

## U.S. NUCLEAR REGULATORY COMMISSION MANAGEMENT DIRECTIVE (MD)

MD 10.72      AWARDS AND RECOGNITION		DT-17-204
<i>Volume 10, Part 3:</i>	Personnel Management Performance Appraisals, Awards, and Training	
<i>Approved By:</i>	Miriam L. Cohen Chief Human Capital Officer	
<i>Date Approved:</i>	September 3, 2013	
<i>Cert. Date:</i>	N/A, for the latest version of any NRC directive or handbook, see the <a href="#">online MD Catalog</a> .	
<i>Issuing Office:</i>	Office of the Chief Human Capital Officer Human Resources Policy and Programs Team	
<i>Contact:</i>	Alison Tallarico 301-287-0740	Servicing Human Resources Specialist (names and phone numbers are listed <a href="#">here</a> )
<b>EXECUTIVE SUMMARY</b>  Directive and Handbook 10.72 are being revised to reflect the following: <ul style="list-style-type: none"> <li>• Clarification of eligibility requirements for NRC Distinguished and Meritorious Service Awards;</li> <li>• Clarification that awards for special act or services are meant to recognize specific, nonrating-based performance achievements;</li> <li>• Changes to the recommending and deciding officials in Exhibit 1; and</li> <li>• Organizational name change to the Office of the Chief Human Capital Officer.</li> </ul>		

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## I. POLICY

It is the policy of the U.S. Nuclear Regulatory Commission to recognize and reward the individual or group achievements of its employees who, in connection with or related to official employment, contribute to meeting organizational goals or improving the efficiency, effectiveness, and economy of the agency and/or the Government, or that are otherwise in the public interest.

## II. OBJECTIVES

- Improve agency and Government efficiency, economy, and effectiveness; support and enhance NRC and national goals; and obtain maximum benefits for the Government.
- Express appreciation for the contributions that benefit the agency.
- Motivate employees to increase the quality, productivity, and creativity of their work.
- Motivate employees to improve agency operations.
- Provide an incentive for excellence.
- Celebrate individual and organizational successes.
- Reinforce not only NRC's core values but also its safety culture.
- Ensure that performance awards granted based on ratings of record make meaningful distinctions based on levels of performance. This will ensure the integrity of rating-based cash awards.

## III. ORGANIZATIONAL RESPONSIBILITIES AND DELEGATIONS OF AUTHORITY

### A. Chairman

1. Provides personal leadership to the Awards and Recognition Program.
2. Approves awards for employees of the Chairman's immediate staff as well as other awards as indicated in Exhibit 1 of this handbook.

3. Approves exceptions to award scales and to the provisions of this directive for employees under the jurisdiction of the Chairman, the Commissioners, and Commission staff offices.
4. Submits award recommendations that are in excess of \$10,000, up to \$25,000, for individuals, or individuals as part of a group, to the Office of Personnel Management (OPM) for approval and in excess of \$25,000 for individuals, or individuals as part of a group, to OPM for Presidential approval.
5. Appoints the Senior Performance Official(s).

**B. Commissioners**

Approve awards as indicated in Exhibit 1 of this handbook.

**C. Executive Director for Operations (EDO)**

1. Approves awards as indicated in Exhibit 1 of this handbook
2. Approves exceptions to the provisions of this directive and to the award scales set forth in Exhibits 2 and 3 of this handbook.

**D. Inspector General (IG)**

1. Approves awards for employees of the Office of the Inspector General (OIG) as indicated in Exhibit 1 of this handbook, as well as other awards in accordance with the awards policies and procedures outlined in the "OIG Employee Recognition and Awards Program" guidance.
2. Approves exceptions to the provisions of this directive and the awards scales set forth in Exhibits 2 and 3 of this handbook.
3. Establishes and maintains a system for funding and allocating funds or other appropriate recordkeeping procedures relating to incentive awards that are approved by the Inspector General.

**E. Office of the Chief Financial Officer (OCFO)**

1. Establishes and maintains systems and associated payroll, attendance, or other appropriate recordkeeping procedures related to the Awards and Recognition Program.
2. Ensures that proper payment is issued promptly for approved cash awards.
3. Allocates funds to office directors and regional administrators for incentive awards.
4. Establishes procedures to ensure that funds are certified available before incentive awards are issued.

**F. Chief Human Capital Officer (CHCO)**

1. Manages the agency's Awards and Recognition Program.
2. Ensures that personnel resources are available for the coordination of the awards ceremony to be held annually at headquarters.

3. Provides for technical review of and concurrence on proposed awards, as appropriate.
4. Submits an annual report to OPM on program activities and expenditures for the fiscal year.
5. Periodically evaluates the program and prepares reports, as required.
6. Provides appropriate information about the program to supervisors and other employees.

#### **G. Senior Performance Officials (SPOs)**

Provides oversight of and guidelines for performance evaluation and awards for Senior Executive Service members.

#### **H. Office Directors and Regional Administrators**

1. Recommend and/or approve awards as indicated in Exhibit 1 of this handbook.
2. Provide program support and active management participation in the activities of the Awards and Recognition Program, as appropriate.
3. Manage the distribution of awards within the funding provided for awards.

#### **I. Managers and Supervisors**

Recommend and/or approve awards as indicated in Exhibit 1 of this handbook.

#### **J. Employees**

Recommend employees for awards such as Employee of the Month or similar peer-recognized award programs, and actively disseminate information about vacancies and encourage individuals with needed skills to apply.

### **IV. APPLICABILITY**

#### **A. All NRC Employees**

The policy and guidance in Management Directive 10.72 apply to all NRC employees, except where specifically excluded.

#### **B. Administrative Law Judges, Experts, Consultants**

The policy and guidance with regard to time off from duty do not apply to Administrative Law Judges, experts, or consultants who are excluded by regulation, or Administrative Judges who are excluded by agency policy.

### **V. HANDBOOK**

Handbook 10.72 contains the program requirements and practices to award and recognize NRC employees.

## VI. REFERENCES

### ***Code of Federal Regulations***

Title 5, "Administrative Personnel"—

Part 451, "Awards."

Part 531, "Pay Under the General Schedule."

Part 534, "Pay Under Other Systems."

### ***Nuclear Regulatory Commission Documents***

"Collective Bargaining Agreement Between U.S. Nuclear Regulatory Commission and National Treasury Employees Union," November 1, 2009, at <http://www.internal.nrc.gov/HR/pdf/cba-110109.pdf>.

Management Directive—

10.67, "General Grade Performance Management System."

10.137, "Senior Executive Service Performance Management System."

10.145, "Senior Level System."

10.148, "Senior Level Performance Appraisal System,"

14.1, "Official Temporary Duty Travel."

OCHCO Web site, General Procedural Guidance for Awards and Recognition: <http://www.internal.nrc.gov/HR/award-guidance.html>.

"Supervisory Performance Appraisal Chain," at <http://www.internal.nrc.gov/HR/ses/perf-appraisal-chain.pdf>.

### ***United States Code***

Atomic Energy Act of 1954, as amended (42 U.S.C. 2011 et seq.).

Awards for Superior Accomplishments (5 U.S.C. Chapter 45, Subchapter I).

Employment of Relatives; Restrictions (5 U.S.C. Section 3110).

Energy Reorganization Act of 1974, as amended (42 U.S.C. 5801 et seq.).

Federal Employees Pay Comparability Act of 1990 (5 U.S.C. 5301 note).

Inspector General Act of 1978, as amended (5 U.S.C. Appendix 3).

Performance Awards in the Senior Executive Service (5 U.S.C. Section 5384).

Prohibition on Cash Awards to Certain Federal Officers (Pub. L. 103-425, 108 Stat. 4369).

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### EXECUTIVE SUMMARY

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- Clarification that awards for special act or services are meant to recognize specific, nonrating-based performance achievements;
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## **I. GENERAL INFORMATION**

### **A. Use of the Awards and Recognition Program**

1. The U.S. Nuclear Regulatory Commission encourages supervisors at all levels to use the Awards and Recognition Program to motivate employees to make full use of their talents, skills, and ideas to improve the efficiency, economy, and effectiveness of Government operations. Supervisors should do the following:
  - (a) Encourage, recognize, and reward employees for excellence in performing their work; for their outstanding contributions toward achieving NRC and Government goals; and for making exceptional improvements in the quality, productivity, and economy of NRC operations.
  - (b) Use management reviews and productivity measurement processes, when available, to identify and reward or recognize those who have exemplified NRC core values and contributed to organizational excellence, creativity, and improvements.
  - (c) Weigh all aspects of an employee's relevant background, including past recognition, when considering employees for merit selection (e.g., promotion, career reassignment, etc.).
  - (d) Take appropriate precautions to avoid the premature release of information on award nominations and to protect personal information.
2. Consistent with applicable law and regulation, NRC may grant a cash, honorary, or informal recognition award, or a time-off-from-duty award without charge to leave or loss of pay. Such recognition may be given to individuals or members of a group or team on the basis of—
  - (a) A suggestion, invention, superior accomplishment, or other personal effort that contributes to the efficiency, economy, or other improvement of Government operations or achieves a significant reduction in paperwork;
  - (b) A special act or service in the public interest in connection with or related to official employment; or
  - (c) Performance as reflected in the employee's most recent rating of record.
3. Awards, with the exception of High Quality Increases and time off, may be granted to former employees and the legal heirs or estates of deceased employees for efforts or contributions made or performed before their death or separation. The term "employee" as used in Management Directive (MD) 10.72 refers to current and former employees, including those deceased, with the two exceptions noted.
4. Where provisions of the "Collective Bargaining Agreement Between U.S. Nuclear Regulatory Commission and National Treasury Employees Union" are in conflict with MD 10.72, the provisions of the agreement govern with reference to bargaining unit employees.



**B. Funding**

1. Agency-level and Governmentwide recognition, including Presidential Rank Awards, NRC Distinguished Service and Meritorious Service Awards, suggestion, gainsharing, referral, and Senior Executive Service (SES)/Senior Level System (SLS) performance awards, will be funded centrally by NRC. Special act or service, nonmonetary and informal recognition, and General Grade (GG) performance awards will be funded by individual offices. The Office of the Inspector General (OIG) employee awards, as listed in Exhibit 1, are funded by OIG. Additional information on gainsharing can be found in Section V.E of this handbook.
2. A cash award is a lump-sum payment in addition to regular pay and does not increase an employee's rate of basic pay. It is expressed as a gross rather than net amount and is subject to tax withholding but is not subject to health or life insurance or retirement deductions. A cash award is not creditable for inclusion in the average pay computation for retirement benefits.
3. When an award is approved for an employee of another agency, the benefitting agency makes arrangements to transfer funds to the employing agency to cover the cost of the award. If the administrative costs of transferring funds would exceed the amount of the award, the employing agency may absorb the cost and pay the award.
4. Awards for time off cannot be converted to cash payments under any circumstances.
5. When performance awards are expressed as a percentage of basic pay, they are based on the rate of basic pay, including locality-based comparability payments, special law enforcement, or special rates.
6. The total of an employee's basic salary, performance award, and rank stipend received in any calendar year may not exceed the annual rate of pay for Executive Level I. For SES employees, the total may not exceed the Vice President level if the SES performance appraisal system has been certified by the Office of Personnel Management (OPM). If the SES performance appraisal system has not been certified by OPM, the cap is Executive Level I. The Chair of the NRC Executive Resources Board (ERB), after consultation with the Chief Financial Officer (CFO), recommends annually to the Commission the total dollar amount to be budgeted for SES performance awards. Up to 10 percent of the total SES payroll as of the end of the preceding fiscal year may be budgeted for performance awards. This limitation does not apply to SES rank awards. Consistent with OPM guidance, OIG budgets for its own SES performance awards.

**C. Appeals and Grievances**

1. Employees may not appeal or grieve a decision to not grant an award or the amount of an award. However, this restriction does not affect any employee right or remedy under the provisions of the Office of the Special Counsel (appointed by the President), rights and duties of labor organizations, or equal employment opportunity rights and remedies.
2. If NRC does not adopt an employee's suggestion, rejection may not be the subject of a grievance under NRC employee grievance procedures.

**D. Annual Awards Ceremony**

The Office of the Chief Human Capital Officer (OCHCO) coordinates an awards ceremony to be held annually at NRC headquarters to present awards and to publicize contributions recognized under the NRC Awards and Recognition Program.

**E. General Procedural Guidance for Awards and Recognition**

Please refer to OCHCO's intranet site for General Procedural Guidance for Awards and Recognition, at <http://www.internal.nrc.gov/HR/award-guidance.html>, for all types of awards included in this handbook.

**II. AGENCY-LEVEL AND GOVERNMENTWIDE RECOGNITION****A. Presidential Executive Rank Awards****1. Types****(a) The Presidential Rank Award of Distinguished Executive**

- (i) The Presidential Rank Award of Distinguished Executive is granted for sustained extraordinary accomplishment.
- (ii) The evaluation criteria focus on the executive's leadership in producing results.
- (iii) The amount of the Distinguished Executive Award is equal to 35 percent of the recipient executive's annual salary.

**(b) The Presidential Rank Award of Meritorious Executive**

- (i) The Presidential Rank Award of Meritorious Executive is granted for sustained accomplishment.
- (ii) The evaluation criteria also focus on the executive's leadership in producing results.
- (iii) The amount of the Meritorious Executive Award is equal to 20 percent of the recipient executive's annual salary.

**2. Eligibility**

- (a) All NRC SES career appointees are eligible for consideration for rank awards if they are on the NRC rolls as career SES employees by the deadline for submission of nominations.
- (b) The performance for which a nomination is submitted will have been sustained over a minimum period of at least 3 years. Preferably, the nominee's performance over an even longer period should be taken into account. Performance must have been at the SES or equivalent level in the career or career-type Federal civilian service.
- (c) The minimum 3-year period that is the basis for recognition must have been as a career appointee in the SES, or constitute equivalent Federal civilian service,

such as Senior Foreign Service or administratively determined executive classifications.

- (d) A former SES career appointee who received appointment to an Executive Level position in the executive branch and met the criteria for eligibility to retain certain SES benefits also may be eligible for a rank award, so long as the executive elected to retain that benefit and also meets the other criteria for nomination.
- (e) A reemployed annuitant who holds a career SES appointment is eligible as long as the individual meets the other criteria for nomination. However, careful consideration will be given as to whether the nomination is in the best interests of NRC's SES program because of the very limited number of awards that can be made.
- (f) An individual who leaves the SES or who dies after being nominated but before receiving the award remains eligible unless NRC withdraws the nomination.

### 3. Limitations

- (a) To provide for progression in awarding ranks, nominees for the Distinguished Executive Rank Award usually would have received the Meritorious Executive Rank Award in a previous year. However, at any time, it may be appropriate to confer the Distinguished Executive Rank Award without regard to progression when only the highest rank would serve as fitting recognition.
- (b) Any individual who receives a rank of either Meritorious Executive or Distinguished Executive will not be entitled to receive that same award during the following 4 fiscal years. There is no prohibition, however, against receiving one rank award, then the other, at a closer interval.

### 4. Criteria

- (a) A nominee must have demonstrated sustained extraordinary accomplishment for the Distinguished Executive Rank Award and sustained accomplishment for the Meritorious Executive Rank Award. Specific nomination criteria are described in the call for nominations that is issued annually. Please see OCHCO's General Procedural Guidance for Awards and Recognition for the most recent criteria issued.
- (b) In meeting the criteria and in all other areas cited in support of the nomination, it must be clear that the nominee has demonstrated qualities of strength, leadership, integrity, industry, and personal conduct that have established and maintained a high degree of public confidence and trust. These are not awards to recognize long and faithful service.

### 5. Award Payment

- (a) Subject to aggregate pay limitations, recipients of a Distinguished Executive Rank Award may receive up to 35 percent of their salary and recipients of a Meritorious Executive Rank Award may receive up to 20 percent of their salary.

- (b) Any portion of the award that would cause total compensation to exceed the aggregate pay limitation can be deferred for payment during the following calendar year.

## **B. NRC's Distinguished Service Award**

The Commission grants NRC's highest award for an individual on a highly selective basis for distinguished service and excellent achievements.

### **1. The NRC's Distinguished Service Award consists of—**

- (a) A citation;
- (b) A certificate signed by the Commissioners;
- (c) A gold medal inscribed with the recipient's name;
- (d) A lapel ornament which is a miniature of the gold medal;
- (e) \$10,000 for recipients who are not Senior Level System (SLS) Commissioner Assistants or members of the SES; and
- (f) SLS Commissioner Assistants/SES members receive a lapel ornament, a gold medal, and a citation or scroll signed by the Commissioners.

### **2. Eligibility**

- (a) All employees are eligible to receive the NRC's Distinguished Service Award. However, an individual may receive the Distinguished Service Award only once in their career, unless the previous award was received more than 10 years earlier, and the employee's performance warrants additional recognition.
- (b) Employees nominated but not selected for this award may be considered for the NRC Meritorious Service Award, if appropriate.
- (c) The occasion of an employee's retirement, transfer, or long periods of service do not constitute sufficient basis for this award.

### **3. Criteria**

This award is granted to an employee who has made unique or notable contributions that clearly distinguish job performance and achievements from those of other highly qualified competent employees in the same areas of work activity, with performance that exceeds the requirements for the Meritorious Service Award. Examples of these contributions include—

- (a) Outstanding activities in direction, leadership, or skill in devising or implementing the operation of a basic NRC program;
- (b) Outstanding service and activities in a scientific or technical field contributing to the advancement of nuclear regulatory safety and/or engineering;
- (c) Outstanding activities in nontechnical staff functions that provide a major contribution to the management, guidance, and support of NRC operational programs; and

- (d) Unique and/or notably creative service that is marked by exceptional success in meeting high-level responsibilities in a manner to reflect credit on NRC.

#### 4. Nomination Procedures

- (a) The Chief Human Capital Officer, in consultation with the Chairman and the Executive Director for Operations (EDO), will coordinate the annual nomination and selection process.
- (b) Nominations are reviewed and approved in accordance with Exhibit 1 of this handbook.

### C. NRC's Meritorious Service Award

NRC's second highest award for an individual is granted for meritorious and outstanding achievements or services of an unusual value that substantially contribute to the accomplishment of NRC's mission or assigned major work programs. Such achievements must have agencywide significance.

#### 1. The NRC's Meritorious Service Award consists of the following:

- (a) A citation;
- (b) A certificate signed by the Commissioners;
- (c) A silver medal inscribed with the recipient's name;
- (d) A lapel ornament which is a miniature of the silver medal; and
- (e) \$7,500 for recipients who are not SLS Commissioner Assistants or members of the SES.

#### 2. Eligibility

All employees are eligible. However, an employee may receive the Meritorious Service Award only once in his or her career, unless the previous award was received more than 10 years earlier, and the employee's performance warrants additional recognition.

#### 3. Criteria

The following are examples of achievements that should be considered for recognition:

- (a) Outstanding results in increased productivity, efficiency, or economy of operations substantially contributing to the accomplishment of NRC programs and mission;
- (b) Unusual initiative or teamwork in developing new and improved work methods and procedures that result in substantial savings in staffing, time, space, materials, and other expense items;
- (c) Performing assigned tasks in such an exemplary manner as to set a record of achievement that will inspire and motivate other employees to improve the quality and quantity of work productivity;

(d) Unusual professional achievements in work advancing an understanding and/or participation in issuing licenses or environment and security requirements that regulate the conditions under which nuclear energy or source material is used and safeguarding the public's health and safety; and

(e) Exercising unusual courage or competence while on official duty.

4. Nomination Procedures

(a) The Chief Human Capital Officer, in consultation with the Chairman and the EDO, coordinates the annual nomination and selection process.

(b) Nominations are reviewed and approved in accordance with Exhibit 1 of this handbook.

**D. NRC's Meritorious Service Award for Equal Employment Opportunity (EEO) Excellence**

An annual Meritorious Award for Equal Employment Opportunity (EEO) Excellence will be awarded to recognize exemplary performance in the implementation of the NRC's EEO program. All NRC employees who have helped advance equal employment opportunity in the agency are eligible to receive this award, including managers, supervisors, EEO committee members, and EEO counselors.

1. The NRC's Meritorious Service Award for Equal Employment Opportunity Excellence consists of the following:

(a) A citation and certificate signed by the Commissioners,

(b) A silver medal inscribed with the recipient's name,

(c) A lapel ornament that is a miniature of the silver medal, and

(d) \$7,500 for recipients who are not SLS Commissioner Assistants or members of the SES.

2. Nomination Procedures

(a) Solicitation for this award will be consistent with the solicitation for other meritorious awards and will include input from the EEO Advisory Committees.

(b) Nominations for the award should be provided through the EDO to the Commission.

(c) The Commission will make the final selection based upon recommendations provided by the staff.

**E. NRC's Edward McGaffigan, Jr. Public Service Award**

The Edward McGaffigan, Jr. Public Service Award is an honorary one-time career tribute given to NRC employees or retirees who demonstrate extraordinary commitment to public service and who exemplify the integrity, professional dedication, and moral courage that Commissioner McGaffigan exhibited. The award will be considered

annually but granted only when warranted by a nominee who meets the requirements for this award.

1. Eligibility

All NRC employees and retirees are eligible.

2. Criteria

This award seeks to recognize, encourage, and perpetuate the qualities and attributes associated with dedication to public service, including putting interests of the nation and health and safety of the public above a desire for personal advantage; pursuing and advancing sound public policy; and being an advocate for and having the moral courage to bring about change. Nominations will be evaluated on the basis of the totality of their careers in public service.

3. Nomination Procedures

- (a) Nomination packages consist of a cover letter, nominating form, justification, and letters of endorsement. Packages should be submitted to OCHCO during the month of September. A special selection committee will review nominations and submit its recommendations to the Commission. Please refer to OCHCO's General Procedural Guidance for Awards and Recognition for additional instructions.

- (b) Nominations and approvals will be made in accordance with the information provided in Exhibit 1 of this handbook.

4. Award

The Edward McGaffigan, Jr. Public Service Award consists of a crystal obelisk engraved with the likeness of Commissioner McGaffigan and the recipient's name on the front. The obelisk will be accompanied by a citation signed by the current Chairman and Commissioners. The obelisk and citation will be presented in a ceremony befitting an award of this magnitude.

## **F. NRC's Commendation Award**

This prestigious NRC honorary award is granted to individuals or groups for significant acts or achievements that materially aid or affect the successful accomplishment of NRC missions and programs. To be considered for this award, the employee's or employees' performance would exceed the requirements for recognition by a Certificate of Appreciation.

1. Eligibility

All employees are eligible.

2. Criteria

Examples of service or contributions that may be considered for recognition are—

- (a) Accomplishment of a particularly difficult or important project, assignment, operation, or study that reflects positively on the group or individual contributor, as well as the agency;

- (b) Outstanding success in working in support of programs to advance the licensing and regulatory aspects of the agency's mission leading to improved safety and safeguards, while upgrading the level of health and safety operations;
- (c) Superior accomplishment in fostering agency programs leading to improved efficiency, productivity, and administrative operations; or
- (d) Demonstration of unusual initiative or creativity in the development and improvement of methods, procedures, or devices resulting in substantial improvement in economy of operations.

### 3. Nomination Procedures

- (a) Nominations may be received at any time.
- (b) Nominations and approvals will be made in accordance with the information provided in Exhibit 1 of this handbook.

### 4. Award

The NRC Commendation Award consists of a certificate containing the citation and a lapel pin. Letters from other officials also may be presented.

## **G. NRC's Length-of-Service Recognition**

### 1. Eligibility

NRC length-of-service emblems are presented to employees, excluding consultants, in recognition of total creditable Federal service at 5-year increments beginning at the completion of 10 years of service.

### 2. Nomination

Employees who are eligible for career service recognition are identified by the employee's total creditable service anniversary date. Total creditable service is all creditable Federal service, including honorable military service.

### 3. Award

OCHCO, OIG, or the regional personnel officer will prepare length-of-service certificates. The appropriate office will present the certificates, letters, and plaques for its employees.

## **H. NRC's Retirement Recognition**

### 1. Plaque and Letter

A plaque reflecting the employee's name and years of Federal service is presented to all employees retiring from Federal service, along with a letter from the Chairman, the Inspector General, the EDO, the office director, or the regional administrator, as appropriate.

### 2. Pin

Employees will be issued a service pin based on the highest number of years of service, provided that the pin has not been issued previously.



**I. Awards From Outside NRC**

Each year NRC is invited to submit candidates for various awards made by both private entities and Government agencies. Please see OCHCO's General Procedural Guidance for Awards and Recognition for more information. OIG submits candidates for outside awards for OIG employees.

**III. PERFORMANCE AWARDS****A. Senior Executive Service (SES) Performance Awards (Bonuses)**

Performance or bonus awards are granted in recognition of high caliber work performed over the annual rating period. Bonuses cannot be substituted for Executive Rank Awards. Further information on eligibility, limitations, and procedures regarding SES performance awards may be found in MD 10.137, "Senior Executive Service Performance Management System."

**B. Senior Level System (SLS) Performance Awards****1. Eligibility**

Within-band pay adjustments and performance-based cash awards are directly linked to performance for SLS employees based on a threshold eligibility of a performance rating of Fully Successful. Time-off awards also may be granted in lieu of, or in addition to, cash.

**2. Limitations**

- (a) It is not expected that every SLS employee will receive a performance-based increase each year. These increases are not employee entitlements and should be provided only for those employees whose performance warrants a performance-based increase, just as performance-based bonuses are awarded in the SES.
- (b) If an SLS employee moves from one band to another during the appraisal period and the supervisor recommends recognition of the employee's performance in the previous (lower) band, a one-time cash award would generally be appropriate rather than a performance-based increase to base pay.
- (c) A performance-based increase to base pay should be considered if performance in the new position warrants and the individual has been in the position for at least 120 days before the end of the appraisal period. A performance-based increase to basic pay cannot exceed the top of the pay band to which the position is assigned.
- (d) Individual adjustments to base pay that are based on performance can be made only once for each appraisal period.
- (e) SLS employees may receive a within-band increase of normally 3 percent to 5 percent.
- (f) Further information on SLS performance awards may be found in MD 10.148, "Senior Level Performance Appraisal System," Part III.

**C. General Grade (GG) Performance Awards**

Performance awards, also referred to as “rating based” awards, are lump-sum payments and/or time-off awards based on the employee’s rating of record for the current appraisal period. Managers and supervisors may consider individual employee preferences as well as budget and workload in determining the type of award (i.e., cash or time-off).

**1. Eligibility**

- (a) Employees whose current rating of record is Fully Successful or higher may be considered for performance awards.
- (b) No employee who has received a High Quality Increase (HQI) Award may receive another performance award for the same period of performance.

**2. Criteria**

- (a) When considering employees for performance awards, the supervisor will consider employees rated Outstanding before considering those rated Excellent. The supervisor will consider those rated Excellent before considering those rated Fully Successful.
- (b) Managers should ensure that performance awards granted based on ratings of record make meaningful distinctions based on levels of performance.
- (c) There will be no automatic or mandatory awards solely on the basis of ratings.
  - (i) Awards are a prerogative of management.
  - (ii) Factors such as recency of promotion and availability of funds also may affect award decisions.
  - (iii) Award recommendations should be submitted at the same time that the rating of record is determined.
    - The rating will serve as sufficient justification for the award.
    - When the rating of record is more than 90 calendar days old, a written justification explaining the reason for the delay must accompany the recommendation.

**D. High Quality Increase (HQI) Award**

An HQI is an increase in an employee’s rate of basic pay from one rate of the grade to the next higher rate of the same grade. It immediately raises the employee’s basic rate of pay one step and has possible continuing benefits affecting life insurance and retirement computations.

**1. Eligibility**

- (a) HQIs may be granted only to employees on the General Salary Schedule who are covered by the GG performance appraisal system.
- (b) SES, SLS, Wage Grade, and Administratively Determined employees are not eligible.

- (c) There are no automatic HQI awards solely on the basis of performance ratings.
  - (d) An employee may be considered for an HQI if the employee meets the following criteria:
    - (i) The employee's performance is rated Outstanding;
    - (ii) The employee's performance has been sustained at a high level for a sufficient time so that it is considered characteristic (not less than 6 months); and
    - (iii) The employee is expected to continue such performance in the future.
  - (e) HQIs may not be granted to an employee in any of the following situations:
    - (i) The employee is in the maximum step of any grade;
    - (ii) The employee is not expected to remain for at least 60 days in the same or similar position at the same grade level, the employee has been promoted recently, or a promotion is imminent;
    - (iii) The employee's primary responsibility during the year was participation in a formal training program, such as the Nuclear Safety Professional Development Program;
    - (iv) The employee was granted an HQI in the prior 52-week period; or
    - (v) The employee was granted a performance award for the same period of performance.
  - (f) An HQI may not be granted to resolve personnel problems.
2. Criteria
- (a) A recommendation for an HQI must be supported by the employee's most recent rating of record. In addition, when the appraisal is more than 90 days old, a written justification explaining the reason for the delay must accompany the recommendation.
  - (b) Generally, no more than 90 calendar days should elapse from the time of the recommendation until the award is granted, unless to do so would be a disadvantage to the employee in that the HQI would cause the employee to be placed in a higher waiting period for the next within-grade increase (WGI). If the employee would be disadvantaged, it is acceptable to delay processing of the HQI until after the WGI to take advantage of his or her placement in the waiting period for the next WGI.

#### **IV. SPECIAL RECOGNITION AWARDS**

##### **A. Awards for Special Acts or Services**

###### **1. When Special Acts or Services Awards are Appropriate**

- (a) Special acts or services awards, also referred to as "nonrating based" awards, are appropriate when an employee or a group of employees—

- (i) Performs substantially beyond expectations on a specific assignment or aspect of an assignment or function;
  - (ii) Has a single scientific achievement, invention, act of heroism, or similar one-time special service; or
  - (iii) Has an achievement of a nonrecurring nature, either within or outside of job responsibilities.
- (b) An award based on a special act or service may consist of either a lump-sum cash award and/or a time-off award.
- (c) Managers may consider individual employee preferences as well as budget and workload in determining the nature of the award.

## 2. Eligibility

All employees or groups of employees are eligible to receive this award. This includes SES and SLS employees.

## 3. Limitations on SES Special Act or Service Awards

- (a) For SES members, this award should be considered only under those limited circumstances in which a bonus would not be appropriate. A job-related superior accomplishment award may be used to recognize a nonrecurring contribution, such as an extraordinary effort on a project not anticipated in the annual performance plan or a scientific achievement that may have culminated after a significant period.
- (b) NRC is prohibited from using this award to circumvent either statutory or regulatory provisions concerning the following:
- (i) Limitations on eligibility for SES performance bonuses;
  - (ii) The size of individual performance bonuses; or
  - (iii) The total amount of funds available to pay SES performance bonuses.

## 4. Criteria

- (a) Awards for special acts or services provide a prompt form of recognition and reward for specific, nonrating-based performance achievements that contribute to the economy and efficiency of Government operations or directly increase effectiveness in carrying out Government programs or missions.
- (b) Awards must be for individual or team accomplishments that are clearly superior and beyond those normally expected.
- (c) The amount of the cash or time-off award must be commensurate to the tangible or intangible benefits of the employee's or the group's contribution or achievement.
- (d) Achievements may range from "going the extra mile" to significant contributions to science, engineering, management, or other areas of operations. The following are examples of such achievements:

- (i) Producing exceptionally high quality work under tight deadlines;
- (ii) Performing added or emergency assignments in addition to their regular duties;
- (iii) Showing exceptional courtesy or responsiveness in dealing with clients or colleagues;
- (iv) Exercising extraordinary initiative and creativity to address a critical need or a difficult problem or improve a product, activity, program, or service;
- (v) Culminating a scientific achievement or developing an invention;
- (vi) Engaging in an act of heroism;
- (vii) Demonstrating special initiative and skill in carrying out a project or completing an assignment before deadline; and
- (viii) Making suggestions or taking actions that improve protection of public health and safety and the environment.

#### **B. Employee-of-the-Month Award**

NRC offices and regions may choose to recognize one employee each month for outstanding contributions or achievements under the special act award category. The employee so honored should be identified in the office awards event. Exhibit 4 contains guidelines on the amounts of awards.

#### **C. Instant Cash Awards**

NRC no longer maintains separate procedures and forms for processing special act or service awards formerly categorized as Instant Cash Awards, which were previously utilized to quickly recognize one-time and short-term efforts by employees that resulted in service of an exceptionally high quality or quantity. However, NRC continues to emphasize the importance of providing immediate recognition for a job well done, and supervisors are strongly encouraged to nominate employees for special act or service awards for this purpose.

### **V. OTHER AWARDS AND PROGRAMS**

#### **A. Time-Off Awards**

##### **1. General**

- (a) Time-off awards, alone or in combination with cash, are an alternative to lump-sum cash awards.
- (b) Time-off awards are granted without loss of pay or charge to leave.
- (c) Time-off awards do not convert to a cash payment under any circumstances.
- (d) Time-off awards carry no time limitations as to when they must be used.
- (e) Time-off awards cannot be transferred when an employee transfers from one Federal agency to another, or when an employee is assigned out of a covered position.

## 2. Eligibility

Any employee or group of employees having a full- or part-time work schedule may be eligible for time-off awards, except the following:

- (a) Administrative Law Judges,
- (b) Experts or consultants, who are excluded by regulation, or
- (c) Administrative Judges, who are excluded by agency policy.

## 3. Criteria

- (a) These awards are appropriate to recognize achievements in performance or special acts/services.
- (b) To the extent practical, managers should initiate the type of award that the individual employee is most likely to welcome and view as a meaningful incentive.
- (c) When determining whether a particular award should take the form of lump-sum cash or time off, managers may consider the following:
  - (i) An employee's general preferences,
  - (ii) The nature of the contribution,
  - (iii) The budget,
  - (iv) The workload, and
  - (v) Time off that is already available to the employee.

## 4. Limitations

- (a) Time-off awards are not to be used to circumvent statutory limitations placed on the granting of performance awards for SES members.
- (b) An employee may generally not receive more than 80 hours of time off from duty for a single contribution, including Outstanding performance. The total amount of time that should be granted to an employee during any leave year is 80 hours.
- (c) When an employee receives a combination of time off and cash, the overall value of the award in its combined form should not exceed the value to the organization of the contribution recognized. Thus, the award should be commensurate with the contribution of the employee and must comply with any awards limitations.

## 5. Award

- (a) Use of time off granted is subject to approval by the employee's immediate supervisor. Scheduling should be handled similarly to scheduling annual leave.
- (b) To determine the amount of time off to be granted, the recommending official and the deciding official consider the benefits realized by the Government and/or NRC from the employee's contribution. Exhibits 2 and 4 of this handbook provide general guidelines on amounts. Approval authorities are reflected in Exhibit 1 of this handbook.

**B. NRC's Certificate of Appreciation**

1. This award is presented to an employee or group of employees who have performed an assignment particularly well but where the assignment and performance do not warrant a higher level award. This award also may be granted to an employee in recognition of exemplary service upon transfer or termination of service at the discretion of the Chairman, the EDO, an office director, or a regional administrator.
2. This award provides a certificate; it also may include a personalized letter to the recipient.

**C. Nonmonetary and Informal Recognition Awards**

Nonmonetary and informal recognition awards may be given to recognize significant individual or team contributions that would not merit formal recognition.

1. Eligibility

Any employee or group of employees may be eligible for a nonmonetary or informal recognition award.

2. Criteria

- (a) Informal recognition and nonmonetary items must not exceed nominal value. The value of the award should be commensurate with the contribution being recognized.
- (b) Nonmonetary awards should be items of nominal value that are customarily used or displayed in the workplace and, through suitable imprinting, are readily recognizable as an NRC award. Nonmonetary awards may include such items as appropriately inscribed coffee mugs, pens, flags, apparel, and desk sets, as well as commemorative medals and plaques.
- (c) Every item given in recognition reflects on the agency. It is therefore important to exercise care and good judgment in selecting items to be given as recognition. Items may be selected with preferences of the individual in mind but must preserve the integrity and credibility of the NRC awards program and constitute an appropriate form of recognition to be purchased with public funds and used in the public sector.

3. Limitations

Informal nonmonetary awards are not to be used as substitutes for performance awards for employees or to circumvent the statutory limitations placed on the granting of other types of awards.

**D. Suggestion Program**

The suggestion program is intended to recognize and reward employees, either individually or collectively, for suggestions that directly contribute to productivity, economy, or efficiency, or that directly increase effectiveness in carrying out NRC or Government programs.

**1. Eligibility**

An employee or group of employees may be eligible for an award if the suggestion is adopted in whole, in part, or in modified form.

**2. Criteria****(a) Suggestions Acceptable for Consideration**

- (i) A suggestion that duplicates an idea, method, or device used elsewhere is eligible if the suggestion was not used by the organization concerned until suggested by the employee.
- (ii) A suggestion that concerns a matter already under study or in developmental stages may be eligible for an award if the evaluator considers the suggestion to be a unique innovation.
- (iii) A suggestion within the employee's job responsibilities may be eligible for an award if—
  - The suggestion is superior or meritorious enough to warrant special recognition; and
  - The employee who made the suggestion does not have the authority to put the suggestion into effect.

**(b) Suggestions Not Acceptable for Consideration**

A suggestion that substantially duplicates the subject matter, procedure, or method of another suggestion previously approved, adopted, or being considered for adoption.

**E. Gainsharing Program**

- 1. Employees who obtain free airline tickets for official NRC travel by redeeming frequent flyer mileage credits are eligible to receive an award for 50 percent of the savings to the Government.
- 2. Gainsharing awards are subject to applicable income taxes and will be directly deposited to the same bank account that is used for the employee's pay.
- 3. A gainsharing award will not affect an employee's consideration for other agency incentive awards.
- 4. See MD 14.1, "Official Temporary Duty Travel."

**F. Referral Awards**

Referral awards are cash awards intended to serve as both incentives and recognition for NRC employees who actively disseminate information about vacancies and encourage individuals with needed skills to apply. Eligible employees may receive a \$1,000 referral award for referring a successful candidate who is hired into a covered position.



1. Eligibility

Employees are generally eligible unless they—

- (a) Have specific duties that include recruitment, such as Human Resources Specialists with recruiting responsibilities, or employees who serve as NRC representatives at recruitment events.
- (b) Are the selecting official, a rating panel member or officially associated with the selection of the individual.
- (c) Serve as a supervisor, member of the SES, or at the Executive Level.
- (d) Are related to the selectee. For the purposes of this handbook, “relative” will have the same meaning as provided in 5 U.S.C. 3110.

2. Successful Candidates

Candidates referred must be non-NRC employees who enter on duty with NRC.

3. Covered Position

Referral awards are provided for all NRC positions except the following:

- (a) Positions in student employment programs.
- (b) Temporary positions, which are time-limited appointments with not-to-exceed dates of 1 year or less. (“Term Appointments,” which are time-limited appointments having not-to-exceed dates exceeding 1 year, are considered “covered.”)
- (c) Positions with the Nuclear Safety Professional Development Program.
- (d) Executive Level and SES positions.

**EXHIBITS****Exhibit 1 Approval Authorities for Awards**

The Office of the Chief Human Capital Officer (OCHCO) provides technical advice on and review of all awards. The Office of the Inspector General (IG) provides technical advice on and review of Presidential Executive Rank Awards and NRC's Distinguished and Meritorious Service Awards for OIG employees.

<b>AWARD</b>	<b>NOMINATING OFFICIAL</b>	<b>RECOMMENDING OFFICIAL</b>	<b>DECIDING OFFICIAL</b>
<b>Presidential Executive Rank Awards</b>	Office Director or Regional Administrator, with Executive Resources Board (ERB), Performance Review Board (PRB), or Executive Director for Operations (EDO) review coordinated by OCHCO	Commission	Office of Personnel Management (OPM)/ President
<b>NRC's Distinguished and Meritorious Service Awards</b>	Office Director or Regional Administrator	Agency panel	Commission
<b>NRC's Edward McGaffigan, Jr. Public Service Award</b>	Any NRC Employee	Agency panel	Commission
<b>NRC's Commendation Award</b>	Supervisor	Office Director or Regional Administrator	Chairman or EDO
<b>NRC's Length of Service Recognition</b>	N/A	N/A	Chairman, IG, Commissioner, EDO, Office Director, or Regional Administrator, as appropriate

<b>EXHIBIT 1 (CONTINUED)</b>			
<b>AWARD</b>	<b>NOMINATING OFFICIAL</b>	<b>RECOMMENDING OFFICIAL</b>	<b>DECIDING OFFICIAL</b>
<b>NRC's Retirement Recognition</b>	N/A	N/A	Chairman, Commissioner, EDO, Office Director, or Regional Administrator, as appropriate
<b>Awards from outside NRC</b>	Office Director or Regional Administrator	EDO, IG, ERB, or Office Director reporting directly to the Chairman	EDO or Chairman*
<b>SES Performance Awards (Bonuses)</b>	Supervising Executive	NRC or IG SES Performance Review Board	Chairman, Commission, IG, or EDO, as appropriate**
<b>Senior Level System (SLS) Cash Awards***</b>	Commissioner or Supervising Executive	Performance Review Board; or IG Performance Review Board; Commissioner Assistants do not require panel review	Chairman, Commissioner, IG, or EDO, as appropriate
<b>GG cash awards up to and including \$6,000 for individuals or individual members of groups</b>	Supervisor	When required, normally the second-level supervisor	Chairman, Commissioner, IG, EDO, Office Director, Regional Administrator, or designee, as appropriate****

\* Chairman is deciding official for OIG employees.

\*\* For additional information, please reference the chart showing the "Supervisory Performance Appraisal Chain" at <http://www.internal.nrc.gov/HR/ses/perf-appraisal-chain.pdf>. The chart is available on the OCHCO Web site on the Senior Executive Service at <http://www.internal.nrc.gov/HR/ses.html>.

\*\*\* Includes special act or service awards and performance awards. Special act or service award limits are the same as those shown for GG cash awards below. Please note that only performance awards are reviewed by the PRB.

\*\*\*\* MD 10.67, "General Grade Performance Management System," provides that approval authority for performance awards may be delegated no lower than division directors or equivalent organization level.

<b>EXHIBIT 1 (CONTINUED)</b>			
<b>AWARD</b>	<b>NOMINATING OFFICIAL</b>	<b>RECOMMENDING OFFICIAL</b>	<b>DECIDING OFFICIAL</b>
<b>GG cash awards from \$6,001 up to and including \$10,000 for individuals or individual members of groups</b>	Supervisor	Office Director or Regional Administrator, or Deputy IG	Chairman, IG, Commissioner, or EDO
<b>Cash awards from \$10,001 up to and including \$25,000 for individuals or individual members of groups</b>	Supervisor, reviewed by Office Director or Regional Administrator	EDO, IG, or Office Director reporting directly to the Chairman	Chairman, with OPM concurrence
<b>Cash awards over \$25,000 for individuals or individual members of groups</b>	Supervisor, reviewed by Office Director or Regional Administrator	EDO, IG, or Office Director reporting directly to the Chairman	Chairman, with Presidential approval
<b>High Quality Increase</b>	Supervisor	N/A	Chairman, Commissioner, IG, EDO, Office Director, or Regional Administrator, as appropriate
<b>Time-off awards up to 80 hours for a single contribution; generally no more than 80 hours per leave year</b>	Supervisor	N/A	Chairman, Commissioner, IG, EDO, Office Director, or Regional Administrator, or designee, as appropriate

<b>EXHIBIT 1 (CONTINUED)</b>			
<b>AWARD</b>	<b>NOMINATING OFFICIAL</b>	<b>RECOMMENDING OFFICIAL</b>	<b>DECIDING OFFICIAL</b>
<b>Time-off Awards over 80 hours</b>	Supervisor	Office Director or Regional Administrator, Deputy IG	Chairman, IG, or EDO
<b>Certificate of Appreciation</b>	Supervisor	N/A	Chairman, Commissioner, IG, EDO, Office Director, or Regional Administrator, or designee, as appropriate
<b>Nonmonetary Award and Informal Recognition</b>	Supervisor	N/A	Chairman, Commissioner, IG, EDO, Office Director, Regional Administrator, or designee, as appropriate
<b>Suggestion</b>	Employee	Technical recommendation on adoption by official having jurisdiction over the function(s) to which the suggestion pertains	Chairman, Commissioner, EDO, Office Director or Regional Administrator, or designee, as appropriate, if adoption is recommended

**Exhibit 2      Scale for Performance Awards Other Than for Senior Executive Service/Senior Level System Members**

The availability of cash awards is subject to funding constraints.

<b>PERFORMANCE APPRAISAL SUMMARY RATING</b>	<b>AMOUNT OF CASH AWARD</b>
Outstanding	Up to 15% of base salary
Excellent	Up to 10% of base salary
Fully Successful	Up to 5% of base salary

Performance award percentages are based on the rate of basic pay including any locality-based comparability payment, interim geographic adjustment, or special law enforcement adjustment.

An employee may receive cash, a combination of cash and time off, or time off in recognition of exceptional performance. When an employee receives a combination of time off and cash, the overall value of the award in its combined form should not exceed the value to the organization of the contribution recognized. Thus, the award should be commensurate with the contribution of the employee and is subject to any limitations for awards.

Time-off awards cannot be converted to cash but the cash value should be considered when recognizing performance. For comparison purposes, a 40-hour time-off award represents about 2 percent of an employee's total salary (not including benefits), and a 1-day time-off award represents about .4 percent of the salary.

In determining the award amount, consideration should be given to the difficulty of the job, caliber of the performance plan, actual performance, recent promotions, equity in comparison to other awards, and relative cash value of the award.

Managers may consider an employee's general preferences as well as the nature of the contribution, budget, workload, and time off already available to an employee when determining whether a particular award should take the form of lump sum cash or time off. To the extent practical, managers should initiate the type of award that the individual employee is most likely to welcome and view as a meaningful incentive. The authority of office directors and regional administrators is limited to \$6,000 or 80 hours of time off. For amounts exceeding \$6,000 or 80 hours, see Exhibit 1 of this directive handbook.

**Exhibit 3      Award Scales for Suggestions and Special Acts or Services with Tangible Benefits**

<b>BENEFIT OF CONTRIBUTION TO THE AGENCY</b>	<b>AWARD</b>
Up to \$10,000	10% of benefit
\$10,001 to \$100,000	\$1,000 plus 3% of benefit in excess over \$10,000
\$100,001 or more	\$3,700 plus 1% of benefit in excess over \$100,000*

\* Awards exceeding \$10,000 up to \$25,000 require approval from the Office of Personnel Management. Awards exceeding \$25,000 require Presidential approval.

The minimum award for tangible benefits may be granted only when the benefits reach \$250.

When a contribution has both tangible and intangible benefits, the amount of the award is based on the total value of the contribution to the Government.

**Exhibit 4      Award Scales for Suggestions and Special Acts or Services with Intangible Benefits**

<b>NATURE AND IMPACT OF CONTRIBUTION OR BENEFIT</b>	<b>RECOMMENDED CASH AWARD</b>
One-time, short-term effort resulting in exceptional quality or productivity  or  Employee of the Month	Up to \$850
Substantial effort resulting in exercise of extraordinary initiative and creativity to address a critical need or a difficult problem, or to very significantly improve a product, activity, program, or service. Affects a broad area of science or technology or major NRC functions.	Up to \$5,000
Extended effort resulting in initiation of a new principle or a major procedure or in an innovative major improvement to the quality of a critical product, activity, program, or public service. Affects the broad NRC mission or improves the protection of public safety and the environment throughout the Nation and/or abroad.	Up to \$10,000

This exhibit serves as a general guide to help managers exercise their judgment and discretion.

When a contribution produces both tangible and intangible benefits, the award amount is based on the total value of the contribution to the Government.

Managers may consider an employee's general preferences as well as the nature of the contribution, budget, workload, and time off already available to an employee when determining whether a particular award should take the form of lump sum cash or time off. To the extent practical, managers should initiate the type of award that the individual employee is most likely to welcome and view as a meaningful incentive.

When an employee receives a combination of time off and cash, the combination should be commensurate with the contribution being recognized and any limitations for awards.

Time-off awards cannot be converted to cash but the cash value should be considered when recognizing the suggestion or special act or service. For example, an Employee of the Month Award of \$850 might correspond to about a 2-day time-off award.

Exceptions to the award scales must be approved by the Chairman or the Executive Director for Operations.