



Performance HQ/HQ Related Employees

**FY26 Nonbargaining
(excluding PCES) Pay Rules**

October 2026

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MyHR

A. Pay-for-Performance (PFP) Program:

PFP eligible full-time, career nonbargaining employees in the Performance system for HQ and HQ related employees are measured under a 5-cell point ratings system with numerical ratings, lowest to highest. Pay actions based on the individual rating will generally be in the form of base salary increases. Below is the payout associated with the five (5) cell matrix performance ratings. PFP eligible full-time, career nonbargaining employees in the Performance program for HQ and HQ related employees are also measured under the numerical 10-cell point National Performance Assessment (NPA) program, which determines an additional, variable lump-sum payout under the PFP program.

Individual Rating	1	2	3	4	5
Base Salary Increase	0.0%	2.0%	3.5%	4.0%	5.0%

NPA Rating	1	2	3	4	5	6	7	8	9	10
Variable Lump Sum Payout	0.0%	0.0%	0.0%	2.0%	3.0%	3.5%	4.0%	4.5%	5.0%	6.0%

Pay actions will be either in salary increases or lump sum payments, or a combination of the two, depending on where the employee's salary falls within their salary schedule as of January 9, 2027. All PFP pay actions will be calculated automatically based on salary information available from the human capital enterprise system and performance ratings provided under the web-based Performance system for HQ and HQ related employees, and NPA functional scorecard ratings, as applicable. Base salary increases and lump-sum payments are calculated against base salaries as of September 30, 2026. More information regarding calculations can be found under **Section C- Calculations and Effective Date** section below.

B. Eligibility:

1. Employees must be in the PFP-eligible, full-time, career nonbargaining position on the last day of the fiscal year (September 30, 2026) to be eligible to receive any PFP payments for the current fiscal year's performance. Employees with an individual performance rating of a 1 or "N/A" will not be eligible for any PFP payment, which includes the base salary increase payment and the NPA lump sum payment



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mentioned in **Section A**. Additional eligibility requirements for the PFP payments are detailed below.

2. Employees who separated before the effective date of the PFP payments (January 9, 2027) and who were on the rolls in good standing as of September 30, 2026, will receive an amount equivalent to the PFP payments in the form of a one-time lump-sum payment. Separated employees in good standing include retirements, voluntary separations, estates of deceased employees, and other separation Notice of Action (NOA) codes except those listed below. Separated employees with an individual performance rating of a 1 or "N/A" 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

PFP eligible employees who separated before January 9, 2027, will have their PFP check sent to their last mailing address of record.

3. Employees assigned to an EAS Not-To-Exceed (NTE) position are eligible for a PFP salary increase and/or lump sum payment.
4. Certain employees are not eligible for participation in the Postal Service PFP program (in any form, including the Performance system for HQ and HQ related employees) and will be bypassed by PFP processing programs:
 - Bargaining-Unit Employees
 - Supervisor Apprentices
 - Casual and Noncareer Employees
 - Office of Inspector General
 - Postal Regulatory Commission
 - Judicial Office employees covered by specific federal salary statutes
 - Postal Inspectors
 - Contract employees (e.g., contract doctors)
 - Employees of certain structured development programs (e.g., trainees and career ladder positions) will be ineligible for the PFP program. A complete list of excluded positions can be found on MyHR on the PFP Eligibility page.
5. **Eligibility** for PFP payment is based on the employee's permanent position of record as of September 30. As examples, an employee detailed to a higher-level eligible position from a lower-level eligible position will only receive the corresponding PFP





payments based on the lower-level position. An employee detailed to an eligible position from an ineligible position is not eligible. An employee detailed to an ineligible position from an eligible position is eligible.

6. In accordance with the ELM Section 417.334, bargaining employees are not eligible for PFP. A bargaining employee detailed to a Postal Service PFP program eligible nonbargaining position is not eligible for any Postal Service PFP program payment. Bargaining employees detailed into PFP eligible, HQ and HQ related positions will have access to the Performance System while in the detail assignment. This will enable an employee to utilize the Performance System for HQ and HQ related employees to clarify position expectations and receive coaching and feedback from their manager while in the detail assignment. **Numerical ratings must not be entered into the Performance System for bargaining employees and instead, the “N/A” rating and reasoning “Employee is a bargaining employee” option should be utilized.**

7. Determining the EOY PFP Program

An employee's Pay-for-Performance (PFP) program for final FY processing is determined by the program in which the employee meets the applicable 276-day requirement:

- **Performance system for HQ and HQ Related employees:** An employee who participates in the Performance system for HQ and HQ Related employees, including qualifying detail assignments, for **276 days or more** during the fiscal year will receive their EOY final rating and PFP payment under the Performance system for HQ and HQ Related employees.
- **Performance Evaluation System (PES):** An employee who occupies an eligible PES position, including qualifying detail assignments, for **276 consecutive days or more** during the fiscal year will receive their EOY final rating and PFP payment under PES.

Exception – Program Change During the Final 89 Days

If an employee does not meet the applicable 276-day requirements mentioned above and moves between PES and the Performance system for HQ and HQ Related employees during the final 89 days of the fiscal year, the employee's EOY final rating and PFP payment will be based on the program in which the employee spent the greater amount of time during the fiscal year. For this exception, in PES, the EOY final rating and PFP payment will be based on the position last held if not in a field position for 276 consecutive days.



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An employee who enters the Performance system for HQ and HQ Related employees during the final 89 days of the fiscal year and receives their EOY final rating and PFP payment under PES are not eligible for the Performance system for HQ and HQ Related employees NPA Scorecard one-time lump-sum payment.

C. Calculations and Effective Date:

1. In addition to any individual earned salary increase, eligible employees may also receive a one-time lump-sum payment based on their NPA functional scorecard rating based on their position of record (Form 50 position or authorized detail assignment entered in the Performance system for HQ and HQ related employees) as of September 30, 2026. As mentioned in **Section B, Eligibility:**
 - Employees with an individual performance rating of a 1 or "N/A" will not be eligible for any PFP payment.
 - Employees who enter the Performance system for HQ and HQ Related employees during the final 89 days of the fiscal year and receives their EOY final rating and PFP payment under PES are not eligible for the Performance system for HQ and HQ Related employees NPA Scorecard one-time lump-sum payment.
2. Individual PFP payments will be calculated on the employee's base salary for the employee's permanent position of record as of September 30, 2026, applied within the parameters of the salary schedule applicable to the employee and in effect on January 9, 2027 (PP 02-26). If, as a result of their salary range being adjusted, an eligible employee's salary is below the minimum salary in effect on January 9, 2027, the employee will be brought to the new minimum salary first and then have their PFP payment added to the new minimum to arrive at their new salary effective January 9, 2027.
3. FY 2026 PFP payments (salary increases and applicable lump-sum payments) are effective January 9, 2027 (PP 02-26). The January 29, 2027, paycheck will be the first paycheck that reflects the salary increase as well as the one-time lump sum payment, as applicable. Eligible employees who have separated before the effective date of the payment (January 9, 2027) will have their PFP check sent to their mailing address of record.
4. Eligible employees will receive a base salary increase based on their FY 2026 Performance system individual performance rating to the extent there is room within their salary range to provide a salary increase. If the PFP salary increase would cause the employee to exceed the salary range maximum, then the employee's salary will be increased to the salary range maximum and the excess portion (i.e., the portion of the PFP salary increase that exceeds the salary range maximum) will



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be paid as a one-time lump-sum payment. If an employee is at the salary range maximum before any PFP salary increase, then an amount equivalent to the PFP salary increase will be paid as a one-time lump-sum payment.

5. Eligible employees who have had a change in grade level during the period after September 30, 2026, and before January 9, 2027, will not have a change in the calculation of their PFP salary increase, but any PFP salary increase will be applied within the parameters of the salary schedule applicable to the employee on January 9, 2027. If the salary range maximum is higher or lower as a result of a change in grade level, then any corresponding PFP salary increase will be capped in accordance with the salary range maximum applicable to the employee as of January 9, 2027, and the amount equivalent to the portion of the PFP salary increase in excess of the applicable salary range maximum, if any, will be paid as a one-time lump sum payment.
6. Eligible employees who have been reassigned during the period after September 30, 2026, and before January 9, 2027, from a position eligible to participate in any PFP program (e.g., PES or Performance for HQ and HQ related employees) to a noneligible position (e.g., structured development or bargaining unit position) will not receive a PFP salary increase. Instead, they will receive the equivalent of any PFP salary increase paid as a one-time lump sum in addition to their earned NPA-based lump-sum payment.
7. For employees who have been reassigned to a lower grade PFP eligible position effective the same day as PFP processing (January 9, 2027), PFP will process first in the higher grade position and then the downgrade will process after. Any base salary increase awarded cannot be converted to a lump sum if processed the same date or after PFP processing. The employee's new salary also cannot be set above the maximum for the new grade.
8. 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 (January 9, 2027), will have the PFP payment calculated on their status as of September 30, 2026. If the change in full-time or part-time status is accompanied with a change in grade level, rule C5 above also applies.
9. EAS employees promoted into PCES executive positions on or before September 30, 2026, will be administered under the PCES pay program. EAS employees promoted into PCES executive positions during the period after September 30, 2026, and before the effective date of payment (January 9, 2027) will receive the entire EAS PFP payment in the form of a lump sum payment.



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10. PFP payments for eligible employees with a “saved-grade” designation will be calculated based on the saved grade in effect as of September 30, 2026, not the grade of the position to which they are assigned.
11. PFP payments for eligible employees with all other rate retention policies (not saved grade) are calculated on the employee’s base salary as of September 30, 2026, and paid as a one-time lump sum.
12. Employees newly eligible for the Pay-for-Performance program during FY 2026 (e.g., spent time in a bargaining-unit position) who have received an individual and NPA rating, will have the corresponding PFP payments prorated to include only the number of days in PFP-eligible 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 days worked in the EAS position.
13. New hires into EAS positions during FY 2026 who have received an individual and NPA rating will have the corresponding PFP payments prorated to include only the number of days with the Postal Service in a PFP-eligible status. The evaluator should not reduce a new hire’s rating for working a partial year, the system will automatically prorate the payment based on the number of days worked.
14. EAS and Pay band employees who were in a Leave Without Pay (LWOP) status for any reason for less than 80 hours during FY 2026 pay periods will receive the full corresponding PFP payment. Employees in a LWOP status for 80 or more hours during FY 2026 pay periods, except those on military, OWCP, FMLA and personal illness and injury LWOP as shown in the table below, will receive a pro rata reduction of the PFP payments based on the number of non-military and non-OWCP LWOP hours at or exceeding 80 hours during FY 2026. Employees on “Other LWOP” for the entire fiscal year are not eligible for PFP payments. See below table for guidance.

Leave Without Pay (LWOP) Pro Rata Provisions					
Type of Leave Without Pay	ELM Reference	Time Clock Codes	Less than 80 LWOP Hours	80 to 2079 LWOP Hours	2080 LWOP Hours
Military LWOP	514.4 (g&h)	04400	Full PFP payment	Full PFP payment	Full PFP payment
OWCP LWOP	514.4 (e)	04999	Full PFP payment	Full PFP payment	Full PFP payment
FMLA LWOP	514.4 (f)	05999 & 06099	Full PFP payment	Full PFP payment	Full PFP payment
Personal Illness & Injury LWOP	514.4 (d)	05901, 06001, 05905 & 06005	Full PFP payment	Full PFP payment	Full PFP payment
Other LWOP	514.4 (a-c & i-k)	Various	Full PFP payment	Pro rata reduction	No PFP payment

