

Fact Sheet

BONUSES AWARDED TO THE SENIOR EXECUTIVE SERVICE

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Chairman, Subcommittee on Financial & Contracting Oversight

Members of the Senior Executive Service (SES) are the federal employees who fill management, supervisory, and policy positions classified above the General Schedule. In addition to salaries ranging from approximately \$119,000 to \$179,000 per year, career SES employees are entitled to receive performance-based and non-performance-based cash bonuses and other types of awards. 1

Growth in Bonuses Awarded to the Senior Executive Service

From 2008 to 2011, the federal government spent more than \$340 million on cash bonuses for SES employees. Although SES employees comprise less than 1% of the federal workforce, they received more than 4% of the total amount of federal dollars spent on employee bonuses during that time period.²

The value of cash awards for SES employees increased from more than \$84 million in 2008 to more than \$90 million in 2010. In 2011, following a directive from the Office of Personnel Management to limit SES bonuses to no more than 5% of aggregate salary, the value of cash awards to SES employees dropped to \$78 million.

Before the 2011 directive, federal spending on bonuses outpaced the growth of the SES. From 2008 to 2010, federal spending on SES bonuses increased by 7%. By comparison, the total number of SES employees increased approximately 2%, from 7,736 employees in 2008 to 7,905 in 2010. In 2011, the number of SES employees increased by 1.5% while the overall value of bonuses decreased by approximately 13% from 2010.

Nearly every member of the SES receives a bonus. In 2011, the federal government gave bonuses to 6,519 members of the SES, approximately 81% of all SES employees.

The Different Types of Bonuses

The majority of SES bonuses are awarded through cash awards linked to performance ratings. In 2011, 86% of all SES cash bonuses (\$68 million) were ratings-based cash awards. The remaining 14% was awarded through cash awards that were not linked to the employee's ratings. The use of time-off awards increased 26% during this time period, from over 200 time-off awards in 2008 to over 250 time-off awards in 2011.

Members of the SES are also eligible for Presidential Rank Awards, winners of which are selected by their agencies and approved by the President. Presidential Rank Award winners receive a lump-sum award of 20% (Distinguished Rank) or 35% (Meritorious Rank) of their annual basic pay. From 2008 to 2011, the President awarded 1,070 Presidential Rank Awards to SES employees with a total value of more than \$39 million.

The Federal Agencies with the Most Bonus Awards

In 2011, federal agencies awarded more than 6,300 cash awards totaling more than \$78 million to SES employees. The agency that awarded the most performance awards on average was the General Services Administration, which awarded more than \$1.1 million in bonuses to SES employees in 2011. The General Services Administration awarded an average of 1.6 bonuses to each SES employee at the agency.

Other federal agencies that on average awarded at least one performance award for every SES employee in 2011 include the Department of Labor (1.2 awards per SES employee), and the National Science Foundation (1.1 awards per SES employee), the Department of the Navy (1.02 awards per SES employee).

In 2011, the five agencies with the highest average spending on SES bonuses were the Nuclear Regulatory Commission (more than \$16,000 per SES employee), the National Science Foundation (more than \$14,000 per SES employee), the Department of the Navy (more than \$13,000 per SES employee), the Department of Health and Human Services (more than \$13,000 per SES employee) and the Department of Commerce (more than \$12,000 per SES employee).

¹ See Office of Personnel Management, Senior Executive Service (online at http://www.opm.gov/policy-data-oversight/senior-executive-service) (accessed May 15, 2013).

²This analysis is based on a review of data obtained from the Office of Personnel Management (OPM) for fiscal years 2008 through 2011. This data is limited to federal civilian employees and includes all executive branch agencies except the Board of Governors of the Federal Reserve, Central Intelligence Agency, Defense Intelligence Agency, National Geospatial-Intelligence Agency, National Security Agency, Office of the Director of National Intelligence, Office of the Vice President, Postal Regulatory Commission, Tennessee Valley Authority, U.S. Postal Service, and White House Office. The data also excludes performance award information for foreign nationals overseas, the Public Health Service's Commissioned Officers Corps, and non-appropriated fund employees. Information for the Defense Department in the analysis includes data provided by OPM for Department of Defense, Army, Navy, and Air Force. The analysis excludes data provided by OPM related to legislative branch agencies. The analysis also relies on public data from OPM regarding federal workforce employment, including public data from OPM's Enterprise Human Resources Integration-Statistical Data Mart, available online through OPM's FedScope application. The Subcommittee used the number of federal employees in the executive branch in September of each year. For detailed information regarding performance awards, the Subcommittee used numbers validated by OPM. This information excludes data reported incorrectly by federal agencies to OPM and/or which do not meet the validity requirements of OPM's Enterprise Human Resources Integration-Statistical Data Mart application.

³ Office of Personnel Management, *2012 Senior Executive Service Report* (March 2013) (online at www.opm.gov) (accessed May 16, 2013).

⁴ Office of Personnel Management, *Senior Executive Service: Compensation* (online at http://www.opm.gov/policy-data-oversight/senior-executive-service/compensation/#url=Recognition) (accessed May 15, 2013).