

§ 4315. Regulations

The Office of Personnel Management shall prescribe regulations to carry out the purpose of this subchapter.

(Added Pub. L. 95-454, title IV, §405(a), Oct. 13, 1978, 92 Stat. 1170.)

CHAPTER 45—INCENTIVE AWARDS**SUBCHAPTER I—AWARDS FOR SUPERIOR ACCOMPLISHMENTS**

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AMENDMENTS

2001—Pub. L. 107-67, title VI, §641(c), Nov. 12, 2001, 115 Stat. 555, added item 4507a.

1994—Pub. L. 103-425, §2(b), Oct. 31, 1994, 108 Stat. 4370, added items 4508 and 4509.

1992—Pub. L. 102-487, §1(b), Oct. 24, 1992, 106 Stat. 3134, struck out item 4514 “Expiration of authority”.

1990—Pub. L. 101-509, title V, §529 [title II, §207(b), title IV, §408(b)], Nov. 5, 1990, 104 Stat. 1427, 1458, 1468, added item 4505a and heading for subchapter III and items 4521 to 4523.

1988—Pub. L. 100-611, §1(b), Nov. 5, 1988, 102 Stat. 3179, struck out “; reporting requirement” after “authority” in item 4514.

1985—Pub. L. 99-145, title XII, §1225(b)(1)(B), Nov. 8, 1985, 99 Stat. 730, inserted “; reporting requirement” in item 4514.

1981—Pub. L. 97-35, title XVII, §1703(b)(3), Aug. 13, 1981, 95 Stat. 756, added heading for subchapter I and subchapter II and items 4511 to 4514.

1978—Pub. L. 95-454, title IV, §406(b), Oct. 13, 1978, 92 Stat. 1171, added item 4507.

SUBCHAPTER I—AWARDS FOR SUPERIOR ACCOMPLISHMENTS**AMENDMENTS**

1981—Pub. L. 97-35, title XVII, §1703(b)(1), Aug. 13, 1981, 95 Stat. 756, added heading for subchapter I.

§ 4501. Definitions

For the purpose of this subchapter—

- (1) “agency” means—
- (A) an Executive agency;
 - (B) the Library of Congress;
 - (C) the Office of the Architect of the Capitol;
 - (D) the Botanic Garden;
 - (E) the Government Printing Office;
 - (F) the government of the District of Columbia; and
 - (G) the United States Sentencing Commission;

but does not include—

- (i) the Tennessee Valley Authority; or
- (ii) the Central Bank for Cooperatives;

(2) “employee” means—

- (A) an employee as defined by section 2105; and
- (B) an individual employed by the government of the District of Columbia; and

(3) “Government” means the Government of the United States and the government of the District of Columbia.

(Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 442; Pub. L. 95-454, title V, §503(a), Oct. 13, 1978, 92 Stat. 1183; Pub. L. 97-35, title XVII, §1703(b)(2), Aug. 13, 1981, 95 Stat. 756; Pub. L. 98-615, title II, §204(a)(1), Nov. 8, 1984, 98 Stat. 3216; Pub. L. 100-690, title VII, §7106(a), Nov. 18, 1988, 102 Stat. 4418; Pub. L. 101-474, §5(f), Oct. 30, 1990, 104 Stat. 1100; Pub. L. 103-89, §3(b)(1)(C), Sept. 30, 1993, 107 Stat. 981.)

HISTORICAL AND REVISION NOTES

<i>Derivation</i>	<i>U.S. Code</i>	<i>Revised Statutes and Statutes at Large</i>
.....	5 U.S.C. 2122.	Sept. 1, 1954, ch. 1208, §303, 68 Stat. 1113. Aug. 18, 1959, Pub. L. 86-168, §202(d), 73 Stat. 389.

In paragraph (1), the term “Executive agency” is co-extensive with and substituted for “executive department or independent agency in the executive branch of the Government including a Government-owned or controlled corporation” in view of the definition of “Executive agency” in section 105. Application to the General Accounting Office (included in the term “Executive agency”) is based on former section 933a.

Paragraph (2) is supplied because the definition of “employee” in section 2105 does not encompass individuals employed by the government of the District of Columbia.

Paragraph (3) is supplied for clarity and convenience. Standard changes are made to conform with the definitions applicable and the style of this title as outlined in the preface to the report.

AMENDMENTS

1993—Par. (2)(A). Pub. L. 103-89 amended subpar. (A) generally. Prior to amendment, subpar. (A) read as follows: “an employee as defined by section 2105 of this title, but does not include an employee covered by the performance management and recognition system established under chapter 54 of this title; and”.

1990—Par. (1). Pub. L. 101-474 redesignated subpars. (C) to (H) as (B) to (G), respectively, and struck out former subpar. (B) which included Administrative Office of United States Courts within definition of “agency”.

1988—Par. (1)(H). Pub. L. 100-690 added subpar. (H).

1984—Par. (2)(A). Pub. L. 98-615 substituted “the performance management and recognition system established under chapter 54” for “the merit pay system established under section 5402”.

¹ So in original. Probably should not be capitalized.

² So in original. Does not conform to subchapter heading.

1981—Pub. L. 97-35 substituted “subchapter” for “chapter” in provision preceding par. (1).

1978—Par. (2)(A). Pub. L. 95-454 inserted reference to an employee covered by merit pay system established under section 5402 of this title.

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103-89 effective Nov. 1, 1993, see section 3(c) of Pub. L. 103-89, set out as a note under section 3372 of this title.

EFFECTIVE DATE OF 1984 AMENDMENT

Section 205 of Pub. L. 98-615 provided that amendment by Pub. L. 98-615 was effective Oct. 1, 1984, and applicable with respect to pay periods commencing on or after that date, with certain exceptions and qualifications.

EFFECTIVE DATE OF 1981 AMENDMENT

Section 1703(c) of Pub. L. 97-35 provided that: “The amendments made by this section [enacting subchapter II of this chapter, designating this section and sections 4502 to 4507 of this title as subchapter I, and amending this section and sections 4502, 4505, and 4506 of this title] shall take effect on October 1, 1981.”

EFFECTIVE DATE OF 1978 AMENDMENT

Section 504(a) of Pub. L. 95-454 provided that amendment by Pub. L. 95-454 was effective on first day of first applicable pay period which began on or after Oct. 1, 1981, except it could take effect with respect to any category or categories of positions before such day to extent prescribed by Director of Office of Personnel Management.

EX. ORD. NO. 12976. COMPENSATION PRACTICES OF GOVERNMENT CORPORATIONS

Ex. Ord. No. 12976, Oct. 5, 1995, 60 F.R. 52829, provided: By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 301 of title 3, United States Code, and sections 1105, 1108, and 1111 of title 31, United States Code, it is hereby ordered as follows:

SECTION 1. *Statement of Presidential Principles.*

Government corporations subject to this order shall not pay bonuses in excess of those authorized by sections 4501 through 4507 of title 5, United States Code, except as otherwise specifically provided by law.

SEC. 2. *Administration Review.* (a) Before taking action to approve any bonus in excess of those authorized in section 4502 of title 5, United States Code, each corporation subject to this section (as provided in section 6 of this order) shall submit information to the Director of the Office of Management and Budget (OMB) relating to such bonuses as provided in subsection (b). Such corporation shall refrain from approving any such bonus until the Director of OMB has had an opportunity to review the information provided by the corporation.

(b) The Director of OMB shall issue instructions to the corporations subject to this section specifying when information is to be submitted, and the content and form of such information.

SEC. 3. *Information Reporting Requirements.* (a) Government corporations subject to this order will provide information to the Director of OMB relating to the compensation practices for senior executives of such corporations as provided in subsection (c).

(b) Information submitted shall include the following with respect to senior executives of each corporation subject to this section:

- (1) the compensation plan, procedures, and structure of such corporation;
- (2) base salary levels, annual bonuses, and other compensation; and
- (3) information supporting the senior executive compensation plan and levels.

(c) The Director of OMB shall issue instructions to the corporations subject to this section specifying

when information is to be submitted, and the content and form of such information.

SEC. 4. *Review.* (a) OMB, in consultation with the Department of Labor, will review the information submitted pursuant to section 3, taking into consideration:

- (1) consistency with statutory requirements;
- (2) consistency with corporate mission;
- (3) standards of Federal management and efficiency; and
- (4) equivalent private sector compensation practices.

SEC. 5. *Public Dissemination Requirement.* Government corporations subject to this order shall make available through public dissemination the information submitted pursuant to section 3 of this order.

SEC. 6. *Coverage.* This order will apply to all mixed-ownership and wholly owned corporations listed in section 9101(2) and (3) of title 31, United States Code. Section 2 shall apply only to wholly owned corporations except such corporations that have specific authority to approve bonuses in excess of those authorized under sections 4501 through 4507 of title 5, United States Code.

SEC. 7. *Administration.* All corporations subject to this order shall provide any information in the manner and form, and at the time, requested pursuant to this order by the Director of OMB.

SEC. 8. This order is intended only to improve the internal management of the executive branch and is not intended to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or any other person.

WILLIAM J. CLINTON.

§ 4502. General provisions

(a) Except as provided by subsection (b) of this section, a cash award under this subchapter may not exceed \$10,000.

(b) When the head of an agency certifies to the Office of Personnel Management that the suggestion, invention, superior accomplishment, or other meritorious effort for which the award is proposed is highly exceptional and unusually outstanding, a cash award in excess of \$10,000 but not in excess of \$25,000 may be granted with the approval of the Office.

(c) A cash award under this subchapter is in addition to the regular pay of the recipient. Acceptance of a cash award under this subchapter constitutes an agreement that the use by the Government of an idea, method, or device for which the award is made does not form the basis of a further claim of any nature against the Government by the employee, his heirs, or assigns.

(d) A cash award to, and expense for the honorary recognition of, an employee may be paid from the fund or appropriation available to the activity primarily benefiting or the various activities benefiting. The head of the agency concerned determines the amount to be paid by each activity for an agency award under section 4503 of this title. The President determines the amount to be paid by each activity for a Presidential award under section 4504 of this title.

(e) The Office of Personnel Management may by regulation permit agencies to grant employees time off from duty, without loss of pay or charge to leave, as an award in recognition of superior accomplishment or other personal effort that contributes to the quality, efficiency, or economy of Government operations.

(f) The Secretary of Defense may grant a cash award under subsection (b) of this section with-

out regard to the requirements for certification and approval provided in that subsection.

(Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 442; Pub. L. 95-454, title V, § 503(b), (c), Oct. 13, 1978, 92 Stat. 1183; Pub. L. 97-35, title XVII, § 1703(b)(2), Aug. 13, 1981, 95 Stat. 756; Pub. L. 101-509, title V, § 529 [title II, § 201], Nov. 5, 1990, 104 Stat. 1427, 1455; Pub. L. 103-89, § 3(b)(1)(D), Sept. 30, 1993, 107 Stat. 981; Pub. L. 106-398, § 1 [[div. A], title XI, § 1132], Oct. 30, 2000, 114 Stat. 1654, 1654A-318.)

HISTORICAL AND REVISION NOTES

<i>Derivation</i>	<i>U.S. Code</i>	<i>Revised Statutes and Statutes at Large</i>
.....	5 U.S.C. 2123(d), (e), (g).	Sept. 1, 1954, ch. 1208, § 304(d), (e), (g), 68 Stat. 1113.

In subsections (a) and (b), the words “cash award” are substituted for “monetary award” and “such award” to conform to the remainder of the chapter.

In subsection (c), the word “Government” is substituted for “Government of the United States or the government of the District of Columbia” in view of the definition of “Government” in section 4501.

Standard changes are made to conform with the definitions applicable and the style of this title as outlined in the preface to the report.

AMENDMENTS

2000—Subsec. (f). Pub. L. 106-398 added subsec. (f).

1993—Subsec. (e). Pub. L. 103-89 struck out par. (2) designation and struck out par. (1) which read as follows: “Notwithstanding section 4501(2), for the purpose of this subsection, ‘employee’ includes an employee covered by the performance management and recognition system established under chapter 54.”

1990—Subsec. (e). Pub. L. 101-509 added subsec. (e).

1981—Subsecs. (a), (c). Pub. L. 97-35 substituted “subchapter” for “chapter”.

1978—Subsec. (a). Pub. L. 95-454, § 503(b), substituted “\$10,000” for “\$5,000”.

Subsec. (b). Pub. L. 95-454, § 503(c), substituted “Office of Personnel Management” for “Civil Service Commission”, “\$10,000” for “\$5,000”, and “Office” for “Commission”.

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103-89 effective Nov. 1, 1993, see section 3(c) of Pub. L. 103-89, set out as a note under section 3372 of this title.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-509 effective on such date as the President shall determine, but not earlier than 90 days, and not later than 180 days, after Nov. 5, 1990, see section 529 [title III, § 305] of Pub. L. 101-509, set out as a note under section 5301 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 1703(c) of Pub. L. 97-35, set out as a note under section 4501 of this title.

EFFECTIVE DATE OF 1978 AMENDMENT

Section 504(a) of Pub. L. 95-454 provided that amendment by Pub. L. 95-454 was effective on first day of first applicable pay period which began on or after Oct. 1, 1981, except it could take effect with respect to any category or categories of positions before such day to extent prescribed by Director of Office of Personnel Management.

DELEGATION OF FUNCTIONS

Functions of President under former section 2123(e) [now subsec. (d)] of this section delegated to Director of

Office of Personnel Management, see section 2 of Ex. Ord. No. 11228, June 14, 1965, 30 F.R. 7739, set out as a note under section 301 of Title 3, The President.

§ 4503. Agency awards

The head of an agency may pay a cash award to, and incur necessary expense for the honorary recognition of, an employee who—

(1) by his suggestion, invention, superior accomplishment, or other personal effort contributes to the efficiency, economy, or other improvement of Government operations or achieves a significant reduction in paperwork; or

(2) performs a special act or service in the public interest in connection with or related to his official employment.

(Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 443; Pub. L. 95-454, title V, § 502(a), Oct. 13, 1978, 92 Stat. 1183.)

HISTORICAL AND REVISION NOTES

<i>Derivation</i>	<i>U.S. Code</i>	<i>Revised Statutes and Statutes at Large</i>
.....	5 U.S.C. 2123(a).	Sept. 1, 1954, ch. 1208, § 304(a), 68 Stat. 1113.

The word “employee” is substituted for “civilian officers and employees of the Government” in view of the definition of “employee” in section 4501.

Standard changes are made to conform with the definitions applicable and the style of this title as outlined in the preface to the report.

AMENDMENTS

1978—Par. (1). Pub. L. 95-454 inserted “or achieves a significant reduction in paperwork”.

EFFECTIVE DATE OF 1978 AMENDMENT

Section 504(a) of Pub. L. 95-454 provided that amendment by Pub. L. 95-454 was effective on first day of first applicable pay period which began on or after Oct. 1, 1981, except it could take effect with respect to any category or categories of positions before such day to extent prescribed by Director of Office of Personnel Management.

§ 4504. Presidential awards

The President may pay a cash award to, and incur necessary expense for the honorary recognition of, an employee who—

(1) by his suggestion, invention, superior accomplishment, or other personal effort contributes to the efficiency, economy, or other improvement of Government operations or achieves a significant reduction in paperwork; or

(2) performs an exceptionally meritorious special act or service in the public interest in connection with or related to his official employment.

A Presidential award may be in addition to an agency award under section 4503 of this title.

(Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 443; Pub. L. 95-454, title V, § 502(b), Oct. 13, 1978, 92 Stat. 1183.)

HISTORICAL AND REVISION NOTES

<i>Derivation</i>	<i>U.S. Code</i>	<i>Revised Statutes and Statutes at Large</i>
.....	5 U.S.C. 2123(b).	Sept. 1, 1954, ch. 1208, § 304(b), 68 Stat. 1113.

The words "In instances determined by the President to warrant such action" are omitted as surplusage. The word "employee" is substituted for "civilian officers and employees of the Government" in view of the definition of "employee" in section 4501.

Standard changes are made to conform with the definitions applicable and the style of this title as outlined in the preface to the report.

AMENDMENTS

1978—Par. (1). Pub. L. 95-454 inserted "or achieves a significant reduction in paperwork".

EFFECTIVE DATE OF 1978 AMENDMENT

Section 504(a) of Pub. L. 95-454 provided that amendment by Pub. L. 95-454 was effective on first day of first applicable pay period which began on or after Oct. 1, 1981, except it could take effect with respect to any category or categories of positions before such day to extent prescribed by Director of Office of Personnel Management.

DELEGATION OF FUNCTIONS

Functions vested in Director of Office of Personnel Management under this section insofar as it affects officers and employees in or under executive branch of Government to be performed without approval of President, see section 2 of Ex. Ord. No. 11228, June 14, 1965, 30 F.R. 7739, set out as a note under section 301 of Title 3, The President.

EX. ORD. NO. 9586. THE PRESIDENTIAL MEDAL OF FREEDOM

Ex. Ord. No. 9586, July 6, 1945, 10 F.R. 8523, as amended by Ex. Ord. No. 10336, Apr. 3, 1952, 17 F.R. 2957; Ex. Ord. No. 11085, Feb. 22, 1963, 28 F.R. 1759; Ex. Ord. No. 11515, Mar. 13, 1970, 35 F.R. 4543, provided:

By virtue of the authority vested in me as President of the United States and as Commander in Chief of the armed forces of the United States, it is ordered as follows:

SECTION 1. *Medal established.* The Medal of Freedom is hereby reestablished as the Presidential Medal of Freedom, with accompanying ribbons and appurtenances. The Presidential Medal of Freedom, hereinafter referred to as the Medal, shall be in two degrees.

SEC. 2. *Award of the Medal.* (a) The Medal may be awarded by the President as provided in this order to any person who has made an especially meritorious contribution to (1) the security or national interests of the United States, or (2) world peace, or (3) cultural or other significant public or private endeavors.

(b) The President may select for the award of the Medal any person recommended to the President for award of the Medal or any person selected by the President upon his own initiative.

(c) The principal announcement of awards of the Medal shall normally be made annually, on or about July 4 of each year; but such awards may be made at other times, as the President may deem appropriate.

(d) Subject to the provision of this Order, the Medal may be awarded posthumously.

SEC. 3. *Distinguished Civilian Service Awards Board.* (a) The Distinguished Civilian Service Awards Board, established by Executive Order No. 10717 of June 27, 1957, hereinafter referred to as the Board, is hereby expanded, for the purpose of carrying out the objectives of this Order, to include five additional members appointed by the President from outside the Executive Branch of the Government. The terms of service of the members of the Board appointed under this paragraph shall be five years, except that the first five members so appointed shall have terms of service expiring on the 31st day of July 1964, 1965, 1966, 1967, and 1968, respectively. Any person appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall serve for the remainder of such term.

(b) A chairman of the Board shall be designated by the President from time to time from among the mem-

bership of the Board appointed from the Executive Branch.

(c) For purposes of recommending to the President persons to receive the President's Award for Distinguished Federal Civilian Service, and to carry out the other purposes of Executive Order No. 10717, only the members of the Board from the Executive Branch will sit. The names of persons so recommended will be submitted to the President without reference to the other members of the Board.

SEC. 4. *Functions of the Board.* (a) Any individual or group may make recommendations to the Board with respect to the award of the Medal, and the Board shall consider such recommendations.

(b) With due regard for the provisions of Section 2 of this Order, the Board shall screen such recommendations and, on the basis of such recommendations or upon its own motion, shall from time to time submit to the President nominations of individuals for award of the Medal, in appropriate degrees.

SEC. 5. *Expenses.* Necessary administrative expenses of the Board incurred in connection with the recommendation of persons to receive the Presidential Medal of Freedom, including expenses of travel of members of the Board appointed under Section 3(a) of this Order, during the fiscal year 1963, may be paid from the appropriation provided under the heading "Special Projects" in the Executive Office Appropriation Act, 1963, 76 Stat. 315, and during subsequent fiscal years, to the extent permitted by law, from any corresponding or like appropriation made available for such fiscal years. Such payments shall be without regard to the provisions of section 3681 of the Revised Statutes and section 9 of the Act of March 4, 1909, 35 Stat. 1027 (31 U.S.C. 672 and 673) [31 U.S.C. 1346(a) and (c)]. Members of the Board appointed under Section 3(a) of this Order shall serve without compensation.

SEC. 6. *Design of the Medal.* The Army Institute of Heraldry shall prepare for the approval of the President a design of the Medal in each of its degrees.

EX. ORD. NO. 10717. PRESIDENT'S AWARD FOR DISTINGUISHED FEDERAL CIVILIAN SERVICE

Ex. Ord. No. 10717, June 27, 1957, 22 F.R. 4632, as amended by Ex. Ord. No. 10979, Dec. 12, 1961, 26 F.R. 11937; Ex. Ord. No. 11085, Feb. 22, 1963, 28 F.R. 1759; Ex. Ord. No. 12014, Oct. 19, 1977, 42 F.R. 56105; Ex. Ord. No. 12107, Dec. 28, 1978, 44 F.R. 1055, provided:

SECTION 1. There is hereby established an honorary award for the recognition of distinguished service by civilian officers and employees of the Federal Government. The award shall be known as the President's Award for Distinguished Federal Civilian Service, and shall consist of a gold medal, the design of which accompanies and is hereby made a part of this order, suspended on a ribbon of appropriate material and color, and accompanying appurtenances. Each medal shall be suitably inscribed, and an appropriate citation shall accompany each award.

SEC. 2. (a) The President's Award for Distinguished Federal Civilian Service shall be presented by the President to civilian officers or employees of the Federal Government for the best achievements having current impact in improving Government operations or serving the public interest. These achievements shall exemplify one or more of the following:

(1) Imagination in developing creative solutions to problems of government.

(2) Courage in persevering against great odds and difficulties.

(3) High ability in accomplishing extraordinary scientific or technological achievement, in providing outstanding leadership in planning, organizing, or directing a major program of unusual importance and complexity, or in performing an extraordinary act of credit to the Government and the country.

(4) Long and distinguished career service.

(b) The importance of the achievements to the Government and to the public interest shall be so outstanding that the officer or employee is deserving of greater

public recognition than that which can be accorded by the head of the department or agency in which he is employed. Generally, not more than five awards shall be made in any one year. Presentation of the award shall be made at such times as the President may determine.

SEC. 3. The Director of the Office of Personnel Management shall advise and assist the President in selecting persons to receive this award. In performing this function, the Director shall carefully review nominations submitted pursuant to the provisions of Section 4 of this Order and decide which of them, if any, warrant presentation to the President. The Director shall thereupon transmit to the President the names of those persons who, in the opinion of the Director, merit the award, together with a statement of the reasons therefor. Recipients for the award shall be selected by the President.

SEC. 4. The form and procedures for making nominations for this award shall be prescribed by the Director of the Office of Personnel Management, in accord with the following principles:

(a) The Director shall be guided in the performance of this function by the provisions of Section 4504 and 4505 of Title 5 of the United States Code, and by additional criteria which the Director may prescribe.

(b) The Director shall not recommend any person for the award without the concurrence of the head of the agency in which that person was employed at the time of the achievement for which the award is recommended.

(c) Persons appointed by the President are not eligible for this award unless, in the opinion of the Office, they are currently serving in a career position.

§ 4505. Awards to former employees

An agency may pay or grant an award under this subchapter notwithstanding the death or separation from the service of the employee concerned, if the suggestion, invention, superior accomplishment, other personal effort, or special act or service in the public interest for which the award is proposed was made or performed while the employee was in the employ of the Government.

(Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 443; Pub. L. 97-35, title XVII, §1703(b)(2), Aug. 13, 1981, 95 Stat. 756.)

HISTORICAL AND REVISION NOTES

<i>Derivation</i>	<i>U.S. Code</i>	<i>Revised Statutes and Statutes at Large</i>
.....	5 U.S.C. 2123(c).	Sept. 1, 1954, ch. 1208 § 304(c), 68 Stat. 1113.

The words "or grant" are added for clarity. Standard changes are made to conform with the definitions applicable and the style of this title as outlined in the preface to the report.

AMENDMENTS

1981—Pub. L. 97-35 substituted "subchapter" for "chapter".

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 1703(c) of Pub. L. 97-35, set as a note under section 4501 of this title.

§ 4505a. Performance-based cash awards

(a)(1) An employee whose most recent performance rating was at the fully successful level or higher (or the equivalent thereof) may be paid a cash award under this section.

(2) A cash award under this section shall be equal to an amount determined appropriate by

the head of the agency, but may not be more than 10 percent of the employee's annual rate of basic pay. Notwithstanding the preceding sentence, the agency head may authorize a cash award equal to an amount exceeding 10 percent of the employee's annual rate of basic pay if the agency head determines that exceptional performance by the employee justifies such an award, but in no case may an award under this section exceed 20 percent of the employee's annual rate of basic pay.

(b)(1) A cash award under this section shall be paid as a lump sum, and may not be considered to be part of the basic pay of an employee.

(2) The failure to pay a cash award under this section, or the amount of such an award, may not be appealed. The preceding sentence shall not be construed to extinguish or lessen any right or remedy under subchapter II of chapter 12, chapter 71, or any of the laws referred to in section 2302(d).

(c) The Office of Personnel Management shall prescribe such regulations as it considers necessary for the administration of subsections (a) and (b).

(d) The preceding provisions of this section shall be applicable with respect to any employee to whom subchapter III of chapter 53 applies, and to any category of employees provided for under subsection (e).

(e) At the request of the head of an Executive agency, the President may authorize the application of subsections (a) through (c) with respect to any category of employees within such agency who would not otherwise be covered by this section.

(Added Pub. L. 101-509, title V, §529 [title II, §207(a)], Nov. 5, 1990, 104 Stat. 1427, 1457; amended Pub. L. 102-378, §2(19), Oct. 2, 1992, 106 Stat. 1347; Pub. L. 108-411, title III, §301(c), Oct. 30, 2004, 118 Stat. 2317.)

AMENDMENTS

2004—Subsec. (a)(2). Pub. L. 108-411 struck out subpar. (A) designation before "A cash award under" and struck out subpar. (B) which read as follows: "For purposes of computing a percentage of a rate of basic pay under subparagraph (A), the rate of basic pay used shall be determined without taking into account any comparability payment under section 5304."

1992—Subsec. (b)(2). Pub. L. 102-378, §2(19)(A), inserted reference to chapter 71.

Subsec. (c). Pub. L. 102-378, §2(19)(B), inserted "of Personnel Management" after "Office".

Subsecs. (d), (e). Pub. L. 102-378, §2(19)(C), added subsecs. (d) and (e) and struck out former subsec. (d) which read as follows: "At the request of the head of an Executive agency, the President may authorize the application of the preceding provisions of this section with respect to 1 or more categories of employees within such agency who would not otherwise be covered by this section (including authority under subsection (c) to prescribe any necessary regulations)."

EFFECTIVE DATE OF 2004 AMENDMENT

Amendment by Pub. L. 108-411 effective on the first day of the first applicable pay period beginning on or after the 180th day after Oct. 30, 2004, with provisions relating to conversion rules, see section 301(d) of Pub. L. 108-411, set out as a note under section 5363 of this title.

EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102-378 effective May 4, 1991, see section 9(b)(4) of Pub. L. 102-378, set out as a note under section 6303 of this title.

EFFECTIVE DATE

Section effective on such date as the President shall determine, but not earlier than 90 days, and not later than 180 days, after Nov. 5, 1990, see section 529 [title III, § 305] of Pub. L. 101-509, set out as an Effective Date of 1990 Amendment note under section 5301 of this title.

DELEGATION OF FUNCTIONS

Authority of President under subsec. (e) of this section delegated to Director of Office of Personnel Management by Ex. Ord. No. 12828, §1(2), Jan. 5, 1993, 58 F.R. 2965, set out as a note under section 3502 of this title.

EX. ORD. NO. 13415. ASSIGNMENT OF CERTAIN PAY-RELATED FUNCTIONS

Ex. Ord. No. 13415, Dec. 1, 2006, 71 F.R. 70641, provided: By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 301 of title 3, United States Code, it is hereby ordered as follows:

SECTION 1. *Assignment of Functions.* The functions of the President under sections 4505a, 5305, and 5377 of title 5, United States Code, are assigned to the Director of the Office of Personnel Management.

SEC. 2. *Revocations.* (a) [Amended Ex. Ord. No. 12748, set out as a note under section 5301 of this title.]

(b) [Amended Ex. Ord. No. 12828, set out as a note under section 3502 of this title.]

SEC. 3. *General Provision.* This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity against the United States, its departments, agencies, entities, officers, employees, or agents, or any other person.

GEORGE W. BUSH.

§ 4506. Regulations

The Office of Personnel Management shall prescribe regulations and instructions under which the awards programs set forth by this subchapter shall be carried out.

(Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 443; Pub. L. 95-454, title V, §503(d), Oct. 13, 1978, 92 Stat. 1184; Pub. L. 97-35, title XVII, §1703(b)(2), Aug. 13, 1981, 95 Stat. 756; Pub. L. 107-67, title VI, §641(b), Nov. 12, 2001, 115 Stat. 555.)

HISTORICAL AND REVISION NOTES

<i>Derivation</i>	<i>U.S. Code</i>	<i>Revised Statutes and Statutes at Large</i>
.....	5 U.S.C. 2121 (1st 29 words).	Sept. 1, 1954, ch. 1208, §302 (1st 29 words), 68 Stat. 1112.

Standard changes are made to conform with the definitions applicable and the style of this title as outlined in the preface to the report.

AMENDMENTS

2001—Pub. L. 107-67 substituted “the awards programs” for “the agency awards program”.

1981—Pub. L. 97-35 substituted “subchapter” for “chapter”.

1978—Pub. L. 95-454 substituted “Office of Personnel Management shall” for “Civil Service Commission may”.

EFFECTIVE DATE OF 2001 AMENDMENT

Pub. L. 107-67, title VI, §641(d), Nov. 12, 2001, 115 Stat. 555, provided that: “The amendments made by this section [enacting section 4507a of this title and amending this section] shall take effect for awards granted in 2003.”

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 1703(c) of Pub. L. 97-35, set out as a note under section 4501 of this title.

EFFECTIVE DATE OF 1978 AMENDMENT

Section 504(a) of Pub. L. 95-454 provided that amendment by Pub. L. 95-454 was effective on first day of first applicable pay period which began on or after Oct. 1, 1981, except it could take effect with respect to any category or categories of positions before such day to extent prescribed by Director of Office of Personnel Management.

§ 4507. Awarding of ranks in the Senior Executive Service

(a) For the purpose of this section, “agency”, “senior executive”, and “career appointee” have the meanings set forth in section 3132(a) of this title.

(b) Each agency shall submit annually to the Office recommendations of career appointees in the agency to be awarded the rank of Meritorious Executive or Distinguished Executive. The recommendations may take into account the individual’s performance over a period of years. The Office shall review such recommendations and provide to the President recommendations as to which of the agency recommended appointees should receive such rank.

(c) During any fiscal year, the President may, subject to subsection (d) of this section, award to any career appointee recommended by the Office the rank of—

- (1) Meritorious Executive, for sustained accomplishment, or
- (2) Distinguished Executive, for sustained extraordinary accomplishment.

A career appointee awarded a rank under paragraph (1) or (2) of this subsection shall not be entitled to be awarded that rank during the following 4 fiscal years.

(d) During any fiscal year—

- (1) the number of career appointees awarded the rank of Meritorious Executive may not exceed 5 percent of the Senior Executive Service; and
- (2) the number of career appointees awarded the rank of Distinguished Executive may not exceed 1 percent of the Senior Executive Service.

(e)(1) Receipt by a career appointee of the rank of Meritorious Executive entitles such individual to a lump-sum payment of an amount equal to 20 percent of annual basic pay, which shall be in addition to the basic pay paid under section 5382 of this title or any award paid under section 5384 of this title.

(2) Receipt by a career appointee of the rank of Distinguished Executive entitles the individual to a lump-sum payment of an amount equal to 35 percent of annual basic pay, which shall be in addition to the basic pay paid under section 5382 of this title or any award paid under section 5384 of this title.

(Added Pub. L. 95-454, title IV, §406(a), Oct. 13, 1978, 92 Stat. 1170; amended Pub. L. 105-277, div. A, §101(h) [title VI, §631(a), (b)], Oct. 21, 1998, 112 Stat. 2681-480, 2681-523.)

AMENDMENTS

1998—Subsec. (e)(1). Pub. L. 105-277, §101(h) [title VI, §631(a)], substituted “an amount equal to 20 percent of annual basic pay” for “\$10,000”.

Subsec. (e)(2). Pub. L. 105-277, §101(h) [title VI, §631(b)], substituted “an amount equal to 35 percent of annual basic pay” for “\$20,000”.

EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-277, div. A, §101(h) [title VI, §631(c)], Oct. 21, 1998, 112 Stat. 2681-480, 2681-523, provided that: "The amendments made by this section [amending this section] shall take effect on October 1, 1998, or the date of enactment of this Act [Oct. 21, 1998], whichever is later."

EFFECTIVE DATE

Section effective 9 months after Oct. 13, 1978, and congressional review of provisions of sections 401 through 412 of Pub. L. 95-454, see section 415(a)(1), (b), of Pub. L. 95-454, set out as a note under section 3131 of this title.

§ 4507a. Awarding of ranks to other senior career employees

(a) For the purpose of this section, the term "senior career employee" means an individual appointed to a position classified above GS-15 and paid under section 5376 who is not serving—

- (1) under a time-limited appointment; or
- (2) in a position that is excepted from the competitive service because of its confidential or policy-making character.

(b) Each agency employing senior career employees shall submit annually to the Office of Personnel Management recommendations of senior career employees in the agency to be awarded the rank of Meritorious Senior Professional or Distinguished Senior Professional, which may be awarded by the President for sustained accomplishment or sustained extraordinary accomplishment, respectively.

(c) The recommendations shall be made, reviewed, and awarded under the same terms and conditions (to the extent determined by the Office of Personnel Management) that apply to rank awards for members of the Senior Executive Service under section 4507.

(Added Pub. L. 107-67, title VI, §641(a), Nov. 12, 2001, 115 Stat. 554.)

REFERENCES IN TEXT

GS-15, referred to in subsec. (a), is contained in the General Schedule, which is set out under section 5332 of this title.

EFFECTIVE DATE

Section effective for awards granted in 2003, see section 641(d) of Pub. L. 107-67, set out as an Effective Date of 2001 Amendment note under section 4506 of this title.

§ 4508. Limitation of awards during a Presidential election year

(a) For purposes of this section, the term—

(1) "Presidential election period" means 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; and

(2) "senior politically appointed officer" means any officer who during a Presidential election period serves—

(A) in a Senior Executive Service position and is not a career appointee as defined under section 3132(a)(4); or

(B) in a position of a confidential or policy-determining character under schedule C of subpart C of part 213 of title 5 of the Code of Federal Regulations.

(b) No senior politically appointed officer may receive an award under the provisions of this

subchapter during a Presidential election period.

(Added Pub. L. 103-425, §2(a), Oct. 31, 1994, 108 Stat. 4369.)

§ 4509. Prohibition of cash award to Executive Schedule officers

No officer may receive a cash award under the provisions of this subchapter, if such officer—

(1) serves in—

(A) an Executive Schedule position under subchapter II of chapter 53; or

(B) a position for which the compensation is set in statute by reference to a section or level under subchapter II of chapter 53; and

(2) was appointed to such position by the President, by and with the advice and consent of the Senate.

(Added Pub. L. 103-425, §2(a), Oct. 31, 1994, 108 Stat. 4370.)

SUBCHAPTER II—AWARDS FOR COST SAVINGS DISCLOSURES

AMENDMENTS

1981—Pub. L. 97-35, title XVII, §1703(a), Aug. 13, 1981, 95 Stat. 755, added subchapter II.

§ 4511. Definition and general provisions

(a) For purposes of this subchapter, the term "agency" means any Executive agency.

(b) A cash award under this subchapter is in addition to the regular pay of the recipient. Acceptance of a cash award under this subchapter constitutes an agreement that the use by the Government of an idea, method, or device for which the award is made does not form the basis of a further claim of any nature against the Government by the employee, his heirs, or assigns.

(Added Pub. L. 97-35, title XVII, §1703(a), Aug. 13, 1981, 95 Stat. 755.)

EFFECTIVE DATE

Subchapter effective Oct. 1, 1981, see section 1703(c) of Pub. L. 97-35, set out as an Effective Date of 1981 Amendment note under section 4501 of this title.

AUTHORITY TO MAKE AWARDS

Pub. L. 102-487, §1(c), Oct. 24, 1992, 106 Stat. 3134, provided that: "Awards may be made under subchapter II of chapter 45 of title 5, United States Code, on and after the date of the enactment of this Act [Oct. 24, 1992]."

§ 4512. Agency awards for cost savings disclosures

(a) The Inspector General of an agency, or any other agency employee designated under subsection (b), may pay a cash award to any employee of such agency whose disclosure of fraud, waste, or mismanagement to the Inspector General of the agency, or to such other designated agency employee, has resulted in cost savings for the agency. The amount of an award under this section may not exceed the lesser of—

(1) \$10,000; or

(2) an amount equal to 1 percent of the agency's cost savings which the Inspector General, or other employee designated under subsection