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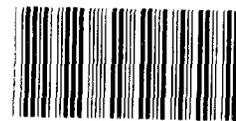
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Fact Sheet for the Chair,  
Subcommittee on Compensation  
and Employee Benefits,  
House Committee on Post Office  
and Civil Service

May 1986

# FEDERAL WORKFORCE

## Performance Management and Recognition System Performance Awards



130020

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United States  
General Accounting Office  
Washington, D.C. 20548

General Government Division

B-203022

May 16, 1986

The Honorable Mary Rose Oakar  
Chair, Subcommittee on Compensation  
and Employee Benefits  
Committee on Post Office and Civil Service  
House of Representatives

Dear Madam Chair:

Enclosed is information requested by your office on performance award expenditures by certain federal agencies under the Performance Management and Recognition System (PMRS).

On March 10, 1986, we briefed the Subcommittee Staff Director on the preliminary results of our review of PMRS implementation in selected federal agencies. During the briefing, he asked for information on the amounts agencies were spending for PMRS performance awards compared to the amounts stipulated in the PMRS legislation. We agreed to provide the performance award information for the five agencies included in our review--the Federal Aviation Administration, the Internal Revenue Service, the Office of Personnel Management, and two bureaus within the Department of Interior--the Bureau of Land Management and the Bureau of Reclamation.

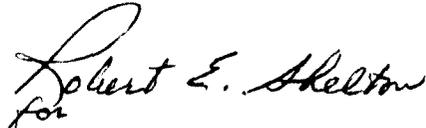
The PMRS legislation established minimum and maximum aggregate amounts that agencies are to spend on performance awards each year. The amounts are expressed as percentages of covered employees' aggregate base pay. The maximum allowable percentage for each of the 5 years PMRS is in effect (fiscal years 1985 to 1989) is 1.5 percent. The minimum amount--starting with .75 percent in fiscal year 1985--is to increase each fiscal year in accordance with Office of Personnel Management (OPM) regulations until it reaches 1.15 percent in fiscal year 1989. OPM specified .85 percent as the minimum amount for fiscal year 1986.

The appendix shows the actual expenditure percentages for the five agencies for fiscal year 1985, an actual percentage for OPM for fiscal year 1986, and estimated expenditure percentages for the other four agencies for fiscal year 1986. As shown, the percentages varied among the agencies. At four of the agencies, the percentages for 1986 are greater than the 1985 percentages. Only the Federal Aviation Administration estimates it will spend a lower percentage in 1986 than in 1985; however, this amount is not below the OPM minimum for fiscal year 1986.

B-203022

As agreed with your office, we plan no further distribution until 14 days from the date of this fact sheet unless you publicly announce its contents earlier. At that time, we will send copies to the agencies contacted during our review and make copies available to others upon request.

Sincerely yours,

  
for  
Rosslyn S. Kleeman  
Associate Director

PERCENTAGES OF PMRS EMPLOYEES' AGGREGATE  
BASE PAY SPENT AND ESTIMATED TO BE SPENT  
FOR PERFORMANCE AWARDS IN SELECTED AGENCIES

<u>Agency</u>	Fiscal year 1985 expenditure percentages (actual)	Fiscal year 1986 expenditure percentages <sup>a</sup>
Bureau of Reclamation	1.49	1.50
Bureau of Land Management	1.03	1.175
Federal Aviation Administration	1.56 <sup>b</sup>	1.40
Internal Revenue Service	1.36	1.50
Office of Personnel Management	1.45	1.49

<sup>a</sup>The OPM percentage is an actual figure. The percentages for the other four agencies are estimated.

<sup>b</sup>As stated on page 1 of this letter, the maximum allowable percentage for performance awards is 1.5 percent. We were advised by OPM that the 1.5 percent ceiling applies to executive agencies, such as the Department of Transportation (DOT). Since FAA is a component of DOT, the expenditures reported by FAA must be combined with the expenditures of DOT's other components before a determination can be made as to whether the statutory limitations have been exceeded. In fiscal year 1985, DOT's reported expenditure percentage was 1.4 percent.

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