 3410-DM-P

DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

[Docket No. FSIS-2026-0070]

Overtime and Holiday Inspection Fee Reductions for Small and Very Small Establishments

AGENCY: Food Safety and Inspection Service (FSIS), U.S. Department of Agriculture (USDA).

ACTION: Notice.

SUMMARY: This notice provides instructions to small and very small establishments for applying for reduced overtime and holiday inspection fees. It also describes FSIS' procedures for implementing the reduced fees. FSIS is using $20 million in de-obligated funds to temporarily reduce overtime and holiday inspection fees for small and very small official meat, poultry, and egg products establishments for Fiscal Year (FY) 2026. Eligible small establishments that apply will receive a 30 percent reduction and eligible very small establishments that apply will receive a 75 percent reduction. Establishments must submit the FSIS Form 5200-16, Overtime/Holiday Rate Reduction Form for FSIS to determine eligibility.

DATES: Establishments may begin submitting their completed FSIS Form 5200-16, Overtime/Holiday Rate Reduction Forms on **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. While funding lasts, all establishments that submit their forms and qualify for a fee reduction will receive a partial refund for overtime and holiday inspection fees paid since October 5, 2025, which was the first day of the pay period following the start of FY 2026. FSIS encourages establishments to submit their forms as soon as possible to ensure consideration for both retroactive and future fee reductions. Retroactive and future fee reductions will be processed in the order in which complete submissions are received, while funds remain available.

ADDRESSES: Small and very small establishments should submit their completed forms to the FSIS inspection personnel assigned to their establishment or, alternatively, email the completed form to the appropriate FSIS District Office, "Attention Grant Curator." Contact information for the FSIS District Offices, including email addresses, is available at: https://www.fsis.usda.gov/contactus/fsis-offices/office-field-operations-ofo.

FOR FURTHER INFORMATION CONTACT: April Regonlinski, Assistant Administrator, Office of Policy and Program Development by telephone at (202) 205-0495.

For billing issues and to request refunds contact the FSIS Office of the Chief Financial Officer: (515) 334-2000 or email at fsis.billing@usda.gov.

SUPPLEMENTARY INFORMATION:

I. Background

FSIS is responsible for ensuring that meat, poultry, and egg products are safe, wholesome, and properly labeled and packaged. The Agency administers a regulatory program for meat products under the Federal Meat Inspection Act (FMIA) (21 U.S.C. 601 *et seq.*), for poultry products under the Poultry Products Inspection Act (PPIA) (21 U.S.C. 451 *et seq.*), and for egg products under the Egg Products Inspection Act (EPIA) (21 U.S.C. 1031 *et seq.*).

FSIS previously announced that it intends to use $20 million in de-obligated funds from the Meat and Poultry Processing Expansion Program to temporarily reduce overtime and holiday inspection fees for small and very small establishments (90 FR 51638). In that notice, FSIS explained that the Agency previously implemented a similar fee reduction initiative and intends to resume providing for reduced overtime and holiday fees for small and very small establishments (see 86 FR 37276). FSIS intends to temporarily reduce overtime and holiday inspection fees for small establishments by thirty percent and for very small establishments by seventy-five percent for FY 2026, or until all appropriated funds are expended.

II. Eligibility

Only small and very small official meat, poultry, or egg products establishments are eligible to receive overtime and holiday inspection at the reduced rates discussed above. For purposes of determining eligibility, an "official establishment" is defined as any entity that slaughters livestock or poultry and/or processes meat (including Siluriformes fish), poultry, or egg products at which inspection is required by the FMIA, PPIA, or EPIA. 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.

"Small establishment" and "very small establishment" will have the meaning given to those terms in FSIS' final rule "Pathogen Reduction; Hazard Analysis and Critical Control Point (HACCP)" (PR/HACCP)(61 FR 38806, July 25, 1996). As defined in the PR/HACCP final rule, an establishment is "small" if it has 10 or more but fewer than 500 employees, and an establishment is "very small" if it has fewer than 10 employees or less than $2.5 million in annual sales (61 FR 38806). Employees mean all individuals employed on a full-time, part-time, temporary, or other basis. FSIS will also consider the number of employees at any affiliated companies when determining whether an establishment meets the thresholds for the small and very small definitions.

III. Overtime/Holiday Rate Reduction Form

FSIS will use FSIS Form 5200-16, Overtime/Holiday Rate Reduction Form to collect information to determine whether an establishment inspected by FSIS qualifies for an overtime and holiday inspection fee reduction and, if so, the amount of the reduction; this is the same form that FSIS used when it previously provided for reduced overtime and holiday inspection fees. FSIS will use this form again because the Agency does not have complete data on establishment size and average annual sales, and the form allows the Agency to collect information to determine whether an establishment is a subsidiary, affiliate, or part of some other business structure that would prevent it from being eligible for a fee reduction. The form also serves as an attestation from the establishment that the data provided are accurate. The form is optional in that those small and very small establishments that do not use overtime or holiday inspection services, or that are not interested in receiving a fee reduction, are not required to complete it. However, small and very small official establishments that would like to request a fee reduction must complete the form to receive the benefit.

In addition to the definitions for "official establishment" and "employees" discussed above, the form includes definitions for "affiliated companies" and "company" for purposes of determining whether an official establishment qualifies for a fee reduction. For purposes of the form, companies are considered affiliated with each other when one controls the other or a third-party controls both. It does not matter whether control is exercised, so long as the power to control exists. For example, a corporate company that owns one or more establishments is affiliated with those establishments, and the establishments are affiliated with the corporate company and each other. Affiliated companies do not typically include entities that perform common administrative services, including human resource support and cleaning services, as defined by the Small Business Administration (SBA) in 13 CFR 121.103. For purposes of the form, a “company” is any organization or entity (including an establishment) that buys or sells goods or services. A company may be organized in various forms, including partnerships and corporations, and can be privately held or publicly traded. Affiliation alone does not prevent an establishment from qualifying for a fee reduction. A company may have affiliates, so long as the combined size of the establishment *and* its affiliated companies remains within the applicable thresholds for small or very small establishments.

To complete the form, establishments must answer a series of questions designed to collect data on the total number of employees employed by the establishment and any affiliated companies, as well as the average annual sales for the establishment. As stated in the form, the number of employees is the average number of employees. The average is calculated by summing the number of employees at the end of each pay period over the preceding 52 weeks and dividing by the total number of pay periods. In addition, for purposes of the form, establishments should determine their annual average sales based on their sales over the past five years or, for establishments that have been in business for less than five years, on the number of years they have been in business. This is consistent with the SBA’s regulations for calculating a business’s annual receipts (13 CFR 121.104). Thus, under this approach, the average annual sales of an establishment that has been in business for five or more completed fiscal years means the establishment’s total sales over its most recently completed five fiscal years divided by five. Establishments that have been in business fewer than five years should use the annual sales for their fully completed years in business divided by their number of fully completed fiscal years. Because FSIS intends to use data collected on the form to determine whether an official establishment is qualified for a rate reduction and the amount of the reduction, the establishment must also attest that data provided are accurate. Official establishments that are not affiliated with other companies will only need to report the number of employees employed by the establishment and whether the establishment’s average annual sales are less than $2.5 million or $2.5 million or more.

Establishments may obtain an Overtime/Holiday Rate Reduction form from the FSIS inspection personnel assigned to the establishment or may download the form from https://www.fsis.usda.gov/inspection/inspection-forms. The form is provided as a fillable PDF that may be signed electronically.

Establishments should submit the completed form to the FSIS frontline supervisor assigned to the establishment. The frontline supervisor will submit the completed form to the District Office for processing. Alternatively, establishments that prefer to submit the form themselves may email the completed form to the appropriate District Office, “Attention Grant Curator.”

Establishments are encouraged to submit their completed Overtime/Holiday Rate Reduction forms as soon as possible to expedite the process. All establishments that qualify for a fee reduction will receive a partial refund for overtime and holiday inspection fees paid since October 5, 2025, which was the first day of the first pay period in FY 2026. Establishments may request that FSIS provide the refund as a lump sum or as a credit to be applied to future overtime and holiday inspection fees. Establishments may submit the form at any time. If the establishment qualifies for a fee reduction, future fee reductions will begin on the date the form is submitted, provided funds are still available. A partial refund for overtime and holiday inspection fees paid since October 5, 2025, will also be considered once the form is submitted, contingent on the availability of funds. As noted above, to those deemed eligible for reduced rates, FSIS will offer overtime and holiday inspection at the reduced rates in FY 2026, or until all available funds for overtime and holiday inspection are expended.

IV. Determining Establishment Eligibility and Fee Reduction

After an establishment’s completed FSIS Form 5200-16, Overtime/Holiday Rate Reduction Form is received by the District Office, the District Office’s Grant Curator will review the form to determine whether an official establishment is eligible for an overtime and holiday inspection fee reduction and, if so, whether the establishment qualifies for the small establishment or very small establishment reduced fee.

When reviewing an establishment's form, the Grant Curator will first assess the information to determine whether the establishment is affiliated with other companies, including other establishments. If the establishment is affiliated with other companies and the total number of employees employed by the establishment and its affiliated companies is less than 500, the establishment would qualify for an overtime and holiday inspection fee reduction. If the establishment together with its affiliated companies employ 500 or more employees, the establishment would not qualify for a fee reduction.

If an establishment qualifies for a fee reduction, the Grant Curator will conduct an additional review to determine if the establishment qualifies for the small establishment or very small establishment reduction rate. The amount of the fee reduction will be based on the number of employees or average annual sales for the establishment as a discrete entity without considering employees or average annual sales associated with any affiliated companies. Thus, if the establishment itself employs fewer than 10 employees or 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 reduction on overtime and holiday inspection fees. The establishment would qualify for the "very small establishment" fee reduction even if the total number of employees employed by all affiliated companies is over 10, but less than 500, and if the average annual sales for all affiliated companies is greater than $2.5 million. If the establishment employs more than 10 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 reduction on overtime and holiday inspection fees. This approach will allow FSIS to maintain and update individual establishment HACCP size information in the Public Health Information System (PHIS), while also providing the greatest fee reductions to those establishments that would benefit the most. See Table 1 for an overview of applicant establishments that qualify for a fee reduction and the amount of their 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

Table 1- Overtime and holiday inspection rate reduction: eligibility and fee reduction

Establishments that have questions regarding their eligibility for a fee reduction should contact their FSIS District Office. Contact information for the FSIS District Offices is available at: https://www.fsis.usda.gov/contactus/fsis-offices/office-field-operations-ofo.

An establishment that has a change that would affect its eligibility or the amount of its fee reduction, e.g., a small establishment has a reduction in employees or annual sales such that it qualifies as very small, must submit a new Overtime/Holiday Rate Reduction form to FSIS as close as possible to the time the change occurs so that the Agency may make the associated change to the establishment’s fee reduction. FSIS also will apply any new fee reduction to qualified establishments as soon as possible after it is notified of the change.

V. Additional Public Notification

Public awareness of all segments of rulemaking and policy development is important. Consequently, FSIS will announce this **Federal Register** publication online through the FSIS web page located at: https://www.fsis.usda.gov/federal-register. FSIS will also announce and provide a link through the FSIS *Constituent Update*, which is used to provide information regarding FSIS policies, procedures, regulations, **Federal Register** notices, FSIS public meetings, and other types of information that could affect or would be of interest to our constituents and stakeholders. The *Constituent Update* is available on the FSIS web page. Through the web page, FSIS is able to provide information to a much broader, more diverse audience. In addition, FSIS offers an email subscription service which provides automatic and customized access to selected food safety news and information. This service is available at: https://www.fsis.usda.gov/subscribe. Options range from recalls to export information, regulations, directives, and notices. Customers can add or delete subscriptions themselves and have the option to password protect their accounts.

VI. USDA Non-Discrimination Statement

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Justin Ransom,

Administrator.

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