

Performance Management - Step Increases
Ref: OPM Performance-Management-FAQS

1. [Who can get a quality step increase?](#)

A quality step increase (QSI) is a pay feature of the General Schedule. A QSI can only be granted to an employee whose most recent rating of record is Level 5, or, if covered by an appraisal program that does not use a Level 5 summary, the employee receives a rating of record at the highest summary level used by the program and demonstrates sustained performance of high quality significantly above the Fully Successful level. Reference: 5 CFR 531

2. [Is a written justification required to grant a quality step increase to an employee covered by an appraisal program that doesn't use a Level 5 summary?](#)

While employees must receive a rating of record at the highest summary level used by the program and meet the agency-specified criteria for qualifying for a quality step increase, a separate written justification is not required. However, the Office of Personnel Management strongly encourages agencies to require some form of recorded justification, assuring compliance with agency-established criteria for quality step increase eligibility. This will enable the agency to show that the proposed recipient has performed at a truly exceptional level to justify a permanent increase in his or her rate of basic pay.

3. [Under an appraisal program with two summary levels \(Pass/Fail\), can an agency establish some criteria other than, or in addition to, the Level 3 \(Fully Successful or equivalent, e.g., pass\) rating of record for achieving an acceptable level of competence?](#)

No. Governmentwide regulations require a rating of record of at least Level 3 (Fully Successful or equivalent) as the basis for the acceptable level of competence determination. There is no provision to consider anything other than the rating of record.

4. [Can an agency delay a within-grade determination while an employee completes a performance improvement period \(PIP\) if no rating of record was given at the beginning of the PIP?](#)

No. The regulations specifically restrict the delay of a within-grade determination to two conditions. Permitting the delay of a within-grade determination for employees completing a PIP would give an unfair advantage to an employee whose performance has been determined to be unacceptable (a condition upon which the PIP is based) over employees whose most recent rating of record is Level 2 (marginal, minimally successful, etc.) and who are not eligible for a within-grade increase. There is no requirement to give an employee a rating of record before beginning a PIP. If a within-grade increase determination is due during an employee's PIP, the agency needs to make sure it reviews the employee's most recent rating of record and determines whether a new rating of record is needed to support the within-grade decision. If the last rating of record does not support a within-grade denial, a new rating of record must be given for that purpose. If the agency chooses to use the last rating of record of Level 3 (Fully Successful or equivalent) or better and grant the within-grade, they need to realize they are certifying the employee as performing at that level and jeopardizing any future performance-based action that might have been based on performance during that time period.

5. [When can an acceptable level of competence determination be delayed?](#)

An acceptable level of competence determination can be delayed for only two reasons:

- (1) When an employee has not had the minimum period of time to demonstrate acceptable performance on his or her elements and standards;
- (2) When an employee is reduced in grade because of unacceptable performance to a position in which he or she is eligible for a within-grade increase or will become eligible within the minimum appraisal period.