



United States Department of Agriculture

Departmental
Administration

Office of the
Assistant Secretary
for Administration

Office of Human
Resources
Management

1400 Independence
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Washington, DC
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DATE: July 15, 2022

TO: Mission Area Chief Operating Officers and Staff Office Equivalents
Mission Area Chief Human Capital Officers

FROM: Anita R. Adkins
Chief Human Capital Officer

SUBJECT: OHRM Advisory Quality Step Increase (QSI) Changes

Purpose:

The purpose of this advisory is to update the current language in Departmental Regulation (DR) [4040-430](#), *Employee Performance and Awards*. The updates impact Quality Step Increase (QSI) policy reducing the timeframe measuring performance, most recent performance appraisals, and length of time when another QSI may be awarded.

Background:

A QSI is an additional within-grade increase (WGI) used to recognize and reward General Schedule (GS) employees at any grade level who display outstanding performance. A QSI has the effect of moving an employee through the GS pay range faster than by periodic step increases alone. QSI's are reserved for the most exceptional levels of performance. No single accomplishment merits a QSI; they are granted only to those employees who have demonstrated sustained exceptional performance.

Because a QSI permanently increases the employee's salary, it continues to reward the employee's performance for the remainder of their career, and increases the Mission Area, Agency, or Staff Office's retirement costs and Thrift Savings Plan contributions. Prudence must therefore be exercised to ensure only top performers are recommended for this higher-level sustained performance recognition.

After review of [5 U.S.C. chapter 45](#), [5 CFR part 451](#), [DR 4040-430](#) and consideration of input from Mission Area, Agency, and Staff Offices, changes are being implemented to Quality Step Increase.

Changes:

Quality Step Increases are a rating-based award, as such, and to more align to USDA performance management cycle and Office of Personnel Management requirements, the following changes are effective immediately:

1. DR 4040-430 Para 6 d. (1) (a)

Current language:

QSI's are reserved for the most exceptional levels of performance. No single accomplishment merits a QSI. It may be granted only to those employees who have demonstrated sustained exceptional performance, commensurate with the classification of the employee's position, over at least an **18-month** period in the same grade and type of position.

Updated language:

QSI's are reserved for the most exceptional levels of performance. No single accomplishment merits a QSI. It may be granted only to those employees who have demonstrated sustained exceptional performance, commensurate with the classification of the employee's position, over at least a **12-month** period in the same grade and type of position.

2. DR 4040-430 Para 6 d. (1) (d)

Current language:

No more than 2% of a Mission Area, Agency, or Staff Office's permanent, non-executive employees may be granted a QSI each fiscal year, as identified by the effective date of the action.

Updated language:

Mission Area, Agency, or Staff Offices may award QSI's based on annual award funding authorization and limitations.

3. DR 4040-430 Para 6 d. (2) (d)

Current language:

Have performed in the same grade and type of position for at least **18 months** before the end of the appraisal cycle;

Updated language:

Have performed in the same grade and type of position for at least **12 months** before the end of the appraisal cycle;

4. DR 4040-430 Para 6 d. (2) (e)

Current language:

Have received a rating of record of at least Fully Successful for at least the **three most recent** performance years (or the **two most recent** performance years if the employee is new to the Federal government);

Updated language:

Have demonstrated sustained performance of high quality and have received a rating of record of at least Fully Successful for most recent performance year.

5. DR 4040-430 Para 6 d. (2) (i)

Current language:

Not have received a QSI within the previous **104 weeks**.

Updated language:

Not have received a QSI within the previous **52 weeks**.

6. DR 4040-430 Para 6 d. (3) (a)

Current language:

Mission Areas, Agencies, and Staff Offices will establish one or more review panels to evaluate QSI recommendations.

Updated language:

This requirement has been removed.

7. DR 4040-430 Para 6 d. (3) (b) 2

Current language:

The three most recent consecutive ratings of record, or two ratings of record if the employee is new to the Federal government.

Updated language:

The most recent rating of record.

8. DR 4040-430 Para 6 d. (4) (a)

Current language:

QSIs will be authorized no lower than the SES level, who will take into consideration, but will not be bound by, the recommendation of the review panel.

Updated language:

QSIs will be authorized no lower than the SES level.

If you have any questions about this memorandum, please contact Allen Hatcher, USDA Acting Deputy Chief Human Capital Officer, at Allen.Hatcher@usda.gov or (703) 457-7760, or Doug Lattimer, Senior Human Resources Specialist, Performance Management Policy, at Douglas.Lattimer@usda.gov or (202) 993-0136.

This HR Policy Advisory is effective upon receipt and remains in effect until it superseded or updated Department Regulation is published.