



DEPARTMENT OF THE NAVY FACT SHEET

Quality Step Increases (QSIs)

Quality Step Increases, or QSIs, are an additional step increase granted to an employee to recognize extraordinarily high-quality performance. A QSI is an important performance management tool for managers to use in recognizing and rewarding sustained excellent performance. As with all awards, however, managers must recognize the cost implications so that they can appropriately match the award to the performance and best use agency resources. This Fact Sheet provides basic information and considerations for when to grant QSIs to employees. The authority to grant QSIs is delegated through Echelon I and II Commands to the heads of lower-level DON activities. For additional guidance, particularly regarding the process and the level of approval required, speak with your Human Resources Office.

Eligibility

To be eligible for a QSI, an employee must:

- Currently be paid below step 10 of their classified grade;
- Have received the highest rating available under their performance management program;
- Have demonstrated sustained performance of high quality; and
- Not have received a QSI (or QSI equivalent under a personnel system other than the General Schedule) within the preceding 52 consecutive calendar weeks.

The “highest rating available” differs depending on the employee’s performance appraisal system. For example, an employee who received a rating under the National Security Personnel System (NSPS) must have received a Level 5 rating of record. An employee who received a rating under the Interim Performance Management System must have received at least a 2.5 average on the employee’s rewards scores.

If an employee has met all of the above-listed requirements, their supervisor may consider them for a QSI. However, employees who meet these requirements are not automatically granted QSIs. Management must consider other factors such as additional awards the employee has been granted, recent personnel actions such as reassignments and promotions, and any other aspects of the employee’s compensation profile.

Considerations

Since QSIs represent a faster-than-normal acceleration of an employee’s salary, careful consideration of long-term cost implications should be given to ensure that QSIs are granted only to a Command’s top performers. In granting a QSI, a manager should carefully consider pay equity and the compensation of similarly situated employees, as well as the total cost to the organization. A QSI represents a cost that will be incurred on an ongoing basis, in contrast to a one-time cash award. QSIs also increase retirement and Thrift Savings Plan expenses.

Additionally, managers should consider the timing of an employee’s next regularly scheduled Within-Grade Increase (WGI). If the QSI places the employee in step 4 or step 7 of their classified grade, granting a QSI immediately prior to when a regularly schedule WGI is due may adversely affect the employee.