



Quality Step Increase

- **What is a Quality Step Increase?** A Quality Step Increase is a *faster than normal* within-grade increase used to reward employees at all General Schedule grade levels that display high quality performance.
- QSIs may be granted to General Schedule employees at steps 4 through step 9 in conjunction with annual rating of "Acceptable." The eligibility determination for a QSI is based on the employee's step as of 31 Mar. General Manager employees with annual ratings of "Acceptable" are eligible for QSIs if their salary is equal to at least a step 4 and not more than step 9.
- Employees at step 1, 2, 3, or 10 of their grade are not eligible for QSIs.
- An employee is eligible for only one QSI at the same grade level every 3 years. Exceptions to this rule must be approved at the MAJCOM/DPC level. Employees who have had a QSI in the previous 52-week period are not eligible for a QSI.
- The QSI becomes effective on the first day of the first pay period following approval (i.e. following the date award approving official signs the AF Form 860A.)
- If an employee is promoted or changes to a lower grade after the QSI is approved but before it becomes effective, the employee normally would not be eligible for the QSI. The employee would be eligible for a performance award based on his or her grade and salary as of 31 Mar.
- QSIs are equivalent to a 3 percent award and should be calculated as such by Resource Advisors. The "QSI" block on the appraisal should be filled in with a "Q" in the first square of part D. DO NOT show a percentage in the second square of part D, since this relates to the performance cash award amount.
- A QSI cannot be awarded in conjunction with a monetary performance award or a Time Off Award.

Timing Matters

- Managers sometimes give Quality Step Increases and wonder why the employee they were trying to reward gets upset. The issue is usually timing. This will review timing issues with Quality Step Increases and offers a checklist of factors to consider when deciding on the timing of a QSI.

- **Why does timing matter?**
- **Factors to consider.**
- **Why does timing matter?** Quality Step Increases are given in addition to regular within-grade increases and won't affect the timing of an employee's next regular within-grade increase, **unless** the Quality Step Increase places the employee in step 4 or step 7 of their grade. In these cases, waiting periods are extended an additional 52 weeks (waiting periods are 52 weeks for steps 1-4, 104 weeks for steps 5-7, and 156 weeks for steps 8-10). The time an employee has already waited counts towards the next increase, but they must wait the full period that the new step requires.
- **Example:** Jane has been an excellent employee with sustained high quality performance. She is at GS-7, step 6, and will be eligible for her within-grade increase to step 7 in 45 days.
- **Scenario 1**— Jane's supervisor has decided to give her a Quality Step Increase. The award is proposed, approved, and made effective within 3 weeks.
- Jane is happy with her award until she realizes that the civilian personnel office (CPO) has not processed her regular step increase. When she questions the CPO office, she finds out she cannot receive her within-grade increase because she is now at step 7 and must wait an additional 52 weeks to be eligible for step 8.
- Even though she doesn't feel the immediate benefit of the award, Jane has still received a *faster than normal* increase. She will receive her step 8 two years earlier than she would have without the Quality Step Increase.
- **Scenario 2**—Jane's supervisor would like to recommend her for a Quality Step Increase. First, the supervisor checks with the CPO office to make sure Jane meets all the requirements. While checking with the CPO office, her supervisor learns that Jane will soon be eligible for her within-grade increase to step 7, and also learns about the extra waiting time required if the Quality Step Increase is granted before the regular within-grade increase. The supervisor decides to hold the recommendation for the Quality Step Increase until after the CPO office processes the within-grade increase.
- Jane receives an immediate benefit because her regular within-grade increase and her subsequent Quality Step Increase are processed within one pay period of each other.

- **Effective Date may be delayed not to exceed 4 pay periods.**
- **Factors to consider.** In recommending a Quality Step Increase, the supervisor and CPO specialist should review several factors in regard to timing:
 - How long will the employee be able to enjoy the benefits of a Quality Step Increase?
 - Will the employee be promoted in the near future?
 - Will the Quality Step Increase make a difference in setting the promotion pay?
 - Has the employee received a Quality Step Increase within the last 52 weeks?
 - When is the employee eligible for their next within-grade increase?
 - Will the increase take the employee to a new waiting period, i.e., step 4 or step 7?

Quality Step Increases: Know the Costs

- Managers and supervisors should consider carefully the long-term cost implications of granting quality step increases (QSIs) to their employees and know how their agencies budget for QSI costs.
- **What are the Costs?** Because a QSI increases an employee's rate of basic pay, it represents an increased cost to an agency on an ongoing basis, unlike a lump-sum cash award. Managers also should know that QSIs increase retirement and Thrift Savings Plan expenses as well. Managers should estimate the costs so they can better judge whether the award is appropriate to the circumstances. By using information such as the employee's grade and step level and how long the awarded employee is expected to remain in the Government, managers can project award costs over given time periods.
- A QSI is an important pay-for-performance feature and a valuable tool for managers to use to recognize and reward outstanding performance. As with all awards, however, managers must recognize the cost implications so that they can appropriately match the award to the performance and best use agency resources.