



Reply to the attention of:

AUG 18 2017

**MEMORANDUM FOR:** REGIONAL ADMINISTRATORS  
*Thomas Galassi*  
**FROM:** THOMAS GALASSI  
Acting Deputy Assistant Secretary  
**SUBJECT:** Revised VPP Policy Memorandum #5: Further Improvements to  
the Voluntary Protection Programs (VPP)

This memorandum revises the guidance for Occupational Safety and Health Administration (OSHA) field staff on the review and evaluation of safety and health incentive programs at VPP applicant and participant worksites, as outlined in *VPP Policy Memorandum #5: Further Improvements to the Voluntary Protection Programs (VPP)*, dated August 04, 2014.

Incentive programs can be an important tool to promote workplace safety and health. The first type of program rewards workers for reporting near-misses or hazards, and encourages involvement in the safety and health management system.

The second type of incentive program is rate-based and focuses on injury and illness numbers. For example, a rate-based program may reward employees with a bonus or prize at the end of the month when no injuries are reported, or managers may be evaluated and rewarded based on their work-unit's lack of reported injuries. Employers must take care such a program is not implemented in a manner that has the negative effect of discouraging workers from reporting an injury or illness. Therefore, if a VPP applicant/participant chooses to use this type of program, it must be able to demonstrate what type of precautions are in place to ensure that the program does not discourage reporting. Such an incentive program must also meet all requirements of the provisions in 29 CFR Part 1904 and Sec. 11(c) of the Occupational Safety and Health Act of 1970.

OSHA staff will continue to evaluate a VPP applicant's/participant's injury and illness records during evaluations. If an incentive program is in place, OSHA will also assess the employer's program to ensure that it does not discourage reporting. We also encourage the use of injury and illness records as a tool in identifying possible emerging injury/illness trends. For further guidance on incentive program evaluation, please refer to Chapter VI of the OSHA Instruction CSP 03-01-003, *VPP Policies and Procedures Manual*, dated April 18, 2008.