

UNITED STATES DEPARTMENT OF AGRICULTURE
FOOD SAFETY AND INSPECTION SERVICE
WASHINGTON, DC

FSIS NOTICE

31-22

6/9/22

REDUCTION IN OVERTIME AND HOLIDAY INSPECTION FEES FOR SMALL AND VERY SMALL ESTABLISHMENTS

I. PURPOSE

A. This notice reissues the instructions in FSIS Notice 27-21, *Reduction in Overtime and Holiday Inspection Fees for Small and Very Small Establishments*. FSIS is reissuing this notice to provide Inspectors-in-Charge (IIC) with instructions for informing small and very small official meat (including *Siluriformes* fish) and poultry establishments and egg product plants (referred to as establishments in this notice) that they may be eligible for a reduction in overtime and holiday inspection fees, as well as how to provide establishments with a copy of FSIS Form 5200-16, [Overtime/Holiday Rate Reduction Form](#). This notice also provides instructions to District Office (DO) personnel responsible for reviewing the form and determining an establishment's eligibility for the fee reduction. Finally, this notice informs IICs that FSIS has eliminated the March 11, 2022, deadline for partial refunds. Therefore, all establishments that qualify and submit their forms are eligible to receive the partial refund for overtime and holiday fees paid since October 11, 2020, while funding is available.

NOTE: This FSIS notice applies only to official establishments that slaughter livestock or poultry or process meat, poultry, or egg products at which inspection is required by the Federal Meat Inspection Act, Poultry Products Inspection Act, or Egg Products Inspection Act. Facilities that receive voluntary inspection services, establishments that function solely as Official Import Inspection Establishments, or solely as exporting facilities are not eligible for the fee reduction.

II. BACKGROUND

A. On March 11, 2021, the President signed the American Rescue Plan Act, and Congress provided FSIS with \$100 million to reduce the costs of overtime inspection for small and very small official establishments. FSIS has implemented the Act by reducing overtime and holiday inspection fees for eligible small establishments by 30 percent and for eligible very small establishments by 75 percent.

B. FSIS has developed a benefit eligibility form, FSIS Form 5200-16, [Overtime/Holiday Rate Reduction Form](#), that official establishments will need to submit to request an overtime and holiday inspection fee reduction. FSIS will review the form to determine whether an establishment qualifies for the fee reduction.

C. On July 15, 2021, FSIS stated in the [Federal Register](#) that small and very small establishments needed to submit an Overtime/Holiday Rate Reduction form by March 11, 2022, to qualify for a partial refund for overtime and holiday inspection fees paid since October 11, 2020, i.e., the first day of the pay period after the beginning of Fiscal Year 2021. On June 9, 2022, FSIS eliminated the March 11, 2022, deadline for partial refunds ([87 FR 35154](#)). Therefore, all establishments that qualify and submit their forms are eligible to receive the partial refund for overtime and holiday fees paid since October 11, 2020,

DISTRIBUTION: Electronic

NOTICE EXPIRES: 7/1/23

OPI: OPPD

while funding is available.

III. IIC RESPONSIBILITIES

A. At the next weekly meeting, IICs assigned to small and very small establishments are to remind establishment management that they may be eligible for a reduction in the overtime and holiday rate.

NOTE: Establishments may seek overtime and holiday inspection fee reductions before your next weekly meeting, in which case IICs are to follow instructions in paragraph III. B.

B. If establishments have not already downloaded FSIS Form 5200-16, IICs are to provide the management a printed copy of and request that the management either return the completed form to the IIC for submission to the DO or, alternatively, email the completed form to the appropriate DO, "Attention Grant Curator." IICs are to confirm which submission method establishment management selects and document the submission method in the weekly meeting Memorandum of Interview (MOI). Contact information for the FSIS District Offices, including email, is available [here](#).

C. IICs are to notify establishments that FSIS has eliminated the March 11, 2022, deadline for partial refunds. IICs are to inform establishments that if they submit their forms now and qualify for the fee reduction, the relevant fees will be reduced retroactively back to October 11, 2020.

D. IICs are also to remind establishments that they are required to update their forms if and when the number of employees they and/or their affiliated companies employ or their average annual income changes in a way that affects their eligibility for a reduction in overtime and holiday inspection fees.

E. If the establishment elects to give the form to the IIC, the IICs are then to scan completed forms to the District Office Grant Curator (GC) and cc the Frontline Supervisor (FLS).

F. Once the GC or designee notifies the IIC of the determination regarding the establishment's eligibility for an overtime and holiday rate reduction, the IIC will inform the establishment management of that determination and document the discussion in an MOI.

G. If the establishment management has questions about the GC's determination, IICs are to refer them to their respective FSIS DO.

IV. DO GC RESPONSIBILITIES

A. The DO GC is to review the FSIS Form 5200-16 and make the determination regarding the establishment's eligibility for a reduction in the overtime and holiday rate.

B. When reviewing an establishment's benefit eligibility form, the GC is to first determine whether the establishment is affiliated with other companies, including other establishments.

1. If the establishment is affiliated with other companies and the total number of employees employed by the establishment and its affiliated companies combined is less than 500, the establishment would qualify for an overtime and holiday inspection fee reduction.
2. If the establishment, together with its affiliated companies, employs 500 or more employees, the establishment would not qualify for a fee reduction.

C. If an establishment qualifies for a fee reduction, the GC is to conduct an additional review to determine whether the establishment qualifies for the small establishment or very small establishment fee reduction. If the establishment qualifies for a fee reduction, the fee reduction is to be based on the number of employees or average annual sales for the establishment as a discrete company, without considering employees or average annual sales associated with any affiliated companies.

D. GCs are to use the table below for an overview of applicant establishments that qualify for a fee reduction and the amount of the reduction.

Applicant Average # of Employees	Applicant + Affiliated Companies Average # of Employees	Applicant HACCP size in PHIS	Applicant Average Annual Income	Applicant + Affiliated Companies Average Annual Income	Applicant Eligibility for Rate Reduction/ Percentage
≤ 9	≤ 9	VS	Any	Any	Yes/75%
≤ 9	≥10 and ≤ 499	VS	Any	Any	Yes/75%
≥10 and ≤ 499	≥10 and ≤ 499	VS	<2.5 million	Any	Yes/75%
≤ 9	≥ 500	VS	N/A	N/A	No
≥10 and ≤ 499	≥10 and ≤ 499	S	≥2.5 million	Any	Yes/30%
≥10 and ≤ 499	≥ 500	VS	<2.5 million	N/A	No
≥10 and ≤ 499	≥ 500	S	≥2.5 million	N/A	No
≥ 500	> 500	L	N/A	N/A	No

EXAMPLE: The establishment, together with its affiliated companies, employees fewer than 500 employees. The establishment itself employs fewer than 9 employees and has less than \$2.5 million in average annual sales. The establishment would qualify as a “very small establishment” for purposes of the fee reduction and would receive a 75 percent discount in overtime and holiday inspection fees.

EXAMPLE: An establishment with no affiliated companies employs more than 9 employees but fewer than 500 employees and its annual average sales are greater than \$2.5 million. It would qualify as a “small establishment” for purposes of the fee reduction and would receive a 30 percent discount on overtime and holiday inspection fees.

EXAMPLE: An establishment, together with its affiliated companies, employees fewer than 500 employees. The establishment itself employs 11 employees but has less than \$2.5 million in average annual sales. The establishment would qualify as a “very small establishment” for purposes of the fee reduction and would receive a 75 percent discount in overtime and holiday inspection fees.

E. GCs are to update individual establishment HACCP size information and effective date in the Public Health Information System (PHIS) plant profile tab.

F. Once the GCs determine the establishment’s eligibility for the overtime and holiday rate reduction, they are to update the drop-down menu, answering the question “is the establishment eligible for a reduced overtime/holiday rate” and effective date in the establishment’s PHIS profile. The GC or designee is to notify the IIC of the establishment’s eligibility through supervisory channels.

V. QUESTIONS

IICs are to refer questions through supervisory channels.

A handwritten signature in black ink, reading "Rachel A. Edelstein". The signature is written in a cursive style with a large, stylized 'R' and 'E'.

Assistant Administrator
Office of Policy and Program Development