(5) Because the employee has had insufficient time to demonstrate an acceptable level of competence due to authorized activities of official interest to the agency not subject to appraisal under part 430 of this chapter (including, but not limited to, labormanagement partnership activities under section 2 of Executive Order 12871 and serving as a representative of a labor organization); or

* * * * *

In such a situation, there shall be a presumption that the employee would have performed at an acceptable level of competence had the employee performed the duties of his or her position of record for the minimum period under the applicable agency performance appraisal program.

19. Section 531.501 is revised to read as follows:

§ 531.501 Applicability.

This subpart contains regulations of the Office of Personnel Management to carry out section 5336 of title 5, United States Code, which authorizes the head of an agency, or another official to whom such authority is delegated, to grant quality step increases, and to carry out section 403 of Executive Order 11721 (Providing for Federal Pay Administration, May 23, 1973), as amended.

20. Section 531.503 is revised to read as follows:

§ 531.503 Purpose of quality step increases.

The purpose of quality step increases is to provide appropriate incentives and recognition for excellence in performance by granting faster than normal step increases.

21. Section 531.504 is revised to read as follows:

§ 531.504 Level of performance required for quality step increase.

A quality step increase shall not be required but may be granted only to—

(a) An employee who receives a rating of record at Level 5 ("Outstanding" or equivalent), as defined in part 430, subpart B, of this chapter; or

(b) An employee who is covered by a performance appraisal program that does not have a Level 5 rating and who demonstrates sustained performance of high quality significantly above that expected at the "Fully Successful" level in the type of position concerned, as determined under performance-related criteria established by the agency.

22. Section 531.506 is revised to read as follows:

§ 531.506 Effective date of a quality step increase.

The quality step increase should be made effective as soon as practicable after it is approved.

23. Section 531.507 is revised to read as follows:

§ 531.507 Agency responsibilities.

(a) Agencies shall develop and implement a plan(s) for granting quality step increases in accordance with Executive Order 11721.

(b) Agencies shall maintain and report such records as the Office may require.

(c) Agencies shall use OPM's Guide to Federal Workforce Reporting Systems to report quality step increases to the CPDF.

24. Section 531.508 is revised to read as follows:

§ 531.508 Evaluation of quality step increase authority.

The Office of Personnel Management may evaluate an agency's use of the authority to grant quality step increases. The agency shall take any corrective action required by the Office.

[FR Doc. 95–2109 Filed 1–26–95; 8:45 am] BILLING CODE 6325–01–P