



Guidance for the FY 2013 Presidential Rank Awards Program

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THE PRESIDENTIAL RANK AWARD PROGRAM

The Presidential Rank Award was established by statute in 1978, and by law, the U.S. Office of Personnel Management (OPM) is required to request nominations for the Presidential Rank Awards and administer the program. Agency heads are required, by law, to nominate executives from across Government for Presidential Rank Awards. There are two categories of rank awards: *Distinguished* rank to leaders who achieve extraordinary results; and *Meritorious* rank to leaders for sustained accomplishments.

Since 1980, Distinguished Executive and Meritorious Executive Presidential Rank Awards have been conferred on career members of the SES. Beginning with awards granted in 2003, the ranks of Distinguished Senior Professional and Meritorious Senior Professional were established for a select group of senior career employees in a manner similar to that for career members of the SES.

Only one percent of SES or senior career employees respectively may earn the Distinguished rank award. Only five percent of SES or senior career employees respectively may receive the Meritorious rank award. The percentage of SES or senior career employees respectively who may receive each award is based on the Governmentwide number of career appointees in OPM-allocated SES or Senior-Level (SL) and Scientific-Professional (ST) positions as of September 30th of the previous fiscal year.

All agencies, including the Council of the Inspectors General on Integrity and Efficiency (CIGIE), may nominate up to nine percent of their career SES and SL/ST populations respectively. Inspectors General should nominate executives separately from the parent agency through the CIGIE, as provided by section 14 of the Inspector General Reform Act of 2008.

STATUTORY BASIS FOR PRESIDENTIAL RANK AWARDS PROGRAM

OPM's statutory basis for administering the Presidential Rank Awards Program is found in:

- *Title 5, Sec. 4507. Awarding of ranks in the Senior Executive Service; and*
- *Title 5, Sec. 4507a. Awarding of ranks to other senior career employees*

NOMINATION DEADLINE

Nominees must meet the eligibility requirements by the nomination deadline, which is two calendar weeks from the date of the announcement of the program.

NOMINATING SENIOR EXECUTIVES (SES) FOR A PRESIDENTIAL RANK AWARD

SES Eligibility Requirements

Nominees must meet the following eligibility criteria by the nomination deadline:

- Hold a career appointment in the SES;
- Be an employee of the nominating agency on the nomination deadline; and
- Have at least three years of career or career-type Federal civilian service at the SES level. Service does not have to be continuous. Qualifying service may include appointments in the SES, Senior Foreign Service, FBI/DEA SES, Defense Intelligence SES, and other SES-

equivalent systems. Service under other than career-type appointments (e.g., noncareer, limited, indefinite) or in Senior Level or Scientific-Professional or equivalent positions is not qualifying.

Presidential Rank Awards recognize extraordinary long term achievements. One strong performance rating may justify a performance bonus but not a Presidential Rank Award. In contrast, three performance ratings demonstrating consistently high performance may indicate an executive is deserving of nomination for a rank award.

When considering potential nominees, agencies must exercise due diligence in reviewing both the background of nominees as well as the programs and organizational components for which the nominees have any responsibility. This is to ensure the appropriateness of the nominees for receiving Presidential recognition.

An agency may nominate a reemployed annuitant who meets all eligibility requirements. Also, an Executive Schedule employee who was appointed by the President with Senate Confirmation (PAS) without a break in service from a career SES appointment and chose to remain eligible for rank awards under 5 U.S.C. 3392(c) may be nominated, although 5 U.S.C. 4509 otherwise precludes a PAS Executive Schedule employee from receiving the award. A part-time or intermittent executive may be nominated but the agency must be prepared to pay the full award. It should not be pro-rated.

Agencies are responsible for verifying and certifying (a certification is included as part of the nomination form) that any professional credentials held by the nominee and required by the nominee's position are valid and current. Verification of credentials will not be addressed as part of the background check conducted by OPM.

Agencies may consider a broad range of factors in exercising discretion to nominate executives for this award, including: budgetary limits; policy considerations; Congressional concerns; and any public affairs or suitability implications. Agencies will also need to decide whether an award to any proposed nominee would be in the best interests of the agency and the Administration.

A nominee who meets the eligibility requirements but leaves the SES before being selected as a recipient may still receive the honor, and the award amount must be based on the last rate of basic pay received as a career member of the SES. The same applies to a nominee who dies after OPM has received the nomination.

An individual who has received either rank award (i.e., Distinguished or Meritorious) may be nominated for the other award in succeeding years; however, an individual may not receive the same rank award more than once in any five-year period.

Year Award Received	Year Eligible to Receive the Same Award
2008	2013
2009	2014
2010	2015

SES Nomination Criteria

The law provides the rank of Distinguished Executive is awarded for “sustained extraordinary accomplishment,” and the rank of Meritorious Executive for “sustained accomplishment.” Presidential Rank Awards are reserved for career senior executives who have a record of achievement that is recognized throughout the agency and/or is acknowledged on a national or international level. In reaching the pinnacle of achievement, rank award recipients will also have demonstrated strong leadership abilities, inspired their employees and earned the respect of those they serve. Nomination criteria should focus more clearly on achievement of results and the effectiveness of the means by which those results are achieved. The nomination criteria are as follows:

1. Program Results: The executive has an exceptional record of achieving major program goals and exceeding customer expectations by marshaling internal and external resources to attain high-quality outcomes that are technically sound and cost-effective, and that yield rewards commensurate with the level of risk.

2. Executive Leadership: The executive possesses a sound strategic overview of the public sector environment and has shown creativity, adaptability, and resilience in aligning program efforts with the organization’s vision, mission, and goals, and in partnering with stakeholders inside and outside the organization. The executive has also demonstrated the ability to lead people effectively by fostering employee development, cooperation and teamwork, and making optimal use of human, financial and information resources.

SES Nomination Limits

All agencies, including the CIGIE, may nominate up to a total of nine percent of their career SES populations for collective Distinguished and Meritorious awards, but are not subject to any prescribed ratio of Distinguished to Meritorious nominations. Agencies should keep in mind, however, the statute permits only one percent of the Governmentwide career SES population to receive the Distinguished Rank award, and five percent to receive the Meritorious Rank award. Agencies with fewer than 12 SES members may nominate one SES member.

NOMINATING SENIOR CAREER EMPLOYEES (SL/ST) FOR A PRESIDENTIAL RANK AWARD

Senior Career Employees (SL/ST) Eligibility Requirements

Nominees must meet the following eligibility requirements by the nomination deadline:

- Hold a career OPM-allocated Senior-Level (SL) or Scientific-Professional (ST) position;
- Be an employee of the nominating agency on the nomination deadline; and
- Have at least three years of career or career-type Federal civilian service above GS-15. Service does not have to be continuous. Qualifying service does not include appointments that are time-limited or to positions that are excepted from the competitive service because of their confidential or policy-making character.

Presidential Rank Awards recognize long term achievement. One strong performance rating may justify a performance bonus but not a Presidential Rank Award. In contrast, three performance ratings demonstrating consistently high performance may indicate an SL or ST employee is deserving of nomination for a rank award.

When considering potential nominees, agencies must exercise due diligence in reviewing both the background of nominees as well as the programs and organizational components for which the nominees have any responsibility. This is to ensure the appropriateness of the nominees for receiving Presidential recognition.

Agencies may nominate a reemployed annuitant who holds a career appointment to an OPM-allocated SL or ST position and meets all eligibility requirements. Agencies may also nominate a part-time or intermittent employee, but in keeping with the prestige of the award, be prepared to pay the full (not pro-rated) percentage of the recipient's annual basic salary. Agencies may consider a broad range of factors in exercising discretion to nominate SLs and STs for this award, including: budgetary limits; policy considerations; Congressional concerns; and any public affairs or suitability implications. Agencies will also need to decide whether an award to any proposed nominee would be in the best interests of the agency and the Administration.

Agencies are responsible for verifying and certifying (a certification is included as part of the nomination form) that any professional credentials held by the nominee and required by the nominee's position are valid and current. Verification of credentials will not be addressed as part of the background check conducted by OPM.

A nominee who meets the eligibility requirements, but leaves the SL or ST position before being selected as a recipient, is eligible to receive the award and the award amount must be based on the last rate of basic pay received as a career SL or ST. The same applies to a nominee who is deceased post the agency nomination.

An individual who has received either rank award (i.e., Distinguished or Meritorious) may be nominated for the other award in succeeding years; however, an individual may not receive the same rank award more than once in any five-year period.

Year Award Received	Year Eligible to Receive the Same Award
2008	2013
2009	2014
2010	2015

Senior Career Employee (SL/ST) Nomination Criteria

The law provides that the rank of Distinguished Senior Professional is awarded for “sustained extraordinary accomplishment,” and the rank of Meritorious Senior Professional for “sustained accomplishment.” Presidential Rank Awards are reserved for senior career employees who have a sustained record of professional, technical, and/or scientific achievement that is recognized throughout the agency and is acknowledged on a national or international level. In reaching the pinnacle of achievement, rank award recipients will also have inspired their colleagues and earned their stakeholders' respect. The nomination criteria for Senior Career Employees are as follows:

- 1. Program Results:** The senior professional has an exceptional record of achieving major program goals and exceeding customer expectations by marshaling internal and external resources as necessary to attain high-quality outcomes that are technically or scientifically sound and cost-effective, and that yield rewards commensurate with the level of risk.

- 2. Stature in Professional Field:** The senior professional is consistently recognized nationally or internationally as a leader or authority in a field or discipline. He or she has influenced others in or beyond the field or discipline; is regularly sought as an advisor and consultant on scientific, technical, or professional programs and problems of fundamental interest and extraordinary difficulty which extend well beyond his or her field or discipline; and has received major honors or awards or published works that have had a major impact in the field or discipline.

Senior Career Employees Nomination Limits

All agencies, including the CIGIE, may nominate up to a total of nine percent of their career SL/ST populations for collective Distinguished and Meritorious awards, but are not subject to any prescribed ratio of Distinguished to Meritorious nominations. Agencies should keep in mind, however, the statute only permits one percent of the Governmentwide career SL/ST population to receive the Distinguished Rank award, and five percent to receive the Meritorious Rank award. Agencies with fewer than 12 senior career employees may nominate one senior professional.

ELIGIBILITY REQUIREMENTS AND NOMINATION CRITERIA FOR AGENCIES EXEMPT FROM THE SES

Several agencies have senior career executives who meet the SES definition at 5 U.S.C. 3132(a)(2), but their positions are placed in the Senior-Level (SL) system because the agency is exempt from SES coverage. These agencies receive Senior-Level (SL) space allocations from OPM for these appointees. These agencies include, but are not limited to:

- Export-Import Bank of the United States
- Federal Election Commission
- Federal Financial Institutions Examination Council
- National Security Council
- Pension Benefit Guaranty Corporation
- U.S. Holocaust Memorial Council

These agencies should use the nomination criteria established for members of the Senior Executive Service when nominating their career senior executives for rank awards but indicate on the template the Agency is applying the SES nomination criteria for the nominees. Similarly, these agencies should use the nomination criteria established for senior career employees when nominating employees in the Senior-Level system who do not meet the statutory SES definition.

PREPARING NOMINATION PACKAGES

Agencies should send OPM a cover letter signed by the agency head and an alphabetical list of nominees for each award category (SES and Senior Career Employee) – with the required number of nomination folders, as specified below – for each nominee. Agencies should include the last four digits of the social security number for each nominee on the alphabetical lists, and include in the cover letter the name, phone number, and email address of the agency's Presidential Rank Awards Program coordinator.

Agencies should prepare nomination folders to accompany the cover letter and alphabetical list of nominees per the following guidelines.

Nomination Folders

Agencies should send each nomination in standard letter-size folders, with tabs (second or third cut are preferable). For each Distinguished and Meritorious nominee, agencies should provide five (5) identical folders, secured together using elastic bands. Agencies should specify whether nominations are for the SES rank award or the Senior Professional rank award. Each folder must include the following:

1. Label on the Folder Tab

NAME OF NOMINEE (First, Middle Initial, Last)

AGENCY NAME

DISTINGUISHED SES or SP 2013 - or - MERITORIOUS SES or SP 2013

- 2. Presidential Rank Awards Program Nomination Template.** Complete the appropriate template for each nominee. You must check all the boxes that apply to the nominee's current employment status. There is a field where agencies are required to verify the nominee's professional credentials if applicable to the nominee's position. There is a block that requires the nominee's immediate supervisor's signature. There is also a block for the agency head's signature. If the agency head prefers signing only the cover letter, indicate as such, e.g., "/s/ cover ltr."
- 3. Biographical and Career Summary.** In bullet format, summarize the nominee's accomplishments as an SES member or SL/ST employee, which serve as the basis for nomination for a Rank Award. Also briefly list the nominee's career highlights, and other biographical information, including significant honors, awards, etc. *Use no more than one page of text. Text should be no smaller than an 11-point type and at least 0.8 inch margins.*
- 4. Justification Statement.** Concisely describe the nominee's career achievements for each of the Presidential Rank Award criteria, as described above, in the same order as the criteria are listed. *Use no more than three pages of text. Text should be no smaller than an 11-point type and at least 0.8 inch margins.*

You should not include SF-50 or equivalent personnel forms in the nominee's folders. Additionally, do not staple or paper clip any of the pages in the folder. **OPM will return folders that do not meet the specified format.**

Suggestions

Since Review Board members are former and current leaders across the private and public sectors, they will not know the intricacies of each nominee's program responsibilities or even the general context of Federal Government work. Statements must be clear, organized, and well-written to make it easier for your nominee's achievements to receive the consideration they deserve. We have found that it helps if you take the following actions:

- Organize the justification statements in the same order as the PRA criteria, and number the pages of the justification statement (i.e., 1,2,3);
- Ensure examples are specific and supported. Provide information on results achieved (e.g., actions taken, impact on stakeholders, staffing levels, budget amounts, cost-savings – specifying the source of such information, organization size, results, etc). Include information about customer and employee feedback, as appropriate; and

- Use commonly-understood terms. Avoid acronyms, abbreviations, and jargon-laden terms.

THE REVIEW PROCESS - EVALUATING AGENCY NOMINATIONS

OPM Review

OPM verifies that each nominee meets the eligibility requirements. OPM also reviews each nomination package for completeness. A complete package must include:

- Five identical folders for each Distinguished and Meritorious nomination.
- A cover letter with a list of nominees signed by the agency head.
- A PRA nomination template.
- A one-page Biographical and Career Summary.
- A justification statement three pages or less addressing the award criteria.
- An Express Billing form.

Information contained in the Executive and Schedule C System (ESCS) database is used to verify eligibility and record scores from the Review Board deliberations.

How Review Boards Work

OPM administers the Presidential Rank Award Review Boards, which are composed of panels of former and current leaders across the private and public sectors. Each Board has three members who individually evaluate and rate the accomplishments described in the justification statement. Each member makes an independent judgment on the cases presented. The nominee's score is the sum of each board member's ratings. There is no appeal of review board determinations.

The Review Boards for the Distinguished Rank and the Meritorious Rank will meet in Washington, DC. On-site evaluations (investigation inquiries) are conducted on Distinguished and Meritorious nominees, which are recommended as finalists by the Review Board. Agencies will bear the cost of these inquiries.

On-site Evaluations (Investigation Inquiry Process) and Cost

All Distinguished and Meritorious finalists recommended by the Review Boards for approval are subject to on-site evaluations conducted by OPM's Center for Federal Investigative Services in coordination with the Presidential Rank Award coordinators at each agency. During these on-site evaluations, OPM will review relevant records, and conduct interviews with appropriate persons, about the nominees' performance and professional accomplishments. All finalists are also subject to a criminal records check. Agencies will bear the cost of on-site evaluations and the criminal records check. *For FY 2013, the estimated cost will be \$950 per nominee.*

When submitting nominations, each agency is required to submit an obligating document to cover the investigation costs for each agency's finalists. Each agency must also complete and submit the OPM Presidential Rank Awards Express Billing Form attached to the end of this guidance. The Express Billing Form must be completed by the Financial Management Staff at each agency and signed by a Financial Manager along with the obligating document. Note that the financial data requested in OPM's Express Billing Form may not be necessary for certain payment methods selected by an agency; however, the information is required for records documentation. Payment is due when the investigation of each finalist is complete; at that time, OPM will initiate IPACS or charge a government purchase card for the appropriate agency.

Agency Head Final Review and Certification (“Eyes Only” Process)

After Review Boards complete their evaluations and OPM receives the results of the inquiry process, OPM will consolidate the board scores and prepare a ranked list, and the Director of OPM will establish the minimum scores determining finalists in each rank award category, in compliance with statutory limitations. The OPM Director will provide agency heads or their designees another opportunity to certify the final nominees are not involved in any situations that adversely impact their nomination or would cause embarrassment to the agency or the Administration after the awards are announced. Situations that could cause a withdrawal of the nomination might include being the subject of an unfavorable finding in an investigation, conflict of interest, EEO complaint, or adverse legal action. (Please note that simply bringing an EEO complaint that does not succeed does not make one “the subject of an unfavorable finding.” In other words, agencies may not disqualify employees because they brought but did not prevail upon such claims). We also ask agencies to consider the potential reaction of employees, customers, and other stakeholders.

Withdrawing a Nomination

An agency head may withdraw a nomination at any time before the President makes a decision on the awards.

- To withdraw a nomination before the agency head’s final certification, agencies should send OPM a letter signed by the agency head or their designee, asking to withdraw the nomination. Agencies should state the nominee’s name and the award for which he/she was nominated. No reason is required.
- To withdraw a nomination at the time of the agency head’s final certification, agencies should draw a line through the nominee’s name on the list, have the agency head initial the withdrawal, and sign the list. Subsequently, agencies should return the list to OPM along with a cover letter requesting withdrawal of the nomination.
- The withdrawal of a nomination following the agency head’s final certification should rarely occur but may be necessary in extraordinary circumstances. To withdraw a nomination, agencies are further requested to call the OPM Presidential Rank Award Program Manager at (202) 606-8046, and immediately follow the phone call with a letter signed by the agency head or designee asking that the nomination be withdrawn. Agencies should state the nominee’s name and the award for which the nominee was recommended.

RECOMMENDATIONS TO THE PRESIDENT

After agency heads certify finalists, the OPM Director sends the names of the reconfirmed, recommended finalists to the President to make final decisions before the end of September. Nominees cannot be added or removed from the list once the President has made a final decision.

OPM will notify the agency head and other appropriate agency contacts as soon as the White House informs us of the President’s decision. At this time, agencies are authorized to notify award recipients of their selection and distribute rank award checks – no internal ceremonies are authorized. Public announcement of the award winners is reserved for the President, and OPM will advise agencies if publicity is authorized.

PROCESSING AND PAYING THE AWARDS

Each agency pays for their executives’ rank awards. You should consider and plan for awards as part of executive compensation each year. The amount of the award should be based on the last rate of

basic pay received as a career member of the SES or SL/ST. Your agency should anticipate the need to pay winners and budget accordingly.

OPM will issue guidance on Presidential Rank Awards and Aggregate Compensation in the SES, which provides information about payment of the awards. The memo will advise you to take the precaution of having rank award checks drawn and ready for the SES appointees and senior career employees on the list that will be provided to your agency head to certify your agency's finalists. This will allow you to pay awards with current fiscal year funds.

In order to capture award payments accurately, use the appropriate Nature of Action Codes (NOAC) for Rank Awards as described in the Guide to Processing Personnel Actions, which is available online at <http://www.opm.gov/feddata/gppa/Gppa29.pdf>.

Distinguished Rank Award recipients receive 35 percent of their rate of basic pay; Meritorious Rank Award recipients receive 20 percent of their rate of basic pay. The award is paid as a lump-sum payment, and the payment is subject to the applicable annual aggregate limitation on pay under 5 U.S.C. 5307. Section 5307(d) permits agencies with certified performance appraisal systems for members of the Senior Executive Service (SES) and Senior-level (SL) and Scientific-Professional (ST) employees (senior professionals) to apply a higher annual aggregate limitation on pay for those employees. The higher aggregate limitation on pay is equivalent to the total annual compensation payable to the Vice President under 3 U.S.C. 104. Agencies without certified performance appraisal systems for their SES members or senior professionals must apply an annual aggregate limitation on pay equivalent to the rate for level I of the Executive Schedule. Any portion of a rank award that would cause aggregate compensation in a calendar year to exceed the applicable aggregate limitation on pay is rolled over for payment at the beginning of the following calendar year.

The lump-sum award payment that is paid in the following calendar year is in addition to basic pay. The lump-sum payment is not subject to retirement, health benefits, or life insurance deductions. It is not included in the "high three" average pay computation for retirement benefits or in basic pay for thrift savings plan computation. However, the payment is subject to income tax withholding and also FICA tax withholding if the executive is in the Federal Employees Retirement System (FERS) or subject to Civil Service Retirement System (CSRS) Offset.

RECOGNIZING AWARD RECIPIENTS

Each award recipient receives a framed certificate signed by the President. The Distinguished certificate features a gold emblem; the Meritorious certificate features a silver emblem. Each winner receives a Rank Award pin – gold for the Distinguished winners and silver for the Meritorious winners.

Agencies should immediately notify award recipients of their selection; however, agencies shall not make any public announcement or hold any ceremonies in honor of the award winners. OPM will advise agencies if publicity is authorized. When possible, the President or Vice President will hold a recognition ceremony for the Distinguished and Meritorious Executives and Senior Professionals. We will advise you about any recognition ceremony scheduled by the White House.

The Senior Executives Association (SEA) holds an annual banquet recognizing Distinguished Rank Award winners. SEA will contact winners for this event.

FY 2013 PRESIDENTIAL RANK AWARDS TIMELINE

May	<ul style="list-style-type: none">• Nominations due to OPM two calendar weeks after release of the PRA guidance.
June - July	<ul style="list-style-type: none">• Presidential Rank Awards Review Boards convene.• Background inquiries conducted on award finalists.
August	<ul style="list-style-type: none">• Agency Heads review and sign off on their agency's award finalists.• OPM Director forwards award finalists recommendations to the President.
September	<ul style="list-style-type: none">• Decision made by the President.