

**PACKERS AND STOCKYARDS PROGRAM PERFORMANCE AWARDS**

This attachment provides direction and explanation on the distribution of performance awards for GIPSA's Packers and Stockyards Program.

Performance awards will be awarded annually, budget permitting, after the annual performance appraisals and will be limited to superior and outstanding performance evaluations.

Three-fourths of one percent of salaries of the employees in a pool will be made available for performance awards of those employees. Pool composition and panel members are as follows:

- GS-1 through GS-11 pool by office with rating supervisors as panel members;
- GS-12 through GS-13 pool by office with rating supervisors as panel members;
- GS-14 National pool with Regional and Division Directors as panel members; and
- GS-15 National pool with Deputy Administrator as panel member.

Note that unused pool money: (1) will not move from one pool to another; and (2) will be transferred to the general award account for spot and other awards.

The following tables gives an example of what the composition of given pools may resemble. Column A is the total amount of salaries in the various pools. Column C is approximately 0.75 of 1 percent of Column A and the amount that would be available for performance awards in a given pool.

|   | A  | B          | C         |
|---|--|------------|-----------|
| 1 | \$ 150,000                               | GS 1 – 11  | \$ 1,125  |
| 2 | \$ 978,354                               | GS 12 – 13 | \$ 7,338  |
| 3 | \$ 1,067,196                             | GS14       | \$ 8,004  |
| 4 | \$ 529,386                               | GS 15      | \$ 3,970  |
| 5 | \$ 2,724,936                             |            |           |
| 6 | TOTAL AWARD ALLOCATION (0.75% OF SALARY) |            | \$ 20,437 |

Assume there are 3 employees in pool number 1 above and each has an annual salary of \$50,000. Each employee's contribution would be 0.75 of \$50,000 or \$375 for a pool total of \$1,125.

The distribution of the pool will be determined when each employee receives his/her annual performance appraisal. Of the 3 employees in the pool, one had 70 percent of his/her points, "Exceeds Fully Successful," and the other 2 had less than 70 percent. Superior performance evaluations of greater than 70 percent of total points exceeding fully successful receive 1.5 shares of the pool. Superior performance evaluations of less than or equal to 70 percent of total points exceeds fully successful receive 1 share of the pool. A share will not be less than .5 percent of an employee's salary.

In this example, the potential distribution of the pool would be as follows:

|                                 |                                    |
|---------------------------------|------------------------------------|
| Employee 1 = $1.5/3.5 = 42.8\%$ | $42.8\% \times \$1,125 = \$481.50$ |
| Employee 2 = $1/3.5 = 28.6\%$   | $28.6\% \times \$1,125 = \$321.75$ |
| Employee 3 = $1/3.5 = 28.6\%$   | $28.6\% \times \$1,125 = \$321.75$ |

Outstanding performance evaluations receive a QSI. If a QSI is not possible because the employee is a step 10, then a Performance Award equal to 3 percent of the employee's annual salary will be awarded.