

MEMORANDUM FOR DIRECTORS OF PERSONNEL

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SUBJECT: New Nature of Action Codes for Reporting Awards to CPDF

To improve the quality of awards data and to make data input to the Central Personnel Data File (CPDF) easier and more reliable, we are changing the CPDF reporting requirements for awards. As you know, even though the Office of Personnel Management (OPM) no longer requires SF-50s for awards, other than SES rank awards, we still require agencies to report their awards data to the CPDF. We developed these changes to the requirements and CPDF codes in conjunction with a working group of agency representatives which you helped us establish.

The principal revision to awards processing involves changing most of the award nature of action codes (NOACs), i.e., the unique numerical codes that identify, for statistical and data processing purposes, particular personnel actions (e.g., appointments, promotions, or awards) that agencies report to the CPDF. In addition, the revisions will simplify reporting requirements by:

- (1) completely eliminating two CPDF data elements (“benefit amount” and “individual/group award”), that had proved ineffective for their intended purposes; and
- (2) eliminating special legal authority codes used to indicate subcategories of awards.

The new requirements will affect awards that are effective on or after **October 1, 2000**. We believe this effective date should give agencies sufficient lead time to make necessary changes to their procedures and systems. Please note that these changes should not necessarily affect any of the award programs you already have in place or may be in the process of developing. They only affect the codes that are used to report the awards to CPDF.

An attachment to this memo provides greater detail about these changes and their implications for processing award actions and reporting them to the CPDF. It includes more in-depth explanation about the specific changes, suggestions to facilitate efficient and accurate data input, and a side-by-side comparison of the current and new awards categories with their respective NOACs and a brief explanation of each change. Of course, OPM will issue further reminders, guidance, and instructions to our awards and systems contacts as the effective date draws nearer.

These changes to NOACs, as well as other emerging issues in the awards area (e.g., Fair Labor Standards Act implications of granting discretionary awards vs. non-discretionary awards, accommodating case-by-case waivers of the requirement to pay awards by electronic funds transfer) may well create a need for agencies to redesign award forms and procedures. Staff of the Workforce Compensation and Performance Service's Performance Management and Incentive Awards Division will continue to work with agency awards contacts, and provide appropriate guidance to assist such redesign efforts.

We will notify the appropriate members of the human resources community of these changes and share these materials with them. We all share an interest in streamlining paperwork and increasing the understandability and integrity of the awards data that OPM reports to agencies and, as requested, to OMB, Congress, and the public. We appreciate your willingness to have your representatives work together to assure that sensible solutions are developed to serve all our needs.

Attachment

## CHANGES TO REQUIREMENTS FOR REPORTING AWARDS TO THE CPDF

To improve data accuracy and simplify data input, OPM will change the CPDF reporting requirements for awards that are effective on or after October 1, 2000.

### **The Current Situation: Using Nature of Action Codes, Legal Authority Codes and the “Individual/Group Award” Data Element:**

Current nature of action codes (NOACs) for reporting incentive awards granted under chapter 45 of title 5, United States Code, to the Central Personnel Data File (CPDF) are based on the following awards categories (other than SES rank awards):

- Performance (Rating-Based) 885
- Special Act or Service 877
- Suggestion 875
- Invention 876
- Gainsharing 874
- Foreign Language 873
- Time Off 872

NOTE: The changes to these awards NOACs and reporting requirements do not affect the required CPDF reporting of SES performance or rank awards. Agencies will continue to report SES awards as usual, using NOAC 878 for SES rank awards and NOAC 879 for SES performance awards. Also, we have not changed CPDF reporting requirements for separation incentive payments or for recruitment or relocation bonuses.

In addition to NOACs, the CPDF uses legal authority codes and the “individual/group award” data element to break down different types of awards within a single NOAC. For example, CPDF records with nature of action code 877, Special Act or Service, can be identified by using a varying combination of legal authority codes and “individual/group award” values as:

- individual special act awarded by the employing agency;
- individual special act awarded by the President;
- individual on-the-spot award;
- group special act awarded by the employing agency;
- group special act awarded by the President; or
- group on-the-spot award.

Many of these categories overlap. As a result, agencies waste time determining which category and codes are correct, and resulting data are not as accurate as they should be. Consequently, In addition to replacing the current nature of action codes 872 - 877 and 885, we have decided to eliminate the legal authority codes used with those NOACs exclusively, as well as two awards-related data elements reported to CPDF (i.e., the benefit amount and the individual/group award.)

## **New NOACs for Awards Effective On or After October 1, 2000:**

In the future, awards will be reported to CPDF in eight new awards categories. The NOACs for these categories will be:

- Individual Cash
- Group Cash
- Individual Suggestion/Invention (*only those recognized with cash*)
- Group Suggestion/Invention (*only those recognized with cash*)
- Foreign Language Awards (*always given to individuals as cash; only approved for law enforcement officers as defined by statute.* )
- Travel Savings Incentive (*always given to individuals as cash; only allowed in agencies that have established travel savings incentive programs*)
- Individual Time-Off
- Group Time-Off

In addition to replacing the current nature of action codes 872 - 877 and 885, we will eliminate the legal authority codes used with those natures of action exclusively, and two awards-related data elements reported to CPDF (i.e., “benefit amount” and “individual/group award”).

### **Information Needed to Determine Correct NOAC:**

To determine the correct nature of action code, data-input personnel must be able to determine:

- What is the **form** of the award—cash or time off?
- What is the **nature of the contribution**—was the award given to recognize a suggestion or invention, the use of a foreign language by a law enforcement officer, savings during travel, or was it for something else?
- What **level of performance** is being recognized—was the award given to recognize individual performance or group performance?

The following table illustrates how the new awards categories and these three simple questions will make it easier to determine the correct nature of action code.

|   | <b>Form</b> | <b>Basis for Award</b>  | <b>Level</b> | <b>New NOAC</b> |
|---|-------------|---|--------------|-----------------|
| 1 | CASH        | Contribution (e.g., superior accomplishment or other personal effort) or Performance Rating           | Individual   | NOAC 840        |
| 2 |             |   | Group        | NOAC 841        |
| 3 |             | Suggestion or Invention   | Individual   | NOAC 842        |
| 4 |             |   | Group        | NOAC 843        |
| 5 |             | Foreign Language  | Individual   | NOAC 844        |
| 6 |             | Travel Savings Incentive  | Individual   | NOAC 845        |
| 7 | TIME OFF    | Contribution (e.g., superior accomplishment, other personal effort, suggestion) or Performance Rating | Individual   | NOAC 846        |
| 8 |             |   | Group        | NOAC 847        |

**Further Explanation and Directions About These Changes:**

- We eliminated “Special Act” and “Performance” terminology in nature of action codes. (Most awards are given for performance of some kind, at some level, whether it is based on a rating or on other work-related contributions.)
- We will no longer collect data separately for performance awards (i.e., rating-based awards). Report rating-based cash awards as individual cash awards. When you give time-off awards based on a rating of record, report them as individual time-off awards.
- We will no longer maintain a separate gainsharing category. Report awards granted under group incentive schemes—such as gainsharing and goalsharing—as group cash awards.
- We will not gather separate information about on-the-spot awards. Report these awards as either individual or group cash awards, whichever applies.
- We assume that employees receive all travel savings incentives and foreign language awards in cash.

**Current and New Award NOACs Compared:**

The following table contains a side-by-side comparison of the current and new awards categories, their respective NOACs, and a brief explanation of each change.

**COMPARISON OF CURRENT NOAC AND NEW NOAC CATEGORIES FOR AWARDS**

| <b>Current NOAC Category</b>  | <b>New NOAC Category</b>                                | <b>Remarks</b>   |
|---|---|--|
| Special Act or Service Award<br>(NOAC 877)<br><br>Performance (i.e., Rating-Based) Award<br>(NOAC 885 ) | Individual Cash Award<br>(NOAC 840)                     | The award is based on individual contribution/performance. The new NOAC replaces current NOACs for performance awards (i.e., rating-based awards), and the NOAC, "individual/group award" value, and legal authority code combinations that identified individual special act/service awards and on-the-spot awards. |
| Gainsharing Award<br>(NOAC 874)<br><br>Special Act or Service Award<br>(NOAC 877)                       | Group Cash Award<br>(NOAC 841)                          | The award is based on group contributions that do not represent suggestions or inventions. The new NOAC replaces the current NOAC and the individual/group award data element that identified group awards for gainsharing, goalsharing, and special act/service awards.   |
| Suggestion Award<br>(NOAC 875)  | Individual Suggestion/<br>Invention Award<br>(NOAC 842) | We will make no distinction between suggestions and inventions. The new NOACs combine these two types of awards, and distinguish between individual and group awards by using the NOAC rather than the individual/group award data element.  |
| Invention Award<br>(NOAC 876)   | Group Suggestion/<br>Invention Award<br>(NOAC 843)      |  |
| Foreign Language Award<br>(NOAC 873 )   | Foreign Language Award<br>(NOAC 844)                    | Data collection requirements remain the same. This award is only authorized for law enforcement officers as defined by statute.  |
| None  | Travel Savings Incentives<br>(NOAC 845)                 | Only allowed in agencies that have established travel savings incentive programs. This new category includes awards given to employees who achieve travel savings by using personal frequent flyer credits or less expensive hotel accommodations while on official Government travel.                               |
| Time-Off Award<br>(NOAC 872)  | Individual Time-Off<br>Award<br>(NOAC 846)              | The award is given to recognize either individual or group achievement.  |
|   | Group Time-Off Award<br>(NOAC 847)                      |  |