

(1) develop a plan that incorporates the following elements:

(A) adherence to merit principles set forth in section 2301;

(B) a fair, credible, and transparent employee performance appraisal system;

(C) a link between the pay-for-performance system, the employee performance appraisal system, and the agency's strategic plan;

(D) a means for ensuring employee involvement in the design and implementation of the system;

(E) adequate training and retraining for supervisors, managers, and employees in the implementation and operation of the pay-for-performance system;

(F) a process for ensuring ongoing performance feedback and dialogue between supervisors, managers, and employees throughout the appraisal period, and setting timetables for review;

(G) effective safeguards to ensure that the management of the system is fair and equitable and based on employee performance; and

(H) a means for ensuring that adequate agency resources are allocated for the design, implementation, and administration of the pay-for-performance system;

(2) upon approval, receive an allocation of funding from the Office;

(3) make payments to individual employees in accordance with the agency's approved plan; and

(4) provide such information to the Office regarding payments made and use of funds received under this section as the Office may specify.

(b) The Office, in consultation with the Chief Human Capital Officers Council, shall review and approve an agency's plan before the agency is eligible to receive an allocation of funding from the Office.

(c) The Chief Human Capital Officers Council shall include in its annual report to Congress under section 1303(d) of the Homeland Security Act of 2002 an evaluation of the formulation and implementation of agency performance management systems.

(Added Pub. L. 108-136, div. A, title XI, § 1129(a), Nov. 24, 2003, 117 Stat. 1644.)

#### REFERENCES IN TEXT

Section 1303(d) of the Homeland Security Act of 2002, referred to in subsec. (c), is section 1303(d) of Pub. L. 107-296, which is set out as a note under section 1401 of this title.

#### PRIOR PROVISIONS

A prior section 5406, added Pub. L. 98-615, title II, § 201(a), Nov. 8, 1984, 98 Stat. 3211; amended Pub. L. 101-103, § 4, Sept. 30, 1989, 103 Stat. 671; Pub. L. 102-22, § 2(b), Mar. 28, 1991, 105 Stat. 71, related to performance awards, prior to repeal by Pub. L. 103-89, § 3(a)(1), (c), Sept. 30, 1993, 107 Stat. 981, 983, eff. Nov. 1, 1993.

#### § 5407. Nature of payment

Any payment to an employee under this section shall be part of the employee's basic pay for the purposes of subchapter III of chapter 83, and

chapters 84 and 87, and for such other purposes (other than chapter 75) as the Office shall determine by regulation.

(Added Pub. L. 108-136, div. A, title XI, § 1129(a), Nov. 24, 2003, 117 Stat. 1645.)

#### PRIOR PROVISIONS

A prior section 5407, added Pub. L. 98-615, title II, § 201(a), Nov. 8, 1984, 98 Stat. 3213, related to cash award program, prior to repeal by Pub. L. 103-89, § 3(a)(1), (c), Sept. 30, 1993, 107 Stat. 981, 983, eff. Nov. 1, 1993.

#### § 5408. Appropriations

There is authorized to be appropriated \$500,000,000 for fiscal year 2004, and, for each subsequent fiscal year, such sums as may be necessary to carry out the provisions of this chapter. In the first year of implementation, up to 10 percent of the amount appropriated to the Fund shall be available to participating agencies to train supervisors, managers, and other individuals involved in the appraisal process on using performance management systems to make meaningful distinctions in employee performance and on the use of the Fund.

(Added Pub. L. 108-136, div. A, title XI, § 1129(a), Nov. 24, 2003, 117 Stat. 1645.)

#### PRIOR PROVISIONS

Prior sections 5408 to 5410 were repealed by Pub. L. 103-89, § 3(a)(1), (c), Sept. 30, 1993, 107 Stat. 981, 983, effective Nov. 1, 1993.

Section 5408, added Pub. L. 98-615, title II, § 201(a), Nov. 8, 1984, 98 Stat. 3214, required annual reports by Office of Personnel Management.

Section 5409, added Pub. L. 98-615, title II, § 201(a), Nov. 8, 1984, 98 Stat. 3214, directed Office of Personnel Management to prescribe regulations.

Section 5410, added Pub. L. 98-615, title II, § 201(a), Nov. 8, 1984, 98 Stat. 3214; amended Pub. L. 101-103, § 2, Sept. 30, 1989, 103 Stat. 670; Pub. L. 102-22, § 2(c), Mar. 28, 1991, 105 Stat. 71; Pub. L. 103-89, § 2, Sept. 30, 1993, 107 Stat. 981, related to termination of chapter and accompanying regulations.

## CHAPTER 55—PAY ADMINISTRATION

### SUBCHAPTER I—GENERAL PROVISIONS

Sec.	
5501.	Disposition of money accruing from lapsed salaries or unused appropriations for salaries.
5502.	Unauthorized office; prohibition on use of funds.
5503.	Recess appointments.
5504.	Biweekly pay periods; computation of pay.
5505.	Monthly pay periods; computation of pay.
5506.	Computation of extra pay based on standard or daylight saving time.
5507.	Officer affidavit; condition to pay.
5508.	Officer entitled to leave; effect on pay status.
5509.	Appropriations.

### SUBCHAPTER II—WITHHOLDING PAY

5511.	Withholding pay; employees removed for cause.
5512.	Withholding pay; individuals in arrears.
5513.	Withholding pay; credit disallowed or charge raised for payment.
5514.	Installment deduction for indebtedness because of erroneous payment. <sup>1</sup>
5515.	Crediting amounts received for jury or witness service.

<sup>1</sup> Section catchline amended by Pub. L. 97-365 without corresponding amendment of chapter analysis.