

LABOR RELATIONS



September 14, 2020

Mr. Brian J. Wagner  
President  
National Association of Postal  
Supervisors  
1727 King Street, Suite 400  
Alexandria, VA 22314-2753

FAXED

Dear Mr. Wagner:

By letter dated June 4, you were notified that the Postal Service planned to revise Employee and Labor Relations Manual (ELM) Section 490, *Recognition and Awards*. The purpose of the revision was to incorporate changes to an Internal Revenue Service (IRS) regulation into the ELM. The IRS regulation concerns De Minimis Fringe Benefit items with a value exceeding \$100 as no longer being considered de minimis. This regulation change requires a revision to the de minimis threshold amount currently found in ELM Section 490 from \$75.00 to \$100.00.

ELM Sections 493 to 498 were inadvertently omitted from the copies of the revisions that were enclosed with the June 4 letter.

We have enclosed two copies of ELM Sections 493 to 498, one with and one without changes identified.

Please contact Bruce Nicholson at extension 7773 if you have questions concerning this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "David E. Mills".

David E. Mills  
Manager  
Labor Relations Policies and Programs

Enclosures

493 **Service Awards**493.1 **Overview**

The characteristics of Service Awards are shown in [Exhibit 493.1](#):

Exhibit 493.1

**Service Awards**

Type	Who Is Eligible	Description	Approval Authority	Basis
Service Award Pin (milestone years)	All career employees	Emblem pin and letter of appreciation	Installation head, district manager, senior plant manager, or designee	Recognizes employees with 25, 30, 35, 40, 45, and 50 years of federal service, including military service.
Service Award Certificate (retirement)	All career employees	Certificate (retirement) and letter of appreciation	Installation head, district manager, senior plant manager, or designee	Recognizes employees at time of retirement.
Service Award Certificate (posthumous)	All career employees	Certificate (posthumous) and letter of appreciation	Installation head, district manager, senior plant manager, or designee	Recognizes employees with 5 or more years of creditable federal service who die while still employed. Presented to nearest relative.

493.2 **Service Award Pin**493.21 **Description**

The *Service Award Pin*, a noncash recognition award given at milestone years, consists of an emblem pin and a letter of appreciation issued in recognition of government service.

The letter of appreciation is:

- a. Signed by the installation head or functional organization head for an employee with 25, 30, 35, 40, or 45 years of service.
- b. Signed by the Postmaster General for an employee with 50 years of service.
- c. Presented in an official service award folder.

**493.22 Basis**

The Service Award Pin is presented to career employees who have completed 25, 30, 35, 40, 45, or 50 years of creditable service to the government. *All* federal civilian and military service is considered creditable. Eligibility for the Service Award Pin is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

**493.23 Responsibility****Headquarters**

The manager of Corporate Personnel Management is responsible for:

- a. Administration of the Service Award Pin program for Headquarters and Headquarters-related field units.
- b. Oversight of the 50-year Service Award Pin program service-wide.

**Areas**

The area vice president is responsible for administration of:

- a. The Service Award Pin program for personnel on area rolls and employees reporting directly to the area office.
- b. The 50-year Service Award Pin program for eligible employees within the area (see [493.26](#) for instructions).

**Districts and Plants**

District managers are responsible for the administration of the Service Award Pin program for district and plant employees (see [493.26](#) for instructions).

**Inspection Service**

The chief postal inspector is responsible for the administration of:

- a. The Service Award Pin program for Inspection Service employees.
- b. The 50-year Service Award Pin program for all eligible Inspection Service employees (see [493.26](#) for instructions).

**493.24 Providing Lists of Eligible Employees**

Before the end of each quarter, a list of all employees who, based on their retirement computation date, will achieve sufficient government service to qualify for a Service Award Pin during the next quarter, will be made available to the officials responsible for the administration of the program at each district, area, Headquarters, and Headquarters-related field unit office.

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



**493.25 Ordering Pins and Service Award Folders**

Pins and folders may be requisitioned from the Material Distribution Center under the following item numbers:

Item No.	Description
0-917-C	25-Year Pin
0-917-G	30-Year Pin
0-917-D	35-Year Pin
0-917-E	40-Year Pin
0-917-H	45-Year Pin
0-917-J	50-Year Pin
0-1100-H	Service Award Folder (Single Window)
0-1100-K	Service Award Folder (Double Window)

Normally the single window service award folder is sufficient for Service Pin Awards, unless the office decides to include a locally produced certificate with the letter of appreciation. The Material Distribution Center does not stock certificates for Service Pin Awards.

**493.26 Preparing Letters of Appreciation**

For an employee with 25, 30, 35, 40, or 45 years of combined postal, federal civilian, and/or military service, the responsible installation or functional organization head prepares a letter of appreciation to accompany the Service Award Pin. (See [Exhibit 493.27a](#) for a sample letter.) Letters of appreciation to accompany Service Award Pins for up to 45 years of service may be created using eAwards.

For an employee with 50 or more years of combined Postal Service and federal civilian or military service, the responsible vice president or district Human Resources manager drafts a letter of appreciation to accompany the Service Award Pin and forwards it electronically to Corporate Personnel Management for signature by the Postmaster General. (See [Exhibit 493.27b](#) for a sample letter.) The eAwards system is not used for letters of appreciation that accompany the 50-year pin.

**493.27 Presenting Awards**

The Service Award Pin (except for the 50-year pin) is presented by the installation or functional organization head, with appropriate ceremony and publicity, in the presence of top officials and coworkers. Responsibility for presenting 50-year pins remains with the vice president, who may delegate the responsibility.



Exhibit 493.27a

**Sample Letter of Appreciation — Employee With 25, 30, 35, 40, or 45 Years of Service**

To be signed by the installation or functional organization head.



[ \_ date \_ ]

[ name ]

[ street address ]

[ city, state, ZIP Code ]

Dear [ name ]:

It is with great pleasure that I present this Service Award Pin in recognition of your [ number of ] years of federal employment.

The Postal Service owes a great deal to the loyalty and dedication of its employees, and I am happy to commend you for your many contributions throughout the years toward improved Postal Service operations.

*[ If desired, personal information can be inserted here. ]*

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

Sincerely,

[ \_ signature \_ ]

[ name ]

Exhibit 493.27b

**Sample Letter of Appreciation — Employee With 50 Years of Service**

To be signed by the Postmaster General.



[ \_ date \_ ]

[ name ]

[ street address ]

[ city, state, ZIP Code ]

Dear [ name ]:

It is my privilege to present this Service Award Pin to recognize your completion of 50 years of government service.

A career spanning a half century is certainly indicative of a unique dedication to duty and to country. The attainment of this career milestone places you in an elite group. Few employees inside or outside of the Postal Service ever attain this distinction. It is an accomplishment of which you should be proud, and one which deserves the admiration of your fellow employees and your community as well.

I am happy to thank you, on behalf of the Postal Service, for your many years of dedicated service and to commend you personally on the attainment of this major career landmark.

Sincerely,

[ signature ]

[ name ]

### 493.3 Service Award Certificates

#### 493.31 Description

There are two types of *Service Award Certificates*: the *Retirement Service Award*, and the *Posthumous Service Award*. Both are noncash recognition items, printed on certificates that have the Postal Service corporate signature and the type of service award printed at the top. In addition:

- a. The Retirement Service Award Certificate states: "Given...on this occasion of your retirement."
- b. The Posthumous Service Award Certificate states: "Given posthumously..."

Retirees receive a certificate and a letter of appreciation signed by the installation or functional organization head. Retirees with 50 or more years of service receive a certificate and a letter of appreciation signed by the Postmaster General. Retirement Service Award Certificates for less than 50 years of service can be created in eAwards.

Employees who die while still active with any amount of creditable service equal to 5 or more years receive a Posthumous Service Award Certificate. This certificate can be created in eAwards.

The certificate and the letter of appreciation that accompanies it are presented in an official double window service award folder (see [493.34](#) for ordering information).

#### 493.32 Basis

##### 493.321 Retirement

The Retirement Service Award Certificate recognizes employees who retire (a) under the optional provisions of the applicable retirement law, (b) due to disability, or (c) under mandatory retirement for postal inspectors. Eligibility for the Retirement Service Award Certificate is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

##### 493.322 Death

To honor employees with 5 or more years of creditable service who die while still employed, the Posthumous Service Award Certificate is presented to the nearest relative. *Creditable service* is defined as service that qualifies for retirement under the procedures for the Civil Service Retirement System (CSRS) or Federal Employees Retirement System (FERS). Eligibility for the Posthumous Service Award Certificate is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

#### 493.33 Responsibility

##### Headquarters

The manager of Corporate Personnel Management is responsible for:

- a. Preparing Service Award Certificates and letters of appreciation for Headquarters and Headquarters-related field unit employees.
- b. Administering the Retirement Service Award program for all Postal Service retirees with 50 or more years of creditable service, including the submission of requests to the Postmaster General to sign



certificates and letters of appreciation from Headquarters, Headquarters-related field units, and district and area offices.

#### **Areas**

The area vice president is responsible for:

- a. Preparing Service Award Certificates and letters of appreciation for area office employees.
- b. Ensuring that the certificates and letters of appreciation for area office retirees with 50 or more years of creditable service, to be signed by the Postmaster General, are prepared and presented in accordance with established procedures (see [493.351](#) for more information).

#### **Districts and Plants**

District managers are responsible for:

- a. Administering the Service Award Program for district and plant employees.
- b. Ensuring that the certificates and letters of appreciation for district and plant retirees with 50 or more years of creditable service, to be signed by the Postmaster General, are prepared and presented in accordance with established procedures (see [493.351](#) for more information).

#### **493.34 Ordering Certificates**

Certificates and folders may be requisitioned from the Material Distribution Center under the following item numbers:

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

The double window service award folder should be used to present the certificate and letter of appreciation together.

#### **493.35 Preparing Letters of Appreciation**

##### **493.351 Retiring Employees**

For an employee retiring with up to 49 years and 11 months of creditable service, the responsible installation or functional organization head prepares a letter of appreciation to accompany the Retirement Service Award Certificate. (See [Exhibit 493.351a](#) for a sample letter.) Service Award Certificates for up to 49 years and 11 months of service can be created in eAwards.

For an employee retiring with 50 or more years of creditable service, the area or district manager of Human Resources drafts a letter to accompany the Retirement Service Award Certificate and forwards it electronically to Corporate Personnel Management for signature by the Postmaster General. (See [Exhibit 493.351b](#) for a sample letter.) Letters of appreciation or certificates for employees retiring with 50 or more years of creditable service should not be created using eAwards.

**493.352 Deceased Employees**

At the request of the responsible installation or functional organization head, those close to the deceased are most suitable for drafting a letter to accompany a Posthumous Service Award Certificate. Letters of appreciation to accompany Posthumous Service Awards for employees with 5 or more years of creditable service can be created in eAwards.

**493.36 Presenting Awards****Retirement Award Certificates**

Whenever possible, installation heads should coordinate publicity with communications staff and provide an appropriate ceremony for each award in the presence of the employee's managers, coworkers, and family. Except in unusual circumstances, the award should not be mailed.

**Posthumous Award Certificates**

The presentation of posthumous awards must be tailored to the wishes of the family, as follows:

- a. The deceased employee's supervisor, manager, or postmaster should contact the nearest relative to determine whether the recipient prefers to have the certificate presented formally in public or taken to the recipient's home.
- b. At a formal ceremony, attendance should be limited to a few close friends and coworkers of the deceased.
- c. When the recipient prefers delivery to the home, the management representative should consider having coworkers who were close friends of the deceased accompany him or her.
- d. District, area, or Headquarters Human Resources personnel should mail the Posthumous Service Award Certificate only as a last resort, making certain that the award is carefully and securely wrapped before mailing.

Exhibit 493.351a

**Sample Letter of Appreciation — Retiring Employee With Less Than 50 Years of Service**

To be signed by the installation or functional organization head.

[ date ][ name ][ street address ][ city, state, ZIP Code ]Dear [ name ]:

It is with great pleasure that I present this Service Award Certificate in commemoration of your [ number of ] years of service. The good reputation the Postal Service enjoys is built on the loyal service of people like you, and I am happy to commend you for your contribution to our efforts for a better Postal Service.

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

Sincerely,

[ signature ][ name ]



Exhibit 493.351b

**Sample Letter of Appreciation — Retiring Employee With 50 or More Years of Service**

To be signed by the Postmaster General.



[ \_ date \_ ]

[ name ]

[ street address ]

[ city, state, ZIP Code ]

Dear [ name ]:

It is with great deal of pleasure that I present this Service Award Certificate in recognition of your [ number of ] years with the U.S. Postal Service.

The Postal Service owes a great deal to the loyalty and dedication of its employees, and I am happy to commend you for your many contributions throughout the years toward improved Postal Service operations. I wish to extend my warm personal greetings and the hope that you will accept this certificate as a symbol of my deep appreciation for a career of commendable service.

[ If desired, personal information can be inserted here. ]

Sincerely,

[ signature ]

[ name ]

## 494 Informal Award

### 494.1 Overview

Characteristics of this award are as follows:

Type	Who Is Eligible	Description	Approval Authority	Basis	Limit
Informal Award	All employees and contractors	Noncash tangible items, such as plaques, mugs, clothing, event tickets (for prohibited items, see <a href="#">491.332</a> ).	Immediate supervisor	Recognizes a specific action or consistent performance of regular duties in an exemplary manner.	Less than \$100 in value.

### 494.2 Purpose

The Informal Award provides a quick and simple method for recognizing employees and contractors who regularly perform duties beyond normal work requirements, or who have performed a specific exceptional task or action.

### 494.3 Description

The Informal Award is a noncash tangible item of less than \$100 in value obtained or purchased locally, such as a plaque, coffee mug, an article of clothing, tickets to a specific entertainment event, or similar item. (Purchasing and reporting requirements pertaining to event tickets and noncash tangible items less than \$100 in value are set forth in [491.331](#); prohibited purchases in [491.332](#).)

### 494.4 Eligibility

All employees and contractors are eligible to receive an Informal Award. Eligibility for the Informal Award is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

### 494.5 Basis

The basis for this award is an employee contribution (sustained performance or achievement). The employee must:

- a. Consistently perform regular duties in an exemplary manner; or
- b. Accomplish a specific act beyond the normal duties.

### 494.6 Approval Authority

The immediate supervisor is the approving official for the Informal Award.

### 494.7 Documentation

Management must track all informal awards presented to employees. If the aggregate amount of informal awards received by an employee during a calendar year meets or exceeds \$100, the total amount of informal awards must be reported as income in eAwards under the appropriate noncash award category. (See [491.331b](#) for reporting requirements.) The value of informal awards presented to contractors should never meet or exceed \$100 in a calendar year.

## 495 Formal Awards

### 495.1 Overview

The characteristics of Formal Awards are shown in [Exhibit 495.1](#).

Exhibit 495.1

#### Formal Awards

Type	Who Is Eligible	Description	Approval Authority	Basis	Limit
Spot cash	Non-Inspection Service, career employees	Check issued by Accounting Services.	Manager or Postmaster EAS-22 or higher	Recognizes sustained high-quality performance that is likely to continue or a specific action or accomplishment beyond normal work requirements.	From \$50 to \$3,000 per award. Limit is \$3,000 per employee per fiscal year.
Spot Cash Equivalent	Non-Inspection Service, career employees	Cash equivalent item purchased locally from authorized vendor.	Manager or Postmaster EAS-22 or higher	Recognizes sustained high-quality performance that is likely to continue or a specific action or accomplishment beyond normal work requirements.	From \$100 to \$3,000 per award. Limit is \$3,000 per employee per fiscal year.
Spot Noncash Tangible	Non-Inspection Service, career employees	Merchandise item, clothing, etc., purchased locally.	Manager or Postmaster EAS-22 or higher	Recognizes sustained high-quality performance that is likely to continue or a specific action or accomplishment beyond normal work requirements.	From \$ 100 to \$3,000 per award. Limit is \$3,000 per employee per fiscal year.
Spot Gift Certificate	Non-Inspection Service, career employees	Gift card or certificate purchased locally from an authorized vendor.	Manager or Postmaster EAS-22 or higher	Recognizes sustained high-quality performance that is likely to continue or a specific action or accomplishment beyond normal work requirements.	From \$1 to \$3,000 per award. Limit is \$3,000 per employee per fiscal year.
Noncareer Gift Certificate	Noncareer employees	Gift card or certificate purchased locally from an authorized vendor.	Manager or Postmaster EAS-22 or higher	Recognizes sustained high-quality performance that is likely to continue or a specific action or accomplishment beyond normal work requirements.	From \$1 to \$100 per award. Limit is \$500 per employee per fiscal year.
Quality Step Increase (QSI)	Career bargaining unit employees	Change in base pay.	See 495.4	See 495.4	Step increase (see 495.4).



**495.11 Presenting Awards**

Whenever possible, an award should be presented by the installation head or designee, in front of coworkers, with the appropriate amount of ceremony. The award may be presented along with a letter of appreciation describing the reason for the award to the recipient on Postal Service letterhead in an official service award folder. Folders may be ordered from the Material Distribution Center under the following item number:

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

**495.2 Spot Award****495.21 Purpose**

The purpose of a Spot Award is to provide immediate recognition for a specific action or achievement beyond what is normally expected of an employee. It is not to be used as an incentive for pre-established goals or objectives. A Spot Award may be used to recognize a wide range of performance or actions.

**495.22 Description**

A Spot Award is one of the following:

- a. A check issued by Accounting Services (see [491.31](#)).
- b. A cash equivalent product that can be immediately converted to cash (see [491.32](#) for an explanation of cash equivalent awards).
- c. A merchandise item of at least \$100 in value (see [491.33](#)).
- d. A gift certificate (see [491.34](#)).

A Spot Award is always considered ordinary income for tax purposes. Depending on the award type and amount, cash equivalent items, gift certificate, and noncash tangible awards may be grossed up for income tax purposes. (See [491.3](#) for more information on the tax impact of awards and grossing up for tax purposes.)

**Note:** Cash awards are not grossed up.

**495.23 Eligibility**

All non-Inspection Service career employees are eligible to receive Spot Awards. Eligibility for Spot Awards is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

**495.24 Basis**

The basis for presenting a Spot Award is an employee contribution (sustained performance, achievement, invention, special act, or service) that exceeds usual work requirements. (See [495.442](#) for comparison with Quality Step Increase.) The employee must:

- a. Exceed requirements in one or more important job elements for 12 months or more.
- b. Devise new or improved methods that save manpower, space, materials, equipment, or other cost items.

- c. Contribute to outstanding economy, efficiency, added income, or measurably improved service to the public.
- d. Break production records or inspire others to improve quantity and quality of work.
- e. Risk life or personal safety in an act of heroism.
- f. Maintain work schedule in absence of supervisor or meet unusual demands of higher level duties on one's own initiative.

#### 495.25 **Approval Authority**

##### **Headquarters and Headquarters-Related Field Units**

Officers, PCES executives, and their designees who are EAS-22 and above may approve Spot Awards for eligible Headquarters and Headquarters-related field unit employees.

##### **Areas**

Area vice presidents, area managers, and their designees who are EAS-22 and above, may approve Spot Awards for eligible area employees, in accordance with Postal Service and area office policy.

##### **Field**

District managers, senior plant managers, postmasters, and other managers who are EAS-22 and above may approve Spot Awards for eligible employees under their jurisdiction in accordance with Postal Service and local guidelines for employee recognition.

#### 495.26 **Recommending an Award**

The recommendation for a Spot Award is initiated in eAwards by the immediate supervisor, postmaster, or management official with knowledge of the employee or group contribution. The recommendation is initiated promptly, but no later than 1 year after the date of the achievement, act, or period covering the performance.

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

- a. Measuring the amount of savings or degree of improvement realized in relation to job responsibilities. (Savings alone cannot be used to determine an award. Higher-level employees are expected to effect more significant improvements and benefits than employees at lower levels.)
- b. Determining the extent of contribution and benefits outside the employee's immediate installation.
- c. Considering the degree of ingenuity, magnitude of accomplishment, and nonmonetary benefits represented by the contribution.

**Note:** The nominee should not be advised of the recommendation in advance of its approval.

#### 495.27 **Evaluating and Approving the Award**

The approving official evaluates the recommendation, decides if an award is warranted, and approves the recognition in eAwards.

When, in the opinion of the approving official, the accomplishment fails to meet the outlined criteria for Spot Award recognition or if the award amount needs to be modified, the award submission is returned to the recommender via eAwards, with comments as to why it is being returned and any further handling instructions.

#### **495.28 Processing**

All Spot Cash Awards are requested, approved, and generated via eAwards. When a Spot Cash award submission is approved, eAwards will generate a check that is mailed to the official Postal Service address provided when the award request was entered.

The recommending official is responsible for obtaining or purchasing locally any cash equivalents, noncash tangible merchandise items, and gift certificates to be used as recognition. Purchasing must be done in accordance with established Postal Service and local policies.

Noncash tangible awards, valued at \$100 or more, and all cash equivalent and gift certificate awards must be reported in eAwards as income received so that (a) appropriate payroll deductions can be made from the recipient's normal pay, and (b) the award amount may be grossed up, if necessary. The reporting of these items in eAwards should occur in the same pay period the award is presented to the recipient. Reporting *must* take place in the same calendar year to avoid tax reporting discrepancies.

#### **495.3 Noncareer Gift Certificate**

##### **495.31 Purpose**

The purpose of the Noncareer Gift Certificate Award is to provide immediate recognition for a specific action or achievement beyond the normal work requirements of a noncareer employee. It is not to be used as an incentive for achievement of pre-established goals or objectives. The Noncareer Gift Certificate Award may be used to recognize a wide range of performance or actions.

##### **495.32 Description**

A Noncareer Gift Certificate Award consists of a gift certificate not greater than \$100 in value purchased locally in accordance with Postal Service and local purchasing rules and regulations. Eligible employees may receive up to \$500 in gift certificate awards in a fiscal year.

The Noncareer Gift Certificate Award, regardless of dollar value, is considered taxable income. Noncareer Gift Certificates valued at \$50 or more are grossed up for tax purposes. (See [491.34](#) for more information on the tax impact of awards and grossing up for tax purposes.)

A Noncareer Gift Certificate Award may be presented along with a letter of appreciation on official Postal Service letterhead in an official service award folder.



**495.33 Eligibility**

All noncareer Postal Service employees are eligible to receive Noncareer Gift Certificate Awards. Eligibility for the Noncareer Gift Certificate Award is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability. In addition:

- a. The Noncareer Gift Certificate Award is the only formal award that noncareer employees are eligible to receive.
- b. Contractors are not eligible to receive any type of formal award.

**495.34 Basis**

The basis for presenting a Noncareer Gift Certificate Award is an employee contribution (sustained performance, achievement, invention, special act, or service) that exceeds usual work requirements.

**495.35 Approval Authority****Headquarters and Headquarters-Related Field Units**

Officers, PCES executives, and designated managers EAS-22 and above may approve Noncareer Gift Certificate Awards for eligible Headquarters and Headquarters-related field unit employees.

**Areas**

Area vice presidents, area managers, and their designees EAS-22 and above may approve Noncareer Gift Certificate Awards for eligible employees, in accordance with Postal Service and area office policy.

**Field**

District managers, senior plant managers, postmasters, and other managers EAS-22 and above may approve Noncareer Gift Certificate Awards for eligible employees under their jurisdiction in accordance with Postal Service and local guidelines for employee recognition.

**495.36 Recommending an Award**

The recommendation for a Noncareer Gift Certificate Award is initiated in eAwards by the immediate supervisor, postmaster, or management official with knowledge of the employee or group contribution. The recommendation should be initiated promptly, but no later than 1 year after the date of the achievement, act, or period covering the performance.

**Note:** The nominee should not be advised of the recommendation in advance of its approval.

**495.37 Evaluating and Approving the Award**

The approving official evaluates the recommendation, decides if an award is warranted, and approves recognition in eAwards.

When, in the opinion of the approving official, the accomplishment fails to meet the outlined criteria for Noncareer Gift Certificate Awards recognition or if the award amount needs to be modified, the award submission is returned to the recommender via eAwards, with comments as to why it is being returned and any further handling instructions.

**495.38 Processing**

The recommending official is responsible for purchasing gift certificates to be used as recognition. Purchasing must be done in accordance with established Postal Service and local policies.

All Noncareer Gift Certificate Awards are reported in eAwards as income received so that the appropriate payroll deductions can be made from the recipient's pay. The reporting of these items in eAwards should occur in the same pay period the award is presented to the recipient. Reporting must take place in the same calendar year to avoid tax reporting discrepancies.

**495.4 Quality Step Increase Award****495.41 Description**

The *Quality Step Increase* (QSI) is an increase in basic pay that recognizes sustained high-quality performance. The total dollar benefit usually exceeds that of a one-time cash award and is granted only when the level of performance is likely to continue.

**495.42 Eligibility**

All career bargaining unit employees not already at the top step for their pay grade are eligible to receive the QSI. An employee cannot receive more than one QSI in any 52-week period. Eligibility for the QSI is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

**495.43 Basis**

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

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

**495.44 Comparisons****495.441 Comparison to Regular Within-Grade Increases**

A QSI requires exceptional authorization by management and is always in addition to regular pay adjustments (such as general increases, cost of living adjustments, and/or regular within-grade increases) required by the labor contracts. Any employee below the highest step is eligible to receive a QSI.

A bargaining unit employee cannot receive more than one QSI in any 52-week period (see [495.42](#)). An employee who receives a QSI may advance by one or two steps, as determined by the procedure described below. The QSI may also change the due date for advancement to the next higher step.

The step and next step date for the QSI action are determined as follows:

- a. If the number of weeks served before the QSI is greater than the number of weeks that would be required to progress from the QSI step to the next step, the employee is advanced two steps as the result of the QSI. The next step date is then set to allow for a complete waiting period following the QSI.

**Example:** Before the QSI, Employee A completed 38 weeks in step I in RSC M. The labor contract requires 34 weeks to progress from step J to K. Because the time served in step I is greater than the time required to progress from step J to K, Employee A is given an additional step and placed directly into step K as the result of the QSI. He then must wait the full contractual period (34 weeks) before he reaches the next step, step L.

- b. If the number of weeks served before the QSI is less than or equal to the number of weeks required to progress from the QSI step to the next step, the employee is advanced only a single step. The next step date is then determined by subtracting the waiting period weeks required by the labor contract to progress from the QSI step to the next step by the weeks already served before the QSI.

**Example:** Before the QSI, Employee B completed 22 weeks in step I in RSC M. The labor contract requires 34 weeks to progress from step J to step K. Because the time served in step I is less than the time required to progress from step J to K, Employee B is advanced just a single step, to step J, as the result of the QSI. The next step is determined by taking the waiting period required between steps J and K (34 weeks) and subtracting from it the weeks served in step I before the QSI (22 weeks). The next step, to step K, occurs 12 weeks after the QSI (34 weeks 22 weeks = 12 weeks).

#### 495.442 **Comparison to Spot Awards**

The standards for a QSI and a Spot Award are similar. Employee performance is evaluated according to the conditions required under both awards to see which award is more appropriate (see [495.24](#)). The primary difference is that the QSI changes the employee's base salary, while the Spot Award is a one-time, lump-sum, cash award. The Spot Award may be preferable when (a) the employee is at the top of the grade or (b) group recognition is desired.

#### 495.45 **Approval Authority**

##### 495.451 **Headquarters and Headquarters-Related Field Units**

Officers, PCES executives, and designated managers EAS-22 and above may approve QSIs for eligible Headquarters bargaining unit employees.

##### 495.452 **Areas, Districts, and Plants**

Area vice presidents, district managers, senior plant managers, postmasters, and other managers EAS-22 and above may approve QSIs for eligible employees under their jurisdiction in accordance with Postal Service and local guidelines for employee recognition.

**495.46 Recommending an Award**

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

**495.47 Initiating Documentation**

The official who is recommending the QSI award initiates the request by completing PS Form 1727, *Award Recommendation/Authorization (Quality Step Increase)*, and submitting it to the appropriate manager for approval.

**495.48 Initiating a Personnel Action**

When the award is approved, the recommending official forwards PS Form 1727 to the Human Resources Shared Service Center (HRSSC) for completion of PS Form 50, *Notification of Personnel Action*, via the address below:

HRSSC  
BENEFITS & COMPENSATION  
PO BOX 970400  
GREENSBORO NC 27497-0400

The personnel action is effective the first day of the first pay period beginning on or after the completion of the PS Form 50 by the HRSSC.

**496 Special Awards****496.1 Overview**

The characteristics of Special Awards are as shown in [Exhibit 496.1](#).



## Exhibit 496.1

**Special Awards**

Type	Who Is Eligible	Description	Approval Authority	Basis	Limit
Team Award	Nonbargaining, Non-Inspection Service career employees	Cash, cash equivalent item, or noncash tangible item	Vice President	Recognizes superior team contribution or achievement deserving of system-wide recognition.	Cash, from \$50 to \$2,000 per team member, Cash equivalent, from \$100 to \$2,000 per team member, or noncash tangible item valued from \$100 to \$2,000 per team member. Limit of \$2,000 per employee, per fiscal year.
Vice President Award	All career employees	Cash	Vice President	Recognizes superior individual contribution or achievement deserving of system-wide recognition.	Cash, up to \$5,000 per award. Limit of \$10,000 per employee, per fiscal year.
Postmaster General Award	All career employees	Cash	Postmaster General, executive committee members, and senior vice presidents	Recognizes exceptional individual contribution and achievement deserving of system-wide recognition.	Cash, up to \$12,500 per award. Limit of \$12,500 per employee, per fiscal year.
ELT Award	All career employees	Cash	ELT members	Recognizes superior individual contribution or achievement deserving of system-wide recognition.	Cash, up to \$10,000 per award. Limit of \$10,000 per employee, per fiscal year.
Benjamin Franklin Award	Designated by the Postmaster General	Plaque showing a bust of Benjamin Franklin and a canceled 1847 issue of a 5-cent stamp	Postmaster General	The highest award given by the Postal Service, reserved for employees in highly responsible Postal Service positions to recognize unusually significant service.	Noncash award.

**496.2 Team Award****496.21 Purpose**

The purpose of the *Team Award* is to reward superior team contribution or achievement deserving of system-wide recognition.

**496.22 Description**

The Team Award can be any of the following:

- a. A check from \$50 to \$2,000 issued by Accounting Services given to an individual team member (see [491.31](#) for an explanation of cash awards).
- b. A cash equivalent product valued from \$100 to \$2,000, given to an individual team member (see [491.32](#) for an explanation of cash equivalent awards).
- c. A noncash tangible item valued from \$100 to \$2,000, given to an individual team member (see [491.33](#) for an explanation of noncash tangible awards).

The amount of the award should be commensurate with the magnitude of the team achievement.

**Note:** Noncash tangible awards valued at \$100 or more, and all cash equivalent awards must be reported in eAwards.

**496.23 Eligibility**

All career nonbargaining employees are eligible for the Team Award. Eligibility for the Team Award is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

**496.24 Limits**

The maximum amount for an individual Team Award is \$2,000, whether it is cash, a cash equivalent item, or a noncash tangible item. The minimum cash award amount is \$50. The minimum award amount for noncash tangible items is \$100. The minimum cash equivalent award is \$100. An employee may receive up to \$2,000 in Team Awards in a fiscal year (independent of other awards received).

**496.25 Approval Authority**

Only vice presidents can approve Team Awards, and they are responsible for establishing administrative procedures for issuing these awards within their respective organizations.

**496.26 Processing**

The official who is recommending the Team Award initiates the request for a cash award in eAwards. All cash equivalent and noncash tangible Team Awards must be purchased locally in accordance with Postal Service and local purchasing guidelines and reported in eAwards under the appropriate award category. The reporting of these items in eAwards should occur in the same pay period the award is presented to the recipient. Reporting must take place in the same calendar year as the award is presented to avoid tax reporting discrepancies. Cash equivalent and noncash tangible awards are automatically grossed up by eAwards so that the Postal Service assumes the tax liability for the recipient. The additional tax liability for grossed up awards is charged to the finance number indicated in eAwards.

**496.3 Vice President Award****496.31 Purpose**

The *Vice President Award* is cash recognition to acknowledge and reward superior individual contribution or achievement deserving of system-wide recognition. It is intended to recognize contributions not encompassed by basic salary, merit salary adjustments, or formal pay for performance programs.

**496.32 Description**

The Vice President Award is a cash award (check issued by Accounting Services) valued at up to \$5,000. The amount awarded should be commensurate with the magnitude of the effort or achievement.

The Vice President Award is considered ordinary income for tax purposes (see [491.32](#)).

**496.33 Eligibility**

All career employees are eligible for the Vice President Award. Eligibility for the Vice President Award is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

**496.34 Approval Authority**

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

**496.35 Processing**

The Vice President Award is submitted by the intended recipient's manager or functional area executive and approved via eAwards. When the award is approved, Accounting Services generates a check and mails it to the official Postal Service address indicated in eAwards.

**496.4 Postmaster General Award****496.41 Purpose**

The *Postmaster General Award* is a cash payment to acknowledge and reward superior individual contribution or achievement that deserves system-wide recognition. It is intended to recognize contributions not encompassed by basic salary, merit salary adjustments, or formal pay for performance programs.

**496.42 Description**

The Postmaster General Award is a one-time cash award (a check issued by Accounting Services) valued at up to \$12,500. The amount of the award should be commensurate with the magnitude of the effort or achievement.

The Postmaster General Award is considered ordinary income for tax purposes (see [491.32](#)).

**496.43 Eligibility**

All career employees are eligible for the Postmaster General Award. Eligibility for the Postmaster General Award is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

**496.44 Approval Authority**

The Postmaster General, executive committee members, or senior vice presidents must approve Postmaster General Awards, and they are responsible for establishing administrative procedures for issuing these awards within their respective organizations.

**496.5 ELT Award****496.51 Purpose**

The *ELT Award* is cash recognition to acknowledge and reward superior individual contribution or achievement deserving of system-wide recognition. It is intended to recognize contributions not encompassed by basic salary, merit salary adjustments, or formal pay for performance programs.

**496.52 Description**

The ELT Award is a cash award (check issued by Accounting Services) valued at up to \$10,000. The amount awarded should be commensurate with the magnitude of the effort or achievement.

The ELT Award is considered ordinary income for tax purposes (see [491.32](#)).



**496.53 Eligibility**

All career employees are eligible for the ELT Award. Eligibility for the ELT Award is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

**496.54 Approval Authority**

ELT members must approve these awards, and they are responsible for establishing administrative procedures for issuing this award within their respective organizations.

**496.55 Processing**

The ELT Award is submitted by the intended recipient's manager or functional area executive and approved via eAwards. When the award is approved, Accounting Services generates a check and mails it to the official Postal Service address indicated in eAwards.

**496.6 Benjamin Franklin Award****496.61 Description**

The *Benjamin Franklin Award*, the highest award given by the Postal Service, is a plaque showing a bust of Benjamin Franklin and a canceled 1847 issue of a 5-cent Benjamin Franklin stamp. An engraved metal plate is attached to the plaque.

**496.62 Eligibility**

The Postmaster General designates those to be honored and does not accept recommendations. Eligibility for the Benjamin Franklin Award is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

**496.63 Basis**

This award is reserved for employees serving in highly responsible Postal Service positions who meet either of these criteria:

- a. The employee's accomplishments have had a unique impact on major Postal Service programs.
- b. The employee's accomplishments have resulted in an unusually significant improvement in service to the public or in general operations.

**496.64 Approval Authority**

The Postmaster General has sole authority to approve this award.

**497 Other Awards****497.1 Overview**

The characteristics of other awards are shown in [Exhibit 497.1](#).

Exhibit 497.1  
**Other Awards**

Type	Who Is Eligible	Award Description	Approval Authority	Basis	Limit
Contest Award	All employees	Noncash tangible item or gift certificate.	EAS-22 or higher	Valid winner of a qualifying contest (see <a href="#">620</a> ).	Up to \$500 per award.
Safety Award	All career bargaining unit employees	Noncash tangible item or gift certificate.	PCES executive	Recognizes safety awareness.	Up to \$500 per award.

## 497.2 **Contest Award**

### 497.21 **Purpose**

The *Contest Award* is intended to provide a motivational tool for improving performance in particular functions. Such programs can be used for, but are not limited to, safety awareness and sales promotions. Each contest must have a specific start and end date, and the purpose must be clearly defined.

### 497.22 **Description**

The Contest Award consists of noncash tangible merchandise items and gift certificates valued from \$1 to \$500.

Acceptable awards are characterized as follows:

- a. Only gift certificates and noncash tangible items such as trophies, plaques, pins, merchandise or small electronics may be awarded.
- b. The value of each award may vary from contest to contest or be graduated within a contest with progressive levels of competition.
- c. To ensure maximum interest, prizes should be alternated periodically, or a variety of prizes should be made available for individual selection from a catalog.
- d. Prizes offered must be appropriate for both sexes.
- e. The maximum value of a contest award cannot exceed \$500.
- f. Cash and cash equivalents are not to be used as Contest Awards.

See subchapter [620](#) for more information on contests.

### 497.23 **Eligibility**

All employees are eligible to participate in contests without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability. However, noncareer employees are limited to noncash tangible awards valued at less than \$100 and/or noncareer gift certificates valued at \$100 or less.

### 497.24 **Approval Authority**

The Contest Award must be approved in eAwards by a manager or equivalent at grade EAS-22 or higher.



**497.25 Processing**

Noncash tangible items valued at \$100 or more must be reported in eAwards as a Contest Award. All gift certificates, regardless of value, must be reported in eAwards using the appropriate Gift Certificate award. (See [491.3](#) for more information on noncash tangible and gift certificate awards.)

**497.3 Safety Award****497.31 Purpose**

The *Safety Award* is intended to provide a motivational tool for improving and encouraging safe working conditions and work habits in the Postal Service. It can be used as a motivational tool, or as a reward for a specific action that prevented an unsafe act from occurring.

**497.32 Description**

The Safety Award consists of noncash tangible merchandise items and gift certificates valued between \$1 and \$500. Items are to be procured locally via normal noncash tangible item or gift certificate purchasing procedures. Cash and cash equivalents are not to be used as Safety Awards.

**497.33 Eligibility**

Only career bargaining unit employees are eligible for the Safety Award.

**497.34 Approval Authority**

The Safety Award requires the approval of a PCES executive.

**497.35 Processing**

Noncash tangible items valued at \$100 or more must be reported in eAwards as a Safety Award. All gift certificates, regardless of value, must be reported in eAwards using the appropriate Gift Certificate award. (See [491.3](#) for information on noncash tangible and gift certificate awards.)

**498 Inspection Service Awards****498.1 Overview**

The characteristics of Inspection Service Awards are shown in [Exhibit 498.1](#).

Exhibit 498.1

**Inspection Service Awards**

Type	Who Is Eligible	Description	Approval Authority	Basis	Limit
Informal Award	All career Inspection Service employees	Cash equivalent, gift certificate, or noncash tangible item*	PCES executive	Recognition of outstanding performance, superior competence, or some other significant accomplishment.	Up to \$3,000 per award. Limit of \$3,000 per fiscal year per employee.
Nonexecutive Award	All career Inspection Service employees	Cash	PCES executive	Recognition of outstanding performance, superior competence, or some other significant accomplishment.	Up to \$5,000 per award. Limit of \$5,000 per fiscal year per employee.

\*See [491.3](#) for more information on cash equivalent and noncash tangible awards.

**498.2 Informal Award****498.21 Purpose**

The purpose of the Inspection Service Informal Award is to recognize outstanding performance, superior competence, or some other significant accomplishment by a career Inspection Service employee.

**498.22 Description**

The Inspection Service Informal Award consists of a cash equivalent, gift certificate, or noncash tangible item valued at \$3,000 or less. The recommending official is responsible for obtaining or purchasing locally any cash equivalent or noncash tangible merchandise items to be used as recognition. Purchasing must be done in accordance with established Postal Service and local policies and procedures. (See [491.3](#) for a description of cash equivalent and noncash tangible awards.)

**498.23 Eligibility**

All career U.S. Postal Inspection Service employees are eligible to receive the Inspection Service Informal Award.

**498.24 Basis**

The basis for the Inspection Service Informal Award is recognition of outstanding performance, superior competence, or some other significant accomplishment.

**498.25 Approval Authority**

The Inspection Service Informal Award must be approved by a PCES executive.

**498.26 Processing**

Inspection Service Informal Awards must be reported in eAwards under the appropriate Noncash Award type; either the Inspection Service Informal Cash Equivalent, Inspection Service Informal Gift Certificate, or Inspection Service Informal Non-Cash Tangible Award. (See [491.3](#) for more information on cash equivalent, gift certificate, and noncash tangible award reporting requirements.)

**498.3 Non-Executive Award****498.31 Purpose**

The purpose of the Inspection Service Non-Executive Award is to recognize outstanding performance, superior competence, or some other significant accomplishment by a career Inspection Service employee.

**498.32 Description**

The Inspection Service Non-Executive Award consists of a cash payment up to \$5,000. Eligible Inspection Service employees may receive up to \$5,000 in Non-Executive Awards per fiscal year.

**498.33 Eligibility**

All career employees of the U.S. Postal Inspection Service are eligible to receive the Inspection Service Non-Executive Award.

**498.34 Basis**

The basis for the Inspection Service Non-Executive Award is recognition of outstanding performance, superior competence, or some other significant accomplishment.

**498.35 Approval Authority**

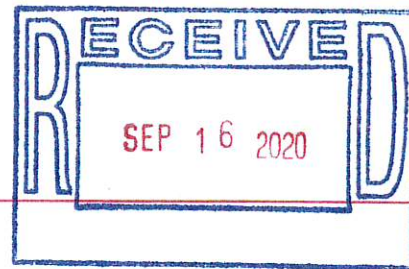
The Inspection Service Non-Executive Award must be approved by a PCES executive.

**498.36 Processing**

This award must be submitted and approved in eAwards using the Inspection Service Non-Executive Award. (See 491.31 for more information on cash awards.)

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LABOR RELATIONS



September 14, 2020

Mr. Brian J. Wagner  
President  
National Association of Postal  
Supervisors  
1727 King Street, Suite 400  
Alexandria, VA 22314-2753

FAXED

Dear Mr. Wagner:

By letter dated June 4, you were notified that the Postal Service planned to revise Employee and Labor Relations Manual (ELM) Section 490, *Recognition and Awards*. The purpose of the revision was to incorporate changes to an Internal Revenue Service (IRS) regulation into the ELM. The IRS regulation concerns De Minimis Fringe Benefit items with a value exceeding \$100 as no longer being considered de minimis. This regulation change requires a revision to the de minimis threshold amount currently found in ELM Section 490 from \$75.00 to \$100.00.

ELM Sections 493 to 498 were inadvertently omitted from the copies of the revisions that were enclosed with the June 4 letter.

We have enclosed two copies of ELM Sections 493 to 498, one with and one without changes identified.

Please contact Bruce Nicholson at extension 7773 if you have questions concerning this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "David E. Mills", with a stylized flourish extending to the right.

David E. Mills  
Manager  
Labor Relations Policies and Programs

Enclosures



493 **Service Awards**493.1 **Overview**

The characteristics of Service Awards are shown in [Exhibit 493.1](#):

Exhibit 493.1

**Service Awards**

Type	Who Is Eligible	Description	Approval Authority	Basis
Service Award Pin (milestone years)	All career employees	Emblem pin and letter of appreciation	Installation head, district manager, senior plant manager, or designee	Recognizes employees with 25, 30, 35, 40, 45, and 50 years of federal service, including military service.
Service Award Certificate (retirement)	All career employees	Certificate (retirement) and letter of appreciation	Installation head, district manager, senior plant manager, or designee	Recognizes employees at time of retirement.
Service Award Certificate (posthumous)	All career employees	Certificate (posthumous) and letter of appreciation	Installation head, district manager, senior plant manager, or designee	Recognizes employees with 5 or more years of creditable federal service who die while still employed. Presented to nearest relative.

493.2 **Service Award Pin**493.21 **Description**

The *Service Award Pin*, a noncash recognition award given at milestone years, consists of an emblem pin and a letter of appreciation issued in recognition of government service.

The letter of appreciation is:

- a. Signed by the installation head or functional organization head for an employee with 25, 30, 35, 40, or 45 years of service.
- b. Signed by the Postmaster General for an employee with 50 years of service.
- c. Presented in an official service award folder.

**493.22 Basis**

The Service Award Pin is presented to career employees who have completed 25, 30, 35, 40, 45, or 50 years of creditable service to the government. All federal civilian and military service is considered creditable. Eligibility for the Service Award Pin is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

**493.23 Responsibility****Headquarters**

The manager of Corporate Personnel Management is responsible for:

- a. Administration of the Service Award Pin program for Headquarters and Headquarters-related field units.
- b. Oversight of the 50-year Service Award Pin program service-wide.

**Areas**

The area vice president is responsible for administration of:

- a. The Service Award Pin program for personnel on area rolls and employees reporting directly to the area office.
- b. The 50-year Service Award Pin program for eligible employees within the area (see [493.26](#) for instructions).

**Districts and Plants**

District managers are responsible for the administration of the Service Award Pin program for district and plant employees (see [493.26](#) for instructions).

**Inspection Service**

The chief postal inspector is responsible for the administration of:

- a. The Service Award Pin program for Inspection Service employees.
- b. The 50-year Service Award Pin program for all eligible Inspection Service employees (see [493.26](#) for instructions).

**493.24 Providing Lists of Eligible Employees**

Before the end of each quarter, a list of all employees who, based on their retirement computation date, will achieve sufficient government service to qualify for a Service Award Pin during the next quarter, will be made available to the officials responsible for the administration of the program at each district, area, Headquarters, and Headquarters-related field unit office.

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

**493.25 Ordering Pins and Service Award Folders**

Pins and folders may be requisitioned from the Material Distribution Center under the following item numbers:

Item No.	Description
0-917-C	25-Year Pin
0-917-G	30-Year Pin
0-917-D	35-Year Pin
0-917-E	40-Year Pin
0-917-H	45-Year Pin
0-917-J	50-Year Pin
0-1100-H	Service Award Folder (Single Window)
0-1100-K	Service Award Folder (Double Window)

Normally the single window service award folder is sufficient for Service Pin Awards, unless the office decides to include a locally produced certificate with the letter of appreciation. The Material Distribution Center does not stock certificates for Service Pin Awards.

**493.26 Preparing Letters of Appreciation**

For an employee with 25, 30, 35, 40, or 45 years of combined postal, federal civilian, and/or military service, the responsible installation or functional organization head prepares a letter of appreciation to accompany the Service Award Pin. (See [Exhibit 493.27a](#) for a sample letter.) Letters of appreciation to accompany Service Award Pins for up to 45 years of service may be created using eAwards.

For an employee with 50 or more years of combined Postal Service and federal civilian or military service, the responsible vice president or district Human Resources manager drafts a letter of appreciation to accompany the Service Award Pin and forwards it electronically to Corporate Personnel Management for signature by the Postmaster General. (See [Exhibit 493.27b](#) for a sample letter.) The eAwards system is not used for letters of appreciation that accompany the 50-year pin.

**493.27 Presenting Awards**

The Service Award Pin (except for the 50-year pin) is presented by the installation or functional organization head, with appropriate ceremony and publicity, in the presence of top officials and coworkers. Responsibility for presenting 50-year pins remains with the vice president, who may delegate the responsibility.

Exhibit 493.27a

**Sample Letter of Appreciation — Employee With 25, 30, 35, 40, or 45 Years of Service**

To be signed by the installation or functional organization head.

[ date ][ name ][ street address ][ city, state, ZIP Code ]Dear [ name ]:

It is with great pleasure that I present this Service Award Pin in recognition of your [ number of ] years of federal employment.

The Postal Service owes a great deal to the loyalty and dedication of its employees, and I am happy to commend you for your many contributions throughout the years toward improved Postal Service operations.

[ *If desired, personal information can be inserted here.* ]

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

Sincerely,

[ signature ][ name ]

Exhibit 493.27b

**Sample Letter of Appreciation — Employee With 50 Years of Service**

To be signed by the Postmaster General.

[ *date* ][ *name* ][ *street address* ][ *city, state, ZIP Code* ]Dear [ *name* ]:

It is my privilege to present this Service Award Pin to recognize your completion of 50 years of government service.

A career spanning a half century is certainly indicative of a unique dedication to duty and to country. The attainment of this career milestone places you in an elite group. Few employees inside or outside of the Postal Service ever attain this distinction. It is an accomplishment of which you should be proud, and one which deserves the admiration of your fellow employees and your community as well.

I am happy to thank you, on behalf of the Postal Service, for your many years of dedicated service and to commend you personally on the attainment of this major career landmark.

Sincerely,

[ *signature* ][ *name* ]



### 493.3 **Service Award Certificates**

#### 493.31 **Description**

There are two types of *Service Award Certificates*: the *Retirement Service Award*, and the *Posthumous Service Award*. Both are noncash recognition items, printed on certificates that have the Postal Service corporate signature and the type of service award printed at the top. In addition:

- a. The Retirement Service Award Certificate states: "Given...on this occasion of your retirement."
- b. The Posthumous Service Award Certificate states: "Given posthumously..."

Retirees receive a certificate and a letter of appreciation signed by the installation or functional organization head. Retirees with 50 or more years of service receive a certificate and a letter of appreciation signed by the Postmaster General. Retirement Service Award Certificates for less than 50 years of service can be created in eAwards.

Employees who die while still active with any amount of creditable service equal to 5 or more years receive a Posthumous Service Award Certificate. This certificate can be created in eAwards.

The certificate and the letter of appreciation that accompanies it are presented in an official double window service award folder (see [493.34](#) for ordering information).

#### 493.32 **Basis**

##### 493.321 **Retirement**

The Retirement Service Award Certificate recognizes employees who retire (a) under the optional provisions of the applicable retirement law, (b) due to disability, or (c) under mandatory retirement for postal inspectors. Eligibility for the Retirement Service Award Certificate is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

##### 493.322 **Death**

To honor employees with 5 or more years of creditable service who die while still employed, the Posthumous Service Award Certificate is presented to the nearest relative. *Creditable service* is defined as service that qualifies for retirement under the procedures for the Civil Service Retirement System (CSRS) or Federal Employees Retirement System (FERS). Eligibility for the Posthumous Service Award Certificate is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

#### 493.33 **Responsibility**

##### **Headquarters**

The manager of Corporate Personnel Management is responsible for:

- a. Preparing Service Award Certificates and letters of appreciation for Headquarters and Headquarters-related field unit employees.
- b. Administering the Retirement Service Award program for all Postal Service retirees with 50 or more years of creditable service, including the submission of requests to the Postmaster General to sign

certificates and letters of appreciation from Headquarters, Headquarters-related field units, and district and area offices.

#### **Areas**

The area vice president is responsible for:

- a. Preparing Service Award Certificates and letters of appreciation for area office employees.
- b. Ensuring that the certificates and letters of appreciation for area office retirees with 50 or more years of creditable service, to be signed by the Postmaster General, are prepared and presented in accordance with established procedures (see [493.351](#) for more information).

#### **Districts and Plants**

District managers are responsible for:

- a. Administering the Service Award Program for district and plant employees.
- b. Ensuring that the certificates and letters of appreciation for district and plant retirees with 50 or more years of creditable service, to be signed by the Postmaster General, are prepared and presented in accordance with established procedures (see [493.351](#) for more information).

### **493.34 Ordering Certificates**

Certificates and folders may be requisitioned from the Material Distribution Center under the following item numbers:

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

The double window service award folder should be used to present the certificate and letter of appreciation together.

### **493.35 Preparing Letters of Appreciation**

#### **493.351 Retiring Employees**

For an employee retiring with up to 49 years and 11 months of creditable service, the responsible installation or functional organization head prepares a letter of appreciation to accompany the Retirement Service Award Certificate. (See [Exhibit 493.351a](#) for a sample letter.) Service Award Certificates for up to 49 years and 11 months of service can be created in eAwards.

For an employee retiring with 50 or more years of creditable service, the area or district manager of Human Resources drafts a letter to accompany the Retirement Service Award Certificate and forwards it electronically to Corporate Personnel Management for signature by the Postmaster General. (See [Exhibit 493.351b](#) for a sample letter.) Letters of appreciation or certificates for employees retiring with 50 or more years of creditable service should not be created using eAwards.

**493.352 Deceased Employees**

At the request of the responsible installation or functional organization head, those close to the deceased are most suitable for drafting a letter to accompany a Posthumous Service Award Certificate. Letters of appreciation to accompany Posthumous Service Awards for employees with 5 or more years of creditable service can be created in eAwards.

**493.36 Presenting Awards****Retirement Award Certificates**

Whenever possible, installation heads should coordinate publicity with communications staff and provide an appropriate ceremony for each award in the presence of the employee's managers, coworkers, and family. Except in unusual circumstances, the award should not be mailed.

**Posthumous Award Certificates**

The presentation of posthumous awards must be tailored to the wishes of the family, as follows:

- a. The deceased employee's supervisor, manager, or postmaster should contact the nearest relative to determine whether the recipient prefers to have the certificate presented formally in public or taken to the recipient's home.
- b. At a formal ceremony, attendance should be limited to a few close friends and coworkers of the deceased.
- c. When the recipient prefers delivery to the home, the management representative should consider having coworkers who were close friends of the deceased accompany him or her.
- d. District, area, or Headquarters Human Resources personnel should mail the Posthumous Service Award Certificate only as a last resort, making certain that the award is carefully and securely wrapped before mailing.

Exhibit 493.351a

**Sample Letter of Appreciation — Retiring Employee With Less Than 50 Years of Service**

To be signed by the installation or functional organization head.



[ \_ date \_ ]

[ name ]

[ street address ]

[ city, state, ZIP Code ]

Dear [ name ]:

It is with great pleasure that I present this Service Award Certificate in commemoration of your [ number of ] years of service. The good reputation the Postal Service enjoys is built on the loyal service of people like you, and I am happy to commend you for your contribution to our efforts for a better Postal Service.

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

Sincerely,

[ signature ]

[ name ]

Exhibit 493.351b

**Sample Letter of Appreciation — Retiring Employee With 50 or More Years of Service**

To be signed by the Postmaster General.



[ \_date\_ ]

[ \_name\_ ]

[ \_street address\_ ]

[ \_city, state, ZIP Code\_ ]

Dear [ \_name\_ ]:

It is with great deal of pleasure that I present this Service Award Certificate in recognition of your [ \_number of\_ ] years with the U.S. Postal Service.

The Postal Service owes a great deal to the loyalty and dedication of its employees, and I am happy to commend you for your many contributions throughout the years toward improved Postal Service operations. I wish to extend my warm personal greetings and the hope that you will accept this certificate as a symbol of my deep appreciation for a career of commendable service.

[ *If desired, personal information can be inserted here.* ]

Sincerely,

[ \_signature\_ ]

[ \_name\_ ]



## 494 Informal Award

### 494.1 Overview

Characteristics of this award are as follows:

Type	Who Is Eligible	Description	Approval Authority	Basis	Limit
Informal Award	All employees and contractors	Noncash tangible items, such as plaques, mugs, clothing, event tickets (for prohibited items, see <a href="#">491.332</a> ).	Immediate supervisor	Recognizes a specific action or consistent performance of regular duties in an exemplary manner.	Less than <del>\$75</del> <a href="#">\$100</a> in value.

### 494.2 Purpose

The Informal Award provides a quick and simple method for recognizing employees and contractors who regularly perform duties beyond normal work requirements, or who have performed a specific exceptional task or action.

### 494.3 Description

The Informal Award is a noncash tangible item of less than ~~\$75~~[\\$100](#) in value obtained or purchased locally, such as a plaque, coffee mug, an article of clothing, tickets to a specific entertainment event, or similar item. (Purchasing and reporting requirements pertaining to event tickets and noncash tangible items less than ~~\$75~~[\\$100](#) in value are set forth in [491.331](#); prohibited purchases in [491.332](#).)

### 494.4 Eligibility

All employees and contractors are eligible to receive an Informal Award. Eligibility for the Informal Award is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

### 494.5 Basis

The basis for this award is an employee contribution (sustained performance or achievement). The employee must:

- Consistently perform regular duties in an exemplary manner; or
- Accomplish a specific act beyond the normal duties.

### 494.6 Approval Authority

The immediate supervisor is the approving official for the Informal Award.

### 494.7 Documentation

Management must track all informal awards presented to employees. If the aggregate amount of informal awards received by an employee during a calendar year meets or exceeds ~~\$75~~[\\$100](#), the total amount of informal awards must be reported as income in eAwards under the appropriate noncash award category. (See [491.331b](#) for reporting requirements.) The value of informal awards presented to contractors should never meet or exceed ~~\$75~~[\\$100](#) in a calendar year.

## 495 Formal Awards

### 495.1 Overview

The characteristics of Formal Awards are shown in [Exhibit 495.1](#).

Exhibit 495.1

#### Formal Awards

Type	Who Is Eligible	Description	Approval Authority	Basis	Limit
Spot cash	Non-Inspection Service, career employees	Check issued by Accounting Services.	Manager or Postmaster EAS-22 or higher	Recognizes sustained high-quality performance that is likely to continue or a specific action or accomplishment beyond normal work requirements.	From \$50 to \$3,000 per award. Limit is \$3,000 per employee per fiscal year.
Spot Cash Equivalent	Non-Inspection Service, career employees	Cash equivalent item purchased locally from authorized vendor.	Manager or Postmaster EAS-22 or higher	Recognizes sustained high-quality performance that is likely to continue or a specific action or accomplishment beyond normal work requirements.	From \$100 to \$3,000 per award. Limit is \$3,000 per employee per fiscal year.
Spot Noncash Tangible	Non-Inspection Service, career employees	Merchandise item, clothing, etc., purchased locally.	Manager or Postmaster EAS-22 or higher	Recognizes sustained high-quality performance that is likely to continue or a specific action or accomplishment beyond normal work requirements.	From <del>\$75</del> <a href="#">100</a> to \$3,000 per award. Limit is \$3,000 per employee per fiscal year.
Spot Gift Certificate	Non-Inspection Service, career employees	Gift card or certificate purchased locally from an authorized vendor.	Manager or Postmaster EAS-22 or higher	Recognizes sustained high-quality performance that is likely to continue or a specific action or accomplishment beyond normal work requirements.	From \$1 to \$3,000 per award. Limit is \$3,000 per employee per fiscal year.
Noncareer Gift Certificate	Noncareer employees	Gift card or certificate purchased locally from an authorized vendor.	Manager or Postmaster EAS-22 or higher	Recognizes sustained high-quality performance that is likely to continue or a specific action or accomplishment beyond normal work requirements.	From \$1 to \$100 per award. Limit is \$500 per employee per fiscal year.
Quality Step Increase (QSI)	Career bargaining unit employees	Change in base pay.	See 495.4	See 495.4	Step increase (see 495.4).

**495.11 Presenting Awards**

Whenever possible, an award should be presented by the installation head or designee, in front of coworkers, with the appropriate amount of ceremony. The award may be presented along with a letter of appreciation describing the reason for the award to the recipient on Postal Service letterhead in an official service award folder. Folders may be ordered from the Material Distribution Center under the following item number:

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

**495.2 Spot Award****495.21 Purpose**

The purpose of a Spot Award is to provide immediate recognition for a specific action or achievement beyond what is normally expected of an employee. It is not to be used as an incentive for pre-established goals or objectives. A Spot Award may be used to recognize a wide range of performance or actions.

**495.22 Description**

A Spot Award is one of the following:

- a. A check issued by Accounting Services (see [491.31](#)).
- b. A cash equivalent product that can be immediately converted to cash (see [491.32](#) for an explanation of cash equivalent awards).
- c. A merchandise item of at least \$~~75~~100 in value (see [491.33](#)).
- d. A gift certificate (see [491.34](#)).

A Spot Award is always considered ordinary income for tax purposes. Depending on the award type and amount, cash equivalent items, gift certificate, and noncash tangible awards may be grossed up for income tax purposes. (See [491.3](#) for more information on the tax impact of awards and grossing up for tax purposes.)

**Note:** Cash awards are not grossed up.

**495.23 Eligibility**

All non-Inspection Service career employees are eligible to receive Spot Awards. Eligibility for Spot Awards is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

**495.24 Basis**

The basis for presenting a Spot Award is an employee contribution (sustained performance, achievement, invention, special act, or service) that exceeds usual work requirements. (See [495.442](#) for comparison with Quality Step Increase.) The employee must:

- a. Exceed requirements in one or more important job elements for 12 months or more.
- b. Devise new or improved methods that save manpower, space, materials, equipment, or other cost items.



- c. Contribute to outstanding economy, efficiency, added income, or measurably improved service to the public.
- d. Break production records or inspire others to improve quantity and quality of work.
- e. Risk life or personal safety in an act of heroism.
- f. Maintain work schedule in absence of supervisor or meet unusual demands of higher level duties on one's own initiative.

#### 495.25 **Approval Authority**

##### **Headquarters and Headquarters-Related Field Units**

Officers, PCES executives, and their designees who are EAS-22 and above may approve Spot Awards for eligible Headquarters and Headquarters-related field unit employees.

##### **Areas**

Area vice presidents, area managers, and their designees who are EAS-22 and above, may approve Spot Awards for eligible area employees, in accordance with Postal Service and area office policy.

##### **Field**

District managers, senior plant managers, postmasters, and other managers who are EAS-22 and above may approve Spot Awards for eligible employees under their jurisdiction in accordance with Postal Service and local guidelines for employee recognition.

#### 495.26 **Recommending an Award**

The recommendation for a Spot Award is initiated in eAwards by the immediate supervisor, postmaster, or management official with knowledge of the employee or group contribution. The recommendation is initiated promptly, but no later than 1 year after the date of the achievement, act, or period covering the performance.

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

- a. Measuring the amount of savings or degree of improvement realized in relation to job responsibilities. (Savings alone cannot be used to determine an award. Higher-level employees are expected to effect more significant improvements and benefits than employees at lower levels.)
- b. Determining the extent of contribution and benefits outside the employee's immediate installation.
- c. Considering the degree of ingenuity, magnitude of accomplishment, and nonmonetary benefits represented by the contribution.

**Note:** The nominee should not be advised of the recommendation in advance of its approval.

#### 495.27 **Evaluating and Approving the Award**

The approving official evaluates the recommendation, decides if an award is warranted, and approves the recognition in eAwards.

When, in the opinion of the approving official, the accomplishment fails to meet the outlined criteria for Spot Award recognition or if the award amount needs to be modified, the award submission is returned to the recommender via eAwards, with comments as to why it is being returned and any further handling instructions.

#### **495.28 Processing**

All Spot Cash Awards are requested, approved, and generated via eAwards. When a Spot Cash award submission is approved, eAwards will generate a check that is mailed to the official Postal Service address provided when the award request was entered.

The recommending official is responsible for obtaining or purchasing locally any cash equivalents, noncash tangible merchandise items, and gift certificates to be used as recognition. Purchasing must be done in accordance with established Postal Service and local policies.

Noncash tangible awards, valued at ~~\$75~~ [\\$100](#) or more, and all cash equivalent and gift certificate awards must be reported in eAwards as income received so that (a) appropriate payroll deductions can be made from the recipient's normal pay, and (b) the award amount may be grossed up, if necessary. The reporting of these items in eAwards should occur in the same pay period the award is presented to the recipient. Reporting *must* take place in the same calendar year to avoid tax reporting discrepancies.

#### **495.3 Noncareer Gift Certificate**

##### **495.31 Purpose**

The purpose of the Noncareer Gift Certificate Award is to provide immediate recognition for a specific action or achievement beyond the normal work requirements of a noncareer employee. It is not to be used as an incentive for achievement of pre-established goals or objectives. The Noncareer Gift Certificate Award may be used to recognize a wide range of performance or actions.

##### **495.32 Description**

A Noncareer Gift Certificate Award consists of a gift certificate not greater than \$100 in value purchased locally in accordance with Postal Service and local purchasing rules and regulations. Eligible employees may receive up to \$500 in gift certificate awards in a fiscal year.

The Noncareer Gift Certificate Award, regardless of dollar value, is considered taxable income. Noncareer Gift Certificates valued at \$50 or more are grossed up for tax purposes. (See [491.34](#) for more information on the tax impact of awards and grossing up for tax purposes.)

A Noncareer Gift Certificate Award may be presented along with a letter of appreciation on official Postal Service letterhead in an official service award folder.



**495.33 Eligibility**

All noncareer Postal Service employees are eligible to receive Noncareer Gift Certificate Awards. Eligibility for the Noncareer Gift Certificate Award is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability. In addition:

- a. The Noncareer Gift Certificate Award is the only formal award that noncareer employees are eligible to receive.
- b. Contractors are not eligible to receive any type of formal award.

**495.34 Basis**

The basis for presenting a Noncareer Gift Certificate Award is an employee contribution (sustained performance, achievement, invention, special act, or service) that exceeds usual work requirements.

**495.35 Approval Authority****Headquarters and Headquarters-Related Field Units**

Officers, PCES executives, and designated managers EAS-22 and above may approve Noncareer Gift Certificate Awards for eligible Headquarters and Headquarters-related field unit employees.

**Areas**

Area vice presidents, area managers, and their designees EAS-22 and above may approve Noncareer Gift Certificate Awards for eligible employees, in accordance with Postal Service and area office policy.

**Field**

District managers, senior plant managers, postmasters, and other managers EAS-22 and above may approve Noncareer Gift Certificate Awards for eligible employees under their jurisdiction in accordance with Postal Service and local guidelines for employee recognition.

**495.36 Recommending an Award**

The recommendation for a Noncareer Gift Certificate Award is initiated in eAwards by the immediate supervisor, postmaster, or management official with knowledge of the employee or group contribution. The recommendation should be initiated promptly, but no later than 1 year after the date of the achievement, act, or period covering the performance.

**Note:** The nominee should not be advised of the recommendation in advance of its approval.

**495.37 Evaluating and Approving the Award**

The approving official evaluates the recommendation, decides if an award is warranted, and approves recognition in eAwards.

When, in the opinion of the approving official, the accomplishment fails to meet the outlined criteria for Noncareer Gift Certificate Awards recognition or if the award amount needs to be modified, the award submission is returned to the recommender via eAwards, with comments as to why it is being returned and any further handling instructions.

**495.38 Processing**

The recommending official is responsible for purchasing gift certificates to be used as recognition. Purchasing must be done in accordance with established Postal Service and local policies.

All Noncareer Gift Certificate Awards are reported in eAwards as income received so that the appropriate payroll deductions can be made from the recipient's pay. The reporting of these items in eAwards should occur in the same pay period the award is presented to the recipient. Reporting must take place in the same calendar year to avoid tax reporting discrepancies.

**495.4 Quality Step Increase Award****495.41 Description**

The *Quality Step Increase* (QSI) is an increase in basic pay that recognizes sustained high-quality performance. The total dollar benefit usually exceeds that of a one-time cash award and is granted only when the level of performance is likely to continue.

**495.42 Eligibility**

All career bargaining unit employees not already at the top step for their pay grade are eligible to receive the QSI. An employee cannot receive more than one QSI in any 52-week period. Eligibility for the QSI is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

**495.43 Basis**

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

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

**495.44 Comparisons****495.441 Comparison to Regular Within-Grade Increases**

A QSI requires exceptional authorization by management and is always in addition to regular pay adjustments (such as general increases, cost of living adjustments, and/or regular within-grade increases) required by the labor contracts. Any employee below the highest step is eligible to receive a QSI.

A bargaining unit employee cannot receive more than one QSI in any 52-week period (see [495.42](#)). An employee who receives a QSI may advance by one or two steps, as determined by the procedure described below. The QSI may also change the due date for advancement to the next higher step.

The step and next step date for the QSI action are determined as follows:

- a. If the number of weeks served before the QSI is greater than the number of weeks that would be required to progress from the QSI step to the next step, the employee is advanced two steps as the result of the QSI. The next step date is then set to allow for a complete waiting period following the QSI.

**Example:** Before the QSI, Employee A completed 38 weeks in step I in RSC M. The labor contract requires 34 weeks to progress from step J to K. Because the time served in step I is greater than the time required to progress from step J to K, Employee A is given an additional step and placed directly into step K as the result of the QSI. He then must wait the full contractual period (34 weeks) before he reaches the next step, step L.

- b. If the number of weeks served before the QSI is less than or equal to the number of weeks required to progress from the QSI step to the next step, the employee is advanced only a single step. The next step date is then determined by subtracting the waiting period weeks required by the labor contract to progress from the QSI step to the next step by the weeks already served before the QSI.

**Example:** Before the QSI, Employee B completed 22 weeks in step I in RSC M. The labor contract requires 34 weeks to progress from step J to step K. Because the time served in step I is less than the time required to progress from step J to K, Employee B is advanced just a single step, to step J, as the result of the QSI. The next step is determined by taking the waiting period required between steps J and K (34 weeks) and subtracting from it the weeks served in step I before the QSI (22 weeks). The next step, to step K, occurs 12 weeks after the QSI (34 weeks - 22 weeks = 12 weeks).

#### 495.442 **Comparison to Spot Awards**

The standards for a QSI and a Spot Award are similar. Employee performance is evaluated according to the conditions required under both awards to see which award is more appropriate (see [495.24](#)). The primary difference is that the QSI changes the employee's base salary, while the Spot Award is a one-time, lump-sum, cash award. The Spot Award may be preferable when (a) the employee is at the top of the grade or (b) group recognition is desired.

#### 495.45 **Approval Authority**

##### 495.451 **Headquarters and Headquarters-Related Field Units**

Officers, PCES executives, and designated managers EAS-22 and above may approve QSIs for eligible Headquarters bargaining unit employees.

##### 495.452 **Areas, Districts, and Plants**

Area vice presidents, district managers, senior plant managers, postmasters, and other managers EAS-22 and above may approve QSIs for eligible employees under their jurisdiction in accordance with Postal Service and local guidelines for employee recognition.

**495.46 Recommending an Award**

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

**495.47 Initiating Documentation**

The official who is recommending the QSI award initiates the request by completing PS Form 1727, *Award Recommendation/Authorization (Quality Step Increase)*, and submitting it to the appropriate manager for approval.

**495.48 Initiating a Personnel Action**

When the award is approved, the recommending official forwards PS Form 1727 to the Human Resources Shared Service Center (HRSSC) for completion of PS Form 50, *Notification of Personnel Action*, via the address below:

HRSSC  
BENEFITS & COMPENSATION  
PO BOX 970400  
GREENSBORO NC 27497-0400

The personnel action is effective the first day of the first pay period beginning on or after the completion of the PS Form 50 by the HRSSC.

**496 Special Awards****496.1 Overview**

The characteristics of Special Awards are as shown in [Exhibit 496.1](#).



## Exhibit 496.1

**Special Awards**

Type	Who Is Eligible	Description	Approval Authority	Basis	Limit
Team Award	Nonbargaining, Non-Inspection Service career employees	Cash, cash equivalent item, or noncash tangible item	Vice President	Recognizes superior team contribution or achievement deserving of system-wide recognition.	Cash, from \$50 to \$2,000 per team member, Cash equivalent, from \$100 to \$2,000 per team member, or noncash tangible item valued from <del>\$75</del> 100 to \$2,000 per team member. Limit of \$2,000 per employee, per fiscal year.
Vice President Award	All career employees	Cash	Vice President	Recognizes superior individual contribution or achievement deserving of system-wide recognition.	Cash, up to \$5,000 per award. Limit of \$10,000 per employee, per fiscal year.
Postmaster General Award	All career employees	Cash	Postmaster General, executive committee members, and senior vice presidents	Recognizes exceptional individual contribution and achievement deserving of system-wide recognition.	Cash, up to \$12,500 per award. Limit of \$12,500 per employee, per fiscal year.
ELT Award	All career employees	Cash	ELT members	Recognizes superior individual contribution or achievement deserving of system-wide recognition.	Cash, up to \$10,000 per award. Limit of \$10,000 per employee, per fiscal year.
Benjamin Franklin Award	Designated by the Postmaster General	Plaque showing a bust of Benjamin Franklin and a canceled 1847 issue of a 5-cent stamp	Postmaster General	The highest award given by the Postal Service, reserved for employees in highly responsible Postal Service positions to recognize unusually significant service.	Noncash award.

**496.2 Team Award****496.21 Purpose**

The purpose of the *Team Award* is to reward superior team contribution or achievement deserving of system-wide recognition.

**496.22 Description**

The Team Award can be any of the following:

- a. A check from \$50 to \$2,000 issued by Accounting Services given to an individual team member (see [491.31](#) for an explanation of cash awards).
- b. A cash equivalent product valued from \$100 to \$2,000, given to an individual team member (see [491.32](#) for an explanation of cash equivalent awards).
- c. A noncash tangible item valued from ~~\$75~~100 to \$2,000, given to an individual team member (see [491.33](#) for an explanation of noncash tangible awards).

The amount of the award should be commensurate with the magnitude of the team achievement.

**Note:** Noncash tangible awards valued at ~~\$75~~100 or more, and all cash equivalent awards must be reported in eAwards.

**496.23 Eligibility**

All career nonbargaining employees are eligible for the Team Award. Eligibility for the Team Award is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

**496.24 Limits**

The maximum amount for an individual Team Award is \$2,000, whether it is cash, a cash equivalent item, or a noncash tangible item. The minimum cash award amount is \$50. The minimum award amount for noncash tangible items is ~~\$75~~[\\$100](#). The minimum cash equivalent award is \$100. An employee may receive up to \$2,000 in Team Awards in a fiscal year (independent of other awards received).

**496.25 Approval Authority**

Only vice presidents can approve Team Awards, and they are responsible for establishing administrative procedures for issuing these awards within their respective organizations.

**496.26 Processing**

The official who is recommending the Team Award initiates the request for a cash award in eAwards. All cash equivalent and noncash tangible Team Awards must be purchased locally in accordance with Postal Service and local purchasing guidelines and reported in eAwards under the appropriate award category. The reporting of these items in eAwards should occur in the same pay period the award is presented to the recipient. Reporting must take place in the same calendar year as the award is presented to avoid tax reporting discrepancies. Cash equivalent and noncash tangible awards are automatically grossed up by eAwards so that the Postal Service assumes the tax liability for the recipient. The additional tax liability for grossed up awards is charged to the finance number indicated in eAwards.

**496.3 Vice President Award****496.31 Purpose**

The *Vice President Award* is cash recognition to acknowledge and reward superior individual contribution or achievement deserving of system-wide recognition. It is intended to recognize contributions not encompassed by basic salary, merit salary adjustments, or formal pay for performance programs.

**496.32 Description**

The Vice President Award is a cash award (check issued by Accounting Services) valued at up to \$5,000. The amount awarded should be commensurate with the magnitude of the effort or achievement.

The Vice President Award is considered ordinary income for tax purposes (see [491.32](#)).

**496.33 Eligibility**

All career employees are eligible for the Vice President Award. Eligibility for the Vice President Award is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

496.34 **Approval Authority**

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

496.35 **Processing**

The Vice President Award is submitted by the intended recipient's manager or functional area executive and approved via eAwards. When the award is approved, Accounting Services generates a check and mails it to the official Postal Service address indicated in eAwards.

496.4 **Postmaster General Award**

496.41 **Purpose**

The *Postmaster General Award* is a cash payment to acknowledge and reward superior individual contribution or achievement that deserves system-wide recognition. It is intended to recognize contributions not encompassed by basic salary, merit salary adjustments, or formal pay for performance programs.

496.42 **Description**

The Postmaster General Award is a one-time cash award (a check issued by Accounting Services) valued at up to \$12,500. The amount of the award should be commensurate with the magnitude of the effort or achievement.

The Postmaster General Award is considered ordinary income for tax purposes (see [491.32](#)).

496.43 **Eligibility**

All career employees are eligible for the Postmaster General Award. Eligibility for the Postmaster General Award is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

496.44 **Approval Authority**

The Postmaster General, executive committee members, or senior vice presidents must approve Postmaster General Awards, and they are responsible for establishing administrative procedures for issuing these awards within their respective organizations.

496.5 **ELT Award**

496.51 **Purpose**

The *ELT Award* is cash recognition to acknowledge and reward superior individual contribution or achievement deserving of system-wide recognition. It is intended to recognize contributions not encompassed by basic salary, merit salary adjustments, or formal pay for performance programs.

496.52 **Description**

The ELT Award is a cash award (check issued by Accounting Services) valued at up to \$10,000. The amount awarded should be commensurate with the magnitude of the effort or achievement.

The ELT Award is considered ordinary income for tax purposes (see [491.32](#)).



**496.53 Eligibility**

All career employees are eligible for the ELT Award. Eligibility for the ELT Award is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

**496.54 Approval Authority**

ELT members must approve these awards, and they are responsible for establishing administrative procedures for issuing this award within their respective organizations.

**496.55 Processing**

The ELT Award is submitted by the intended recipient's manager or functional area executive and approved via eAwards. When the award is approved, Accounting Services generates a check and mails it to the official Postal Service address indicated in eAwards.

**496.6 Benjamin Franklin Award****496.61 Description**

The *Benjamin Franklin Award*, the highest award given by the Postal Service, is a plaque showing a bust of Benjamin Franklin and a canceled 1847 issue of a 5-cent Benjamin Franklin stamp. An engraved metal plate is attached to the plaque.

**496.62 Eligibility**

The Postmaster General designates those to be honored and does not accept recommendations. Eligibility for the Benjamin Franklin Award is without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability.

**496.63 Basis**

This award is reserved for employees serving in highly responsible Postal Service positions who meet either of these criteria:

- a. The employee's accomplishments have had a unique impact on major Postal Service programs.
- b. The employee's accomplishments have resulted in an unusually significant improvement in service to the public or in general operations.

**496.64 Approval Authority**

The Postmaster General has sole authority to approve this award.

**497 Other Awards****497.1 Overview**

The characteristics of other awards are shown in [Exhibit 497.1](#).



Exhibit 497.1  
**Other Awards**

Type	Who Is Eligible	Award Description	Approval Authority	Basis	Limit
Contest Award	All employees	Noncash tangible item or gift certificate.	EAS-22 or higher	Valid winner of a qualifying contest (see <a href="#">620</a> ).	Up to \$500 per award.
Safety Award	All career bargaining unit employees	Noncash tangible item or gift certificate.	PCES executive	Recognizes safety awareness.	Up to \$500 per award.

## 497.2 Contest Award

### 497.21 Purpose

The *Contest Award* is intended to provide a motivational tool for improving performance in particular functions. Such programs can be used for, but are not limited to, safety awareness and sales promotions. Each contest must have a specific start and end date, and the purpose must be clearly defined.

### 497.22 Description

The Contest Award consists of noncash tangible merchandise items and gift certificates valued from \$1 to \$500.

Acceptable awards are characterized as follows:

- a. Only gift certificates and noncash tangible items such as trophies, plaques, pins, merchandise or small electronics may be awarded.
- b. The value of each award may vary from contest to contest or be graduated within a contest with progressive levels of competition.
- c. To ensure maximum interest, prizes should be alternated periodically, or a variety of prizes should be made available for individual selection from a catalog.
- d. Prizes offered must be appropriate for both sexes.
- e. The maximum value of a contest award cannot exceed \$500.
- f. Cash and cash equivalents are not to be used as Contest Awards.

See subchapter [620](#) for more information on contests.

### 497.23 Eligibility

All employees are eligible to participate in contests without regard to race, color, religion, national origin, sex, age, or presence of physical or mental disability. However, noncareer employees are limited to noncash tangible awards valued at less than ~~\$75~~[100](#) and/or noncareer gift certificates valued at \$100 or less.

### 497.24 Approval Authority

The Contest Award must be approved in eAwards by a manager or equivalent at grade EAS-22 or higher.

**497.25 Processing**

Noncash tangible items valued at ~~\$75-100~~ or more must be reported in eAwards as a Contest Award. All gift certificates, regardless of value, must be reported in eAwards using the appropriate Gift Certificate award. (See [491.3](#) for more information on noncash tangible and gift certificate awards.)

**497.3 Safety Award****497.31 Purpose**

The *Safety Award* is intended to provide a motivational tool for improving and encouraging safe working conditions and work habits in the Postal Service. It can be used as a motivational tool, or as a reward for a specific action that prevented an unsafe act from occurring.

**497.32 Description**

The Safety Award consists of noncash tangible merchandise items and gift certificates valued between \$1 and \$500. Items are to be procured locally via normal noncash tangible item or gift certificate purchasing procedures. Cash and cash equivalents are not to be used as Safety Awards.

**497.33 Eligibility**

Only career bargaining unit employees are eligible for the Safety Award.

**497.34 Approval Authority**

The Safety Award requires the approval of a PCES executive.

**497.35 Processing**

Noncash tangible items valued at ~~\$75-100~~ or more must be reported in eAwards as a Safety Award. All gift certificates, regardless of value, must be reported in eAwards using the appropriate Gift Certificate award. (See [491.3](#) for information on noncash tangible and gift certificate awards.)

**498 Inspection Service Awards****498.1 Overview**

The characteristics of Inspection Service Awards are shown in [Exhibit 498.1](#).

Exhibit 498.1

**Inspection Service Awards**

Type	Who Is Eligible	Description	Approval Authority	Basis	Limit
Informal Award	All career Inspection Service employees	Cash equivalent, gift certificate, or noncash tangible item*	PCES executive	Recognition of outstanding performance, superior competence, or some other significant accomplishment.	Up to \$3,000 per award. Limit of \$3,000 per fiscal year per employee.
Nonexecutive Award	All career Inspection Service employees	Cash	PCES executive	Recognition of outstanding performance, superior competence, or some other significant accomplishment.	Up to \$5,000 per award. Limit of \$5,000 per fiscal year per employee.

\*See [491.3](#) for more information on cash equivalent and noncash tangible awards.

**498.2 Informal Award****498.21 Purpose**

The purpose of the Inspection Service Informal Award is to recognize outstanding performance, superior competence, or some other significant accomplishment by a career Inspection Service employee.

**498.22 Description**

The Inspection Service Informal Award consists of a cash equivalent, gift certificate, or noncash tangible item valued at \$3,000 or less. The recommending official is responsible for obtaining or purchasing locally any cash equivalent or noncash tangible merchandise items to be used as recognition. Purchasing must be done in accordance with established Postal Service and local policies and procedures. (See [491.3](#) for a description of cash equivalent and noncash tangible awards.)

**498.23 Eligibility**

All career U.S. Postal Inspection Service employees are eligible to receive the Inspection Service Informal Award.

**498.24 Basis**

The basis for the Inspection Service Informal Award is recognition of outstanding performance, superior competence, or some other significant accomplishment.

**498.25 Approval Authority**

The Inspection Service Informal Award must be approved by a PCES executive.

**498.26 Processing**

Inspection Service Informal Awards must be reported in eAwards under the appropriate Noncash Award type; either the Inspection Service Informal Cash Equivalent, Inspection Service Informal Gift Certificate, or Inspection Service Informal Non-Cash Tangible Award. (See [491.3](#) for more information on cash equivalent, gift certificate, and noncash tangible award reporting requirements.)

**498.3 Non-Executive Award****498.31 Purpose**

The purpose of the Inspection Service Non-Executive Award is to recognize outstanding performance, superior competence, or some other significant accomplishment by a career Inspection Service employee.

**498.32 Description**

The Inspection Service Non-Executive Award consists of a cash payment up to \$5,000. Eligible Inspection Service employees may receive up to \$5,000 in Non-Executive Awards per fiscal year.

**498.33 Eligibility**

All career employees of the U.S. Postal Inspection Service are eligible to receive the Inspection Service Non-Executive Award.

**498.34 Basis**

The basis for the Inspection Service Non-Executive Award is recognition of outstanding performance, superior competence, or some other significant accomplishment.

**498.35 Approval Authority**

The Inspection Service Non-Executive Award must be approved by a PCES executive.

**498.36 Processing**

This award must be submitted and approved in eAwards using the Inspection Service Non-Executive Award. (See [491.31](#) for more information on cash awards.)



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