DEPARTMENT OF THE ARMY
HEADQUARTERS UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND
102 MCNAIR DRIVE
FORT MONROE VIRGINIA 23651-1047

REPLY TO
ATTENTION OF

ATCS

20 MAR 2002

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Civilian Incentive Awards

1. References:

a. AR 672-20, 29 Jan 99.

b. TRADOC Supplement 1 to AR 672-20, 10 Aug 99.

2. Memorandum provides guidance pending publishing of change to TRADOC Supplement 1 to AR 672-20.

3. People are an organization's most valuable asset. Recognition is important to motivate our civilian workforce, encourage high levels of performance, and foster mission achievements, which support the goals and objectives of the organization. Supervisors need to ensure the appropriate, effective, and consistent use of the various types of incentive awards.

4. Effective use of incentive awards requires consideration of the nature of the contribution and the interest of the employee. In addition to monetary awards, there are honorary, time off, and other methods to reward employee's efforts and contributions that can serve as a motivator to the recipient and other employees. The overall objective should be to encourage and enhance performance across the entire organization, as well as recognize individual performance. Supervisors should attempt to recognize all outstanding performance. Care must also be taken not to create the perception that only a select few can receive such recognition.

5. Funds for monetary awards are included in the civilian pay program of each organization. Up to 1.5 percent of each annual approved civilian pay program may be used for awards.

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6. Specific guidance enclosed.

FOR THE COMMANDER:

Encl

LARRY R. JORDAN
Lieutenant General, U.S. Army
Deputy Commanding General/
Chief of Staff

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INCENTIVE AWARDS FOR CIVILIAN EMPLOYEES
DEPUTY COMMANDING GENERAL/CHIEF OF STAFF GUIDANCE

1. **Performance Awards.** Performance awards are used to recognize high-level performance and are awarded at the end of the appraisal cycle. Award recommendations should be consistent with the justification supporting an employee's most recent performance appraisal. Performance awards include cash awards, time off, and quality step increases (QSI). Performance cash awards are computed as a percentage of pay. Normally, the maximum amount of any individual award will be 3 percent of employee's base pay. Time-off awards for employees may be granted up to 40-hours and may be awarded alone or in combination with a performance cash award. QSIs should be awarded to employees only in cases where the employee's job performance has consistently been of the highest level. Performance awards are not to be viewed as an expected form of annual compensation and should only be awarded in cases where an employee's performance merits a performance award.

2. **Monetary Recognition.** In addition to Performance cash awards and quality step increases, other forms of monetary recognition include Special Act or Service Awards and On-the-Spot Awards. Depending on the achievement being recognized, the amount of the Special Act or Service Awards is determined by using the cash award criteria for tangible and intangible benefits listed in Tables 7-1 and 7-2 of AR 672-20. On-the-spot awards can range from $50-$500 and can be used to recognize individual superior accomplishments meriting immediate recognition.

3. **Time-off Awards and Honorary Recognition.** Both forms of recognition can be geared to the level of achievement and are encouraged for use as a meaningful form of rewarding employees. Employee's current leave situation should be considered when deciding the appropriateness of a time-off award. Honorary awards include the Achievement Medal for Civilian Service, Commander's Award for Civilian Service, and Superior Civilian Service Award which provide the basis for the higher level Meritorious Civilian Service and Decoration for Exceptional Civilian Service Awards.

4. **Equitable Distribution of Awards.** Equity is implicit to the value of awards. If not, awards may lose meaning or have a negative impact on morale if outstanding performance is not recognized but average performance is rewarded. In the distribution of awards, supervisors must also consider equitable and proportionate recognition of their subordinates including supervisors, action officers, technical specialists, and administrative/support personnel. Managers must ensure that the principles of EEO are followed during the award nomination and approval process to avoid the appearance of favoritism or discrimination. In addition, staff principals should ensure that all personnel within their organization understand that awards recognize significant contributions.

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