



# U.S. Chemical Safety and Hazard Investigation Board

**SUBJECT: INCENTIVE AWARDS PROGRAM**

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1. **PURPOSE.** This order establishes policies and standard operating procedures for administering an incentive awards program for the employees of the U.S. Chemical Safety and Hazard Investigation Board (CSB). The program provides for recognizing and rewarding employees whose superior performance or unusual achievements contribute to the successful operation of the CSB.
2. **EFFECTIVE DATE.** This order is effective upon passage by the Board.
3. **REFERENCES.** This order implements relevant portions of subchapter I of Chapter 45 and subchapter VIII of Chapter 53 of Title 5 of the United States Code (USC) and Parts 451 and 534 of Title 5 of the Code of Federal Regulations (CFR).
4. **SCOPE.** This order applies to all CSB employees in the General Schedule and Senior Executive Service (SES), except where otherwise noted.
5. **POLICY.** It is the policy of the CSB to encourage employees to achieve superior performance in their jobs and to actively seek ways to improve CSB operations. Incentive awards will be used to recognize and reward employees who have made significant contributions beyond what is normally expected as part of their regular duties.
6. **DEFINITIONS.**
  - a. **Board:** The appointed members of the U.S. Chemical Safety and Hazard Investigation Board acting in their capacity as a unified corporate body.
  - b. **Career appointee** – means an employee in a SES position whose appointment to that position or a previous SES position was based on Office of Personnel Management (OPM) approval of his/her executive qualifications.
  - c. **Chairperson** – the Chairperson of the CSB or, when there is no Chairperson, the Board Member designated authority to handle personnel matters.
  - d. **Executive Schedule Officer** – means an officer who was appointed by the President with Senate approval to either (1) an Executive Schedule position under subchapter II of Chapter 53 of Title 5 of the USC; or (2) a position for which the pay is set by reference to the Executive Schedule.
  - e. **Honorary or non-monetary award** – means a letter, medal, certificate, plaque, citation, badge, or similar item that has the connotation of an award or honor.
  - f. **Presidential election period** – means the period beginning on June 1 of a calendar year in which the popular election of the President will be held, and ending on January 20 following that election.

- g. **Senior politically appointed officer** – means any officer who during a presidential election period serves in either (1) a SES position as a non-career appointee; or (2) a confidential or policy-making excepted-service position (See schedule C of subpart C of Part 213 of Title 5 of the CFR).

7. **RESPONSIBILITIES.**

- a. **Board** – Approves budget line item amount for incentive awards program. Ensures that Chairperson approves applicable performance awards no later than September 25<sup>th</sup> of each year.
- b. **Chairperson** – Sets overall incentive awards program goals and objectives within budgetary limit set by the Board. Approves awards proposed for members of the SES. Recommends career SES members for rank awards. Final approving authority on all monetary awards except on-the-spot awards. Reviews program results to ensure that awards are granted equitably and on the basis of merit. The aggregate of all awards approved by the Chairperson may not exceed the total line item amount approved by the full Board for that fiscal year.
- c. **Director of Human Resources** – (HRD) Ensures program compliance with applicable laws, regulations, and OPM recordkeeping and reporting requirements. Annually reviews the award program to assess whether the cost of individual awards, taken collectively, is commensurate with CSB accomplishments and financial condition. The assessment should include benchmarking with relevant federal and private sector data.
- d. **Supervisors** – Use appropriate incentive awards as an integral part of supervision and management. Recommend awards for employees whose contributions warrant them, in accordance with this Order. Supervisors are required to submit performance award recommendations to the HRD no later September 17, of each fiscal year.
- e. **Reviewing Official** – Reviews and approves supervisory award recommendations prior to submission to the HRD.
- f. **Employees** – Maintain a high level of performance and contribution to CSB operations.

8. **AGENCY AWARDS.**

- a. **Definition** – An “agency award” is a cash, honorary, or informal recognition award, or a grant of paid time-off not charged to leave, authorized by the Chairperson, or his/her designee, to honor and recognize a CSB employee who, as an individual or a member of a group, has done either of the following things:

- (1) Contributed to the efficiency, economy, or other improvement of CSB operations, or achieved a significant reduction in paperwork, by his/her suggestion, invention, superior accomplishment, productivity improvement, or other personal effort; or
- (2) Performed a special act or service in the public interest in connection with his/her official employment.

**b. General Principles**

- (1) Agency awards are discretionary and need not be given every year. The granting of awards is contingent upon adequate funding.
- (2) Agency awards are generally granted only to current employees. In unusual circumstances, an award may be granted to a former employee or to the estate of a deceased employee if that person's contributions or performance while a CSB employee meet the criteria for an award. The Chairperson must approve awards to former or deceased employees.
- (3) When given as cash, agency awards are paid in a lump sum and are not considered a part of an employee's basic pay.
- (4) Agency awards are subject to all applicable tax rules, including withholding. Employees are responsible for satisfying any and all tax obligations arising from awards.
- (5) An employee who accepts an agency cash award in recognition of a suggested idea, method, or device agrees to allow the government to use that suggestion. Acceptance of the award also constitutes a waiver of any further claim of any kind against the government arising from the government's use of the suggestion by the employee, his/her heirs, or assigns.
- (6) Award amounts should be proportionate to the benefit received by the CSB.
- (7) Employees may receive both an agency award and a Presidential award for the same accomplishment.

- c. Procedure.** Supervisors make award recommendations for their subordinate employees. The form at Appendix A should be used to recommend an award. The official completing the form should complete all necessary boxes to indicate which award is being proposed and describe in detail, using no more than the space allotted, why the recommended employee is deserving of that award. The supervisor should sign and date the form, obtain the approval of a reviewing official, and then submit the form to the HRD for review and processing with the Chairperson. Award recommendations must always be reviewed and approved by a higher level official (except for recommendations made by the Chairperson or

on-the-spot awards that net out at \$100 or less to the employee) than the one who proposed the award. If a monetary award is recommended, the Chairperson will determine the amount, taking into consideration any suggestion made by the supervisor, the reviewing official and the HRD. A supervisor may recommend a non-monetary award, subject to the approval of the reviewing official and the Chairperson.

- d. **Procedure for On-the-Spot Awards.** No more than once per fiscal year, a supervisor may propose and award an on-the-spot award for any subordinate employee in an amount not to exceed \$100 net to the employee without further review and approval. The supervisor fills out relevant portions of the form at Appendix A and submits it to the HRD for processing and provides an informational copy to the second level supervisor. A supervisor may also propose and award additional on-the-spot awards up to the maximum specified in subsection f.(4), with the approval of a reviewing official.
  
- e. **Limitations**
  - (1) The amount of a single agency cash award generally may not exceed \$10,000. An award greater than \$10,000, but no more than \$25,000, may be given if the Chairperson or his/her designee certifies to OPM that the contribution or achievement for which the award is proposed is “highly exceptional and unusually outstanding.”
  - (2) Awards of time-off cannot be converted to cash payments under any circumstances.
  - (3) Senior politically appointed officers may not receive an agency award in any form during a presidential election period.
  - (4) Executive Schedule officers may not receive agency cash awards under any circumstances.
  
- f. **Specific Awards**
  - (1) The Carolyn Merritt Award – recognizes significant and measurable contributions, beyond regular job duties, to meeting one or more of the goals in the CSB strategic plan. Only a limited number of these awards should be given each year. An employee may receive this award only once in any 12-month period. The recipient receives an appropriately inscribed certificate, plaque, or memento, and either an appropriate lump-sum payment or time-off award.
  - (2) Special Act/Service Award – recognizes a one-time special contribution either within or outside of regular job responsibilities that meets the criteria for an agency award (see para. 8.a.). The recipient receives an appropriately

inscribed certificate, plaque, or memento, and either an appropriate lump-sum payment or time-off award.

- (3) Special Achievement Award – recognizes special accomplishments or other challenging, significant initiatives, projects, or investigations that meet the criteria for an agency award (see para. 8.a.). The recipient receives an appropriately inscribed certificate and/or memento.
- (4) On-the-Spot Awards – recognize special contributions either within or outside of regular job responsibilities that warrant immediate recognition, but have a small monetary value. The recipient receives a small lump-sum payment, not to exceed \$250. An employee may not receive more than two of these awards in any 12-month period, and the total amount awarded to any one employee in a single fiscal year may not exceed \$500 net to the employee.
- (5) Equal Employment Opportunity Award – recognizes an employee who has substantially contributed to furthering the CSB’s EEO goals and objectives. The recipient receives an appropriately inscribed certificate, plaque, or memento. For extraordinary contributions, a cash award may also be given.
- (6) Length-of-Service Award – recognizes CSB employees for specific lengths of continuous service to the federal government (with the CSB or another agency). Years of creditable service in the government are recognized in five-year increments, beginning with five years of service. All employees attaining the required length of service should automatically receive this award. The CSB will develop a list of small award items for this recognition.

## 9. PERFORMANCE AWARDS.

- a. **Definition** – A performance award is an agency award (as defined in Section 8, above) that may be granted to a General Schedule employee whose most recent performance rating of record, determined in accordance with the CSB Performance Appraisal Program (See Board Order 010), was Fully Successful or higher.
- b. The granting of performance awards is entirely discretionary, and contingent upon adequate funding. Earning a performance rating of Fully Successful or higher does not guarantee the receipt of a performance award. The decision as to the amount of a performance award, or the decision not to grant a performance award, is not appealable.
- c. **Procedure** – Performance awards are given in conjunction with annual performance appraisals (see Board Order 010). Upon completing an employee’s rating of record, the supervisor may recommend a performance award if the summary rating is Fully Successful or higher. To recommend an award, the

supervisor should check the appropriate box on Performance Appraisal Program Form C and attach a completed Award Recommendation Form (see Appendix A of this Order). The complete performance appraisal packet should then be forwarded to the reviewing official, who will approve or disapprove the award recommendation at the same time he/she reviews the performance appraisal. If the reviewing official is the Chairperson, he/she will determine the award amount.

- d. When given as cash, performance awards are paid in a lump sum and are not considered a part of an employee's basic pay.
- e. **Computation of award**
  - (1) The amount of performance awards will be determined by the Chairperson or his/her designee.
  - (2) The amount of a performance award generally may not be greater than 10 percent of the employee's annual rate of basic pay. The Chairperson or his/her designee may authorize an award of more than 10 percent, but no more than 20 percent, of an employee's annual rate of basic pay if he/she determines that such an award is warranted by the employee's exceptional performance.

#### 10. **SENIOR EXECUTIVE SERVICE PERFORMANCE AWARDS.**

- a. **Definition** – A Senior Executive Service performance award is a cash award paid to a career appointee in the SES whose most recent performance rating of record, determined in accordance with the CSB SES Performance Appraisal Program, was Fully Successful or higher.
- b. A performance review board established within the CSB, under 5 U.S.C. § 4314, will recommend SES career appointees to receive performance awards.
- c. The Chairperson must consider the recommendations of the performance review board, but the Chairperson will make the final decisions as to who will receive an SES performance award and the amount of the award. An award must be between five percent and 20 percent, inclusive, of the career appointee's rate of basic pay as of the end of the performance appraisal period.
- d. Career appointees may receive both a SES performance award and a rank award in the same fiscal year. SES performance awards are paid in a lump sum and are not considered a part of basic pay. If the full lump sum cannot be paid in the same calendar year because of the limit on aggregate compensation, the amount that would exceed the limit should be paid at the beginning of the next calendar year.

- e. The total amount of all SES performance awards paid by the CSB in any one fiscal year may not exceed the greater of: an amount equal to 10 percent of the aggregate total basic pay paid to all career SES appointees in the CSB during the preceding fiscal year; or an amount equal to 20 percent of the average of the annual rates of basic pay paid to all career SES appointees in the CSB during the preceding fiscal year. In determining the total basic pay paid to all career SES appointees under this section, the CSB must use the annual rate of basic pay, plus any locality-based comparability payment.
- f. Within 14 days after SES performance awards are approved, the CSB will submit to OPM a report of how the performance awards were distributed, the total amount of the awards given, and the aggregate SES payroll or average rate of SES basic pay.

**11. SENIOR EXECUTIVE SERVICE RANK AWARDS.**

- a. Each year, the Chairperson shall recommend to OPM career appointees in the SES to be awarded the rank of Meritorious Executive or Distinguished Executive. This award recognizes exceptional performance over an extended period of time. These recommendations should be made in accordance with 5 U.S.C. § 4507. The recommended SES members must be favorably reviewed by OPM and approved by the President to receive a rank award, subject to the limitations in 5 U.S.C. § 4507.
- b. The rank of Meritorious Executive is awarded for “sustained accomplishment” and entitles the awardee to a lump-sum bonus equal to 20 percent of his/her basic pay. The rank of Distinguished Executive is awarded for “sustained extraordinary accomplishment” and entitles the awardee to a lump-sum bonus equal to 35 percent of his/her basic pay.
- c. Career appointees may receive both a rank award and a Senior Executive Service performance award in the same fiscal year.
- d. Career appointees awarded an executive rank may not receive the same rank again during the following four fiscal years.

**12. AGGREGATE LIMITATION ON PAY.** Incentive awards are subject to the aggregate limitation on annual pay. A federal employee’s aggregate compensation may not exceed Level I of the executive schedule (\$191,300 in 2008) at the end of a calendar year. Cash amounts paid as awards count toward this limit. The official approving an award is responsible for ensuring that the amount approved will not cause the recipient’s compensation to exceed the limit. Where a cash award would cause an employee’s compensation to exceed the limit, it may be possible to pay part of the award immediately and defer the rest until the beginning of the next calendar year. The approving official should consult the HRD, the Director of Financial



Operations, and the Office of General Counsel for guidance on complying with this requirement, as appropriate.

13. **TRAINING.** The HRD will provide training to supervisors and employees on the operation and administration of this awards program.
14. **OTHER RESPONSIBILITIES.**
  - a. Supervisors and managers making promotion decisions should give appropriate consideration to awards received by employees under this program.
  - b. The CSB will make any changes to this program required by OPM.
15. **INVENTIONS.** Employees should contact the Office of General Counsel for information and policy regarding patentable inventions developed by employees.
16. **RECORDS.** All records related to the incentive awards program will be maintained in accordance with law, regulation, OPM guidance, and CSB policies. The HRD will maintain and submit any records that may be required by OPM.
17. **REVIEW AND UPDATE.** The HRD will be responsible for reviewing this Order at least once every fiscal year and proposing revisions, if any to the Chairperson no later than February 1<sup>st</sup> of each fiscal year.

#### **U.S. CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD**

September 8, 2000; Amended, January 17, 2008.



**Form of Award**

\_\_\_\_ **Monetary Award**

**Suggested Amount** \_\_\_\_\_ **Recommending Official's Initials** \_\_\_\_\_

**Approved Amount** \_\_\_\_\_ **Approving Official's Initials** \_\_\_\_\_

[Indicate a cash amount and/or amount of time off]

\_\_\_\_ **Honorary Award (non-monetary)**

**Suggested Award** \_\_\_\_\_

**Recommending Official's Initials** \_\_\_\_\_

**Approved Award** \_\_\_\_\_

**Approving Official's Initials** \_\_\_\_\_

<b>Name and Title of Recommending Official</b>	
Signature	Date

<b>Name and Title of Approving Official</b>	
Signature	Date