

Memorandum of Understanding between the National Treasury Employees Union and the Internal Revenue Service Regarding the Employee Suggestion Program

The provisions of IRM 0451.235, Suggestion Awards, and the National Agreement are modified as follows:

I. Suggestion Awards. When the Service adopts an employee's suggestion, and determines that that suggestion provides tangible benefits to the IRS, the Service will grant the employee a suggestion award amounting to 25% of the Service's estimate of the suggestion's first-year net tangible benefits. Proposed awards in excess of \$10,000 to an individual employee are subject to review and approval/disapproval, in accordance with governing statute and Office of Personnel Management (OPM) regulation. In accordance with 5 USC §4502, the total amount payable to an employee for an adopted suggestion (including any benefits associated with the suggestion's implementation) shall not exceed \$50,000.* Awards for suggestions with intangible benefits will continue to be granted in accordance with the scale indicated on Form 9127, Recommendation for Recognition.

a. An employee granted a suggestion award under paragraph I above may, within two years from the date of that award, request in writing that the Service re-compute the actual net tangible first-year benefits realized from implementing the suggestion. If the actual net benefits exceed the estimated benefits by at least 20%, or \$2,500, whichever is less, the Service will grant the employee an additional award, based on the actual net tangible first-year benefits realized from implementing the suggestion. The amount of the additional award will be calculated on the basis of the actual benefits (as re-computed by the Service), minus the amount of the award previously granted for that suggestion.

b. If two or more employees submit substantially identical suggestions, the suggestion that is received first by Service shall be eligible for an award. The date and time of receipt shall be recorded on the Suggestion Form (TD F 64-51.1) by the IRS official who accepts it for consideration. If two or more employees co-sign the Suggestion Form TD F 64-51.1 and an award is granted for the suggestion, it shall be paid in equal shares to the employees who signed the form.

II. Grievances. In accordance with the provisions of the National Agreement, an employee may only file a grievance over (1) the amount granted for a suggestion award; (2) whether or not the Service has implemented the employee's previously submitted suggestion without granting an appropriate suggestion award; or (3) any matter concerning the administration of this Memorandum and/or the Service's implementing instructions.

- Suggestion awards are also subject to the Executive Schedule Level I aggregate calendar year compensation limitation, which is \$161,200, effective January, 2001.

III. Processing Requirements. Suggestions involving a matter with Service-wide scope or effect shall be forwarded to the appropriate staff or program office for evaluation within 5 days of receipt by the Service's Suggestion Program Coordinator. Within 10 days of its receipt, the staff or program office assigned responsibility for the suggestion will advise the employee in writing that it has received the suggestion; in addition, it will provide the suggesting employee with an estimated decision date (not to exceed 60 additional days), and the name and telephone number of a person to contact regarding

the evaluation. If that office determines that the suggestion should not be adopted, it will provide the suggesting employee with a written explanation setting forth in detail the reasons for non-adoption.

IV. Effective Date. This agreement will become effective 31 calendar days following its execution or upon agency head approval, whichever occurs first. This agreement remains in effect through the expiration of the National Agreement. The agreement may be changed or supplemented only upon mutual agreement of the parties.

For the National Treasury Employees Union

/s/ Frank Ferris 3/14/01

Frank Ferris, NTEU National Executive Vice President

For the Internal Revenue Service

/s/ Ronald P. Sanders 3/14/01

Ronald P. Sanders, Chief Human Resource Officer, IRS