**ARTICLE 14 - AWARDS**

**Section 1**

1. **All bargaining unit employees are eligible to participate in the Office’s awards program without regard to length of service.** The purpose of performance awards is to motivate employees by recognizing and rewarding those who achieve high levels of performance. Performance awards are comprised of Sustained Superior Performance Awards, Special Act Awards, and Quality Step Increases (QSIs). They are defined as follows:
   1. Sustained Superior Performance Awards - These awards are given to employees for high-level performance of duties as reflected in the most recent rating of record. This type of recognition is appropriate when the employee’s performance clearly shows that their overall performance has ~~substantially~~ exceeded acceptable job requirements.
   2. Special Act Awards - These awards are appropriate when an employee, or group of employees, performs beyond expectations on a specific assignment or aspect of an assignment or job function. The special act must have been connected with or related to official employment, in the public interest, and so significant that special recognition is justified. A special act is a single action or series of actions of relatively short duration either within or outside the normal duties performed by the employee(s) and differs from superior performance since sustained overall performance is not involved.
   3. Quality Step Increase (QSI) – These awards may be given in those circumstances where an employee’s performance exceeds that rewarded by a performance award. Since a QSI increases an employee’s rate of basic pay through an additional within-grade increase, it should be given to recognize and reward employees who display continuing outstanding performance. A QSI may only be given upon the written approval of management. **Employees may not receive both a QSI and a performance award for the same performance. The Employer will exercise its discretion to award QSIs fairly and equitably and consistent with 5 CFR § 531, Subpart E.**
   4. **Non-Monetary Awards. Non-monetary awards, including time-off awards (TOAs) may be given to employees consistent with this Article.**
2. Performance awards (that is, Sustained Superior Performance Awards, Special Act Awards, and Quality Step Increases) shall be provided on a fair and objective basis considering merit, budget limitations and the nonmandatory nature of awards. The performance awards program shall provide awards based on employee achievement. Therefore, in keeping with this concept, the awards program will focus on Sustained Superior Performance Awards and those awards will be based on an employee’s overall performance appraisal rating.
3. Consistent with the goals and limitations set forth above, the Office’s policy is to recognize high levels of performance (e.g., outstanding or excellent/exceeds fully successful or similar rating levels) and to recognize employees who achieve a relatively high level of performance in their organizational component. Within an individual work unit, employees with outstanding annual appraisal ratings (regardless of job classification) will be considered first for performance awards, and will receive a Sustained Superior Performance Award, subject to budget and provided they are eligible pursuant to Section 1H below.

1. At NTEU’s request, the Office will annually publicize the names of bargaining unit employees who receive awards, including performance awards. The publicity will be done Counsel-wide via the intranet. The purpose of the publicity is to provide open, visible, and public recognition for the award recipients.
2. Each year, the Office will provide National NTEU with a listing of all awards provided to bargaining unit employees. The list will contain the employee’s name, award amount, award type, job series/title, and organizational component. In addition, National NTEU will be sent information concerning employees who achieved an “excellent” or “exceeds fully successful” rating or above but who were not provided an award. That information shall include the organizational component, and annual rating of record for such employees, but shall not include the names of the employees. The information required under this subsection shall be provided in a searchable/sortable spreadsheet format within 120 days of the issuance of the awards.
3. If an employee with an “outstanding” (5) annual appraisal rating does not receive a performance award, the Office will provide NTEU and/or the employee, upon request, with a specific written explanation.
4. The Office will not exclude any employee from consideration for performance awards based on job classification or bargaining unit status.
5. Eligibility
   1. The fact that an employee is the subject of a conduct investigation or has been the subject of a disciplinary action during the twelve (12) months prior to the effective date of the award for which the employee is under consideration will not preclude granting an award to the employee. However, if the investigation or disciplinary action described above is for serious conduct, the employee may be precluded from receiving an award if such preclusion is necessary to protect the integrity of the Service. Examples of serious misconduct include:

1. 1203(b) violations
2. Accessing sexually explicit sites/pornography on or with government property;
3. Unauthorized Access (UNAX) to protected taxpayer return information;
4. Misuse of a government vehicle;
5. Criminal misconduct.
   1. In determining whether preclusion of the award is necessary to protect the integrity of the Service, the Office will apply the following criteria:
6. Whether the conduct was deliberate or willful;
7. Whether the conduct was dishonest;
8. Whether the conduct deliberately endangered the health or safety of any person;
9. Whether the conduct was infamous;
10. Whether the conduct was criminal; or
11. Whether the conduct was notoriously disgraceful.
    1. For non-tax related misconduct cases, determinations about whether award preclusion for serious misconduct is necessary to protect the integrity of the Service will be made as follows: ~~No Counsel employee will receive any award under this Article if the employee has (during the twelve (12) months prior to the effective date of the award) received a suspension for serious misconduct, a demotion for serious misconduct, a reprimand for serious misconduct or is the current subject of an ongoing investigation into serious misconduct (including but not limited to employee tax compliance).~~
12. If the penalty is a reprimand or less, the award will not be denied.
13. If the penalty is a suspension of three (3) days or less, the disciplinary action will not preclude an award unless such preclusion is necessary to protect the integrity of the Service. In such cases where preclusion is warranted, the award will be delayed for the year in which the proposal letter issued pending appeal and final adjudication of the proposed discipline.
14. If the penalty is a suspension of 4 days or more, the employee’s award will be delayed for the year in which the proposal letter is issued pending appeal and final adjudication of the proposed discipline.
    1. For tax-related misconduct, the determination of whether award preclusion is necessary to protect the integrity of the Service will be made as follows:
15. If this is the employee’s first tax-related offense and
16. The penalty is a reprimand or less, the award will not be denied;
17. The is a suspension of any duration, the award will be delayed for the year in which the proposal letter is issued pending appeal and final adjudication of the proposed discipline.
18. If this is not the employee’s first tax-related offense and any disciplinary action is proposed, the award will be delayed for the year in which the proposal letter is issued pending appeal and final adjudication of the proposed discipline.
    1. If the employee is under investigation for alleged serious misconduct, the award may be delayed during the pendency of the investigation.
    2. In all of the above instances, if no penalty is imposed or if the proposed penalty is mitigated to the level below the threshold for denying an award, the award will be issued.
19. ~~The Office will reconsider an award decision made using this provision if:~~ 
    1. ~~The action is reversed or mitigated to an action less than a~~

~~reprimand; or~~

* 1. ~~The conduct investigation results in something less than a~~

~~reprimand.~~

**Section 2 – Time-Off Awards**

1. **Employees may request their award payment preference of a cash award, time-off award, or combination.**
2. **Where an employe requests time off in lieu of a monetary award,**

**the Office will normally grant the request absent workload demands.**

1. **Scheduling the use of time off awards is subject to the same approval process as annual leave in Article 9 of this Agreement.**
2. **While time off awards do not expire, employees may not receive cash for any unused time off because regulations preclude time off awards from being converted to cash.**
3. **Time-off awards will not impact the cash budget allocated towards awards.**

**Section ~~2~~ 3– Awards Budget**

1. **Within the first month of each fiscal year, or withing two (2) weeks of when it receives its budget, whichever is later, the Office will notify NTEU National of the amount by which it will funds awards for the prior performance year. Normally, the awards budget will be no less than two percent (2%) of total annual employee salaries. Additionally, d**~~D~~uring the meetings held pursuant to Article 37, Section 5(A), the parties will discuss the estimated awards budget, any timeline for running an awards program, and/or any awards payouts.
2. **Normally, at least eighty percent (80%) of the awards budget will be allocated to Sustained Superior Performance Awards, and no more than twenty percent (20%) of the awards budget will be allocated to Special Act Awards. The national parties may agree to a different percentage allocation.**

**Section ~~3~~4 – Distribution Date**

1. The Office will normally distribute any performance awards to eligible bargaining unit employees by the end of the first full pay period of December of the current fiscal year for performance in the prior fiscal year. If the Office is unable to meet the distribution date, it will notify NTEU National of the reasons. Upon request, the Office will meet with NTEU to explain the reasons and discuss alternatives. **The Office will notify NTEU National promptly of the date that performance awards were paid.**
2. Consistent with applicable law, the Office retains the flexibility to pay for performance awards either in the same fiscal year as the performance ratings of record upon which the awards were assigned to employees or by the end of the following fiscal year.