

# **CHAPTER 11**

## **INCENTIVE AWARDS**

NOTE: This chapter should be read in conjunction with local activity instructions and with any negotiated agreements between your activity and an exclusively recognized labor organization. Contract language will generally take precedence over conflicting provisions in this manual. Areas of uncertainty should be discussed with the Human Resources Office.

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## MONETARY AND HONORARY AWARDS



### 1. PURPOSE

The purpose of the Incentive Award Program is to promote productivity by recognizing and rewarding individual employees, and groups of employees, for contributions above and beyond the expected job performance. Awards may be monetary or honorary.

### 2. DEFINITIONS

#### **ACTIVITY**

A field installation, headquarters command or office.

#### **AWARD**

Recognition for individual or team achievement that contributes to meeting organizational goals or improving the efficiency, effectiveness, and economy of the Government or is otherwise in the public interest. Such awards include, but are not limited to, employee incentives which are based on predetermined criteria such as productivity standards, performance goals, measurement systems, award formulas, or payout schedules. (5 CFR 451.102 and DoD 1400.25-M, Subchapter 451, C.1.)

#### **CONTRIBUTION**

An accomplishment achieved through an individual, group, or team effort, which contributes to the efficiency, economy, cost avoidance or other beneficial impact to the general workplace, public welfare or the overall DON mission.

#### **INITIAL AWARD**

An initial form of recognition for a suggestion or invention that may be followed by other forms of recognition at a later date. These awards can be monetary or non-monetary.

#### **INTANGIBLE BENEFIT**

Savings to the Government where specific monetary savings cannot be determined or there are intangible benefits in addition to specific monetary savings and will be evaluated using the scale of award amounts based on intangible benefits, Appendix 11B. Examples of results leading to intangible benefits are improvements in safety, fleet readiness or reliability. (DoD 1400.25-M, Subchapter 451, C.7.)

#### **MONETARY AWARD**

An award in which the recognition device is a cash payment that does not increase the employee's rate of basic pay. (DoD 1400.25-M, Subchapter 451, C.3.)

#### **NON-MONETARY AWARD**

An award in which the recognition device is not a cash payment or time-off but is an award of a honorific value, e.g. a letter, certificate, medal, plaque or item of nominal value. (DoD 1400.25-M, Subchapter 451, C.4.)

#### **RATING OF RECORD**

The performance rating prepared at the end of an appraisal period for performance over the entire period including the assignment of a summary level. The rating of record is the official rating used for pay, performance award, and retention purposes. (5 CFR 430.203, DOD 1400.25-M, Subchapter 430, Appendix A, C.13.; and Guidance on Implementing Performance Management Programs in the DON, Guide No. 430-01)

## **TANGIBLE BENEFIT**

Savings to the Government that can be measured in terms of dollars and will be evaluated using the scale of award amounts based on tangible benefits, Appendix 11B.

## **TIME-OFF AWARD**

An award in which time-off from duty is granted without loss of pay or charge to leave and for which the number of hours granted is commensurate with the employee's contribution or accomplishment. (DoD 1400.25-M, Subchapter 451, C.5.)

### **3. APPROVAL AUTHORITY**

Activity heads have the authority to approve individual cash awards up to \$5,000, group awards up to \$10,000 and Meritorious Civilian Service Awards. Type Commanders may approve individual cash awards up to \$7,500, group awards up to \$10,000, and Meritorious and Superior Civilian Service Awards. Some activity heads have delegated their authority to approve incentive awards to Activity Head Designees as listed in Appendix 11A. **Check with your HRO office for specific command policy.**



### **4. TYPES OF AWARDS**

#### **a. Special Act Award**

- 1) Used to recognize a group or individual effort, which goes beyond expected job performance and to recognize exemplary work efforts.
- 2) Examples
  - Overcoming unusual difficulties
  - Performance of assigned duties with special effort or special innovation that results in significant increase in productivity, economy, or other highly desirable benefits
  - Exemplary or courageous handling of an emergency situation related to official employment.
  - Elimination of fraud, waste, and abuse
- 3) The award amount is based on tangible or intangible benefits or a combination of the two.

#### **4) Nomination Procedures**

Supervisors and Managers may recommend employees for Special Act Awards by completing a Recommendation for Special Act or Service Award form (Appendix 11B), including a short narrative description of the achievement. The recommendation should be submitted within 60 days after the act that warrants recognition along with appropriate Request for Personnel Action (RPA).

### b. Individual Cash Awards

- 1) Supervisors and employees are faced with ever-increased workload demands due to changing priorities, technological breakthroughs and generally a need to get more done with less. Employees often aid in these efforts by taking on extra projects or proposing new ideas, which result in an immediate benefit to the office's or shop's ability to get the job done. To recognize an extra work effort made by an employee, activities are authorized to approve an Individual Cash Award. More than one employee may be recognized for similar work, but each must be submitted individually, not as a group.

#### 2) Nomination Procedures

- a) Supervisors and managers may nominate by providing a brief, specific statement of achievement (as little as one or two sentences).
- b) An Individual Cash Award range is \$25 to \$750 per award **or as otherwise specified in local instruction.**
- c) There is no limit to the number of Individual Cash Awards an individual may receive in any given period. In addition, the receipt of an Individual Cash Award does not preclude an employee from receiving other forms of honorary or monetary recognition.
- d) Although an Individual Cash Award implies immediate recognition and receipt of an award check, servicing payroll offices treat these awards as they do other awards. Payments for Individual Cash Awards are made electronically the pay period following receipt of the RPA initiating the award.

### c. Time-Off Awards

- 1) Granted to employees for contributions to a product, activity, program, or service to the public.
- 2) The Time-Off Awards scale is provided in Appendix 11C. Time-Off Awards may be granted in installments of up to 40 hours. Full-time employees may earn no more than 80 hours in a leave year. A part-time employee may be granted no more than the average number of hours worked during a biweekly pay period in a leave year as a Time-Off Award. For example, an employee with a part-time tour of 32 hours a week may accrue no more than 64 hours in a leave year, with a single award maximum of 32 hours.

#### 3) Nomination Procedures

- a) Time-Off Award recommendations must be reviewed and approved by an agency official at a higher level than the supervisor or manager recommending the award, except that a supervisor may grant a Time-Off Award without further review for periods not to exceed one work day. This will allow for timely recognition of an employee's contribution of moderate scope.
- b) A Time-Off Award must be recommended and justified in writing. Award justification is provided on the RPA at the time of initiation of the RPA.

### 4) Scheduling and Use of Time-Off Awards

- a) Time-Off Awards must be used within one year of the effective date. A Time-Off Award not taken during the one-year period will be forfeited and may not be restored.
- b) Time-Off Awards do not convert to cash under any circumstances.
- c) To use the Time-Off Award, employees will submit an OPM-71, Application of Leave, to their immediate supervisor. The supervisor will approve or disapprove the request. When physical incapacitation for duty occurs during the Time-Off Award period, Sick Leave may be granted for the period of incapacitation.

#### d. Honorary Navy Awards

- 1) Honorary awards may or may not involve monetary recognition.
- 2) Certificates/letters of appreciation/commendation, the Navy Award of Merit for Group Achievement, and Navy Meritorious Civilian Service Awards may be approved locally.
- 3) Nominations for these awards may be submitted at any time. HRO will provide information on honorary awards sponsored by higher authorities or private organizations as announcements are received.
- 4) Some of the most common honorary awards are listed below:

##### a) Navy Distinguished Civilian Service Award

This is the highest honorary award the Secretary of the Navy may confer upon a civilian employee of the Navy. It is given very selectively to employees who have distinguished themselves by extraordinary service or contributions of major significance to the Navy. The achievement or service must be truly exceptional even among outstanding accomplishments and when measured against the job responsibility of the individual being recommended for the award. Copies of this award should be provided to the HRO. This award is approved by the Secretary of the Navy.

##### b) Navy Superior Civilian Service Award

This award is approved at the headquarters command level for individual employees to recognize superior civilian service or a contribution, which has resulted in exceptional values and/or benefits to DON. This is the second highest honorary award for civilian employees within the Navy. The award recognizes employee contributions which, though exceptionally high in value, are not of sufficient significance to warrant consideration for the Navy Distinguished Civilian Service Award. Nominations are made by the activity level and forwarded to the headquarters command. Copies of award nominations should be forwarded to HRO.

##### c) Navy Meritorious Civilian Service Award

Activity heads grant this award to individual employees to recognize meritorious civilian service or a contribution, which has resulted in high values and/or benefits to the Department of the Navy. This is the third highest honorary award under the Navy Civilian Incentive Awards Program. To provide monetary recognition with this award, use the award format provided in Appendix 11B. Copies of Meritorious Civilian Service Awards nominations should be provided to HRO.

e. **Local Honorary Awards**

Local honorary awards such as letters of commendation or appreciation, Employee-of-the-Quarter program, certificates, or emblems may be given at the activity's discretion. When non-monetary awards are given as part of a special program (safety program, for example), they should carry the program insignia. In selecting an object to be used for a non-monetary award, activities should take care that the object is modest in cost and has no significant utilitarian value.

f. **Career Service Awards**

Federal career service recognition awards are granted to Navy civilian employees to recognize 10, 15, 20, 25, 30, 35, 40 and 50 years of federal service. This service may include honorable military service and civilian service with any agency of the Government. Lapel emblems are presented for 10 through 50 years of service. A certificate signed by the Secretary of the Navy will accompany lapel emblems for 40 years and above.

g. **Non-Navy Awards**

- 1) There are a number of non-Navy awards for which DON employees may be nominated in competition. These include cash and/or honorary awards granted by other Government departments and agencies, and those granted by private organizations or institutions for outstanding service and achievements by Government employees.
- 2) Contact your local HRO for additional information on these awards. These awards include the following:
  - DOD Distinguished Civilian Service Awards
  - Arthur S. Flemming Award
  - National Civil Service League Career Service Awards
  - William A. Jump Memorial Award
  - Roger W. Jones Award for Executive Leadership
  - Donald L. Scantlebury Memorial Award
  - GEICO Awards for Public Service

## 5. RESPONSIBILITIES



a. **Activity Head Designee**

- Ensure that adequate funding is available to pay incentive awards.
- Review and approve suggestion awards, Individual Cash Awards, Special Act Awards, and various honorary awards.

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### **b. Management Officials**

- Endorse and forward award recommendations to the Activity Head Designee within 60 calendar days following the period of recognition or implementation of a suggestion.
- Designate an Awards Coordinator as necessary to serve as the liaison on all incentive awards matters.

### **c. Awards Coordinator**

- Arrange for presentation of department awards consistent with activity/department policy including preparation of certificates, letters of commendation and appreciation, and biographical histories, scheduling presentation, and publicity.
- Act as liaison between the department and HRO concerning awards processing.

### **d. Supervisors**

Recommend employees for Individual Cash Awards, Special Act Awards, suggestion awards, and other various honorary awards (Check command policy if applicable).

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### APPENDIX 11A DELEGATED APPROVING AUTHORITY FOR INCENTIVE AWARDS

UIC	ACTIVITY	DELEGATED APPROVING AUTHORITY
31379	Afloat Training Group - PNW DET (AFLOAT Training)	Commanding Officer/Executive Officer
0751A	ASTC NHOH Whidbey	Commanding Officer/Executive Officer
55627	Attack Wing, US Pacific Fleet, Whidbey	Commanding Officer/Executive Officer
39075	Branch Dental Clinic, Whidbey Island	Department Heads
68095	Branch Medical Clinic Everett	Officer in Charge
53885	Commander Submarine Group 9	Commanding Officer/Executive Officer
68742	Commander, Navy Region Northwest	Chief of Staff/Assistant Chief of Staff/ Program Manager/Board of Directors <b>See command policy.</b>
64272	Department of Naval Science, California Maritime Academy, Vallejo, CA	Commanding Officer/Executive Officer
44255	Engineering Field Activity Northwest	Department Heads
00406	Fleet and Industrial Supply Center, Puget Sound	Department Heads
0345A	Fleet Aviation Specialized Operational Training Group, Pacific Fleet Detachment, Whidbey Island	Commanding Officer/Executive Officer
57094	Fleet Imaging Center	Commanding Officer/Executive Officer
00621	Naval Air Reserve, Whidbey Island	Commanding Officer/Executive Officer
00620	Naval Air Station, Whidbey Island	Commanding Officer/Executive Officer
30525	Naval Brig/CCU Puget Sound (Correctional Custody Unit)	Commanding Officer/Executive Officer
00886	Naval Communications Station Stockton	Commanding Officer/Executive Officer
68660	Naval Computer and Telecommunications Station, Puget Sound	Department Heads
68443	Naval Dental Center, Bremerton	Department Heads
68322	Naval Education and Training Professional Development Technology Center	Department Heads
68844	Naval Facility Whidbey Island	Commanding Officer/Executive Officer
66097	Naval Hospital Whidbey Island	Commanding Officer/Executive Officer
68095	Naval Hospital, Bremerton	Department Heads
56639	Naval Inactive Ships	Officer in Charge
68438	Naval Intermediate Maintenance Facility, Pacific Northwest	Department Heads
46796	Naval Legal Service Office DET Bangor	Officer in Charge

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<b>UIC</b>	<b>ACTIVITY</b>	<b>DELEGATED APPROVING AUTHORITY</b>
35502	Naval Legal Service Office DET Whidbey	Officer in Charge
68372	Naval Legal Service Office Detachment Everett	Officer in Charge
35969	Naval Legal Service Office, Northwest - Bremerton	Officer in Charge
48537	Naval Magazine Indian Island	Commanding Officer/Executive Officer/ Department Head
63408	Naval Material Transportation Office, Travis AFB, CA	Officer in Charge
65907	Naval Oceanography Command Detachment, Whidbey Island	Commanding Officer/Executive Officer
68660	Naval Radio Station, Jim Creek, Arlington, WA	Commanding Officer/Executive Officer
68328	Naval Readiness Command, Region 222	Commanding Officer/Executive Officer
32416	Naval Station Bremerton	Commanding Officer/Executive Officer
68967	Naval Station Everett	Commanding Officer/Executive Officer
68436	Naval Submarine Base, Bangor	Commanding Officer/Executive Officer
47243	Naval Surface Group, Pacific Northwest	Commanding Officer/Executive Officer
00253	Naval Undersea Warfare Center, Keyport	Department Heads
62989	Navy Disease Vector Ecology and Control Center	Department Heads
65538	Navy Sea Logistics Center Concord	Department Heads
46815	Northwest Region Maintenance Center	Officer in Charge
63213	NROTC, University of California, Berkley	Commanding Officer/Executive Officer
63232	NROTC, University of Washington, Seattle	Commanding Officer/Executive Officer
55165	Patrol Wing Ten, US Pacific Fleet	Commanding Officer/Executive Officer
00441	Priority Material Office	Department Heads
00251	Puget Sound Naval Shipyard	Department Heads
63402	Strategic Weapons Facility Pacific	Department Heads
62678	Supervisor of Shipbuilding, Virginia	Department Heads
62799	Supervisory of Shipbuilding, Conversion and Repair USN Puget Sound	Department Heads
31537	Trial Services Office, West - Bremerton	Officer in Charge
31539	Trial Services Office, West - Everett	Officer in Charge
68437	Trident Training Facility	Department Heads



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### b. **Examples**

- Performance which has involved overcoming unusual difficulties
- Creative effort that makes important contributions to science or research
- Performance of assigned duties with special effort or special innovation that results in significant increases in productivity, economy, or other highly desirable benefits
- Exemplary or courageous handling of an emergency situation related to official employment.

### c. **The amount of the award**

- 1) Determined by using Department of Navy's Tangible Awards Scale and/or Intangible Awards Scale.

#### **2) Group award**

Will be distributed equally to all members unless the contribution made by members of the group varies. In this case, the recommending official should specify what member(s) of the group is to receive a larger percentage.

- 3) Depending upon the value of the contribution, **Commanding Officers may authorize a maximum of \$5,000**. Awards exceeding \$5,000 must be submitted to a higher authority for approval.
- 4) **SA awards** may be initiated at anytime but usually within 60 days after the contribution.
- 5) There is **no minimum length of time or restrictions on job movement** in order for an employee(s) to be eligible for this type of award.

## **3. ESTIMATE OF BENEFITS**

### a. **Instructions**

- SA Awards are to be based on the tangible and/or intangible benefits attributable to the employee's contribution.
- If, as a result of the employee's efforts, tangible savings are realized, the work sheet in paragraph b should be completed.
- If the benefits are strictly intangible, use the table in paragraph c as a guide.
- Where the contribution results in both tangible and intangible benefits, an award shall be based upon a combined total derived for the use of both parts.

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b. **Tangible Benefits**

In determining savings, only savings involving labor, materials, or costs of service are included. The accelerated labor rate will be used when computing savings involving labor. Contact your Comptroller for instructions on accelerating the labor rate.

<b>TANGIBLE BENEFITS WORKSHEET</b>							
<b>ITEM</b>	<b>LABOR</b>			<b>MATERIAL</b>			<b>TOTAL (Labor and Materials)</b>
	<b>MAN-HRS PER</b>	<b>DOLLARS PER</b>	<b>TOTAL</b>	<b>UNITS PER</b>	<b>COST PER UNIT</b>	<b>TOTAL</b>	
<b>FORMER METHOD</b>		\$	\$		\$	\$	\$
<b>NEW METHOD</b>		\$	\$		\$	\$	\$
<b>SAVINGS</b>		\$	\$		\$	\$	\$

<b>TANGIBLE AWARDS SCALE</b>	
<b>ESTIMATED FIRST YEAR BENEFITS</b>	<b>AMOUNT OF AWARD</b>
\$10,000 or less	10% of Benefits
\$10,001-\$100,000	\$1,000 for first \$10,000 plus 3% to 10% of benefits over \$10,000
Over \$100,000	\$3,700 to \$10,000 for first \$100,000 plus 0.5% to 1.0% of benefits over \$100,000

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### c. Intangible Benefits

For amounts based on intangible benefits, an award range is determined based on the **VALUE OF BENEFIT** and the **EXTENT OF APPLICATION**.

Contributions, recognized by cash awards based on intangible benefits, must be comparable in value to the Government as those based on tangible benefits.

VALUE OF BENEFIT	EXTENT OF APPLICATION			
	AFFECT ON FUNCTIONS, MISSIONS, OR PERSONNEL			
	<u>LIMITED</u>	One shop or office of the activity.		
	<u>EXTENDED</u>	Entire activity or other activities in the local area.		
	<u>BROAD</u>	Entire regional area or major activity—may be applicable to all of an independent agency.		
	<u>GENERAL</u>	Several regional areas or commands, or an entire department or large independent agency or is in the public interest throughout the nation or beyond.		
	LIMITED	EXTENDED	BROAD	GENERAL
<p><b>MODERATE VALUE</b></p> <ul style="list-style-type: none"> <li>Change or modification of an operating principle or procedure, which has moderate, value sufficient to meet the minimum standard for a cash award.</li> <li>Rather limited improvement to the value of a product, activity, program or service to the public.</li> </ul>	\$25-\$500	\$501-\$750	\$751-\$1000	\$1001-\$1500
<p><b>SUBSTANTIAL VALUE</b></p> <ul style="list-style-type: none"> <li>Substantial change or modification of an operating principle or procedure.</li> <li>An important improvement to the value of a product, activity, program, or service to the public.</li> </ul>	\$501-\$750	\$751-\$1000	\$1001-\$1500	\$1501-\$3150
<p><b>HIGH VALUE</b></p> <ul style="list-style-type: none"> <li>Complete revision of a basic principle or procedure.</li> <li>A highly significant improvement to the value of a product, activity, program or service to the public.</li> </ul>	\$751-\$1000	\$1001-\$1500	\$1501-\$3150	\$3150-\$6300
<p><b>EXCEPTIONAL VALUE</b></p> <ul style="list-style-type: none"> <li>Initiation of a new principle or procedure.</li> <li>A Superior improvement to the quality of a critical product, activity, program, or service to the public.</li> </ul>	\$1001-\$1500	\$1501-\$3150	\$3150-\$6300	\$6301-\$10,000

**APPENDIX 11C  
TIME-OFF AWARDS SCALE FOR A SINGLE CONTRIBUTION**

<b>TIME-OFF AWARDS SCALE FOR A SINGLE CONTRIBUTION</b>	
<b>VALUE TO ORGANIZATION</b>	<b>NUMBER OF HOURS</b>
<b>MODERATE</b> <ul style="list-style-type: none"><li>• A contribution to a product, activity, program, or service to the public, which is of sufficient value to merit formal recognition.</li><li>• Beneficial change or modification of operating principles or procedures.</li></ul>	1 to10
<b>SUBSTANTIAL</b> <ul style="list-style-type: none"><li>• An important contribution to the value of a product, activity, program, or service to the public.</li><li>• Significant change or modification of operating principles or procedures.</li></ul>	11-20
<b>HIGH</b> <ul style="list-style-type: none"><li>• A highly significant contribution to the value of a product, activity, program, or service to the public.</li><li>• Complete revision of operating principles or procedures, with considerable impact.</li></ul>	21-30
<b>EXCEPTIONAL</b> <ul style="list-style-type: none"><li>• A superior contribution to the quality of a critical product, activity, program, or service to the public.</li><li>• Initiation of a new principle or major procedure, with significant impact.</li></ul>	31-40

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