



Approved for Release

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**DEPARTMENT OF COMMERCE
OFFICE OF HUMAN RESOURCES MANAGEMENT**

HUMAN RESOURCES (HR) BULLETIN #142, FY11

SUBJECT: Awards to Political Appointees

EFFECTIVE DATE: Upon release of this HR Bulletin

BACKGROUND: On August 3, 2010, the President issued a memorandum announcing a freeze on discretionary awards, bonuses, and similar payments for political appointees through the end of FY 2011 (i.e., September 30, 2011). The Office of Personnel Management (OPM) issued guidance to assist agencies in implementing the freeze. In addition, the Department of Commerce (Department) has established supplemental guidance below.

PURPOSE: To outline the Department's policy on granting incentive awards to political appointees.

COVERAGE: This HR Bulletin applies to Department of Commerce Presidential Appointees (advice and consent of the Senate), Non-career Senior Executive Service and Schedule C employees.

SUPERSEDES: Supersedes HR Bulletin #24, FY06, "Quality Step Increases and Cash Awards for Political Appointees"

ELIGIBILITY: Listed below are types of awards and current eligibility status for political appointees.

Performance Awards. At the Department, there is an absolute ban on rating-based performance awards under the authority of Title 5, United States Code (U.S.C.) § 4505(a) and Title 5, Code of Federal Regulations (CFR), Part 451, Subpart A, to political appointees as of the date of the President's memorandum minimally through the end of FY 2011, until further notice.

Special Act Awards. At the Department, there is an absolute ban on contribution-based Special Act Awards for either individual or group achievements under the authority of Title 5, U.S.C. § 4503 and Title 5, CFR, Part 451, Subpart A, to political appointees as of the date of the President's memorandum minimally through the end of FY 2011, until further notice. Special Act Awards include Cash-in-Your-Account Awards, On-the-Spot Awards, special operating unit

awards, Suggestion Awards, Invention Awards, Gainsharing Awards, Referral Bonus, and Travel Savings Awards.

Quality Step Increases. At the Department, there is an absolute ban on granting General Schedule quality step increases under Title 5, U.S.C. § 5336 and Title 5, CFR, Part 531, Subpart E, to political appointees effective as of the date of the President's memorandum minimally through the end of FY 2011, until further notice.

Time Off Awards. Time Off Awards are not subject to the freeze. Bureaus may continue to grant Time Off Awards to political appointees.

Honorary Awards and Informal Recognition Awards. Honorary awards and informal recognition awards may take a wide variety of forms with a wide variance in monetary value, both in terms of direct cost and the appearance of such value. OPM has concluded that an agency may grant a political appointee an honorary or informal recognition award during a Presidential election period, provided that the form of the honorary award avoids the appearance of replacing an award. Such items should create the inherent impression of symbolic value (an honor being bestowed) rather than monetary worth (cash value). For example, presenting a commemorative photograph or a certificate in a simple inexpensive frame would be appropriate, but presenting an expensive crystal carafe would not.

PRESIDENTIAL ELECTION PERIOD. Section 4508(B) of Title 5, U.S.C., prohibits Senior Executive Service employees who are not career employees, and employees in a confidential or policy-determining Schedule C position, from receiving awards during a Presidential election period. The statute defines a Presidential period as "any period beginning on June 1 in a calendar year in which the popular election of the President occurs, and ending on January 20, following the date of such election."

REFERENCES: OPM Director Memorandum – Guidance on Freeze on Discretionary Awards, Bonuses, and Similar Payments for Federal Employees Serving under Political Appointments (August 3, 2010); Performance Management System Handbook; 5 U.S.C. 4505(a); 5 CFR part 451; 5 U.S.C. 4503; 5 CFR part 451, subpart A; 5 U.S.C. 5336; 5 CFR part 531, subpart E; and 5 U.S.C. 4508(B).

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