to an individual. An exception may be made by HQ USAF/MPK if the individual award amount would be too small for the degree of recognition considered appropriate. An honorary award may be granted in addition to, or instead of a cash award, if it better serves the purpose of matching the award to both the contribution and the employee.



Table 6-2. Continued.

Type	Who May Receive	Nature of Contribution	Requirements Which Must Be Met	Description
(c) for notable achievement.	An employee or group, a former employee, or the estate of a deceased employee provided the contribution took place while the employee was a government employee.	Noteworthy contribution as a one-time occurrence. For example, a significant contribution that did not warrant an SASA but displayed initiative, perseverance, and devotion to duty; or other noteworthy contribution.	The contribution is described in writing and submitted promptly, but no later than 1 month after completion of contribution.	Certificate with cash award from \$50 to \$150.
Quality Step Increase (QSI)	An employee paid under the General Schedule.	High quality performance above that normally found in the type of position concerned.	<p>The award is justified by the performance appraisal rendered under this regulation.</p> <p>Overall performance has been rated superior.</p> <p>Performance is considered characteristic of the individual's performance and the employee is expected to remain in the same position, or in a position in the same grade that is similar enough to the present position that his or her performance can reasonably be expected to continue at the same level of effectiveness for at least 60 days.</p> <p>The employee has not received a QSI during the past 52 weeks.</p> <p>The employee is not at the top rate for the grade on the pay schedule.</p> <p>Supervisors must have furthered the EEO, Affirmative Action, position management, and Special Emphasis Programs to the extent they had an opportunity to do so.</p>	An additional WGI which indefinitely raises the employee's rate of basic pay.

<sup>1</sup>SES member may not be granted an SSPA or NAA.

## Chapter 7

## MONETARY RECOGNITION FOR PERFORMANCE

**7-1. General Information.** The monetary recognition discussed in this chapter is used along with basic salary to implement the pay-for-performance concept and the performance management program. The SAF has authority to grant a cash award up to \$10,000. With the prior approval of the Office of the Secretary of Defense (OSD) and the OPM, up to \$25,000 may be granted for employee contributions which are highly exceptional and unusually outstanding. An additional award up to \$10,000, for a total award of \$35,000, may be approved by the President. Award amounts must be proportionate to the benefits received by the government. Use tables in figure 7-1 to determine payment for tangible and intangible benefits, SSPA, and Contributions to Management Improvement Projects or Programs. Awards are paid regardless of separation from the Air Force, except when the employee is removed for misconduct. In case of death, the award is paid to the estate of the deceased employee. The information contained in award nominations is made available only to those involved in the decision process and others that have an official need to know. For non-Federal awards, permission must be obtained from the nominee, in writing, before the nomination is released to the sponsor.

**7-2. Funding Cash Awards.** This program must be adequately funded in order for it to comply with the spirit of the law and Air Force policy on civilian performance and productivity. Accountability for civilian personnel cost management is vested in command, staff, and line management. Periodic reviews of expenditures versus program requirements are made to ensure that adequate funds are available for a continuing viable program. Each activity will be responsible for budgeting an appropriate amount of organizational funds necessary to meet the requirements of recognizing exceptional performance or improved productivity. Therefore, it is recommended that a percent of the yearly budget, up to 1 percent, be allocated to support cash award recognition for all employees governed by this directive.

**7-3. Sustained Superior Performance Award (SSPA).** AF Form 2858, Sustained Superior Performance Award, is used for this award. It will be based on performance of GS, ST, or FWS employees only, in which an employee must have achieved a performance appraisal rating higher than fully successful. The SSPA is only granted in conjunction with the annual performance rating; therefore, only one such award may be granted for a 12-month period. Approval authority is contained in table 6-1, and payment is based on figure 7-1, table 4.

NOTE: For comparison of QSI, SSPA, and MPCA, see

figure 7-2.

a. The award is recommended by submission of AF Form 1001, Recommendation for Recognition, at the time of the annual appraisal, and processed with the AF Form 860 that is used as the sole and sufficient justification.

b. If the employee is promoted after the SSPA has been recommended and approved, the dollar amount will be based on a percentage of the payable salary at the previous lower grade. The SSPA will be computed on the highest payable salary of the employee for the period in which the performance is recognized.

c. If the employee is changed to lower grade (such as expiration of temporary promotion) after the SSPA has been recommended and the award is subsequently approved, the dollar amount will be based on a percent of the payable salary at the previous higher grade provided the employee has been in the position for at least 90 days. This allows the SSPA to be computed based on the highest payable salary for the period in which the performance is recognized.

**7-4. Merit Pay Cash Award (MPCA).** AF Form 892, Merit Pay Cash Awards, is used for this award. It is only for GM employees and is based on performance under the merit pay system that achieves a performance appraisal rating higher than fully successful. Only one MPCA may be granted in conjunction with the annual performance rating (12-month period). The award is recommended by submission of AF Form 1001 along with the AF Form 860 that is submitted to the MPUO. The AF Form 860 is used as the sole and sufficient justification.

NOTE: For comparison of QSI, SSPA, and MPCA, see figure 7-2.

a. The MPUO may approve an initial MPCA not to exceed 5 percent of payable salary and may further recommend through appropriate incentive awards channels an additional amount so that the total MPCA does not exceed 15 percent of payable salary.

b. The MPUO may designate a member of his or her immediate staff, a member of the merit pay committee, or other appropriate official to discharge the MPUO approval and recommendation authority provided in a above.

c. As another alternative to the authority and process set forth in a and b above the MPUO, together with the merit pay committee, may approve an MPCA of not more than \$5,000. This includes the total of an initial amount, based on significant tangible or intangible benefits, so that the total MPCA of \$5,000 does not exceed 15 percent of payable salary. Recommendations for MPCAs above \$5,000 are submitted by the MPUO

or the merit pay committee direct to the Executive Secretary, Air Force Incentive Awards Board, OCPO/MPKPO, Randolph AFB TX 78150.

d. If the employee is promoted after the MPCA has been approved, the dollar amount will be based on a percentage of the payable salary at the previous lower grade. (For the CCPO, first, compute the dollar amount using the approved percentage. To produce an SF-50, Notification of Personnel Action, awarding the correct amount, determine the percentage of the present salary that will equal the correct MPCA dollar amount. Enter that percentage when effecting the MPCA, Nature of Action Code 890, according to FPM Supplement 296-33). If the employee is changed to lower grade (such as expiration of temporary promotion) after the MPCA has been recommended (and the award is subsequently approved) the dollar amount will be based on a percentage of the payable salary at the previous higher grade. (For the CCPO, computations will be made as explained in the preceding paragraph).

**7-5. Quality Step Increase (QSI).** AF Form 2857, Quality Step Increase, is used for this award. It is only for GS employees and is used to recognize differences in performance shown by employees engaged in the same grade and type of position. A QSI will raise the employee's future salary and is more expensive than the SSPA. *Therefore, such increases must be used judiciously and granted only when the highest quality performance is continued and the employee clearly merits faster than usual salary advancement.*

NOTE: For comparison of QSI, SSPA, and MPCA, see figure 7-2.

a. A QSI must be based on the highest quality of performance that a supervisor may certify is expected to continue in the future. Performance must have been in the same position or a position in the same grade that is similar enough to the present position that the same high-quality performance can be expected to continue for at least 60 days. Since a superior appraisal rating denotes a certification of the highest quality of performance, it is the only basis for recommending a QSI.

b. Recommendations for QSIs must be accomplished at the time of the annual performance rating. The approved AF Form 860 will be used as the sole and sufficient justification for the AF Form 1001. A statement must be included that:

(1) The employee remains in the same or very similar position at the same grade and is expected to remain for at least 60 days.

(2) The performance warranting the QSI during the appraisal period continued until the date of the recommendation and is expected to continue. (This does not extend the period of performance being recognized.)

c. QSIs are effective the first day of the first pay period following approval. When a QSI is recommended and the employee is also receiving a WGI in

conjunction with the performance appraisal, the final approval will be accomplished in a manner that complies with FPM Chapter 531 and assures that the WGI is effected before the QSI. Only one QSI may be granted in any 52-week period.

d. Repetitive or yearly QSIs routinely granted to the same person must be avoided. If an employee has received a QSI, the performance appraisal documenting another such increase in the same grade and position must provide specific, factual evidence of increased quality of performance significantly over and beyond that on which the previous increase was granted.

e. When recommending a QSI for an employee who has been on detail, temporary assignment, or special projects, the time spent on such assignments may be counted toward the required period.

f. An employee in the first year of grade and pay retention because of *reclassification of his or her position*, whose performance merits recognition, may be recommended for a QSI because the duties of the position have not changed. However, an SSPA, rather than a QSI, is appropriate for an employee in the first year of grade and pay retention *because of RIF, and having been changed to lower grade in a different, dissimilar position.*

**7-6. Special Act or Service Award (SASA).** AF Form 2860, Special Act or Service Award, is used for this award. It is for GM, GS, ST, or FWS employees and is based on a singular special achievement *within or outside* of job responsibility that significantly exceeds normal job performance requirements and warrants special recognition. An SES member may receive an SASA only for achievements outside of his or her job responsibility. The SASA may be given at any time and can be granted for special acts or services while on detail or other temporary assignment. Recommendations for SASAs are submitted immediately following the event, in narrative format, and normally within 30 days but no later than 60 days after the special act or service. Approval authority is contained in table 6-1, and payment for such awards is based on figure 7-1, table 1.

a. If the SASA recommendation is based on a singular achievement reflected on AF Form 860, at the time of the annual appraisal (for example, exceeding a *single* but very significant performance element) the recommendation is submitted on AF Form 1001. The AF Form 860 is attached as the sole, sufficient justification. Otherwise, the AF Form 1001 will be accompanied by a narrative justification.

b. Recommendations for the SASA for SES members will be processed through incentive awards channels with the following deviations. The SAF is the approving authority for all cash awards for SES members. Recommendations for approval of the SASA must be sent to the MAJCOM commander for review. The commander may then recommend approval to the AFIAB or directly to HQ USAF/MPKZ, depending on

the amount of the SASA recommended. Whether or not review is required by the AFIAB, all recommendations for approval, as a final step, will be sent to HQ USAF/MPKZ, Wash DC 20330, for processing to the SAF.

**7-7. Notable Achievement Award (NAA).** AF Form 2859, Notable Achievement Award, is used for this award. It is for a GM, GS, ST, or FWS employee and is based on noteworthy contributions that may occur at any time, but do not warrant an SASA. The award can be initiated by a supervisor at any level; however, it must also be approved by the next level of supervision, which is the *final approval authority*. The amount of the award may range from \$50 to \$150 and must be paid promptly. The approved AF Form 1001, along with narrative justification and copy of the signed certificate, is sent by the second-level supervisor to the local Executive Secretary, Performance Awards Committee, who sends it to the Accounting and Finance Office for payment.

a. There is no limit on the number of NAAs that may be granted except that the award must not be granted for a contribution for which a previous award was granted. An NAA for performing one aspect of a work plan does not preclude other subsequent monetary recognition, provided performance of the entire work plan warrants it. An NAA previously granted during the rating period should be considered in setting the amount of any subsequent monetary recognition. It is intended that this award be used on a broad basis to afford timely recognition at any level of command.

b. The contribution must be described in writing and submitted promptly, but no later than 30 days after completion of the contribution. Procedures for nominating and processing an NAA will be established locally. Criteria may include any of the following:

- (1) Displaying initiative, perseverance, and dedication to duty.
- (2) Improving procedures or methods.
- (3) Eliminating or minimizing safety hazards.
- (4) Increasing productivity.
- (5) Saving time, money and resources.
- (6) Improving customer service or service to the public.
- (7) Similar noteworthy contributions.

**7-8. Productivity Cash Incentive Program (PCIP).**

Overall requirements and guidance for Air Force productivity programs are set forth in AFR 25-3. According to that program, FPM Chapter 451, Subchapter 6, and this regulation, activities are encouraged to establish unique PCIP. According to FPM Chapter

451, Subparagraph 6c, an activity may contact the OPM for help in designing and implementing a PCIP. In addition, HQ USAF/MPKE may be contacted for advice and information regarding such programs. The following requirements and guidance apply:

a. A PCIP should be limited to production type jobs where:

- (1) The work is recurring and the tasks are repetitive.
- (2) The work can be simply and objectively measured.
- (3) Performance can be tied directly to a specific employee or group of employees.
- (4) The work pace is controlled by the employee.

b. A PCIP must be designed to augment or work in conjunction with, and not replace or be overly redundant with job performance plans set up according to this regulation.

c. The cash award must be sufficient for the effort expended, based on savings to the Air Force, set in advance and automatically earned if prescribed standards are met, and should be paid promptly after it is earned. The PCIP cash award amounts may be set up independently of the award scales contained in figure 7-1.

d. Employee participation will be voluntary. Collective bargaining with recognized labor organizations will be accomplished, as required.

e. Comply with applicable requirements of AFR 25-3.

f. HQ USAF/MPKE must approve each PCIP before implementation. PCIP plans and documents will be sent to HQ USAF/MPKE, Wash DC 20330 at least 120 days in advance of the desired implementation date.

The following award scales are used to make decisions on employee performance contributions or a special act or service that benefit the Government.

**Table 1. Contributions With Tangible Benefits.**

Estimated First-Year Benefits to Government	Amount of Award
\$500 to \$10,000.....	10 percent of benefits
\$10,001 to \$100,000.....	\$1,000 for the first \$10,000, plus 3 percent of benefits over \$10,000
\$100,001 or more.....	\$3,700 for the first \$100,000 plus .5 percent of benefits over \$100,000

NOTE: The minimum award for tangible benefits is granted only when benefits reach or exceed \$500. For contributions to Management Improvement Projects or Programs, see table 5.

**Figure 7-1. Determining Award Amounts.**

Table 2. Guide for Calculating Awards Based on Tangible Benefits.

<u>Benefits</u>	<u>Award</u>	<u>Benefits</u>	<u>Award</u>
500-\$10,000	10% <sup>1</sup>	61,000	2,530
11,000	1,030	62,000	2,560
12,000	1,060	63,000	2,590
13,000	1,090	64,000	2,620
14,000	1,120	65,000	2,650
15,000	1,150	66,000	2,680
16,000	1,180	67,000	2,710
17,000	1,210	68,000	2,740
18,000	1,240	69,000	2,770
19,000	1,270	70,000	2,800
20,000	1,300	71,000	2,830
21,000	1,330	72,000	2,860
22,000	1,360	73,000	2,890
23,000	1,390	74,000	2,920
24,000	1,420	75,000	2,950
25,000	1,450	76,000	2,980
26,000	1,480	77,000	3,010
27,000	1,510	78,000	3,040
28,000	1,540	79,000	3,070
29,000	1,570	80,000	3,100
30,000	1,600	81,000	3,130
31,000	1,630	82,000	3,160
32,000	1,660	83,000	3,190
33,000	1,690	84,000	3,220
34,000	1,720	85,000	3,250
35,000	1,750	86,000	3,280
36,000	1,780	87,000	3,310
37,000	1,810	88,000	3,340
38,000	1,840	89,000	3,370
39,000	1,870	90,000	3,400
40,000	1,900	91,000	3,430
41,000	1,930	92,000	3,460
42,000	1,960	93,000	3,490
43,000	1,990	94,000	3,520
44,000	2,020	95,000	3,550
45,000	2,050	96,000	3,580
46,000	2,080	97,000	3,610
47,000	2,110	98,000	3,640
48,000	2,140	99,000	3,670
49,000	2,170	100,000	3,700
50,000	2,200	101,000	3,705
51,000	2,230	102,000	3,710
52,000	2,260	103,000	3,715
53,000	2,290	104,000	3,720
54,000	2,320	105,000	3,725
55,000	2,350	106,000	3,730
56,000	2,380	107,000	3,735
57,000	2,410	108,000	3,740
58,000	2,440	109,000	3,745
59,000	2,470	110,000	3,750
60,000	2,500	111,000	3,755

Figure 7-1. Continued.

<u>Benefits</u>	<u>Award</u>	<u>Benefits</u>	<u>Award</u>
112,000	3,760	1,050,000	8,450
113,000	3,765	1,100,000	8,700
114,000	3,770	1,150,000	8,950
115,000	3,775	1,200,000	9,200
116,000	3,780	1,250,000	9,450
117,000	3,785	1,300,000	9,700
118,000	3,790	1,350,000	9,950
119,000	3,795	1,400,000	10,200 <sup>2</sup>
120,000	3,800	1,500,000	10,700
125,000	3,825	1,600,000	11,200
130,000	3,850	1,700,000	11,700
135,000	3,875	1,800,000	12,200
140,000	3,900	1,900,000	12,700
145,000	3,925	2,000,000	13,200
150,000	3,950	2,100,000	13,700
155,000	3,975	2,200,000	14,200
160,000	4,000	2,300,000	14,700
165,000	4,025	2,400,000	15,200
170,000	4,050	2,500,000	15,700
175,000	4,075	2,600,000	16,200
180,000	4,100	2,700,000	16,700
185,000	4,125	2,800,000	17,200
190,000	4,150	2,900,000	17,700
195,000	4,175	3,000,000	18,200
200,000	4,200	3,100,000	18,700
225,000	4,325	3,200,000	19,200
250,000	4,450	3,300,000	19,700
275,000	4,575	3,400,000	20,200
300,000	4,700	3,500,000	20,700
325,000	4,825	3,600,000	21,200
350,000	4,950	3,700,000	21,700
375,000	5,075	3,800,000	22,200
400,000	5,200	3,900,000	22,700
425,000	5,325	4,000,000	23,200
450,000	5,450	4,100,000	23,700
475,000	5,575	4,200,000	24,200
500,000	5,700	4,300,000	24,700
550,000	5,950	4,360,000	25,000 <sup>3</sup>
600,000	6,200		
650,000	6,450		
700,000	6,700		
750,000	6,950		
800,000	7,200		
850,000	7,450		
900,000	7,700		
950,000	7,950		
1,000,000	8,200		

## NOTES:

1. Minimum award for tangible benefits is granted only when it is reached or exceeds \$500.
2. Awards over \$10,000 require the approval of the Office of Personnel Management (OPM).
3. Maximum award authorized by the OPM. A Presidential Award of up to \$10,000 may be paid in addition to the \$25,000.

Figure 7-1. Continued.

**Table 3. Scale of Awards Based on Intangible Benefits.**

Value of Benefit	Extent of Application			
	Limited	Extended	Broad	General
	Affects functions, mission, or personnel of one office, facility, installation, or an organizational element of a headquarters.  Affects a small area of science or technology.	Affects functions, mission, or personnel of several offices, facilities, or installations.  Affects an important area of science or technology.	Affects functions, mission, or personnel of an entire regional area of command. May be applicable to all of an agency or a large bureau.  Affects a broad area of science or technology.	Affects functions, mission, or personnel of several regional areas of commands, or an entire department or large agency, or is in the public interest throughout the Nation or beyond.
<b>Moderate Value—</b> Change or modification of an operating principle or procedure which has moderate value sufficient to meet the minimum standard for a cash award; an improvement of rather limited value of a product, activity, program, or service to the public.	50 to 100	100 to 250	250 to 500	500 to 1,000
<b>Substantial Value—</b> Substantial change or modification of an operating principle or procedure; an important improvement to the value of a product, activity, program, or service to the public.	100 to 250	250 to 500	500 to 1,000	1,000 to 2,500
<b>High Value—</b> Complete revision of a basic principle or procedure; a highly significant improvement to the value of a product, major activity, or program, or service to the public.	250 to 500	500 to 1,000	1,000 to 2,500	2,500 to 5,000
<b>Exceptional Value—</b> Initiation of a new principle or major procedure; a superior improvement to the quality of a critical product, activity, program, or service to the public.	500 to 1,000	1,000 to 2,500	2,500 to 5,000	5,000 to 10,000

**NOTES (apply to entire table):**

1. The minimum award for tangible benefits may be granted only when the benefits reach or exceed \$500. The minimum award for intangible benefits should require a comparably high standard.
2. Contributions recognized by cash awards based on intangible benefits must be comparable, in value to the Government, with those

based on tangible benefits.

3. When a contribution has both tangible benefits and intangible benefits, the amount of award is based on the total value of the contribution to the Government; that is, a combination of the award amount based on tangible benefits and the award amount based on intangible benefits.

**Figure 7-1. Continued.**

**Table 4. Sustained Superior Performance Award or Merit Pay Cash Award.**

Up to 15 Percent of Payable Salary	
Criteria	Percentage
1. An Excellent or Superior performance rating.	Not less than 1 percent but not to exceed 5 percent
2. In addition to an Excellent or Superior performance rating, an employee must have contributed significant tangible or intangible benefits to the Government. Use tables 1, 2, and 3; however, the maximum payable for an SSPA or MPCA is 15 percent of payable salary.	6 to 15 percent depending on dollar amounts of tangible or intangible benefits

NOTE: Must be based upon the appraisal or current performance rendered under this regulation.

Figure 7-1. Continued.

**Table 5. Scale for Computing Awards for Contributions to Management Improvement Projects or Programs.**

Tangible Benefits	Amount of Award
\$10,000 to \$100,000	\$150 for the first \$10,000 and \$25 for each additional \$10,000, or part thereof.
\$100,001 to \$1,000,000	\$375 for the first \$100,000 and \$50 for each additional \$100,000, or part thereof.
\$1,000,001 and up	\$825 for the first \$1,000,000 and \$100 for each additional \$1,000,000 or part thereof.

NOTE: This table is used for awards discussed in paragraph 9-8.



	Quality Step Increase (QSI)	Sustained Superior Performance Award (SSPA)	Merit Pay Cash Award (SSPA)
Authority:	5 U.S.C. Chapter 53.	5 U.S.C. Chapter 45.	5 U.S.C. 5403.
Description:	An additional within-grade increase.	A one-time, lump-sum cash award based on a percentage of payable salary.	A one-time, lump-sum cash award based on a percentage of payable salary.
Eligibility:	GS employees except those in step 10 of their pay range. (An employee at the statutory salary ceiling may be granted a QSI to become effective when the statutory limit is raised.) Only one QSI may be granted in any 52-week period.	GS and FWS employees only. The SSPA is only granted in conjunction with the annual performance rating, therefore, only one such award may be granted for a 12-month period.	General Manager (GM) employees only. Performance must be substantiated by a higher than fully successful performance rating. The MPCA will only be granted in conjunction with the annual performance rating rendered under chapter 2. Only one MPCA may be granted in any 12-month period.
Required Level of Performance:	Overall performance must be rated superior.  This level of performance is considered characteristic of the employee's performance and is expected to continue in the future. The employee is expected to remain in the same position, or in a position in the same grade that is similar enough to the present position that his or her performance can reasonably be expected to continue at the same level of effectiveness.	Overall performance must be rated at least excellent.	Overall performance must be rated at least excellent.
Documentation:	AF Form 1001 is used for recommendations. Attach the current performance appraisal (AF Form 860) as documentation or justification. The AF Form 1001 must accompany the appraisal to the CCPO within specified time periods. Also, supplemental justification includes a certification that: a. Performance warranting a QSI during the rating period continued until the date of the recommendation. (NOTE: This does not extend the period of performance being recognized.) b. Employee remains and is expected to remain in the same or a highly similar position for at least 60 days.	AF Form 1001 is used for recommendations. Attach the current performance appraisal (AF Form 860) as the sole justification. The AF Form 1001 must accompany the appraisal to the CCPO within specified time periods.	AF Form 1001 is used for recommendations. Attach the current performance appraisal AF Form 860 as the sole justification. The AF Form 1001 must accompany the appraisal to the MPUO within specified time periods.
Appropriate Use:	When the employee's continuing high quality performance in his or her position merits faster than normal salary advancement when compared with fully successful performance.	When the employee's high quality performance in his or her position has exceeded performance standards of the position concerned during a rating period.	When the employee's high quality performance in his or her position has exceeded performance standards of the position concerned during a rating period.
Benefits:	Increase in rate of basic pay. May increase employee's life insurance coverage. Can favorably affect employee's placement in pay range in future promotions. Can favorably affect employee's retirement annuity computation.	A one-time lump-sum cash award. May be granted to those at the top step of their pay range or whose salary has reached the statutory limit.	A one-time lump-sum cash award. May be granted to those at the top step of their pay range or whose salary has reached the statutory limit.

NOTE: A GS or FWS employee cannot receive a SSPA and a QSI for the same period of performance. Only one award can be given per annual performance rating.

Figure 7-2. Comparison for Quality Step Increase, Sustained Superior Performance Award and Merit Pay Cash Award.

## Chapter 8

## HONORARY AWARDS AND LENGTH OF SERVICE RECOGNITION

**8-1. Types of Honorary Recognition.** The honorary awards are fully described in figure 8-1. They are:

- a. The President's Award for Distinguished Federal Civilian Service.
- b. Department of Defense Distinguished Civilian Service Award.
- c. Department of the Air Force Decoration for Exceptional Civilian Service.
- d. Air Force Award for Meritorious Civilian Service.
- e. Air Force Outstanding Civilian Career Service Award.
- f. Air Force Civilian Award for Valor. An honorarium of \$500 accompanies this award.
- g. Air Force Command Civilian Award for Valor. An honorarium of \$300 accompanies this award.

**8-2. Eligibility for More Than One Honorary Award:**

- a. **Eligibility for More Than One Federal Award.** An employee may be recommended for the Department of Defense Distinguished Civilian Service Award, or the President's Award for Distinguished Federal Civilian Service, in recognition of the same act or achievement for which an Air Force award has already been granted.
- b. **Eligibility for More Than One Air Force Award.** An honorary Air Force award may be granted in recognition of a contribution for which a cash award has already been made. However, only one Air Force honorary award may be given for the same act, achievement, or period of service. Likewise, an honorary award is not appropriate for recognizing an act or achievement for which military recognition under AFR 900-48 has been granted or is contemplated. The Air Force Outstanding Civilian Career Service Award is excepted from this restriction, since, by definition, it recognizes long-term service which may have included one or more honorary award.

**8-3. Honorary Award for Non-US Citizen Employees:**

- a. **Honorary Awards for Direct Hire Non-US Citizen Employees (Except In Panama).** Supervisors use special procedures in Air Force Supplement to FPM Chapter 451, AFR 900-48 and other information available in local regulations or in the CCPO. Include with the recommendation appropriate background data on the employee, including whether a background investigation has been completed and the results; and statements re-

quired by AFR 900-48.

- b. **Honorary Awards for Indirect Hire Non-US Citizen Employees.** Supervisors use local procedures based on US Host country agreements.

**8-4. Processing Honorary Awards.** *Honorary awards require considerable review and deliberation at HQ USAF and MAJCOM level and short-notice processing is improper. Honorary awards intended for presentation at a special ceremony should be recommended and submitted at least 3 months in advance of the scheduled event.*

- a. **Award Approved by the MAJCOM or Comparable Organization Commander.** The recommendation is processed through local incentive awards channels to the parent, owning MAJCOM, or comparable organization.
- b. **Award Approved by the Chief of Staff.** The recommendation is processed by or through 1947 HSG/MPK for personnel assigned to HQ USAF or in an organization, other than a MAJCOM or comparable organization, that is directly responsible to HQ USAF regardless of the employee's duty station or servicing CCPO.
- c. **Award Approved by the SAF or Higher Authority.** The recommendation is processed by local incentive awards channels through the parent MAJCOM or comparable organization to OCPO/MPKPO, ATTENTION: Executive Secretary, Air Force Incentive Awards Board, Randolph AFB TX 78150. The board sends recommendations to SAF.

**8-5. Recognition for Federal Service.** Certificates and emblems (pins or lapel buttons) are presented in recognition of 10, 20, 30, 40, and 50 years of creditable Federal service, provided that a minimum of 5 years was in civilian service in the Federal government. Creditable Federal service includes both civilian service and all honorable military service which is creditable for leave. Normally, Federal service which was served as a military member and led to formal military retirement is considered to have been appropriately recognized at the time of that retirement. However, if an employee desires recognition of both civilian and military service, a certificate may be issued for the combined service. In such a case, the employee must submit the appropriate DD Form 214, Certificate of Release or Discharge from Active Duty, documenting the service to the civilian personnel office.

	<b>Award for Meritorious Civilian Service</b>	<b>Decoration for Exceptional Civilian Service</b>	<b>Command Civilian Award for Valor</b>
<b>Purpose, Frequency, Organizational Approval Level, Number Permitted</b>	Approved by the Secretary of the Air Force for the Secretariat. Approved by Chief of Staff, HQ USAF, or a MAJCOM or comparable organization commander for outstanding service which merits recognition. No limit on the number that may be awarded.	Approved by the Secretary of the Air Force for exceptionally outstanding service which merits recognition. No limit on the number that may be awarded.	Approved by Chief of Staff, HQ USAF, or a MAJCOM or comparable organization commander for demonstrating unusual courage. No limit on the number that may be awarded. (A \$300 honorarium accompanies this award.)
<b>Description of Award</b>	Sterling silver medal and lapel emblem bearing the Air Force coat of arms with a wreath of laurel leaves. Light blue silk ribbon rosette with gold and dark blue in center. Miniature medal citation certificate carrying the signature of the Chief of Staff, HQ USAF, or MAJCOM or comparable organization commander who authorized the award. (Emblem with ruby indicates receipt of more than one Meritorious Award.)	Gold-colored medal bearing the Air Force coat of arms within a wreath of laurel leaves. Ribbon is dark blue silk with 3 dotted golden-orange lines in the center. Miniature medal rosette of the ribbon and citation certificate carrying the signature of the Secretary of the Air Force. Gold lapel emblem. (Emblem with ruby indicates receipt of both the Decoration for Exceptional Civilian Service and the award for Meritorious Civilian Service. Emblem with diamond indicates receipt of more than one Exceptional Award.)	Sterling silver medal of same design as Air Force Civilian Award for Valor. Ribbon is light blue silk with four yellow stripes and one red stripe in center. Sterling silver lapel emblem, rosette of the ribbon, and citation certificate carrying the signature of Chief of Staff, HQ USAF, or designated member of his or her MAJCOM or comparable organization commander who authorized award.
<b>Basis of Award</b>	Service so sufficiently outstanding to the Air Force that recognition by the Secretary of the Air Force or by the Chief of Staff, HQ USAF, or by MAJCOM or comparable organization commander is merited, such as for: <ul style="list-style-type: none"> <li>a. Performing assigned duties for at least 1 year in an exemplary manner, setting a record of individual achievement and serving as an incentive to others to improve the quality and quantity of their work performance. (Normally, only one Meritorious Award is made on this basis to an employee in any one position.)</li> <li>b. Exercising unusual initiative in devising new and improved work methods and procedures that resulted in a substantial savings in manpower, time, space, materials, or other items of expense; or in improving safety or health of employees.</li> <li>c. Making an outstanding contribution in improving the morale of workers in an organizational unit with consequent improvement in work performance and esprit de corps.</li> <li>d. Rendering other outstanding performance of a comparable level related to official employment, deemed by the award authority to be worthy of recognition as a reward for accomplishment or as an incentive to others. (This award is comparable to Meritorious Service Medal for military personnel.)</li> </ul>	Exceptionally meritorious service of major significance to the Air Force, such as for: <ul style="list-style-type: none"> <li>a. Performing assigned duties for at least 1 year in a manner clearly exceptional to others who have performed similar duties in a preeminent manner. (Normally, only one Exceptional Award is made on this basis to an employee in any one position.)</li> <li>b. Developing improved methods and procedures, or inventions, which accomplished extraordinary results for the Air Force.</li> <li>c. Rendering other outstanding performance of a comparable level related to official employment and deemed by the Secretary of the Air Force to warrant the highest civilian Air Force recognition.</li> </ul>	Demonstrating unusual courage or competence in an emergency, while performing assigned duties.
<b>Method of Nomination and Required Number of Copies</b>	Supervisor submits four legible copies of each recommendation on AF Form 1001, with detailed and specified statement of fact; each recommendation must contain specific examples of the	Supervisor submits six legible copies of each recommendation, using the same procedure as for award for Meritorious Civilian Service.	Supervisor submits four legible copies of each recommendation, using the same procedure as for Award for Meritorious Civilian Service.

Figure 8-1. Awards by Federal Organizations.

	<b>Award for Meritorious Civilian Service</b>	<b>Decoration for Exceptional Civilian Service</b>	<b>Command Civilian Award for Valor</b>
	employee's accomplishment and the benefits in sufficient detail to be easily understood.  Draft of proposed citation must be written in third person and include job designation or organization, period for which recommended, and statement of achievement; must not exceed 90 words; use employee's organizational title rather than Civil Service title, where appropriate.		
<b>Date Due to Incentive Awards Committee</b>	Within 3 months after act or achievement (three copies).	Within 3 months after act or achievement (five copies).	At any time (three copies).
<b>Date Due to MAJCOM</b>	At any time (two copies).	At any time (four copies).	At any time (two copies).
<b>Date Due to OCPO/MPKPO</b>	Not applicable.	At any time (three copies). Requires approximately 60 days for processing.	Not applicable.

NOTE: See Sample Citations at figure 8-2.

**Outstanding Civilian Career Service**

<b>Purpose, Frequency, Organizational Approval Level, Number Permitted</b>	Approved by the Secretary of the Air Force for the Secretariat. Approved by the Chief of Staff, HQ USAF, or designated member of his or her staff, a MAJCOM or comparable organization commander for demonstrating outstanding career service meriting recognition at the time of retirement.
<b>Description of Award</b>	Bronze medal bearing the Air Force coat of arms with a wreath of laurel leaves. Ribbon is white trimmed in maroon and with three maroon stripes in the center. Bronze lapel emblem and certificate.
<b>Basis of Award</b>	Outstanding long-term career service of major significance to the Air Force, that does not meet the criteria for other honorary awards but does deserve special attention and recognition upon retirement.
<b>Method of Nomination and Required Number of Copies</b>	Supervisor submits six legible copies of each recommendation, using the same procedure as for the Award for Meritorious Civilian Service. With the exception, a draft citation is not required.
<b>Date Due to Incentive Awards Committee</b>	Not later than 60 days before the date of desired presentation ceremony (five copies).
<b>Date Due to MAJCOM</b>	Not later than 30 days before the date of desired presentation ceremony (four copies).
<b>Date Due to OCPO/MPKPO</b>	Not applicable.

Figure 8-1. Continued.

	<b>Air Force Civilian Award for Valor</b>	<b>Department of Defense (DOD) Distinguished Civilian Service Award</b>	<b>President's Award for Distinguished Federal Civilian Service</b>
<b>Purpose, Frequency, Organizational Approval Level, Number Permitted</b>	Approved by Secretary of the Air Force for an act of heroism. No limit on the number that may be awarded.	Approved by Secretary of Defense annually for six civilian DOD employees whose careers reflect exceptional devotion to duty and extremely significant contributions to the efficiency, economy or other improvements in DOD operations. A maximum of one employee may be recommended by each command each year.	Approved by President of the United States annually for civilian officers or employees of the Federal government for exceptionally meritorious or outstanding civilian service performed in connection with or in relation to their official employment. Generally, not more than five awards in any 1 year. A maximum of one employee may be recommended by each command each year.
<b>Description of Award</b>	Gold-colored medal bearing the Air Force thunderbolt on an equilateral triangle surmounted by the Air Force eagle perched on a scroll inscribed "Valor" within an olive wreath. Ribbon is light blue with 4 yellow stripes, 2 dark blue stripes, and 1 red stripe in center. Gold-colored lapel emblem, rosette of the ribbon, and citation certificate carrying the signature of the Secretary of the Air Force. (A \$500 honorarium accompanies this award.)	Gold medal, suitably inscribed, and accompanying appurtenances including an appropriate citation.	Gold medal, suitably inscribed, and accompanying appurtenances including an appropriate citation.
<b>Basis of Award</b>	Exhibiting great courage, with voluntary risk of personal safety in the face of danger, beyond the call of duty, in performing an act that resulted in direct benefit to the government or its personnel.	A contribution in scientific or other fields worthy of high recognition by an employee whose career reflects exceptional devotion to duty and extremely significant contributions of broad scope to the efficiency, economy, or other improvement in operations, such as for: <ul style="list-style-type: none"> <li>a. Performing assigned duties in a preeminent manner. Indicate the relationship of the work accomplished to normal requirements of position; the significance to DOD of work accomplished, including any savings and improvement in operations; and the degree of unusual initiative or devotion to duty.</li> <li>b. Developing improved methods, procedures, or inventions. Indicate nature of the improvement and its relationship to the work normally expected in the employee's position; its significance to DOD, including savings and other improvements in operations; and the degree of ingenuity involved. The degree of ingenuity involved is of importance since savings alone will not be the sole basis for selection.</li> <li>c. Exhibiting great courage and risk of personal safety. (Indicate in what way incident is over and above the call of duty, is prominent among other heroic acts performed by employees, and is an important contribution to DOD.)</li> <li>d. Rendering other outstanding performance. Indicate the degree to which contribution was outstanding in terms of normal requirements of the position,</li> </ul>	A contribution worthy or high recognition as outlined in the following: <ul style="list-style-type: none"> <li>a. An achievement which has current impact in improving government operations or serving the public interest, and exemplifying one or more of the following: <ul style="list-style-type: none"> <li>(1) For displaying imagination in developing creative solutions to problems of government.</li> <li>(2) In displaying courage in persevering against great odds and difficulties.</li> <li>(3) For demonstrating high ability in accomplishing extraordinary scientific or technological achievement; in providing outstanding leadership in planning, organizing, or directing a major program of unusual importance and complexity; or in performing an extraordinary act or credit to the government and the country.</li> <li>(4) For rendering long and distinguished career service.</li> </ul> </li> <li>b. The importance of the achievements to the government and to the public interest is so outstanding that the employee deserves greater public recognition than that which can be accorded by the Secretary of the Air Force.</li> </ul>

Figure 8-1. Continued.

	Air Force Civilian Award for Valor	Department of Defense (DOD) Distinguished Civilian Service Award	President's Award for Distinguished Federal Civilian Service
		its significance to DOD, and the degree of exceptional initiative and ingenuity involved.	
Method of Nomination and Required Number of Brief Copies	Supervisor submits eight legible copies of each recommendation, using the same procedure as for Award for Meritorious Civilian Service. Draft of proposed citation must be attached.	Supervisor submits nine copies of each recommendation following format outlined below, beginning each major section on a new page: Title page: Nomination of (employee's name) for Department of Defense Civilian Service Award. I. <i>Biographical Data</i> A. General Information (name, date of birth, title and grade, organization and location, service computation date, length of time with DOD). B. Education (year, degree, school, major field). C. Significant Employment (list in reverse chronological order (beginning with present position) from-to, position title, grade, and organization). D. Significant Prior Awards (list same as C). E. Significant Publications (list same as C). F. Current Membership in Professional or Scientific Societies, Civic Organizations, etc. G. Other significant biographical data pertinent to the award nomination. II. <i>Basis for Nomination</i> (not to exceed three single-spaced pages). A. Summary of Achievement. B. Additional facts and considerations (for example, personal qualities). III. <i>Citation</i> (double-spaced of no more than 120 words). IV. <i>Synopsis</i> (one page). A. Name, title and grade, field of specialization, organization, and location. B. Education. C. Highest previous award and date. D. Basis of nomination (summarize in 300 words or less). V. <i>Photograph of the Nominee</i>	Supervisor submits eight legible, typed copies, single spaced on standard paper, including: a. First page—a biographical sketch in itemized format containing date and place of birth, education, employment record, type of appointment status, current grade level, etc. b. Second page—proposed citations in two-paragraph form of approximately 50 to 60 words. c. Additional pages containing not more than 2,500 words with topical headings as follows: (1) Summary of Achievement (one page). (2) Additional Details (nontechnical language). Include specific benefits in improving government operations or serving the public interest. Describe separately tangible and intangible benefits. Give examples of personal qualities if not already covered under other headings. d. Statement describing any significant awards which support the nomination. e. Any supporting material must be submitted separately in bound form.
Date Due to Incentive Awards Committee	Within 3 months after act (seven copies).	As announced in the nomination solicitation announcement.	As announced in the nomination solicitation announcement.
Date Due to MAJCOM	At any time (six copies)		
Date Due to OCPO/MPKPO	At any time (five copies). Requires approximately 60 days for processing.		

NOTE: See Sample Citations at figure 8-2.

Figure 8-1. Continued.

#### Performance Awards

In recognition of her distinguished performance as Technical Director for Aircraft, Aeronautical Systems Division, Air Force Systems Command, from 1982 to 1983. As a pioneer in the field of manned aerospace vehicles, Ms. Employee helped to advance the Nation's first line of defense through her creative thinking, highly-competent technical leadership, and exceptional ability as applied to the advancement of aircraft technology, development, and implementation of new systems management policies and procedures. Her outstanding devotion and accomplishments reflect the highest credit upon herself and the United States Air Force.

#### Valor Awards

In recognition of his outstanding bravery while performing duties as Tractor Trailer and Fuel Systems Distribution Operator, Ogden Air Logistics Center, Air Force Logistics Command, 21 May 1982. When a vehicle crashed into a fuel stand in the storage area spreading burning fuel over a wide area, Mr. Employee was filling a tanker about 30 feet from the center of the fire. His alertness in moving his trailer to a safe position and other immediate actions endangering his own safety prevented a major fire disaster. Such courage reflects the highest devotion to duty and great credit upon himself and the United States Air Force.

Figure 8-2. Sample Citations.

## Chapter 9

## OTHER RECOGNITION

**9-1. Other Air Force Recognition.** Civilian employees are eligible for other types of recognition, which are authorized and processed according to the governing regulation. The AFR 900-series regulations prescribe these special awards. A few examples are listed below:

- a. **The General Thomas P. Gerrity Memorial Trophy for Logistics Management.** (See AFR 900-8.)
- b. **Harold Brown Award.** (See AFR 900-13.)
- c. **Safety Awards.** (See AFR 900-26.)
- d. **Special Trophies and Awards.** (See AFR 900-29.)
- e. **Outstanding Air Force Handicapped Employee of the Year Award.** (See Air Force Supplement to FPM Chapter 306.)
- f. **Air Force Distinguished Equal Employment Opportunity Award.** (See AFR 900-58).

**9-2. Non-Air Force Performance Recognition Programs.** Air Force employees may receive monetary and honorary awards from other Federal departments and agencies for contributions of benefit to those operations. The Air Force may grant monetary and honorary awards to employees of other Federal departments and agencies when their contributions benefit the Air Force.

**9-3. Non-Federal Awards.** Figure 9-1 lists the various non-Federal awards available for Air Force participation on a national basis. Nominations are solicited by OCPO/MPKPO. In addition, commanders at each echelon are encouraged to participate in any locally sponsored honorary awards program that recognizes the performance or service of Air Force employees. The criteria for these awards must be followed and not altered by any nominating activity.

**9-4. Letter of Commendation.** Use these letters to commend an employee for unusual work performance, or for an act or service that clearly exceeds that normally expected in the performance of duties. The letter may be awarded for any unusual achievement, performance, or contribution which does not meet the criteria for a cash award. Such letters are considered during performance appraisal and may be used in partial support of recommendations for awards. Such instances include, but are not limited to: adopted suggestion, when the employee is ineligible for cash or honorary award; noteworthy performance while on special assignment or during short periods when an unusual work situation or emergency exists; exceeding one or more performance standards in a performance plan; non-Air Force recognition of outstanding Air Force programs reflecting credit on the employee's contribution; or exceptional participation in civic or professional activities related to official employment. Letters of commendation will:

- a. Contain a complete and concise description of the employee's work performance, act, suggestion, improvement, or service and identifying information, such as position title, organization, and dates.
- b. Bear the signature of the commander or immediate staff member or the director of a major organizational component or higher official at MAJCOM, comparable organization, or HQ USAF.
- c. Be given to the employee through supervisory channels. AF Form 971, Supervisor's Record of Employee, may be annotated with a reference to the letter, or a copy of the letter may be attached to the form.
- d. Be filed in the employee's SF 66, Official Personnel Folder (OPF).

**9-5. Letter of Appreciation.** Use this letter at any time to express appreciation to an employee for work performance, act, or service that is better than normally expected. The letter may be used for recognizing employee contributions to civic or professional activities normally expected in the performance of the job, such as speaking, participating in conferences, or other leadership activities. The letter is signed by the immediate supervisor, higher-level supervisor, or any person having knowledge of the service rendered and is given to the employee through supervisory channels. The receipt of such a letter may be recorded on or a copy attached to AF Form 971. It will not be placed in the SF 66. Such letters are considered during performance appraisal and may be used in partial support of recommendations for awards.

**9-6. Special Command Trophies and Awards:**

- a. MAJCOMs and comparable organizations are encouraged to establish unique honorary awards to enhance performance recognition. Approval must be obtained from HQ USAF/MPKE before implementing a unique award. Requests should be submitted to HQ USAF/MPKE at least 90 days before proposed implementation.
- b. Approval from HQ USAF/MPKE is obtained before presenting a special command trophy or award to a nationally prominent person serving as an expert or consultant under AFR 40-304. The request for approval, including the name of the person, a copy of the awards committee minutes, if applicable, and other supporting data will be sent to HQ USAF/MPKE at least 60 days before the presentation ceremony.
- c. Recognition is limited to items, such as emblems, certificates, plaques, or trophies, that may be worn or displayed by the recipient. Items or merchandise that have intrinsic value and are primarily designed to serve other purposes are not to be used as honorary awards.



**9-7. Wearing or Accepting Foreign Awards.** An Air Force employee may not accept or wear a decoration offered by a foreign government without the express consent of the Congress. (See AFR 900-48 and 5 U.S.C. 7342.) The CCPO sends inquiries regarding foreign awards to US citizen employees to HQ AFMPC/MPCASA, Randolph AFB TX 78150.

**9-8. Other Productivity Related Programs.** There are programs within the Air Force whose objectives are to

increase productivity, reduce cost, and simplify procedures or operations. Examples of such programs include Energy Conservation; Value Engineering; Zero Overpricing; Fast Payback Capital Investment; and Productivity, Reliability, Availability, Maintainability. To the extent that employee contributions to programs of this nature benefit the Air Force and substantially exceed job requirements, recognition may be granted under this regulation. (See figure 7-1, table 5.)

Name of Award	Purpose	Description of Award and Number Granted Annually	Brief Description of Criteria (See annual announcement for details)
Arthur S. Fleming Awards (Established 1955)	To honor outstanding individuals in the Federal government and to recognize those who have performed outstanding and meritorious work for the government, to attract outstanding persons to the Federal government, encourage high standards of performance in the Federal service, and to enhance appreciation of our form of government and the opportunities and responsibilities it represents.	Engraved Plaque (10)	Career employees of the Executive Branch, under 40 years of age. A specific accomplishment for which the nominee is primarily responsible, resulting in service or in substantial financial savings to the government or in significant social or technological progress, or outstanding executive, scientific, or technical ability or outstanding performance displayed by nominee during preceding fiscal year, but not necessarily connected with or related to a specific accomplishment or project.
William A. Jump Memorial Award (Established 1950)	To recognize and encourage outstanding and deserving young government employees for sustained growth, development, integrity, and interest in the field of public administration.	Gold Key and Certificate of Merit (1)	Career employees under the age of 37 whose work performance, over a period of at least 5 years in either a line or staff position, demonstrates unusual competence and interest in public administration, endowment for leadership in the direction or development of programs, creativity and resourcefulness, close adherence to the basic principles of enlightened public service, and integrity and dedication to duty.
Roger W. Jones Award for Executive Leadership (Established 1978)	To recognize executives within the Federal government whose leadership has resulted in outstanding organizational achievement and who have successfully fostered the development of managers and executives for career service.	Bronze Plaque and Citation (2)	Career executives who have demonstrated superior leadership which resulted in outstanding organizational achievements, and a strong commitment to the effective continuity of government by successfully bringing about the development of managers and executives may be nominated.
William T. Pecora Award (Established 1974)	To recognize outstanding contributions of individuals or groups toward understanding of the earth by means of remote sensing.	Plaque and Citation (1)	Sustained or single contributions of major importance to the art or science of understanding of the earth through observations made from space. All individuals or groups, military or civilian, working in the field of earth resource sensing, including those from the scientific and technical community and those involved in the practical application of remote sensing.

Figure 9-1. Major Awards Sponsored by Non-Federal Organizations.

## Chapter 10

## WITHIN-GRADE INCREASES (WGI)

**10-1. General Information.** This chapter applies to FWS employees and to GS employees *except for* GS employees on a temporary or term appointment limited to 1 year or less. The employee receives a WGI when the required waiting period is completed, an equivalent pay increase was not granted during that period, and the employee's job performance is at the fully successful level or higher, except as provided for in paragraph 10-4.

**10-2. Waiting Period for the GS WGI.** Any time in a pay status on any given day constitutes a day of creditable service.

a. For a full-time employee and a part-time employee with a regularly scheduled tour of duty:

(1) For advancement to steps 2, 3, and 4, 52-calendar weeks of creditable service.

(2) For advancement to steps 5, 6, and 7, 104-calendar weeks of creditable service.

(3) For advancement to steps 8, 9, and 10, 156-calendar weeks of creditable service.

b. For an employee without a prearranged regularly scheduled tour of duty who works less than full time:

(1) For advancement to steps 2, 3, and 4, 260 days of creditable service in a pay status over a period of not less than 52-calendar weeks.

(2) For advancement to steps 5, 6, and 7, 520 days of creditable service in a pay status over a period of not less than 104-calendar weeks.

(3) For advancement to steps 8, 9, and 10, 780 days of creditable service in a pay status over a period of not less than 156-calendar weeks.

**10-3. Waiting Period for the FWS WGI.** Any time in a pay status on any given day constitutes a day of creditable service. For full-time employees and part-time employees with regularly scheduled tours of duty:

(1) For advancement to step 2, 26-calendar weeks in step 1.

(2) For advancement to step 3, 78-calendar weeks in step 2.

(3) For advancement in steps 4 and 5, 104-calendar weeks in step 3 and 4, respectively.

**10-4. Waiver of Requirement for Determination of Fully Successful Performance.** Under the following conditions, the employee will receive the WGI when the waiting period is completed but fully successful or higher performance has not been observed:

a. The GS employee has been in a duty status for less than 60-calendar days during the final 52-calendar weeks of the waiting period due to absences considered creditable service either because of paid leave, or

because of service credit under the back pay provisions of 5 CFR, Part 550.

b. The FWS employee has been in a duty status for less than 30-calendar days during the 26-calendar weeks waiting period for the same reasons described in a above.

**10-5. Granting the WGI:**

a. When the employee is eligible for a WGI and the last assigned rating is fully successful or better, the WGI will be granted automatically. If performance has declined from fully successful to less than fully successful, see instructions on withholding the WGI in paragraph 10-7.

b. To grant the WGI when the last assigned rating is less than fully successful, and performance has improved since the last rating, the supervisor must complete AF Form 860 (indicating a rating of fully successful or better) and submit it to the CCPO no later than 14 days before the WGI is due.

c. To grant a WGI at any time following denial, the supervisor must complete AF Form 860 indicating a rating of at least fully successful, and submit it to the CCPO.

**10-6. Postponing the WGI.** The WGI for a GS or FWS employee must be postponed when either of the two conditions explained in a and b below exist:

a. The employee's performance *is below* the fully successful level and he or she has not been given a performance plan or otherwise told of the specific requirements for fully successful performance at least 30-calendar days before the end of the waiting period. *The supervisor will promptly notify the CCPO of the condition.*

b. The employee has been reassigned or demoted because of unacceptable performance and is or will be eligible within 60 days for a WGI. *The CCPO notifies the supervisor of the date the increase is due and the requirement to postpone.*

c. Under either of the two conditions, the supervisor must notify the employee in writing of the postponement, the reason for it, and that he or she has *no more than* 90-calendar days to demonstrate fully successful performance. The employee must be given a new or revised performance plan (AF Form 860, Part I) that establishes the performance elements and standards that must be met during the 90-day period to demonstrate fully successful performance.

d. At any time after the 60th day but not later than the 90th day, when fully successful performance is demonstrated, the supervisor will complete AF Form 860 and send it to the CCPO. The WGI will then be

granted retroactive to the original date due.

e. If *no later than the 90th day* the employee's performance *remains below* fully successful, action must be initiated to withhold the WGI. The supervisor will complete AF Form 860, send it to the CCPO, and comply with paragraph 10-7.

**10-7. Withholding the WGI.** There are three situations under which the WGI is withheld:

a. When the rating of record is fully successful and performance has deteriorated to less than fully successful.

b. When the rating of record is less than fully successful.

c. When the employee failed to demonstrate fully successful performance during the 90-day postponement period. In the first situation, when performance has deteriorated to less than fully successful, the supervisor must:

(1) Notify the CCPO of the decision to issue a new rating and to deny the WGI.

(2) Complete the AF Form 860 and provide a copy to the employee.

(3) Normally, no later than 30 days before the WGI is effective, give the employee a letter informing him or her of the decision to deny the WGI.

(4) Send the original copy of the AF Form 860 to the CCPO normally no later than 14 days before the effective date of the WGI. (NOTE: If the employee has a current rating of fully successful or better but has been advised of unacceptable performance on one or more critical elements of the work plan under the provisions of paragraph 5-1a, a performance rating is not assigned, instead, the employee is only given the letter of decision to withhold the WGI.) A letter of decision to withhold a WGI must contain:

(a) The specific performance element and performance standard in which the employee was deficient.

(b) A statement explaining how the employee must improve his or her performance in order to receive a WGI.

(c) A statement of the employee's right to representation according to paragraph 10-8.

(d) A statement that the employee or the employee's representative may request reconsideration of the decision no later than 15-calendar days after receipt of the letter and the name and address of the official to whom the request must be submitted; that the request must be filed, in writing, setting forth the reasons why the decision should be reconsidered; and that consideration will be given to extending the time limit to request reconsideration if the employee requests an extension and shows that he or she was unable to meet the time limit due to circumstances beyond the employee's control.

(e) A statement that if the employee or the employee's representative wishes to make an oral re-

sponse to the decision or in an addition to a written response, the written request for reconsideration must so indicate.

(f) A statement that a file has been established which contains all pertinent documents relating to the decision; a statement that the employee and the employee's representative may review the file; a statement of how to arrange to review the file. Include the name, office symbol, location, and telephone number of the person with whom arrangements should be made and the location of the file.

(g) A statement that the employee and the employee's representative, if otherwise in a duty status, will be granted a reasonable amount of official time to review the material relied on to support the decision and to prepare a response; a statement of how to arrange for use of official time (identify the person with whom arrangements should be made); a statement that consideration will be given to extending the time if the employee requests an extension and provides sufficient reason for the request. Each case requires a separate determination of reasonable time. The determination is based on the individual case, and such matters as the complexity of the issues, the amount of and type of material to be reviewed and the difficulty in obtaining assistance. Therefore, a standard, predetermined definition of "reasonable" is not possible. If the employee is covered by a bargaining agreement, the provisions of the agreement must be followed.

NOTE: The sample letter in figure 10-1 *does not* apply to the above letter.

d. In the second situation, if the employee is eligible for a WGI and the last assigned rating is less than fully successful, PDS-C will not process the WGI. The supervisor must notify the employee of the decision to deny the WGI (figure 10-1 shows a sample letter). To withhold the WGI, the supervisor, with the coordination of the CCPO, gives the employee the letter of decision to withhold, normally no later than 30-calendar days before the effective date of the WGI.

e. In the third situation, the supervisor will comply with the procedures in paragraph 10-7c(3), except that the 30-day advance notice period is considered to have been satisfied within the postponement process.

**10-8. Employee Representation Rights in the Reconsideration Process.** For bargaining unit employees, provisions of the bargaining agreement, if applicable, govern the employee's rights to representation. Employees not in bargaining units have the right to be accompanied, represented, and advised by a representative of their own choice.

a. The reconsideration official may, in any case, disallow the employee's choice of a representative if:

(1) Activities of the individual, as a representative, would cause a conflict of interest or position.

(2) Release of an employee from his or her official

position to serve as a representative, would give rise to unreasonable costs to the government.

(3) Priority work assignments, of the individual, preclude release to serve as a representative.

b. The disallowance must be in writing. It must fully, clearly, and specifically state the basis for the disallowance. Citations of regulatory provisions and other authorities relied upon are included. It must be delivered to the employee within 5 workdays after notification of the employee's selection of a representative or as soon as possible thereafter, if the employee is not available. The notice of disallowance will become the basic explanation of management's position in an adjudication.

c. An employee in a bargaining unit has the right to challenge the decision to disallow his or her choice of a representative through the provisions of the bargaining agreement or 5 U.S.C. 7118, as appropriate.

d. An employee who is not in an exclusive bargaining unit has the right to challenge the determination to disallow his or her choice of representative according to AFR 40-771.

**10-9. Reconsidering the WGI Withholding Decision.** If an oral response is made, a transcript or summary must be prepared and the employee or representative must have an opportunity to submit a written exception to the summary or transcript. The exception is made a part of the reconsideration file. The response of the employee, the performance plan, the performance appraisal, documentation of periodic performance discussions, other documentary evidence, and the overall rating which served as the basis for withholding the WGI will be considered. The reconsideration official must notify the employee in writing of the decision within 30-calendar days of receipt of the employee's request for reconsideration.

a. The rating and reviewing officials may be directed to revise or prepare a new AF Form 860 that documents an overall rating of fully successful or higher. The WGI will then be granted retroactively to the original date due.

b. If the decision is sustained for an *FWS* employee, the employee is informed, in writing, of the reasons, and his or her right to grieve the decision. *FWS* bargaining unit employees who have access to a negotiated grievance procedure may grieve the decision according to that procedure. *FWS* bargaining unit employees without access to a negotiated grievance procedure and *FWS* employees not included in a bargaining unit may grieve the decision according to AFR 40-771.

c. If the decision is sustained for a *GS* employee, the employee is informed, in writing, of the reasons, and his or her right to further review as follows:

(1) For *GS* employees covered by a collective bargaining agreement whose negotiated grievance procedure does not expressly exclude WGI determinations, the right to file a grievance falls under that procedure.

(2) For all other *GS* employees, the right to appeal to the MSPB. The employees will be advised of the time limits for filing an appeal to the MSPB and provided the address of the appropriate MSPB office for filing the appeal, a copy of the MSPB regulations, and a copy of the appeal form.

**10-10. Action After the WGI is Withheld.** After a WGI is withheld, the supervisor may grant the WGI at any time after he or she determines that the employee has demonstrated sustained fully successful performance. After withholding a WGI, the supervisor must determine whether the employee's performance warrants a WGI after each 52-calendar weeks following the original due date for the WGI.

a. If the employee's performance improves to a fully successful level during the time a WGI is being withheld, the new appraisal rating is documented on AF Form 860, and sent to the CCPO. The employee is granted the WGI at the beginning of the first pay period after the CCPO receives the form. The WGI granted under these circumstances *is not* retroactive.

b. If the employee's performance does not improve to at least a fully successful level after remedial action and within a reasonable period of time after the WGI was originally withheld, the supervisor should work with the CCPO to determine what other corrective or administrative action is appropriate.

**10-11. The Reconsideration File.** When the employee is issued a final negative decision, the CCPO will maintain an Employee Reconsideration File according to AFR 12-50. The file will contain no document that has not been made available to the employee and will contain copies of:

a. The written negative decision, a copy of the final performance appraisal, and documentation of the periodic performance discussions which served as the advance notice of deficient performance.

b. The employee's written request for a reconsideration.

c. A report of investigation if an investigation is made.

d. A written summary or transcript of any oral presentation made by the employee.

e. A written exception to the summary or transcript by the employee or his or her designated representative if one is made.

f. The final decision on the reconsideration.

g. Other documents applicable to the case.

Office  
Symbol

SUBJECT: Decision to Withhold Within-Grade Increase (WGI)

TO: (Employee's name and organizational address)

1. This is to notify you that I am withholding your WGI which is (was) due on \_\_\_\_ (date) \_\_\_\_\_. During your last periodic performance progress review, held on \_\_\_\_ (date) \_\_\_\_, you were advised that the performance of your duties and responsibilities was (minimally acceptable) or (unacceptable) and that you would have to improve your performance by the end of the required waiting period on \_\_\_\_ (date) \_\_\_\_ in order for you to advance to the next higher step of your grade. Listed below are the performance element(s) and performance standard(s) for acceptable performance in which you were deficient and were advised that you would have to meet to be granted your WGI. (List each deficiency by element, standard, and reason(s) his or her performance does not meet the standard.)
2. On \_\_\_\_ (date) \_\_\_\_, I assigned you a performance rating. A copy of your appraisal is attached. Your performance was still deficient as indicated above. Because your performance is not fully successful, your WGI will be withheld.
3. To be granted your WGI, your performance, for each element listed in paragraph 1, must meet the established standard(s). (If the standard does not state specifically what is expected, the employee must be told here exactly how performance must improve to a fully successful level.) Additionally, your performance must continue to meet the standards established for all other elements contained in your performance plan. I will continue to counsel you in improving your performance.
4. (An employee's right to representation in preparing a response to the negative determination is stated here. See paragraph 10-8 for appropriate language.) If you elect to have a representative, your request for reconsideration must so state and contain the name of that individual.
5. You, or your personal representative, may request an administrative reconsideration of this decision. Your request must be in writing and must reach (*name, office location, and telephone number of reconsideration official*) no later than 15 days from the date you receive this notice. Your request must state the specific reasons you believe the decision to withhold your WGI should be reconsidered. As an alternative, if you or your personal representative wish to present the reasons for requesting reconsideration by an oral presentation to (*name of reconsideration official*), your written request must so state and ask for an appointment to make this presentation. Consideration will be given to extending the time limit provided you can show sufficient reason for needing an extension. You and or your representative, if otherwise in a duty status, are authorized up to \_\_\_\_ hours of official time to prepare your request for reconsideration. Your request for use of official time must be submitted to me. If you have a representative, and he or she is a military member or Federal employee, a request for official time must be sent to his or her supervisor. Copies of all material relied on in taking this action are available for review by contacting (*name, office symbol, location, and telephone number*).
6. If you wish to review civilian personnel regulations pertinent to this action, or obtain additional information concerning how to submit a request for reconsideration, you may contact (*name, address, and telephone number of CCPO representative*).

SIGNED

\_\_\_\_\_  
Rating or Reviewing Official

1 Attachment

AF Form 860, Civilian Performance and Promotion Appraisal.

Figure 10-1. Sample Decision To Withhold Within-Grade Increase.

## Chapter 11

## THE MERIT PAY SYSTEM

**11-1. Coverage.** The Merit Pay System covers GM-13, 14, and 15 supervisors, managers, and management officials serving under appointments such as career, career-conditional, or temporary appointments, whether in a probationary status, temporarily promoted, re-assigned, or detailed to other GM positions, the duties of which meet the definition of "Supervisor," "Manager," or "Management Official" as set forth in 5 U.S.C. 7103(a)(10) and (11).

**11-2. Identifying Positions and Converting Employees To the Merit Pay System.** The CCPO, with the assistance of supervisors, identifies merit pay positions when positions are first established or changed.

a. The AF Form 1378, Civilian Personnel Position Description, for each merit pay position must reflect the GM code. If the position is a growth position established below grade 13 and is targeted for classification at a higher GM grade level, the position description must be annotated to identify at what grade level the position becomes subject to the Merit Pay System.

b. Documents such as vacancy announcements and letters of notification, will specify if a position is under the Merit Pay System. Candidates selected for positions in grades 13 through 15 under the Air Force Promotion and Placement Referral System (PPRS) will be notified, in writing, if the positions are covered under the Merit Pay System.

c. Except as provided by paragraph 11-4, all Air Force positions identified for coverage were first converted to the Merit Pay System at the beginning of the first pay period in October 1981. The positions were assigned the designator "GM" in lieu of the former "GS". After the first Air Force-wide conversion, individual conversion is accomplished when an employee enters a merit pay position, or an employee's position is determined to be covered under merit pay.

**11-3. Resolving Coverage Disputes.** When disputes occur in coverage determination, employees must try to resolve them informally with their supervisors, who will consult with the CCPO. The final determinations are made at the MAJCOM or comparable command level organizations to which the positions are assigned. All determinations will be consistent with the requirements of the law, decisions of the FLRA, and guidelines from the OPM, the DOD, and the Air Force. An employee in a nonbargaining unit position may grieve the Merit Pay System coverage or noncoverage of his or her position through the procedures in AFR 40-771.

**11-4. Coverage Disputes Over Bargaining Unit Positions.** Positions included in a bargaining unit cannot con-

currently be covered by the Merit Pay System; thus, merit pay coverage determinations which involve bargaining unit positions may have a substantial labor-management relations impact. Accordingly, if a position in a bargaining unit is identified for merit pay coverage, the following procedures apply:

a. The CCPO will inform the labor organization having exclusive recognition for the bargaining unit, of those unit positions identified for Merit Pay System coverage. The CCPO will attempt to obtain union concurrence regarding the coverage of the positions. Where the union agrees with the CCPO determination that positions are subject to Merit Pay System coverage, the agreement should be reduced to writing and filed in CCPO.

b. Since the FLRA has final approval authority on the bargaining unit status of positions, all disputes regarding merit pay coverage determinations will be referred to FLRA according to FLRA Clarification of Unit (CU) Petition rules. Where possible, the petition should be jointly filed with the recognized union.

c. Until the FLRA rules on the status of bargaining unit positions identified for merit pay coverage, employees occupying these positions will retain their standing as members of the bargaining unit and will not be converted to the Merit Pay System.

d. When the FLRA determines that a bargaining unit position identified for merit pay coverage is excluded from the bargaining unit, the employee in the position no longer has standing as a bargaining unit member. The employee will be converted to the Merit Pay System no later than the beginning of the fourth pay period after receipt of the FLRA decision. When the FLRA determines that a position remains in the bargaining unit, the employee in the position will not be converted to the Merit Pay System.

**11-5. Composition of Merit Pay Units (MPU).** Each MAJCOM or comparable level organization will define and establish its MPUs and designate positions to be included in them. In determining the type and composition of individual MPUs, the MPUs may be formed according to geographic proximity, organization, function, job family, grade, or any combination thereof.

a. Size:

(1) The *recommended minimum* size of an MPU is 35 GM employees. However, commands have the discretion to establish smaller units of not less than 10 employees where the 35 minimum is not practical. This minimum size ensures a unit large enough to provide sufficient funds to make meaningful merit pay increases, provided there is a reasonable distribution of performance ratings.

(2) Where a MAJCOM, comparable level organization, or one of its activities has fewer than 35 GM employees, every effort should be made to join with another organization to form a combination unit having at least 35 GM employees. Such combination units are encouraged unless they would be so incompatible as to make the proposed unit unworkable.

b. MAJCOMs or comparable level organizations will submit current information to HQ USAF/MPKE on the establishment or deletion of MPUs as they occur for the updating of the PDS-C Central Table. In the establishment of MPUs, the following information is required:

- (1) Command identification of the MPU.
- (2) Plain language identification of organization(s) and suborganization(s) in the MPU.
- (3) Number of employees in each organization by grade.
- (4) Location of the supporting CCPO.
- (5) If one organization combines with another to form one MPU, specify the name of both, their locations, and the number of employees in each by grade. Keep statistical totals separate.

**11-6. Appointing the Merit Pay Unit Official (MPUO).** The MAJCOM or comparable command level organization with jurisdiction over the MPU is responsible for appointing MPUOs for each MPU. The MPUO may be either a civilian or a military member who:

- a. Is familiar with the functional responsibilities of the positions in the unit and whose position will result in acceptance of his or her counsel and decisions.
- b. Is not a GM employee in the MPU over which he or she exercises MPUO responsibilities.
- c. Is at the next higher organizational level, if it is not possible to appoint a MPUO because of the restrictions specified above.

**11-7. Duties and Authority of the MPUO.** In general, the MPUO is responsible for the integrity and credibility of the Merit Pay Systems in his or her MPU. Since that system is part of the overall performance management program and closely tied to the performance appraisal process, the responsibility is broad and not limited to merit pay matters, per se. The MPUO:

- a. Ensures that a performance plan for each MPU member is documented on AF Form 860, and completed in advance of or no later than 30 days after the start of the appraisal period, or upon assignment of a new MPU member.
- b. Ensures that the overall performance and promotion appraisal and required substantiation for each MPU member is documented on AF Form 860, and received by 31 July.
- c. Reviews AF Form 860 for completeness and compliance with instructions. Ensures that the overall performance rating is correctly derived from the rating on each performance element and the rating scale, and

that reasonable correlation exist between the ratings in Part I and the individual ratings in Part III.

d. Obtains any required correction or clarifying substantiation from the reviewing official. If additional information is not forthcoming or is insufficient to support a rating, the MPUO may change the rating by altering the AF Form 860. If a change is made, the MPUO is required to provide separately or on the form the reason for the change. (For additional information on this process, refer to figure 11-1.) All changes made by the MPUO are accepted as the final official rating.

e. Provides guidance to reviewing officials to improve the correctness, validity, and usefulness of AF Form 860. May also serve as a rating or reviewing official for subordinate GM employees in an MPU over which he or she exercises MPUO responsibilities but is not a GM member thereof.

f. The MPUO reviews and approves MPCAs or processes honorary award recommendations according to paragraph 7-4.

g. Ensures that merit pay determinations are correct and sent to AFMPC by 20 September each year.

**11-8. Merit Pay Committee.** The MPUO may appoint a merit pay committee to assist in carrying out the MPUO responsibilities. The MPUO will define roles, responsibilities, and authorities of the committee members.

**11-9. The Merit Pay Process.** The performance appraisal rating reflected in AF Form 860, Part IV, based on the annual GM appraisal cycle that ends 30 June will serve as the basis for the subsequent merit pay increase. To the extent possible, therefore, the merit pay pool computation is based on the composition of the MPUs to which GM employees were assigned during the appraisal period. However, since some changes will occur in unit composition between 30 June and the October comparability increase because of personnel actions, some adjustments to the MPUs will be required to ensure that the total Air Force Merit Pay Fund is within the parameters established by OPM.

**11-10. Establishing the Employee's Merit Pay Records.** Data required on GM employees for use in merit pay computations are accumulated as follows:

- a. Between 15 June and 31 July, performance appraisal ratings will have been rendered by rating officials and subsequently approved by reviewing officials. Documentation relative to each merit pay member's rating will be sent to the member's respective MPUO.
- b. Between 16 August and 1 September each year, all pertinent data relative to the MPU members will be recorded in PDS-C by the servicing CCPO.

**11-11. Updating the Merit Pay Record.** Between 2 September and the calculation date as specified in PDS-C notices, all changes to employee status will be

made to the employee record. This will result in computing the various merit pay pools as if the employee's status on 30 June was the same as it was on the September computation date. However, even though an employee may move between units between 1 July and the September computation date, the employee will receive a merit pay increase as if he or she were still in the MPU of record on 30 June. The purpose of this update of the employee's record is to ensure that the total monies awarded to GM employees in October will be within 95 to 105 percent of the total Merit Pay Fund calculated for the Air Force.

**11-12. Computing the Merit Pay Pool.** After the employee's merit pay record has been established and updated, the MPUO supporting CCPO will then compute the merit pay pool.

**11-13. Determining Available Merit Pay Funds.** Each year OPM will determine the funds available for merit pay increase purposes and provide a Merit Pay Fund Computation (MPFC) Table, together with instructions for its use.

a. An employee's contribution to the merit pay pool is a dollar value from the MPFC, depending on his or her specific grade and position in the rate range. Special MPFC tables will be applicable for employees on special rates established under the provisions of Title 5, Section 5303.

b. The total of all Air Force merit pay increases awarded each year must be no less than 95 percent and no more than 105 percent of the Air Force merit pay fund.

**11-14. Computing Merit Pay.** Each year AFMPC issues instructions on using PDS-C to process merit pay. The following explains how the process works:

a. **Determining the Merit Pay Pool.** Computation of the merit pay pool will determine how much money a particular MPU has available for merit pay increases. The initial process will consist of:

(1) Separating employees in the unit by grade and their position in their rate range.

(2) Using the MPFC table to determine each GM employee's contribution to the merit pay pool.

(3) Adding the result of each GM employee's contribution. The total equals the merit pay pool.

b. **Determining the Merit Pay Share Value.** Once the merit pay pool has been computed, the appropriate merit pay share points are applied based on the GM employees' grade and performance appraisal. The share value for a particular MPU is then computed by:

(1) Totalling the merit pay share points for all the GM employees in the unit.

(2) Dividing the total share points into the merit pay pool. The quotient equals the initial share value for the MPU. This value is then multiplied by each

employee's performance rating factor and the result compared to the legal limits to determine the appropriate portion to be charged against the merit pay pool.

(3) After this process is completed for each employee, the summation of the portions to be charged against the pool is subtracted from the pool. If the remainder is large enough to justify another cycle of distribution (greater than the number of employees of the pool), then a new share value is computed by dividing this remainder by the total share points, minus the share points of any employee(s) having reached the maximum limit for his or her grade.

(4) The result is then added to the previous share value and the distribution process is repeated. The process will continue to reiterate the changing share values among eligible GM employees until the entire pool is allocated. This results in a dollar amount for each performance level within each grade and is put into a Central Table for each MPU. This table value is used by servicing CCPO to process the merit pay increases.

c. **Determining the Individual Merit Pay Increase.** Each GM employee's merit pay increase is then determined by finding the GM employee's share points based on his or her current performance rating, and multiplying the MPU share value by the GM employee's share points. The product is the GM employee's merit pay increase.

**11-15. Computing Total Base Pay.** The merit pay increase accounts for only one part of the total base pay increase. By law, each merit pay employee automatically receives at least one-half of the annual comparability increase. Therefore, to determine total base pay, multiply the GM employee's base salary by that portion of the annual comparability adjustment which OPM determines is automatic; then, add this amount to the merit pay increase calculated above.

**11-16. Merit Pay Limitations:**

a. Once a GM employee reaches the maximum rate of his or her grade, the calculated amount of merit pay that exceeds the maximum rate of his or her grade is recycled into the merit pay pool where it will be proportionately redistributed to GM employees who have not reached the maximum rate of their grades.

b. GM employees who are affected by Congressionally imposed pay caps will continue to have their pay capped at the "asterisk" rate on the General Schedule. Consequently, any merit pay increases that exceed the ceiling will be awarded to the GM employees "on paper only." Once the pay cap is changed or lifted, those GM employees will be entitled to actually receive the new rate of pay, if this rate does not exceed the maximum rate of the rate range for their particular grade on the General Schedule.

**11-17. Promotions Within the Merit Pay System.** Unless



a GM employee is receiving a retained rate under Title 5, Section 5363, his or her rate of pay will be set at the lowest whole-dollar rate of the grade to which promoted that exceeds the GM employee's existing rate of pay by 6 percent, or the minimum rate of the higher grade if that is higher.

**11-18. Promotions from the Merit Pay System To the General Schedule.** Unless a GM employee is receiving retained pay under Title 5, Section 5363, his or her rate is increased by 6 percent and then fixed at the lowest step of the grade on the General Schedule that equals or exceeds that rate.

**11-19. Promotions Within the Merit Pay System While in Receipt of Pay Retention.** If a GM employee is receiving a basic rate saved to him or her under the provisions of Title 5 Section 5363, he or she is entitled to:

- a. Basic pay at a rate 6 percent above the rate which he or she would be receiving (the maximum rate of the retained grade) if this section of law were not applicable.
- b. His or her existing rate of pay if that rate is higher.

**11-20. Other Promotions and Conversions To the Merit Pay System.** On all other actions that occur during the year, the employee's pay will be adjusted as if he or she were a GS employee and then converted to GM.

**11-21. Interrupted Service.** When a GM employee is on an extended period of absence during which one or more merit pay increases occur, and the service is otherwise creditable for WGI purposes, the GM employee, upon return, must be paid the sum of:

- a. His or her rate of basic pay before interruption of his or her duty status.
- b. One-half of comparability adjustments (or the amount established by OPM) which occurred during the interrupted service.
- c. The average adjustment received by GM employees comparably situated (attachment 2). To calculate the average adjustment, the rate of pay will be established as though the GM employee had been rated fully successful in the MPU to which officially assigned throughout the period of absence.

**11-22. Merit Pay Coverage During Grade Retention.** The retained grade, while used for most purposes, is not used in determining whether an employee is covered by the Merit Pay System. For example:

- a. A GM-14 employee under the Merit Pay System who is subsequently placed in a GS-13 position, and is entitled to grade retention, retains the grade of GS-14 and is no longer covered by the Merit Pay System.
- b. A GS-14 employee who is placed in a GM-13 position under the Merit Pay System, and is entitled to grade retention, is covered under the Merit Pay System

as a GM-14 employee. This means that the employee's work plan is developed based on GM-13 duties but the rating points and merit pay increase are calculated as though the employee were serving in the GM-14 position.

**11-23. Movement To or From a Merit Pay Position.** The following rules are used to set the rate of basic pay during grade retention:

- a. When a GM employee moves from a merit pay position to a position not covered by the merit pay system, and is entitled to grade retention, the employee is entitled to the lowest rate of basic pay from the rate schedule for the retained grade which is equal to or exceeds the employee's rate of basic pay before the move. If there is no such rate, the employee is entitled to continue his or her existing rate of basic pay.
- b. When the employee moves to a merit pay position from a nonmerit pay position, he or she is entitled to the rate of basic pay held before the move. If the employee's rate before the move is above the maximum rate of the grade, the employee continues to receive this rate.

**11-24. Implementing Comparability Increases.** If the GM employee is receiving a rate of basic pay within the rate range, his or her rate will be increased by one-half of comparability (or the amount prescribed by OPM) plus any merit pay to which entitled up to the maximum rate of the range. If the GM employee is receiving a rate of basic pay in excess of the rate range, the employee's rate will be increased by the amount of the increase in the maximum rate of the employee's retained grade according to Title 5, Section 5362. If the employee's rate exceeds the maximum rate of the grade, he or she cannot receive merit pay; however, the normal performance appraisal processes are still followed since the rating is the basis for other personnel actions.

**11-25. Other Pay Changes.** Any other change that occurs will be based on the employee's retained grade. For example, if there is a special rate increase, the applicability of that increase will be based on the retained grade. Generally speaking, when an employee moves to another position during the grade retention period under conditions which allow grade retention to continue, the employee's basic rate of pay is determined in essentially the same manner as when grade retention commences. However, if the applicable rate schedule changes, if the employee moves from or to a merit pay position, or if the employee was receiving a retained rate or saved rate under some authority other than Title 5, Section 5363, at the time he or she moves, the step or rate of basic pay may change.

**11-26. Pay Determinations if Grade Retention is Terminated.** If the grade retention entitlement is termi-

nated as a result of expiration of the 2-year period, the employee is entitled to pay retention. If the employee is returned to a position at his or her retained grade level, the employee usually continues to receive his or her existing rate of pay (paragraph 11-25). If the employee is promoted to a position that is a grade higher than the retained grade, the laws and regulations governing promotions apply. If the entitlement is terminated for any other reason, the employee's rate of basic pay may be set at a rate of his or her grade according to the "highest previous rate rule."

#### 11-27. Pay Administration During Pay Retention:

a. An employee who is covered by merit pay following an action covered by pay retention, will continue at the same rate of basic pay if that rate falls within the rate range of the employee's grade after the action is taken. If it does not fall within the rate range of that grade, the employee is entitled to retain his or her current rate of basic pay.

b. During a period of pay retention a GM employee is entitled to 50 percent of the comparability adjustment by virtue of the provisions of Title 5, section 5363. There is no entitlement to a comparability adjustment under the merit pay system, or any entitlement to a merit pay increase.

11-28. **Pay Entitlement Upon Termination of Pay Retention.** If the entitlement is terminated as a result of a demotion for personal cause or a demotion at the employee's request, or is terminated as a result of the employee's declination of a reasonable offer, the employee's rate of basic pay may be set according to the "highest previous rate rule."

11-29. **Effect of Temporary Promotions and Temporary Reassignments.** The grade and rate of basic pay held during a temporary promotion or temporary reassignment may not be used to determine whether the employee has been placed in a lower grade or lower rate of basic pay. If the employee becomes entitled to grade or pay retention while under a temporary promotion or temporary reassignment, the grade or rate of basic pay to which the GM employee is entitled is not based on the grade or rate of basic pay during the temporary promotion or temporary reassignment. Instead, it is based on the grade or rate of basic pay to which the employee would have been entitled had he or she not been temporarily promoted or reassigned. If the employee is already entitled to grade or pay retention when he or she is temporarily reassigned, the employee's entitlement to grade and pay retention is not affected in any way. It simply continues simultaneously with the employee receiving the greater benefit. Declination of an offer to temporary promotion or reassignment will not have any effect on employees entitlement to grade retention.

11-30. **Within-Grade Increases (WGI):** Merit pay employees do not receive a WGI. However, service in a merit pay position is creditable toward a future GS or FWS WGI so long as the employee has not received an equivalent increase while serving as a GM employee.

#### 11-31. Computing the Highest Previous Rate for Merit Pay Employees:

a. Compare the employee's highest previous annual rate actually paid with the range of rates in effect at the time the highest previous rate was earned for the grade in which pay is currently being fixed.

b. Divide the difference between the employee's highest previous rate and the minimum rate of the former rate range of the grade in which pay is currently being fixed by the difference between the maximum and minimum rates of that rate range.

c. Multiply the result by the difference between the maximum and minimum rates of the current rate range of the grade in which pay is currently being fixed.

d. Add the result to the minimum rate of the grade in which pay is currently being fixed and round to the next whole dollar rate. The resulting rate is the maximum rate of basic pay that may be paid the employee. As an example, assume a GM-13 employee was earning \$33,104. The GS minimum and maximum rates at the time that rate was earned were \$29,375 and \$38,186 respectively. The current GS minimum and maximum rates are \$32,048 and \$41,660, respectively.

STEP I	Highest Previous Rate:	\$33,104
	Minimum rate of range	29,375
	Difference	\$ 3,729
	Maximum Rate	\$38,186
	Minimum Rate	-29,375
	Difference	\$ 8,811
	Divide \$3,729 by \$8,811	.4232
STEP II	Current Maximum Rate	\$41,660
	Current Minimum Rate	32,048
	Difference	\$ 9,612
	Multiply .4232 x 9612 =	\$ 4,068
STEP III	Minimum Rate of New Grade	\$32,048
	Result of Step 2	+4,068
	Maximum Payable Rate	\$36,116

#### 11-32. Pay Adjustment for Merit Pay Employees Supervising Federal Wage Systems (FWS) Employees.

Merit pay employees who regularly supervise FWS employees may be paid a rate which exceeds the highest rate being paid to the FWS employees that he or she supervises according to Part 531 of OPM regulations. If the decision is made to grant the adjustment, the adjusted rate of the supervisor will be established at 3 percent higher than the rate of the FWS employee on whose salary the adjustment is based, not to exceed the

maximum rate of the supervisor's grade.

**11-33. Change To Lower Grade from Temporary Promotion.** Upon change to a lower graded permanent position or termination of a temporary promotion, an employee's pay in the permanent position is set as if the temporary promotion had not occurred. Special provisions are necessary for GM employees because they require no WGIs. Accordingly, when a GM employee is changed to a lower graded permanent position following a temporary promotion during which one or more merit pay increases occurred, the employee's salary will be computed in the lower grade by using the higher of:

- a. The rating of record at time of temporary promotion.
- b. The rating received during the period of temporary promotion.

1. OPM regulations require agencies to make merit pay determinations no earlier than 90 days before and no later than 60 days after 1 October each year. The Air Force goal is to determine merit pay increases in September after OPM publishes the MPFC Table. *The link between the performance appraisal and final merit pay determination requires that very tight time constraints be met.* Accordingly, completion of AF Form 860 and AF Form 1001, when appropriate, should begin about 15 June, 2 weeks before the performance appraisal period ends.

NOTE: The employee will not be advised on the individual or overall ratings until step 12.

**2. 15 June to 31 July:**

- a. **Step 1.** The rating official determines the rating and discusses any pertinent issues with the reviewing official.
- b. **Step 2.** The reviewing official reviews and approves the rating and keeps one copy of the form.
- c. **Step 3.** The reviewing official sends a copy of the form to a quality review point such as a higher level official, an ad hoc chain-of-command committee, or the servicing CCPO.
- d. **Step 4.** The quality review point checks the form for completeness and adequate substantiation; consults with the reviewing official when necessary, and sends the original of the complete, correct form to the CCPO and a copy to the MPUO.

NOTE: This quality review is critical to preclude the MPUO from having to correct or return forms because of error or inadequate documentation with the serious potential of delaying the merit pay process for all

Figure 11-1. Merit Pay Timetable.

employees in the MPU. There should be no disagreement at this time regarding the adequacy of performance elements or standards, because issues of that nature are resolved during the "up front" quality control review required by paragraph 2-13.

**3. 1 to 15 August:**

a. **Step 5.** The MPUO conducts the final Air Force review of the AF Forms 860 and 1001. The MPUO ensures that there is reasonable correlation between the individual ratings on the work behavior in Part III, and the individual performance element ratings in Part I. The MPUO then ensures that the overall performance rating is correctly derived from the rating on each performance element according to the rating scale. The MPUO obtains necessary additional substantiation, or clarifying information regarding the performance elements and standards from the reviewing official. The MPUO approves the rating as proposed or adjusts the ratings upward or downward and documents reasons for changes on the form or attached to the form. The MPUO decision at this step is final in the Air Force. (See paragraph 11-7.)

b. **Step 6.** Based on the final ratings, or concurrent with step 5, the MPUO reviews and approves recommendations for the MPCA. The MPUO may approve the MPCA for dollar amounts up to 5 percent of payable salary but not to exceed \$5,000. The MPUO may recommend an additional amount according to paragraph 7-4.

c. **Step 7.** The supporting CCPO will transmit the final ratings and MPCA amounts by message to servicing CCPOs. The supporting CCPO will also send to the servicing CCPOs any AF Forms 860 and 1001 that were changed by decision of the MPUO. (If change did not occur, the form need not be returned, since the servicing CCPO has the original.)

**4. 16 August to 1 September:**

a. **Step 8.** The servicing CCPO enters the performance ratings into PDS-C no later than 31 August using 1 September as the effective date.

b. **Step 9.** The servicing CCPO sends the AF Form 1001 with approved or recommended MPCAs to the base Incentive Awards Committee, if necessary.

**5. 2 September to 14 September:**

a. **Step 10.** On a date set by AFMPC and announced with instructions in an AFMPC PDS-C notice, all servicing CCPOs update and enter all GM records into PDS-C. The records are transmitted through PDS-C to the supporting CCPOs for merit pay computation (step 15).

b. **Step 11.** The servicing CCPO sends the approved AF Form 860 through the reviewing official to the rating official.

Figure 11-1. Continued.

c. **Step 12.** The rating official obtains the employee's signature on the form, keeps one copy, gives the employee one copy, and sends the original to the servicing CCPO. The CCPO files the form according to the guidelines in chapter 12.

**6. 15 to 30 September:**

a. **Step 13.** When received from OPM, HQ USAF/MPKE sends merit pay computation tables to MAJCOMs and all CCPOs.

b. **Step 14.** The supporting CCPO computes merit pay through PDS-C for the supported MPU.

c. **Step 15.** On a date set by AFMPC and announced with instructions in an AFMPC PDS-C notice, the supporting CCPO sends the data to AFMPC:

- (1) MPUID (6-digit code).
- (2) Merit pay pool amount.
- (3) Merit pay share value amount by grade and rating.

The above information is used to set up a central table for each MPU in the Air Force.

**7. 1 to 15 October:**

a. **Step 16.** The servicing CCPO processes the personnel actions awarding merit pay effective the first pay period after 1 October. MPCAs will be processed following the merit pay determination. Copies of the SFs 50, Notification of Personnel Action, are sent to the payroll office and GM employees.

**NOTE:** The above dates are approximate. The specific timing of all PDS-C actions relating to entering ratings and computing merit pay will be provided to MAJCOMs and CCPO by AFMPC or HQ USAF/MPKE. *If delay occurs, step 16 will be accomplished no later than 31 December with the merit pay increase retroactive to the step 16 effective date.*

**Figure 11-1. Continued.**

## Chapter 12 RECORDKEEPING

### 12-1. Documentation and Location:

a. The AF Form 860 will be used to document critical and noncritical performance elements, set performance standards, assign ratings and record employee acknowledgement. The form will be kept by the rating official with the AF Form 971 until the appraisal period is over, ratings are assigned, and the form is completed.

b. The original copy of the AF Form 860 will be handcarried or sent in a sealed envelope to the CCPO not later than 45 days after the end of the appraisal period.

c. AF Form 860, completed by a detail or temporary promotion supervisor, will be handcarried or sent in a sealed envelope to the rating official not later than 30 days following the employee's temporary assignment or the end of the appraisal period, whichever is earlier.

d. The rating official will give a copy of the AF Form 860, upon request, to the rated employee, and will retain a copy.

e. The CCPO will keep the forms in separate employee performance files in cabinets or other containers dedicated to that purpose; in sealed envelopes on the left side of the official personnel folder; or as otherwise directed by OPM regulations dealing with the retention of performance documents (5 CFR 293), (5 CFR 294), and (5 CFR 297).

### 12-2. Retention of Records in the CCPO:

a. Performance appraisals and supporting documents are retained for 3 years from the date of appraisal. Official record copies of these forms will be maintained in the CCPO.

b. Performance appraisals superseded through an administrative, a negotiated, a quasijudicial, or a judicial proceeding are destroyed upon receipt of the final decision, or as soon thereafter as practical. This includes both paper and automated records.

c. Performance appraisals reflecting unacceptable

performance, where a notice of proposed demotion or removal is issued, but not effected are destroyed within 30 days after the employee completes 1 year of acceptable performance. Both paper and automated records are destroyed.

d. Where any performance-related document is needed in connection with an ongoing administrative, negotiated, quasijudicial, or judicial proceeding, and it continues to be retained in the Employee Performance File System Records under OPM/GOVT-2, instead of a separate file, it may be retained as long as necessary beyond 3 years. It is destroyed when the proceeding it supports is finally concluded.

e. When an employee is appointed to an SES position in the Air Force or leaves the Air Force for any reason, the form will be kept for not longer than 1 year.

### 12-3. Disposition of Records:

a. Destruction of records will be by shredding or burning. When an employee is transferred to another agency, the AF Form 860 will not be sent to the National Personnel Records Center. When an employee is assigned to another location in the Air Force, the CCPO master file record set of the employee performance file is transferred to the gaining office.

b. When an employee is assigned to another position at the same activity, the rating official's copy of the AF Form 860 will be sent to the gaining rating official in a sealed envelope along with the AF Form 971.

NOTE: This chapter is based on numerous OPM bulletins and related correspondence along with the General Personnel Records System (OPM/GOVT 1) and the Employee Performance File System (EPFS) (OPM/GOVT 2). Detailed guidance on the total EPFS system of records has been provided by separate issuance. Accordingly, this chapter is subject to final OPM regulations, when issued.

BY ORDER OF THE SECRETARY OF THE AIR FORCE

OFFICIAL

CHARLES A. GABRIEL, General, USAF  
Chief of Staff

JAMES H. DELANEY, Colonel, USAF  
Director of Administration

### SUMMARY OF CHANGES

This publication implements the performance management concept (para 1-2), and the pay-for-performance concept (para 1-3); explains differences in employee coverage (para 1-6b and atch 1); implements a single appraisal form (para 2-1); establishes an initial 90-day appraisal period (para 2-2); sets up two annual appraisal cycles (para 2-3); adds new requirements regarding supervisory safety and health responsibilities (para 2-9c); adds new requirements on critical

performance elements (para 2-10); adds additional requirements regarding the quality control review (para 2-13); explains how ratings on work behavior must relate to ratings on performance (para 2-19); explains the requirement to appraise work behavior and how the rating is used (paras 2-17 through 2-30); clarifies the separate probation required for new supervisors and managers (para 4-2); implements new guidance on dealing with performance problems (chap 5); establishes a new cash award for GM employees (para 7-4); authorizes a quality step increase only for superior ratings (para 7-5a); establishes a 1 percent of salary minimum for the SSPA and MPCA (fig 7-1, table 4); and, changes recordkeeping requirements (chap 12).

EMPLOYEE COVERAGE

Appointment and Pay Status	Performance Work Plan	Performance Work Plan		Cash Award	Non-Honorary Awards	Non-Monetary Awards	Federal Awards	Service Awards
		WGI	QSI					
Panama—Non-US Citizens	Yes <sup>16</sup>	No	No	Yes	Yes	Yes	Yes	Yes
Consultants and Experts	No	No	No	No <sup>15</sup>	Yes	Yes	Yes <sup>2</sup>	No
Detailees	Yes	Yes	No	Yes	Yes	Yes	Yes <sup>2</sup>	Yes
Excepted Service (without time limitation)	Yes <sup>17</sup>	Yes <sup>17</sup>	Yes <sup>17,18</sup>	Yes	Yes	Yes <sup>2</sup>	Yes	Yes
Executives								
Career SES	No	No	No	Yes <sup>11</sup>	Yes	Yes	Yes <sup>2</sup>	Yes
Non-career SES	No	No	No	Yes <sup>11</sup>	Yes	Yes	Yes <sup>2</sup>	Yes
Non-SES	Yes	Yes	Yes <sup>5</sup>	Yes <sup>5</sup>	Yes	Yes	Yes <sup>2</sup>	Yes <sup>5</sup>
Federal Wage System (FWS) (without time limitation)	Yes	Yes	No	Yes	Yes	Yes	Yes <sup>2</sup>	Yes
Temporary—120 days or less	No	Yes	No	Yes <sup>10</sup>	Yes	Yes	No	No
Temporary—121 days or longer	Yes	Yes	No	Yes <sup>10</sup>	Yes	Yes	Yes <sup>2</sup>	Yes
Foreign National (Direct Hire)	No	No	No	Yes	Yes	Yes	Yes <sup>2</sup>	Yes
General Schedule (without time limitation)	Yes	Yes	Yes	Yes	Yes	Yes	Yes <sup>2</sup>	Yes
Temporary—120 days or less	No	No	No	Yes <sup>10</sup>	Yes	Yes	No	No
Temporary—120 to 365 days	Yes	No	No	Yes <sup>10</sup>	Yes	Yes	Yes <sup>2</sup>	Yes
Temporary—longer than 1 year	Yes	Yes	Yes	Yes <sup>10</sup>	Yes	Yes	Yes <sup>2</sup>	Yes
General Manager (not limited to 120 days or less)	Yes	No	No	Yes <sup>4</sup>	Yes	Yes	Yes <sup>2</sup>	Yes
Intermittent	Yes <sup>18</sup>	Yes <sup>3</sup>	Yes <sup>3</sup>	Yes	Yes	Yes	Yes <sup>2</sup>	Yes
IPA <sup>20</sup> Assignment								
Federal Employee	Yes <sup>18</sup>	Yes <sup>3</sup>	Yes	No <sup>6</sup>	Yes	Yes	Yes <sup>2</sup>	Yes
Non-Federal Employee	Yes <sup>18</sup>	Yes <sup>3</sup>	No	No <sup>7</sup>	No	Yes	Yes <sup>2</sup>	No
Maximum salary <sup>12</sup>	No	No	No	Yes	Yes	Yes	Yes <sup>2</sup>	Yes
Maximum rate of the grade	Yes	No	No	Yes	Yes	Yes	Yes <sup>2</sup>	Yes
At statutory pay limit	Yes	Yes <sup>13</sup>	Yes <sup>13</sup>	Yes	Yes	Yes	Yes <sup>2</sup>	Yes
Nonappropriated Fund	No	Yes <sup>14</sup>	Yes <sup>14</sup>	Yes <sup>14</sup>	Yes <sup>14</sup>	Yes <sup>14</sup>	No	Yes <sup>14</sup>
Overseas Limited								
GS—Indefinite appointment	Yes <sup>17</sup>	Yes <sup>17</sup>	Yes <sup>17</sup>	Yes	Yes	Yes	Yes <sup>2</sup>	Yes
FWS—indefinite appointment	Yes <sup>17</sup>	Yes <sup>17</sup>	Yes <sup>17</sup>	Yes	Yes	Yes	Yes <sup>2</sup>	Yes
Part-time Permanent	Yes	Yes	Yes	Yes	Yes	Yes	Yes <sup>2</sup>	Yes
Presidential Intern	Yes	Yes	Yes	Yes	Yes	Yes	Yes <sup>2</sup>	No
Private Citizen	No	No	No	No	Yes <sup>1</sup>	No	No	No
Scientific and Professional Personnel 5 U.S.C. 3104	Yes	No	No	Yes	Yes	Yes	Yes <sup>2</sup>	Yes
Reemployed Annuitants	Yes <sup>18</sup>	No <sup>8</sup>	No <sup>8</sup>	Yes	Yes	Yes	Yes <sup>2</sup>	Yes
Summer Employee	No	No	No	Yes <sup>9</sup>	Yes	Yes	Yes <sup>2</sup>	No
TAPER	Yes	Yes	Yes <sup>3</sup>	Yes <sup>10</sup>	Yes	Yes	Yes <sup>2</sup>	Yes
Term Appointment longer than 1 year	Yes <sup>17</sup>	Yes <sup>17</sup>	Yes <sup>19</sup>	Yes	Yes	Yes	Yes <sup>2</sup>	No
Veterans Readjustment Appointment	Yes <sup>17</sup>	Yes <sup>17</sup>	Yes <sup>17,19</sup>	Yes	Yes	Yes	Yes <sup>2</sup>	No
Youth and Student Employment Program	Yes <sup>17</sup>	Yes <sup>17</sup>	Yes	Yes	Yes	Yes <sup>2</sup>	No	No
Co-op Student								
Federal Junior Fellowship	Yes <sup>17</sup>	Yes <sup>17</sup>	Yes <sup>17,19</sup>	Yes	Yes	Yes	Yes <sup>2</sup>	No
Stay-in-school	Yes <sup>17</sup>	Yes <sup>17</sup>	Yes <sup>17,19</sup>	Yes	Yes	Yes	Yes <sup>2</sup>	No

## NOTES:

1. Under separate authority (AFR 900-48).
2. If qualified as outlined in sponsor's criteria.
3. Unless appointment is limited (for example, not to exceed 1 year).
4. Normally, the SSPA would not be granted if the individual has received other cash recognition for performance that adequately recognized the same contribution.
5. Except those appointed by and with the advice and consent of the Senate.
6. Yes, if the contribution substantially benefits the Federal government.
7. Yes, if the person is serving under a temporary appointment in the Federal government.
8. Normally employed on a temporary basis. However, QSIs may be granted to those serving unlimited appointments under an OPM exception (FPM 300, Subchapter 7-5(b)).
9. Amount of an SSPA prorated according to time worked.
10. Provided the individual otherwise satisfies criteria for the specific cash award for which recommended.
11. Special act or service only for achievements outside job responsibilities.
12. As defined by 5 U.S.C. 5102(c)(25). Positions for which rates of basic pay are individually fixed or expressly authorized to be fixed, at or in excess of the maximum rate for GS18.
13. A WGI and QSI may be recommended and approved but may not be effective until the maximum salary limitation is raised.
14. Authorized under AFR 40-7. Honorary awards for nonappropriated fund personnel are processed according to procedures outlined in this regulation.
15. Can only receive monetary recognition if they meet the definition of an employee under 5 U.S.C. 2105.
16. Only Part I of AF Form 860 is completed for these employees.
17. For temporary limited appointments, follow temporary GS or FWS rules, as appropriate.
18. If number of workdays exceed 120 in a calendar year, otherwise no.
19. No, if serving in a FWS position.
20. IPA = Intergovernmental Personnel Act.



## DEFINITION OF TERMS

**Average Adjustment**—The share value for the employees of a designated merit pay unit in the same grade level who have received Fully Successful ratings. There will be an average adjustment figure for each grade level represented in a merit pay unit each year.

**Central Tables**—Personnel Data System—Civilian (PDS-C) tables as used in this regulation, are those that contain merit pay salary adjustment information and the Merit Pay Unit Identifier Codes.

**Comparability Adjustment**—The annual comparability adjustment in the pay rates of the General Schedule authorized by the President according to 5 U.S.C. 5305. For GM employees, at least one-half of the comparability adjustment is guaranteed.

**Comparably Situated Employees**—GM employees of a designated merit pay unit serving at the same grade level and same location in the pay range.

**Congressional Pay Ceiling**—A maximum salary limitation imposed by the Congress.

**Critical Element**—A performance element of an employee's job of sufficient importance that performance below the minimum performance standard established by management requires remedial action and denial of merit pay or a within-grade increase, and may be the basis for removing, reassigning, or demoting the employee, without regard to performance on other performance elements.

**Endorsing Official**—An additional higher level of review that is normally reserved for Air Force Career Programs. The specific use in career programs is specified in AFR 40-110. Any other use of the endorsing official must receive specific approval at MAJCOM level.

**Excellent Rating**—The overall performance rating assigned when an employee exceeds more than one-half of the critical performance elements and meets all other performance elements.

**Federal Wage Systems (FWS)**—A statutory pay system covering employees in trades and crafts positions.

**Fully Successful Rating**—The overall rating assigned when an employee meets the requirements of all the performance elements of the performance plan. It is based on demonstrated fully successful performance. For within-grade increase purposes, fully successful equates to satisfactory performance for an FWS employee and acceptable level of competence performance for a GS employee.

**General Manager (GM)**—A term applicable to employees at grades 13, 14, and 15 who are covered by the Merit Pay System. GM employees are also referred to as merit pay employees.

**General Schedule (GS)**—A statutory pay system covering employees in clerical, administrative, technical, and professional positions.

**Management Official**—Any employee in grades GM-13, 14, or 15, in a position the duties and responsibilities of which require or authorize the individual to formulate, determine or influence the policies of HQ USAF, MAJCOMs or comparable command level organizations, installations, or any subdivision thereof.

**Merit Pay Determination**—A decision based on a performance appraisal rating which determines eligibility or ineligibility for a merit pay increase.

**Merit Pay Fund**—The total of all Air Force funds available for merit pay increases based on: (1) the number of employees in merit pay positions, their grade and position in the rate range; (2) a portion of the annual comparability adjustment as established each year by OPM; and (3) the estimated within grade increases and quality step increases which would have been paid to the employees had they not been covered by the Merit Pay System.

**Merit Pay Increase**—A GM employee's share of the merit pay pool based on the employee's performance and the composition of the merit pay unit.

**Merit Pay Pool**—An aggregate amount of money computed based on the merit pay unit employees' basic rates of pay and dollar amounts found in the (OPM) Merit Pay Fund Computation (MPFC) Table. This table is published by OPM each year.

**Merit Pay Share Points**—A numerical value based on the grade and the overall performance rating which is used as a multiplier in determining the merit pay share for a GM employee.

**Merit Pay Share Value**—The dollar amount computed by dividing the merit pay pool by the merit pay share points of all employees in a merit pay unit. This process is repeated, as necessary, until the merit pay pool is expended.

**Merit Pay System**—A salary system for supervisors and management officials in classification act positions in grades 13 through 15 that grants pay adjustments in varying amounts based on appraisals of performance.

**Merit Pay Unit (MPU)**—A group of General Manager (GM) employees in a designated unit who share in the distribution of a merit pay pool.

**Merit Pay Unit Identifier (MPUID)**—A data element code in the Personnel Data System—Civilian (PDS—C) which is used to identify each merit pay unit.

**Merit Pay Unit Official (MPUO)**—The individual who is charged with the responsibility of overseeing administration of the Merit Pay System for a particular merit pay unit.

**Minimally Acceptable Rating**—The overall rating assigned when an employee meets the requirements of all critical performance elements of the performance plan, but does not meet the requirements of one or more noncritical performance elements.

**Noncritical Element**—A performance element not designated as critical but that is an important part of the position and is considered in determining the overall performance level. Performance below the minimum standard established by management requires counseling and denial of merit pay or within-grade increases and denial for merit promotion consideration.

**Opportunity Period**—The period of time following notification of unacceptable performance during which the employee is given the opportunity to demonstrate acceptable performance before a decision on whether to propose demotion or removal.

**Payable Salary**—For any pay system, the rate of pay fixed by law or administrative action, including a retained rate of pay, for the job or position held by an employee before any deductions and exclusive of additional pay of any kind, limited to the rate payable for Level V of the Executive Schedule.

**Performance Appraisal**—A systematic comparison of an employee's performance of duties and responsibilities with performance standards.

**Performance Element**—A significant job requirement, derived by analysis of the job. A performance element may be an important duty or responsibility of the position, or it may be a specific project or task consistent with or directly drawn from the duties and responsibilities in the position description.

**Performance Plan**—The written performance elements and standards developed for the employee and documented on AF Form 860, Part I.

**Performance Requirement**—The aggregate of the performance standard(s) set for a performance element.

**Performance Standard**—A description of the minimum level of accomplishment necessary for fully successful performance. Performance standards are expressed in terms of qualitative or quantitative objectives, specific actions, project assignments, or other requirements related to job performance elements. There may be more than one standard for a single performance element.

**Personnel Data System—Civilian (PDS—C)**—The Air Force automated multilevel civilian personnel management data system.

**Quality Step Increase**—An additional within-grade increase granted to a General Schedule employee under 5 U.S.C. 5336 in recognition of sustained high quality performance, above that ordinarily found in the employee's position, and which substantially exceeds fully successful performance.

**Rate Range**—The span of rates between the minimum and maximum rates of a grade on the General Schedule.

**Rating Official**—The supervisor who evaluates the performance of an employee and who assigns the rating. This is the employee's first level, immediate supervisor of record.

**Reconsideration Official**—An official at or above the reviewing official level who reconsiders a decision to withhold an employee's within-grade increase and who sustains or reverses that decision.

**Relative Position in the Rate Range**—A rate range consists of three bands. The lower band of the range for each grade extends from the minimum rate of the grade to \$1 less than the General Schedule rate for step 4 of the grade inclusive; the middle band extends from the General Schedule rate for step 4 of the grade to \$1 less than the General Schedule rate for Step 7 of the grade, inclusive; and the upper band extends from the General Schedule rate for step 7 of the grade to the maximum rate of the grade, inclusive. An employee's position in the rate range is determined by the location of his or her existing rate of basic pay on the existing General Schedule. Employees within the same band occupy the same relative position in the rate range.

**Reviewing Official**—Normally, the supervisor in the chain-of-command at the next higher level above the rating official. However, a supervisor above that level may serve as the reviewing official. If the immediate supervisor is the highest level in the chain-of-command at the installation, generally he or she will also serve as the reviewing official.

**Superior Rating**—The overall performance rating as-

signed when an employee exceeds all of the performance elements of the performance plan.

**Supervisor**—As defined in 5 U.S.C. 7103(a)(10), an employee with authority to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline or remove employees.

**Supporting CCPO**—A servicing CCPO that is collocated with and assists a Merit Pay Unit Official.

**Unacceptable Rating**—The overall rating assigned when an employee does not meet the requirements of one or more critical performance elements of the performance plan.

**Within-Grade Increase**—A periodic increase in an employee's rate of basic pay from one step of the grade of his or her position to the next higher step of that grade according to 5 U.S.C. 5335.