



**Treasury
Inspector
General for
Tax
Administration**

Issued on January 21, 2015

**THE INTERNAL REVENUE SERVICE ADHERED TO THE
REQUIRED BARGAINING PROCESS AND FEDERAL
GUIDANCE IN THE PAYMENT OF FISCAL YEAR 2013
AWARDS**

Inspections and Evaluations

Highlights

Highlights of Report Number: 2015-IE-R003 to the Internal Revenue Service Human Capital Officer.

WHY TIGTA DID THIS STUDY

This project was initiated to determine if the IRS met performance award reductions required by relevant Federal guidance and the process it followed to achieve the reductions. In February 2013, the Office of Management and Budget issued guidance to Federal agencies not to issue discretionary monetary awards while sequestration was in place, unless such awards were legally required.

The *2012 National Agreement II* establishes an awards program for bargaining unit employees and lays out the process by which the IRS is contractually obligated to engage the National Treasury Employees Union in bargaining to negotiate the implementation and impact of the IRS's proposed change to bargaining unit performance awards.

WHAT TIGTA RECOMMENDED

TIGTA did not make any recommendations.

WHAT TIGTA FOUND

TIGTA found that the IRS adhered to the process stipulated in the *2012 National Agreement II* as well as relevant Federal awards guidance when negotiating changes to the Fiscal Year 2013 bargaining unit performance awards. The negotiations resulted in an agreement between the IRS and the National Treasury Employees Union in which bargaining unit employees' awards would be paid at 1 percent of the bargaining unit employees' aggregate Fiscal Year 2013 salaries rather than 1.75 percent as originally specified in Article 18 of the *2012 National Agreement II*.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to:

<http://www.treasury.gov/tigta/iereports/2015reports/2015ier003fr.pdf>