

119TH CONGRESS
1ST SESSION

S. 2732

To strengthen employee cost savings suggestions programs within the Federal Government.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 8, 2025

Mr. PAUL introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

To strengthen employee cost savings suggestions programs within the Federal Government.

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 “Bonuses for Cost-Cut-
5 ters Act of 2025”.

6 **SEC. 2. COST SAVINGS ENHANCEMENTS.**

7 (a) IN GENERAL.—

8 (1) DEFINITIONS.—Section 4511 of title 5,
9 United States Code, is amended—

1 (A) in the section heading, by striking
 2 “**Definition**” and inserting “**Definitions**”;
 3 and

4 (B) in subsection (a)—

5 (i) by striking “this subchapter, the
 6 term” and inserting the following: “this
 7 subchapter—

8 “(1) the term”;

9 (ii) by striking the period at the end
 10 and inserting “; and”; and

11 (iii) by adding at the end the fol-
 12 lowing:

13 “(2) the term ‘surplus salaries and expenses
 14 funds’ means amounts made available for the sala-
 15 ries and expenses account, or equivalent account, of
 16 an agency—

17 “(A) that are identified by an employee of
 18 the agency under section 4512(a) as unneces-
 19 sary;

20 “(B) that the Inspector General of the
 21 agency or other agency employee designated
 22 under section 4512(b) determines are not re-
 23 quired for the purpose for which the amounts
 24 were made available;

1 “(C) that the Chief Financial Officer of
2 the agency determines are not required for the
3 purpose for which the amounts were made
4 available; and

5 “(D) the rescission of which would not be
6 detrimental to the full execution of the purposes
7 for which the amounts were made available.”.

8 (2) AUTHORITY.—Section 4512 of title 5,
9 United States Code, is amended—

10 (A) in subsection (a)—

11 (i) in the matter preceding paragraph
12 (1), by inserting “or identification of sur-
13 plus salaries and expenses funds” after
14 “mismanagement”;

15 (ii) in paragraph (2), by inserting “or
16 identification” after “disclosure”; and

17 (iii) in the matter following paragraph
18 (2), by inserting “or identification” after
19 “disclosure”; and

20 (B) by adding at the end the following:

21 “(c)(1) The Inspector General of an agency or other
22 agency employee designated under subsection (b) shall
23 refer to the Chief Financial Officer of the agency any po-
24 tential surplus salaries and expenses funds identified by
25 an employee that the Inspector General or other agency

1 employee determines meet the requirements under sub-
2 paragraphs (B) and (D) of section 4511(a)(2), along with
3 any recommendations of the Inspector General or other
4 agency employee.

5 “(2)(A) If the Chief Financial Officer of the agency
6 determines that potential surplus salaries and expenses
7 funds referred under paragraph (1) meet the requirements
8 under section 4511(a)(2), except as provided in subsection
9 (d), the head of the agency shall transfer the amount of
10 the surplus salaries and expenses funds from the applica-
11 ble appropriations account to the general fund of the
12 Treasury.

13 “(B) Any amounts transferred under subparagraph
14 (A) shall be deposited in the Treasury and used for deficit
15 reduction, except that in the case of a fiscal year for which
16 there is no Federal budget deficit, such amounts shall be
17 used to reduce the Federal debt (in such manner as the
18 Secretary of the Treasury considers appropriate).

19 “(3) The Inspector General or other agency employee
20 designated under subsection (b) for each agency and the
21 Chief Financial Officer for each agency shall issue stand-
22 ards and definitions for purposes of making determina-
23 tions relating to potential surplus salaries and expenses
24 funds identified by an employee under this subsection.

1 “(d)(1) The head of an agency may retain not more
2 than 10 percent of amounts to be transferred to the gen-
3 eral fund of the Treasury under subsection (c)(2).

4 “(2) Amounts retained by the head of an agency
5 under paragraph (1) may be—

6 “(A) used for the purpose of paying a cash
7 award under subsection (a) to 1 or more employees
8 who identified the surplus salaries and expenses
9 funds; and

10 “(B) to the extent amounts remain after paying
11 cash awards under subsection (a), transferred or re-
12 programmed for use by the agency, in accordance
13 with any limitation on such a transfer or reprogram-
14 ming under any other provision of law.

15 “(e)(1) Not later than October 1 of each fiscal year,
16 the head of each agency shall submit to the Secretary of
17 the Treasury a report identifying the total savings
18 achieved during the previous fiscal year through dislo-
19 sures of possible fraud, waste, or mismanagement and
20 identifications of surplus salaries and expenses funds by
21 an employee.

22 “(2) Not later than September 30 of each fiscal year,
23 the head of each agency shall submit to the Secretary of
24 the Treasury a report that, for the previous fiscal year—

1 “(A) describes each disclosure of possible fraud,
2 waste, or mismanagement or identification of poten-
3 tially surplus salaries and expenses funds by an em-
4 ployee of the agency determined by the agency to
5 have merit; and

6 “(B) provides the number and amount of cash
7 awards paid by the agency under subsection (a).

8 “(3) The head of each agency shall include the infor-
9 mation described in paragraphs (1) and (2) in each budget
10 request of the agency submitted to the Office of Manage-
11 ment and Budget as part of the preparation of the budget
12 of the President submitted to Congress under section
13 1105(a) of title 31.

14 “(4) The Secretary of the Treasury shall submit to
15 the Committee on Appropriations of the Senate, the Com-
16 mittee on Appropriations of the House of Representatives,
17 and the Government Accountability Office an annual re-
18 port on Federal cost saving and awards based on the re-
19 ports submitted under paragraphs (1) and (2).

20 “(f) The Director of the Office of Personnel Manage-
21 ment shall—

22 “(1) ensure that the cash award program of
23 each agency complies with this section; and

1 “(2) submit to Congress an annual certification
2 indicating whether the cash award program of each
3 agency complies with this section.

4 “(g) Not later than 3 years after the date of enact-
5 ment of this subsection, and every 3 years thereafter, the
6 Comptroller General of the United States shall submit to
7 Congress a report on the operation of the cost savings and
8 awards program under this section, including any rec-
9 ommendations for legislative changes.”.

10 (3) TECHNICAL AND CONFORMING AMEND-
11 MENT.—The table of sections for subchapter II of
12 chapter 45 of title 5, United States Code, is amend-
13 ed by striking the item relating to section 4511 and
14 inserting the following:

“4511. Definitions and general provisions.”.

15 (4) SUNSET.—Effective 6 years after the date
16 of enactment of this Act—

17 (A) section 4511 of title 5, United States
18 Code, is amended—

19 (i) in the section heading, by striking
20 **“Definitions”** and inserting **“Defini-**
21 **tion”**; and

22 (ii) in subsection (a)—

23 (I) in paragraph (1), by striking
24 “; and” and inserting a period;

1 (II) by striking “this sub-
 2 chapter—” and all that follows
 3 through “the term ‘agency’ means”
 4 and inserting “this subchapter, the
 5 term ‘agency’ means”; and

6 (III) by striking paragraph (2);

7 (B) section 4512 of title 5, United States
 8 Code, is amended—

9 (i) in subsection (a)—

10 (I) in the matter preceding para-
 11 graph (1), by striking “or identifica-
 12 tion of surplus salaries and expenses
 13 funds”;

14 (II) in paragraph (2), by striking
 15 “or identification”; and

16 (III) in the matter following
 17 paragraph (2), by striking “or identi-
 18 fication”; and

19 (ii) by striking subsections (c)
 20 through (g); and

21 (C) the table of sections for subchapter II
 22 of chapter 45 of title 5, United States Code, is
 23 amended by striking the item relating to section
 24 4511 and inserting the following:

“4511. Definition and general provisions.”.

25 (b) OFFICERS ELIGIBLE FOR CASH AWARDS.—

1 (1) IN GENERAL.—Section 4509 of title 5,
2 United States Code, is amended to read as follows:

3 **“§ 4509. Prohibition of cash award to certain officers**

4 “(a) DEFINITION.—In this section, the term ‘agen-
5 cy’—

6 “(1) has the meaning given the term in section
7 551(1); and

8 “(2) includes an entity described in section
9 4501(1).

10 “(b) PROHIBITION.—An officer may not receive a
11 cash award under this subchapter if the officer—

12 “(1) serves in a position at level I of the Execu-
13 tive Schedule;

14 “(2) is the head of an agency; or

15 “(3) is a commissioner, board member, or other
16 voting member of an independent establishment.”.

17 (2) TECHNICAL AND CONFORMING AMEND-
18 MENT.—The table of sections for subchapter I of
19 chapter 45 of title 5, United States Code, is amend-
20 ed by striking the item relating to section 4509 and
21 inserting the following:

“4509. Prohibition of cash award to certain officers.”.

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