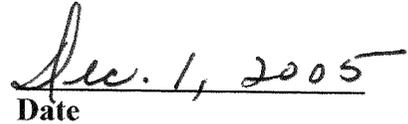


Approved for Release
Deborah A. Jefferson
Director for Human Resources
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Date

**DEPARTMENT OF COMMERCE
OFFICE OF HUMAN RESOURCES MANAGEMENT**

HUMAN RESOURCES (HR) BULLETIN #024, FY06

SUBJECT: Quality Step Increases and Cash Awards for Political Appointees

EFFECTIVE DATE: Upon release of this HR Bulletin

EXPIRATION DATE: N/A

SUPERSEDES: N/A

BACKGROUND: During the past few months, the Department has received a number of inquiries on whether political employees are eligible to receive quality step increases and cash awards.

PURPOSE: To reiterate the Department's policy on granting incentive awards to political appointees.

Award Eligibility: Listed below are types of awards and eligibility for political appointees.

Cash Awards. At the Department, there is an absolute ban on awards (i.e., performance awards, special act awards, etc.) that take the form of cash for political appointees. Under no circumstances may a political appointee receive an award in the form of cash, including any honorarium or stipend that may be associated with an agency honorary award.

Time-Off Awards. Since a time-off award is ultimately delivered in the form of pay for time not worked, it must be construed in this context as tantamount to a cash award. Consequently, the ban on time-off awards is absolute for political appointees. For the purposes of section 451.105(a) of Title 5, Code of Federal Regulations, a time-off award is considered "received" when it is granted. Under no circumstances may a political appointee receive a time-off award.

Honorary Awards and Informal Recognition Awards. Honorary awards and informal recognition awards may take a wide variety of forms with a wide variance in monetary value, both in terms of direct cost and the appearance of such value. The Office of Personnel Management has concluded that an agency may grant a political appointee an honorary or informal recognition award during a Presidential election period, provided that the form of the

honorary award avoids the appearance of replacing an award. Such items should create the inherent impression of symbolic value (an honor being bestowed) rather than monetary worth (cash value). For example, presenting a commemorative photograph or a certificate in a simple, inexpensive frame would be appropriate, but presenting an expensive crystal carafe would not be.

Quality Step Increases. The primary form of recognition for political appointees based on performance at the end of an appraisal year is a quality step increase (QSI). To be eligible for a QSI, an employee must receive a Level 5 rating and meet other criteria as outlined in Chapter 5 of the Recognition Section, in the Department's Performance Management Handbook.

All requests for QSIs must be submitted to the Director for Human Resources Management for approval.

Presidential Election Period. Section 4508(B) of Title 5, U.S.C., prohibits Senior Executive Service employees who are not career appointees, and employees in a confidential or policy-determining Schedule C position, from receiving awards during a Presidential election period. The statute defines a Presidential election period as, "any period beginning on June 1 in a calendar year in which the popular election of the President occurs, and ending on January 20, following the date of such election period."

In accordance with the Department's Performance Management Handbook, Recognition Section, Appendix B, footnote 9, "During the Presidential election period (between June 1 and January 20 of the following year), agencies must be very cautious and consult with the Director for Human Resources Management before granting a QSI during this period."

REFERENCES: 5 USC 4508(B); Title 5, Chapter 45, Subchapter 1; Performance Management Handbook

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