

Clarifications Regarding the National Performance Awards Agreement (NPAA)
between the

Internal Revenue Service and the National Treasury Employees Union

signed

September 26, 2001

Based on recommendations received from the Joint Performance Awards Committee (JPAC) the undersigned agree to the following:

Section I, Purpose.

1.1 Precedence of the National Performance Awards Agreement. The NPAA supersedes all provisions of all locally negotiated awards agreements. The operating, functional, and support division partnering councils are responsible for deciding how to handle awards ceremonies, certificates, and honorary recognition programs within their respective organizations.

Section II, Performance Award Funding.

2.1 The NPAA provides that performance awards based on appraisals due in FY-2002 are to be paid in September 2002. In order to prevent the duplicate payment of performance awards, if any FY-2002 performance award is improperly paid before September 2002, the amount of that award shall be deducted from any performance award that would otherwise have been payable to the employee in September 2002.

2.2 Discretionary (special act) awards may be granted to any bargaining unit member without respect to award pool assignment. These awards will be managed at the discretion of the division commissioners and heads of functional and support organizations. [Approved December 18, 2001.]

2.3 Bilingual awards (Article 18, Section 5, of the National Agreement) are funded from discretionary awards described in this Section.

2.4 Awards Granted Under Predecessor Agreements. Any award granted or adjusted (including adjustments made in connection with grievances) in accordance with a locally negotiated agreement for an appraisal that was due before FY-2002 shall be calculated under the provisions of the local agreement. [Revision of a clarification previously approved December 18, 2001.]

Section IV, Performance Award Eligibility.

4.1 Award Eligibility Effective Date, Award Pool Assignment, and Award Calculation Provisions. [Revision of a clarification previously approved December 18, 2001.]

A. To be eligible for a performance award, an employee's permanent position of record must be in the bargaining unit (BU) on June 30, 2002.

B. Award pool assignments and awards calculations will be based on an employee's current organizational assignment, position, and grade as recorded in the Treasury Integrated Management Information System (TIMIS) on June 29, 2002 with the following exception: award pool assignment and award calculations for an employee who is temporarily promoted to a non-bargaining unit position on June 29, 2002, will be based on the employee's permanent organizational assignment, position, and grade.

4.2 Award Prorating.

A. If an employee's permanent position of record is in the BU on June 30, 2002, and he or she meets all eligibility requirements for a performance award, time spent during the appraisal year in the situations described below shall be calculated for award prorating as indicated.

Action	Status
1 - Detail to NBU position (not otherwise recorded in TIMIS)	Creditable
2 - Part-time employment in BU position	Creditable
3 - Continuation of Pay (Workers' Compensation)	Creditable
4 - Military Leave	Creditable
5 - Data Transcriber not eligible for incentive pay	Creditable
6 - Nonpay Status, or	Not Creditable
7 - Leave Without Pay, or	Not Creditable
8 - Temporary or permanent reassignment, promotion, or change to lower grade to a NBU position, or	Not Creditable
9 - Temporary or permanent reassignment, promotion, or change to lower grade to a position outside of IRS, or	Not Creditable
10 - Data Transcriber eligible for incentive pay	Not Creditable

B. For the purpose of implementing the prorating formula described in Section IV of the NPAA, the basis will be a 12-month appraisal year, determined by the last digit of the employee's SSN as follows:

Last Digit of SSN Time Period for Prorating Purposes

- 0 10/01/2000 to 09/30/2001
- 1 11/01/2000 to 10/31/2001⁴
- 2 12/01/2000 to 11/30/2001
- 3 01/01/2001 to 12/31/2001
- 4 02/01/2001 to 01/31/2002
- 5 03/01/2001 to 02/28/2002
- 6 04/01/2001 to 03/31/2002
- 7 05/01/2001 to 04/30/2002
- 8 06/01/2001 to 05/31/2002
- 9 07/01/2001 to 06/30/2002

Example: If the last digit of an employee's SSN is "4" (the time period for prorating is February 1, 2001 to January 31, 2002) and he or she was temporarily promoted to a NBU position from January 14, 2001 through April 7, 2001, the period of February 1, 2001 through April 7, 2001, is not creditable for the prorating of a performance award under the NPAA.

Section V, Performance Award Participation Rates.

5.1 "Other" Occupational Category. Section V.a. of the NPAA is amended to provide that, if there are ten or less employees in a particular occupational category in any performance award pool described in Appendix A, those employees shall be included in the "Other" occupational category for that pool.

5.2 Tied Average Critical Job Element Scores. Section V.d. of the NPAA has been superseded by Article 18, Section 2 of the new National Agreement. In accordance with the National Agreement, all employees who are otherwise eligible for a monetary performance award, including those with tied average CJE scores, shall be granted the award.

Section VI, Performance Award Shares.

6.1 Calculation. Share values shall be calculated such that the dollar value of an individual share in each performance awards pool (as described in Appendix A of the NPAA) is identical for all qualifying employees, regardless of occupational category. Share values are determined by dividing the funds allocated to each award pool by the total number of individual shares earned by all eligible employees in that pool whose average CJE score is within the performance award participation rate.

6.2 Adjustment for Positions that are not in the General Schedule. If an eligible employee's position is not classified in the General Schedule (for example, Wage Grade positions) the following adjustment shall be made for the purpose of computing award shares:

- A. If the position is classified in grades 1 through 5, add two grades.
- B. If the position is classified in grades 6 through 10, add one grade.
- C. If the position is classified in grade 11 or higher there will be no adjustment.

Section VII, Performance Award Minimums and Maximums and Appendix B, Performance Award Ranges by Occupation.

7.1 Appendix B of the NPAA is amended as follows: The following uniform performance award minimums and maximums (which are subject to prorating under Section IV of the NPAA) shall apply to all occupational categories:

Minimum Performance Award: \$250 **Maximum Performance Award: \$2500**

Appendix A, Performance Award Pools.

A.1. The Small Business/Self-Employed Division award pool configuration has been clarified to include separate pools for Compliance Policy and Compliance Services (excluding Campus Operations).

Appendix B, Performance Award Ranges by Occupation. [Approved December 18, 2001.]

Occupational Categories. The categories include all employees assigned to the corresponding occupational series, regardless of organizational title. The occupational series and some examples of IRS organizational titles are:

Series	Occupational Category/ Classification Title	Examples of IRS Organizational Titles
GS -303	Miscellaneous Clerk and Assistant	Control/Deposit/Forms/Processing Clerk
GS -305	Mail and File Clerk	Mail/File Clerk
GS -318	Secretary	Secretary (Stenography), Secretary (Office Automation)
GS -334/2210	Computer Specialist/ Information Technology Specialist	Systems Programmer/Analyst, Data Base/Systems Administrator
GS -512	Internal Revenue Agent	Computer Audit Specialist, International Examiner, Area Coordinator, Financial Products Specialist
GS -526/598	Tax Specialist	Tax Compliance Officer, Tax Resolution Representative
GS -592	Tax Examiner	Tax Examining Clerk/Assistant, Restricted Interest/ Unpostables/Statutes/Correspondence Examiner
GS -962	Contact Representative	Customer Service Representative
GS -1169	Revenue Officer	Offer-in-Compromise Examining Officer, Settlement Offi Collection Fraud Referral Specialist
Other	All positions not identified above	

Other Clarifications.

Quality Step Increases (QSIs).

A. Management determinations regarding QSIs should be made and communicated to employees and QSIs shall be effected as soon as practicable after performance ratings have been assigned.

B. An employee who is granted a QSI will not be eligible for a performance award under the NPAA for the same rating period. Additionally, in accordance with the Memorandum of Understanding Between the Internal Revenue Service and the National Treasury Employees Union regarding IRS QSI Participation Rates, signed April 20, 2001, (see http://shr.web.irs.gov/pers/pm/QSI_Q&As.htm) a QSI or the alternative percentage of basic salary cash award shall not be granted to an employee who has received either a QSI or an alternative percentage of basic salary cash award within the preceding 104 consecutive weeks, unless the second QSI or percentage of salary award has been based on a significant change in the employee's duties or performance standards

C. An employee who elects the alternative percentage of basic salary cash award in lieu of a QSI provided under Article 18 of the applicable national labor agreement will be paid either that amount or the amount of a performance award, whichever is greater. This payment will be made at the time that performance awards are paid in September.

D. The JPAC has developed Form 9128 [7], FY 2002 Bargaining Unit Employee's Election Regarding a QSI, to monitor employee elections of percentage of salary awards in lieu of QSIs. Summary information on how elections have been exercised will be made available to the JPAC on a periodic basis for analysis and possible recommendation. [Approved December 18, 2001.]

E. Form 9128 has been revised to eliminate the requirement to forward a copy of the form to *Awards Hotline by e-mail. Each operating, functional, and support division is responsible for accumulating information regarding which employees have elected the percentage of salary award during FY-2002. The divisions may utilize the revised form to administer the program and maintain necessary statistics.

Time-off Awards. In order to provide the necessary lead-time for processing and calculation of time-off performance awards under the NPAA, managers shall determine which employees will be offered these awards and secure the employees' acceptance or declination by May 31, 2002.

The JPAC has developed Form 13261⁷, FY 2002 Bargaining Unit Employee Time-Off Award Election, for the purpose of recording these determinations. The original of the form shall be filed in the Employee Performance File and a copy shall be provided to the employee. The operating, functional, and support divisions will establish any necessary procedures for the routing and processing of additional copies of the form.

Effective Date for Crediting Award Points for Promotions and Other Competitive Actions. Monetary and time-off performance awards which are granted under the NPAA shall be creditable for promotions and other competitive actions (as described in the National Agreement) on October 1, 2002. QSIs and other creditable awards, such as special act awards, are creditable at the time granted.

For the Employer

/s/ R.Sanders 5-3-02

Ronald P. Sanders, IRS Date
Chief Human Resources Officer

For the Union

/s/ Michael B. Filler 5-8-02

Michael B. Filler, NTEU Date
Director of Negotiations

The last day of the pay period which ends before June 30, 2002.

Although part-time employment in a BU position is creditable, prorating shall apply if a part-time employee is in a non-creditable status (such as during a temporary promotion to a NBU position). These actions are not details.

This period shall be used for prorating whether or not the employee's appraisal period was extended in connection with the critical job element implementation.

On June 5, 2001, the U.S. Office of Personnel Management (OPM) announced a new position classification standard, Information Technology Specialist, GS-2210, which replaces the standard for Computer Specialist, GS-334. In accordance with OPM instructions, many IRS positions will be reclassified from GS-334 to GS-2210. However, for the purpose of administering the NPAA, positions in either of these series will be in one Computer/Information Technology Specialist occupational category. Reclassification from GS-334 to GS-2210 will not affect coverage under the NPAA.

The intent of these provisions is that an employee shall not receive either a QSI or an alternative percentage of salary award for consecutive appraisal periods. However, an employee with an "Outstanding" performance rating remains eligible for a performance award under the NPAA.

These provisions are applicable for FY-2002. Uniform, simplified procedures for recording QSI, percentage of salary, and time-off award information will be developed for implementation in FY-2003.