§ 451.103 Agency award program(s).

(a) Agencies shall develop one or more award programs for employees covered by this subpart.

(b) Agencies are encouraged to include employees and their representatives in developing such programs.

(c) An agency award program shall provide for—

- (1) Obligating funds consistent with applicable agency financial management controls and delegations of authority;
- (2) Documenting justification for awards that are not based on a rating of record (as defined in § 430.203 of this chapter).

§ 451.104 Awards.

- (a) An agency may grant a cash, honorary, or informal recognition award, or grant time-off without charge to leave or loss of pay consistent with chapter 45 of title 5, United States Code, and this part to an employee, as an individual or member of a group, on the basis of—
- (1) A suggestion, invention, superior accomplishment, or other personal effort that contributes to the efficiency, economy, or other improvement of Government operations or achieves a significant reduction in paperwork;

(2) A special act or service in the public interest in connection with or related to official employment; or

- (3) Performance as reflected in the employee's most recent rating of record (as defined in § 430.203 of this chapter), except that such awards may be paid to SES employees only under § 534.403 of this chapter and not on the basis of this subpart.
- (b) A cash award under this subpart is a lump sum in addition to regular pay and does not increase an employee's rate of basic pay.

(c) An award is subject to the withholding of taxes.

(d) When an award is approved for—

- (1) An employee of another agency, the benefiting agency shall make arrangements to transfer funds to the employing agency to cover the award. If the administrative costs of transferring funds would exceed the amount of the award, the employing agency shall absorb the award costs and pay the award; and
- (2) A member of the armed forces for a suggestion, invention, or scientific achievement, arrangements shall be made to transfer funds to the agency having jurisdiction over the member in accordance with E.O. 11438, "Prescribing Procedures Governing Interdepartmental Cash Awards to the

Members of the Armed Forces".

(e) An award may be granted to the legal heirs or estates of deceased employees.

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(f) A time-off award granted under this subpart shall not be converted to a cash payment under any circumstances.

(g) When granting an award on the basis of a rating of record that is paid as a percentage of basic pay under 5 U.S.C. 4505a(a)(2)(A), the rate of basic pay used shall be determined without taking into account any locality-based comparability payment under 5 U.S.C. 5304 or an interim geographic adjustment or special law enforcement adjustment under section 302 or 404 of the Federal Employees Pay Comparability Act of 1990, respectively.

(h) Employees may not appeal an agency's decision not to grant an award or the amount of such an award. This does not affect any right or remedy under subchapter II of chapter 12, chapter 71, or section 2302(d) of title 5, United States Code.

§ 451.105 Award restrictions.

- (a) Agencies shall not grant awards under this subpart during a Presidential election period (as defined at 5 U.S.C. 4508) to employees who are—
- (1) In the Senior Executive Service and not career appointees (i.e., noncareer or limited appointees), or
- (2) In an excepted service position of a confidential or policy-determining character (schedule C).
- (b) Agencies shall not grant cash awards under this subpart to employees appointed by the President with Senate confirmation who serve in—
- (1) An Executive Schedule position, or
- (2) A position for which pay is set in statute by reference to a section or level of the Executive Schedule.

§ 451.106 Agency responsibilities.

- (a) In establishing and operating its award program(s), an agency shall assure that a program does not conflict with or violate any other law or Governmentwide regulation.
- (b) When a recommended award would grant over \$10,000 to an individual employee, the agency shall submit the recommendation to OPM for approval.
- (c) Agencies shall provide for communicating with employees and supervisors about the relevant parts of their award program(s).

(d) Agencies shall evaluate their award program(s).

- (e) Agencies shall report all cash and time off awards to the CPDF.
- (f) Agencies shall use OPM's Guide to Federal Workforce Reporting Systems to report award data to the CPDF.

(g) Agencies shall maintain and submit such records as OPM may require.

(h) Agencies shall give due weight to an award granted under this part in qualifying and selecting an employee for promotion as provided in 5 U.S.C. 3362.

(i) Agencies shall establish criteria for identifying which awards to document in the Official Personnel Folder in conformance with OPM's Guide to Personnel Recordkeeping.

(j) Agencies shall take any corrective action required by OPM to ensure conformance with applicable law, regulation, and OPM policy.

§ 451.107 OPM responsibilities.

- (a) OPM shall review and approve or disapprove each agency recommendation for an award that would grant over \$10,000 to an individual employee.
- (b) When a recommended award would grant over \$25,000 to an individual employee, OPM shall review the recommendation and submit it (if approved) to the President for final approval.
- (c) OPM shall review and approve or disapprove a request from the head of an Executive agency to extend the provisions of 5 U.S.C. 4505a to any category of employees within that agency that would not be covered otherwise.
- (d) OPM may evaluate the operation and application of an agency's award program(s).
- 10. In § 451.201, the second introductory paragraph (a) is removed, paragraph (b), (c), and (d) are redesignated as paragraphs (c), (d), and (e) respectively, and a new paragraph (b) is added to read as follows:

§ 451.201 Authority and coverage.

(b) Awards granted under paragraph (a) are subject to the restrictions as specified in § 451.105.

* * * * *

11. Subpart C, consisting of §§ 451.301 through 451.307, is removed.

PART 531—PAY UNDER THE GENERAL SCHEDULE

12. The authority citation for part 531 is revised to read as follows:

Authority: 5 U.S.C. 5115, 5307, and 5338; sec. 4 of Pub. L. 103–89, 107 Stat. 981; and E.O. 12748, 56 FR 4521, February 4, 1991, 3 CFR 1991 Comp., p. 316;

Subpart A also issued under 5 U.S.C. 5304, 5305, and 5553; section 302 of the Federal Employees Pay Comparability Act of 1990 (FEPCA), Pub. L. 101–509, 104 Stat. 1462; and E.O. 12786, 56 FR