



June 19, 2013

Update On IRS Performance Awards

NTEU has had a negotiated performance awards program at the IRS for decades, bargained pursuant to the law and regulations which specifically authorize agencies to implement such merit-based incentive programs. The NTEU-negotiated awards are an important part of compensation and recognition at the IRS. As the law envisions, the program is designed to recognize and reward employees and provides meaningful acknowledgement of a job well done.

Sen. Charles E. Grassley has written a letter to IRS Acting Commissioner Danny Werfel asking why IRS is paying awards, stating that the IRS is not legally obligated to pay them. The letter was publicized in the media.

NTEU is currently in discussions with the agency on the awards and other matters resulting from the sequester and budget cutbacks. It is NTEU's position that the awards are legally required as part of the collective bargaining agreement between NTEU and the IRS.

In response to the letter, the IRS issued the following statement to the media:

OMB guidance directs that agencies should not pay discretionary monetary awards at this time unless legally required. IRS is under a legal obligation to comply with its collective bargaining agreement, which specifies the terms by which awards are paid to bargaining-unit employees. In accordance with OMB guidance, the IRS is actively engaged with NTEU on these matters in recognition of our current budgetary constraints.

NTEU will continue to press for the awards to be paid. IRS employees are dedicated, hard-working professionals who perform important and difficult work for our country, collecting 93 percent of the revenue that funds the rest of the federal government. IRS employees delivered a successful filing season this year with nearly 10,000 fewer employees and \$1 billion in budget cuts from just two years ago. IRS has seen significant productivity gains in the last several years thanks to the determination and commitment of the IRS workforce.

Not paying employees what they have earned is an unfair and counterproductive action that will serve only to further undermine morale across the agency.

I will keep you updated as the situation develops.

A handwritten signature in black ink that reads "Colleen M. Kelley".

Colleen M. Kelley
NTEU National President

"...to ensure that every federal employee is treated with dignity and respect."