BACKGROUND

On November 1, 2013, the Office of Personnel Management (OPM) and the Office of Management and Budget (OMB) issued Joint Memorandum, *Guidance on Awards for Fiscal Year 2014*, which provided guidance on budgetary spending limitations for all individual awards. The memorandum directed all agencies to limit award spending for performance and individual contribution awards (Special Act or Service) to no more than 1% of total aggregate salaries and may not exceed FY2012 total spending levels. For the NIH, the FY2012 total spending on both categories of awards is less than 1% of total aggregate salaries as of 9/30/2013. Therefore, the NIH was limited to the FY2012 total spending in determining the distribution of IC award allocations.

TYPES OF AWARDS

- Cash - Individual Performance and Special Act or Service (to include Group) awards for non-SES and non-Title 42 SES equivalent employees
- Cash – Individual or Group Special Act or Service awards for SES and Title 42 SES equivalent
- Referral Bonus and other Suggestion / Invention
- Quality Step Increases (QSIs)
- Time Off Awards (TOAs)

AWARD ALLOCATIONS

MONETARY AWARDS

- As noted above, NIH spending for Individual Performance and Special Act or Service cash awards for non-SES and non-Title 42 SES equivalent employees will be limited to FY2012 spending levels. This spending authority is being distributed to ICs based on their percent of total NIH aggregate salaries as of 9/30/2013.

  EXAMPLE – Institute “B” has 11% of the total NIH aggregate salaries as of 9/30/2013, and therefore, Institute “B” will receive 11% of the FY2012 award spending authority that will be used in FY2014. This amount may not equal what Institute “B” actually spent on awards in FY2012.

ICs can determine what proportion of their spending authority will be spent on performance awards and on individual cash awards.

1 NIH Deputy Directors, IC Directors, IC Deputy Directors, Scientific Directors, Clinical Directors, Scientific Executives (as designated by T-42 Extramural Committee); Associate Directors; and Office Heads in the NIH OD who report directly to the NIH Director.

2 Proportional percentage of each IC was determined by IC percentage of total aggregate salaries as compared to the total aggregate salaries NIH-wide.
SES and T-42 equivalent Special Act or Service awards (to include Group) are only to be considered and granted in those limited circumstances where a performance bonus would not be appropriate. All cash awards—Special Act or Service awards for SES and T-42 equivalent personnel will require the approval of the NIH Director.

Group cash awards will be limited to FY2010 levels. Each IC will receive spending authority for a percentage of the total that NIH spent in FY2010.

Referral Bonus and other Suggestion / Invention awards are limited to FY2010 spending levels.

NON-MONETARY AWARDS

QSIs continue to be limited to FY2010 spending levels. ICs will receive a dollar amount (spending authority) available for QSIs, and can then decide how to distribute these funds among their eligible employees. Only a small percentage of the “Level 5” rated employees can be approved for QSIs.

TOAs can be used to recognize PMAP (not to exceed 40 hours or combined with cash), as well as short-term accomplishments. IC should use TOAs “judiciously” and refrain from increasing time-off to compensate for the restrictions on cash awards.

NOTE: Prior to processing awards, NIH is legally required to maintain compliance with provisions in collective bargaining agreements governing awards.

SUMMARY

FY 2014 allocations for Awards for the different categories of awards will be available through the Self Monitoring Analytics Reporting Tool for HR (SMARTHR). ICs will be required to submit their PMAP ratings and performance awards (to include individual performance; QSIs; and Time off Awards) through SMARTHR not later than Monday, March 31, 2014.

<table>
<thead>
<tr>
<th>AWARD TYPE</th>
<th>SPENDING AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash – performance and special act or service</td>
<td>NTE FY2012 level</td>
</tr>
<tr>
<td>Cash – Group award</td>
<td>NTE FY2010 level</td>
</tr>
<tr>
<td>Quality Step Increases</td>
<td>NTE FY2010 level</td>
</tr>
<tr>
<td>Time-off Awards</td>
<td>N/A</td>
</tr>
<tr>
<td>Referral Bonus</td>
<td>NTE FY2010 level</td>
</tr>
<tr>
<td>Other Suggestion / Invention Awards</td>
<td>NTE FY2010 level</td>
</tr>
</tbody>
</table>

Footnote:
3 Special Act or Service awards for SES and SES T-42 equivalent personnel will be charged against your allocated spending authority.