

Calendar No. 386

114TH CONGRESS
2D SESSION**S. 742****[Report No. 114–226]**

To appropriately limit the authority to award bonuses to employees.

IN THE SENATE OF THE UNITED STATES

MARCH 16, 2015

Ms. AYOTTE (for herself, Mrs. McCASKILL, and Mrs. FISCHER) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

MARCH 14, 2016

Reported by Mr. JOHNSON, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To appropriately limit the authority to award bonuses to employees.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop Wasteful Federal
5 Bonuses Act of 2015”.

1 **SEC. 2. BONUSES.**

2 (a) ADVERSE FINDINGS AND EMPLOYEES UNDER IN-
3 VESTIGATION.—Chapter 45 of title 5, United States Code,
4 is amended by adding at the end the following:

5 **“Subchapter IV—Limitations on Bonus**
6 **Authority**

7 **“§ 4531. Certain forms of misconduct**

8 “(a) DEFINITIONS.—In this section—

9 “(1) the term ‘adverse finding’ relating to an
10 employee means a determination that the conduct of
11 the employee—

12 “(A) violated a policy of the agency for
13 which the employee may be removed or sus-
14 pended; or

15 “(B) violated a law for which the employee
16 may be imprisoned of more than 1 year;

17 “(2) the term ‘agency’ has the meaning given
18 that term under section 551; and

19 “(3) the term ‘bonus’ means any bonus or cash
20 award, including—

21 “(A) an award under this chapter;

22 “(B) an award under section 5384; and

23 “(C) a retention bonus under section 5754.

24 “(b) ADVERSE FINDINGS.—

25 “(1) IN GENERAL.—The head of an agency
26 shall not award a bonus to an employee of the agen-

ey until 5 years after the end of the fiscal year in which the Inspector General or another senior ethics official of the agency or the Comptroller General of the United States makes an adverse finding relating to the employee.

~~“(2) PREVIOUSLY AWARDED BONUSES.—If the~~
~~Inspector General or another senior ethics official of~~
~~the agency or the Comptroller General of the United~~
~~States makes an adverse finding relating to an em-~~
~~ployee, the head of the agency employing the em-~~
~~ployee, after notice and an opportunity for a hear-~~
~~ing, shall issue an order directing the employee to~~
~~repay the amount of any bonus awarded to the em-~~
~~ployee during the year during which the adverse~~
~~finding is made.”.~~

~~(b) TECHNICAL AND CONFORMING AMENDMENT.—~~
~~The table of sections for chapter 45 of title 5, United~~
~~States Code, is amended by adding at the end the fol-~~
~~lowing:~~

~~“SUBCHAPTER IV—LIMITATIONS ON BONUS AUTHORITY~~

~~“4531. Certain forms of misconduct.”.~~

SECTION 1. SHORT TITLE.

This Act may be cited as the “Stop Wasteful Federal Bonuses Act of 2015”.

1 **SEC. 2. BONUSES.**

2 (a) *ADVERSE FINDINGS AND EMPLOYEES UNDER IN-*
 3 *VESTIGATION.*—Chapter 45 of title 5, United States Code,
 4 *is amended by adding at the end the following:*

5 **“Subchapter IV—Limitations on Bonus**
 6 **Authority**

7 **“§ 4531. Certain forms of misconduct**

8 “(a) *DEFINITIONS.*—*In this section:*

9 “(1) *ADVERSE FINDING.*—

10 “(A) *IN GENERAL.*—*The term ‘adverse find-*
 11 *ing’ means a determination by the head of the*
 12 *agency employing an employee that the conduct*
 13 *of the employee—*

14 “(i) *violated a policy of the agency for*
 15 *which the employee may be removed or sus-*
 16 *pending for a period of not less than 14*
 17 *days; or*

18 “(ii) *violated a law for which the em-*
 19 *ployee may be imprisoned for more than 1*
 20 *year.*

21 “(B) *BASIS.*—*A determination described in*
 22 *subparagraph (A) may be based on an investiga-*
 23 *tion by, determination of, or information pro-*
 24 *vided by the Inspector General or another senior*
 25 *ethics official of an agency or the Comptroller*
 26 *General of the United States, as part of carrying*

1 *out an activity, authority, or function of the In-*
 2 *spector General, senior ethics official, or Comp-*
 3 *troller General, respectively, under a provision of*
 4 *law other than this section.*

5 “(2) *AGENCY.*—*The term ‘agency’ has the mean-*
 6 *ing given that term under section 551.*

7 “(3) *BONUS.*—*The term ‘bonus’ means any per-*
 8 *formance award or cash award under—*

9 “(A) *section 4505a;*

10 “(B) *section 5384; or*

11 “(C) *section 5754.*

12 “(b) *PROHIBITION.*—*The head of an agency shall not*
 13 *award a bonus to an employee of the agency until 5 years*
 14 *after the end of the fiscal year during which the head of*
 15 *an agency makes an adverse finding relating to the em-*
 16 *ployee.*

17 “(c) *AFTER BONUS AWARDED.*—

18 “(1) *IN GENERAL.*—*For a bonus awarded to an*
 19 *employee after the date of enactment of this section,*
 20 *if the head of the agency employing the employee*
 21 *makes an adverse finding relating to the employee*
 22 *during the year during which the bonus is awarded,*
 23 *the head of the agency, after notice and an oppor-*
 24 *tunity for a hearing, shall issue an order directing*
 25 *the employee to repay the amount of the bonus.*

1 “(2) *HEARINGS.*—*A hearing under this para-*
 2 *graph shall be conducted in accordance with regula-*
 3 *tions relating to hearings promulgated by the head of*
 4 *the agency under chapter 75.*

5 “(d) *CONDITION OF RECEIPT.*—*As a condition of re-*
 6 *ceiving a bonus awarded after the date of enactment of this*
 7 *section, an employee of an agency shall sign a certification*
 8 *stating that the employee shall repay the bonus in accord-*
 9 *ance with a final order issued in accordance with subsection*
 10 *(c).*

11 “(e) *APPEAL.*—*An employee determined to be ineli-*
 12 *gible for a bonus under subsection (b) or against whom an*
 13 *order is issued under subsection (c) may appeal to the Merit*
 14 *Systems Protection Board under section 7701.”.*

15 “(b) *RULEMAKING.*—*The head of each agency (as de-*
 16 *finied under title 551 of title 5, United States Code) may*
 17 *promulgate rules to carry out section 4531 of title 5, United*
 18 *States Code, as added by subsection (a).*

19 “(c) *TECHNICAL AND CONFORMING AMENDMENT.*—*The*
 20 *table of sections for chapter 45 of title 5, United States*
 21 *Code, is amended by adding at the end the following:*

“SUBCHAPTER IV—LIMITATIONS ON BONUS AUTHORITY

“4531. *Certain forms of misconduct.*”.

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