

**FY 2007 PAY-FOR-PERFORMANCE (PFP)
EAS PAY RULES**

Prepared September 25, 2006

A. Overall Performance Ratings

Eligible EAS employees are measured under a 15-point performance evaluation system with number and adjective ratings as follows.

Overall Performance Rating	
Adjective Rating	Number Rating
Exceptional Contributor (EC)	13, 14, 15
High Contributor (HC)	10, 11, 12
Contributor (C)	4 to 9
Non Contributor (NC)	1, 2, 3

Another way of displaying these numeric and adjective performance ratings is shown below.

NC	C		HC	EC
3	6	9	12	15
2	5	8	11	14
1	4	7	10	13

B. Performance Pay Program

Since employee performance will be measured under a 15-point rating system, different pay increases are established at each of the 15-point ratings. Below are the pay increases associated with the fifteen (15) performance ratings.

NC	C		HC	EC
(3) 0.0%	(6) 3.50%	(9) 6.50%	(12) 9.50%	(15) 12.00%
(2) 0.0%	(5) 3.00%	(8) 5.75%	(11) 8.75%	(14) 11.00%
(1) 0.0%	(4) 2.50%	(7) 5.00%	(10) 8.00%	(13) 10.25%

Note: All percentages are paid as salary increases if room within the salary structure. If amount limited by the salary structure, balance of amount will be converted to a lump sum payment.

All PFP pay actions will be calculated automatically based on salary information available from the corporate payroll system and performance ratings provided under the web-based Performance Evaluation System. Deadlines will be published at the end of the fiscal year for completing the web-based Performance Evaluation System.

C. Eligibility

1. Career non-bargaining unit employees who are in an EAS position or A-E postmaster position on the last pay day of the fiscal year (September 30, 2007) are covered by the FY 2007 EAS Pay-for-Performance (PFP) program.
2. Employees who were on the rolls in good standing as of September 30, 2007 and separated before the effective date of the payment will receive the entire PFP payment in the form of a lump sum payment. Separated employees in good standing include retirements, voluntary separations, estates of deceased employees, and

other separation NOAs except those listed below. Separated employees rated "Non Contributor" or "Not Rated" or with separation NOA codes 310, 328, 329, or 346, will not be eligible for any PFP payment.

Separation NOA Codes Resulting in No PFP Payment	
310	Resignation - Charges Pending
328	Termination During Probation (Pre-appointment Condition)
329	Termination During Probation
346	Removal

Eligible employees who have separated before the effective date of the payment will have their PFP check sent to their employing office.

3. Certain EAS employees are not eligible for participation in the PFP program and will be bypassed by PFP processing programs:
 - Office of Inspector General.
 - Postal Rate Commission.
 - Judicial Office employees. However, Judicial Office employees not covered by specific federal salary statutes will be eligible for PFP.
 - Postal inspectors and certain forensics employees. However, forensic employees not in the ISLE schedule will be eligible for PFP.
 - Contract employees (e.g., contract doctors)
 - Employees of certain structured development programs including Management Interns, Professional Specialist Interns, and Professional Specialist Trainees. However, employees in Career Ladder programs and Management Progression Program for MDOs will be eligible for PFP. Professional Specialist Trainees who were assigned to the PST program prior to October 1, 2004 will continue to be eligible for the Pay-For-Performance program.
4. Eligibility is based on the employee's "position of record" as of September 30, 2007. An employee detailed to a higher level eligible EAS position from a lower level eligible EAS position will only receive the PFP payment based on the lower level position. An employee detailed to an eligible EAS position from an ineligible position is not eligible, even if that person had a Form 50 processed.
5. Bargaining unit employees detailed to a non-bargaining unit position (e.g., 204b) are not eligible for the PFP payment.

D. Calculations and Effective Date

1. EAS PFP payments will be calculated on the employee's basic salary as of September 30, 2007 applied within the parameters of the salary schedules in effect on the effective date of the payment.
2. Eligible employees who have separated before the effective date of the payment will have their PFP check sent to their employing office.
3. Full-time employees will have the PFP payment paid in the form of base salary increases if there is room within the salary grade range to provide a salary increase. Any PFP payments that would put an employee's salary over the salary maximum will be converted to a lump sum payment.
4. Part-time employees (primarily A-E postmasters) will have the PFP percentage applied to their hourly rate of pay if there is room within the grade range to provide a base rate increase. Any PFP percentage amount that would put an employee's base rate above the maximum will be converted to a lump sum payment. Lump sum payments for hourly rated employees are calculated by multiplying the September 30, 2007 hourly rate times the balance of the PFP percentage payment not already applied to the base rate times the part-time employees' limited tour hours.

5. Employees who have had a change in EAS grades during the period after September 30, 2007 and before the effective date of payment will not have a change in the calculation of their PFP award, EXCEPT if the new grade maximum is not large enough to accommodate the new salary. In that case, the salary increase will be reduced to fit within the employee's new grade maximum, and the lump sum will be increased by the same amount.
6. Employees who have been reassigned during the period after September 30, 2007 and before the effective date of payment from an eligible PFP position to a non-eligible position (e.g., structured development or bargaining unit position) will have the full PFP award paid as a lump sum.
7. Employees who have converted from full-time status to part-time status or vice versa during the fiscal year, or before the effective date of the payment, will have the PFP payment calculated on their status as of September 30, 2007. If the change in full-time or part-time status is accompanied with a change in grade level, rule #D5 above also applies.
8. EAS employees promoted into PCES executive positions on or before September 30, 2007 will be administered under the PCES pay program. EAS employees promoted into PCES executive positions during the period after September 30, 2007 and before the effective date of payment will receive the entire EAS PFP payment in the form of a lump sum payment.
9. PFP payments for employees with a "saved-grade" designation will be calculated on the saved grade, not the grade of the position to which assigned.
10. PFP payments for employees with all other rate retention policies (not saved-grade) are eligible for a lump sum payment based on the employee's salary.
11. Employees newly eligible to EAS during FY 2007 (e.g., spent time in a bargaining unit position) will have the PFP payment prorated to include only the number of pay periods in the eligible EAS status. The evaluator should not reduce a newly eligible employee's rating for working a partial year; the system will automatically prorate the partial year based on the number of pay periods worked in the EAS position.
12. New hires into EAS positions during FY 2007 will have the PFP payment prorated to include only the number of pay periods with the Postal Service. The evaluator should not reduce a new hire's rating for working a partial year, the system will automatically prorate the partial year based on the number of pay periods worked.
13. Full-time EAS employees who were in a Leave Without Pay (LWOP) status for any reason up to 80 hours during FY 2007 pay periods will receive a full PFP payment. Employees in a LWOP status for more than 80 hours during FY 2007 pay periods, except those on Military LWOP (TACS Code 44), will receive a pro rata reduction of the award based on the number of non-Military LWOP hours in excess of 80 hours during FY 2007 pay periods. Except for those on Military LWOP, employees on LWOP for the entire fiscal year are not eligible for a PFP payment. Part-time EAS employees will have a smaller LWOP threshold level than 80 hours based on the ratio of their scheduled part-time annual hours to 2080.