

(1) the position to which such individual is appointed (as described in paragraph (2)(A)) or to which such individual moves or must relocate (as described in paragraph (2)(B)) is likely to be difficult to fill in the absence of such a bonus; and

(2) the individual—

(A) is newly appointed as an employee of the Federal Government; or

(B)(i) is currently employed by the Federal Government; and

(ii)(I) moves to a new position in the same geographic area under circumstances described in regulations of the Office; or

(II) must relocate to accept a position in a different geographic area.

(c)(1) Payment of a bonus under this section shall be contingent upon the employee entering into a written service agreement to complete a period of employment with the agency, not longer than 4 years. The Office may, by regulation, prescribe a minimum service period for purposes of this section.

(2)(A) The agreement shall include—

(i) the commencement and termination dates of the required service period (or provisions for the determination thereof);

(ii) the amount of the bonus;

(iii) the method of payment; and

(iv) other terms and conditions under which the bonus is payable, subject to the requirements of this section and regulations of the Office.

(B) The terms and conditions for paying a bonus, as specified in the service agreement, shall include—

(i) the conditions under which the agreement may be terminated before the agreed-upon service period has been completed; and

(ii) the effect of the termination.

(C) The required service period shall commence upon the commencement of service with the agency or movement to a new position or geographic area, as applicable, unless the service agreement provides for a later commencement date in circumstances and to the extent allowable under regulations of the Office, such as when there is an initial period of formal basic training.

(d)(1) Except as provided in subsection (e), a bonus under this section shall not exceed 25 percent of the annual rate of basic pay of the employee at the beginning of the service period multiplied by the number of years (including a fractional part of a year, as determined under regulations of the Office) in the required service period of the employee involved.

(2) A bonus under this section may be paid as an initial lump sum, in installments, as a final lump sum upon the completion of the full period of service required by the agreement, or in a combination of these forms of payment.

(3) A bonus under this section is not part of the basic pay of an employee for any purpose.

(4) Under regulations of the Office, a recruitment bonus under this section may be paid to an eligible individual before that individual enters on duty.

(e) The Office may authorize the head of an agency to waive the limitation under subsection

(d)(1) based on a critical agency need, subject to regulations prescribed by the Office. Under such a waiver, the maximum bonus allowable shall—

(1) be equal to the maximum that would be determined if subsection (d)(1) were applied by substituting “50” for “25”; but

(2) in no event exceed 100 percent of the annual rate of basic pay of the employee at the beginning of the service period.

Nothing in this subsection shall be considered to permit the waiver of any requirement under subsection (c).

(f) The Office shall require that an agency establish a plan for the payment of recruitment bonuses before paying any such bonuses, and a plan for the payment of relocation bonuses before paying any such bonuses, subject to regulations prescribed by the Office.

(g) The Office may prescribe regulations to carry out this section, including regulations relating to the repayment of a bonus under this section in appropriate circumstances when the agreed-upon service period has not been completed.

(Added Pub. L. 108-411, title I, §101(a)(1), Oct. 30, 2004, 118 Stat. 2305; amended Pub. L. 114-323, title IV, §412(1), Dec. 16, 2016, 130 Stat. 1932.)

#### REFERENCES IN TEXT

The General Schedule, referred to in subsec. (a)(1)(A), is set out under section 5332 of this title.

#### PRIOR PROVISIONS

A prior section 5753, added Pub. L. 101-509, title V, §529 [title II, §208(a)], Nov. 5, 1990, 104 Stat. 1427, 1458, which related to recruitment and relocation bonuses, was repealed by Pub. L. 108-411, title I, §101(a)(1), Oct. 30, 2004, 118 Stat. 2305.

#### AMENDMENTS

2016—Subsec. (a)(2)(A). Pub. L. 114-323 inserted “, excluding members of the Foreign Service other than chiefs of mission and ambassadors at large” before semicolon at end.

#### EFFECTIVE DATE

Pub. L. 108-411, title I, §101(d), Oct. 30, 2004, 118 Stat. 2310, provided that:

“(1) EFFECTIVE DATE.—Except as provided under paragraphs (2) and (3), this section [enacting this section and section 5754 of this title, repealing former sections 5753 and 5754 of this title, and amending provisions set out as a note under section 5305 of this title] shall take effect on the first day of the first applicable pay period beginning on or after the 180th day after the date of the enactment of this Act [Oct. 30, 2004].

“(2) APPLICATION TO AGREEMENTS.—A recruitment or relocation bonus service agreement that was authorized under section 5753 of title 5, United States Code, before the effective date under paragraph (1) shall continue, until its expiration, to be subject to such section as in effect on the day before such effective date.

“(3) APPLICATION TO ALLOWANCES.—Payment of a retention allowance that was authorized under section 5754 of title 5, United States Code, before the effective date under paragraph (1) shall continue, subject to such section as in effect on the day before such effective date, until the retention allowance is reauthorized or terminated (but no longer than 1 year after such effective date).”

#### § 5754. Retention bonuses

(a)(1) This section may be applied to—

(A) employees covered by the General Schedule pay system established under subchapter III of chapter 53; and

(B) employees in a category approved by the Office of Personnel Management at the request of the head of an Executive agency.

(2) A bonus may not be paid under this section to an individual who is appointed to or who holds—

(A) a position to which an individual is appointed by the President, by and with the advice and consent of the Senate, excluding members of the Foreign Service other than chiefs of mission and ambassadors at large;

(B) a position in the Senior Executive Service as a noncareer appointee (as such term is defined under section 3132(a)); or

(C) a position which has been excepted from the competitive service by reason of its confidential, policy-determining, policy-making, or policy-advocating character.

(3) In this section, the term “employee” has the meaning given that term in section 2105, except that such term also includes an employee described in subsection (c) of that section.

(b) The Office of Personnel Management may authorize the head of an agency to pay a retention bonus to an employee if—

(1) the unusually high or unique qualifications of the employee or a special need of the agency for the employee’s services makes it essential to retain the employee; and

(2) the agency determines that, in the absence of a retention bonus, the employee would be likely to leave—

(A) the Federal service; or

(B) for a different position in the Federal service under conditions described in regulations of the Office.

(c) The Office may authorize the head of an agency to pay retention bonuses to a group of employees in 1 or more categories of positions in 1 or more geographic areas, subject to the requirements of subsection (b)(1) and regulations prescribed by the Office, if there is a high risk that a significant portion of employees in the group would be likely to leave in the absence of retention bonuses.

(d)(1) Payment of a retention bonus is contingent upon the employee entering into a written service agreement with the agency to complete a period of employment with the agency.

(2)(A) The agreement shall include—

(i) the length of the required service period;

(ii) the amount of the bonus;

(iii) the method of payment; and

(iv) other terms and conditions under which the bonus is payable, subject to the requirements of this section and regulations of the Office.

(B) The terms and conditions for paying a bonus, as specified in the service agreement, shall include—

(i) the conditions under which the agreement may be terminated before the agreed-upon service period has been completed; and

(ii) the effect of the termination.

(3)(A) Notwithstanding paragraph (1), a written service agreement is not required if the agency pays a retention bonus in biweekly installments and sets the installment payment at the full bonus percentage rate established for

the employee with no portion of the bonus deferred.

(B) If an agency pays a retention bonus in accordance with subparagraph (A) and makes a determination to terminate the payments, the agency shall provide written notice to the employee of that determination. Except as provided in regulations of the Office, the employee shall continue to be paid the retention bonus through the end of the pay period in which such written notice is provided.

(4) A retention bonus for an employee may not be based on any period of such service which is the basis for a recruitment or relocation bonus under section 5753.

(e)(1) Except as provided in subsection (f), a retention bonus, which shall be stated as a percentage of the employee’s basic pay for the service period associated with the bonus, may not exceed—

(A) 25 percent of the employee’s basic pay if paid under subsection (b); or

(B) 10 percent of an employee’s basic pay if paid under subsection (c).

(2)(A) A retention bonus may be paid to an employee in installments after completion of specified periods of service or in a single lump sum at the end of the full period of service required by the agreement.

(B) An installment payment is derived by multiplying the amount of basic pay earned in the installment period by a percentage not to exceed the bonus percentage rate established for the employee.

(C) If the installment payment percentage established for the employee is less than the bonus percentage rate established for the employee, the accrued but unpaid portion of the bonus is payable as part of the final installment payment to the employee after completion of the full service period under the terms of the service agreement.

(D) For purposes of this paragraph, the bonus percentage rate established for an employee means the bonus percentage rate established for such employee in accordance with paragraph (1) or subsection (f), as the case may be.

(3) A retention bonus is not part of the basic pay of an employee for any purpose.

(f) Upon the request of the head of an agency, the Office may waive the limit established under subsection (e)(1) and permit the agency head to pay an otherwise eligible employee or category of employees retention bonuses of up to 50 percent of basic pay, based on a critical agency need.

(g) The Office shall require that, before paying any bonuses under this section, an agency shall establish a plan for the payment of any such bonuses, subject to regulations prescribed by the Office.

(h) The Office may prescribe regulations to carry out this section.

(Added Pub. L. 108–411, title I, §101(a)(1), Oct. 30, 2004, 118 Stat. 2307; amended Pub. L. 114–323, title IV, §412(2), Dec. 16, 2016, 130 Stat. 1932.)

#### REFERENCES IN TEXT

The General Schedule, referred to in subsec. (a)(1)(A), is set out under section 5332 of this title.

## PRIOR PROVISIONS

A prior section 5754, added Pub. L. 101-509, title V, § 529 [title II, § 208(a)], Nov. 5, 1990, 104 Stat. 1427, 1459, which related to retention allowances, was repealed by Pub. L. 108-411, title I, § 101(a)(1), Oct. 30, 2004, 118 Stat. 2305.

## AMENDMENTS

2016—Subsec. (a)(2)(A). Pub. L. 114-323 inserted “, excluding members of the Foreign Service other than chiefs of mission and ambassadors at large” before semicolon at end.

## EFFECTIVE DATE

Section effective on the first day of the first applicable pay period beginning on or after the 180th day after Oct. 30, 2004, with exception for payment of certain retention allowances, see section 101(d) of Pub. L. 108-411, set out as a note under section 5753 of this title.

**§ 5755. Supervisory differentials**

(a)(1) The Office of Personnel Management may authorize the head of an agency to pay a differential to an employee under the General Schedule who has supervisory responsibility for 1 or more employees not under the General Schedule, if 1 or more of the subordinate employees would, in the absence of such a differential, be paid more than the supervisory employee.

(2) For the purposes of comparing the pay of a supervisory employee under the General Schedule with the pay of a subordinate employee not under the General Schedule, comparability payments under section 5304, differentials, and allowances that are not a part of basic pay may be taken into consideration, as provided by regulations of the Office.

(b)(1) A supervisory differential, which shall be stated as a percentage of the supervisory employee's rate of basic pay (excluding any comparability payments under section 5304) or as a dollar amount, may not cause the supervisory employee's pay to exceed the pay of the highest paid subordinate employee by more than 3 percent.

(2) A supervisory differential may not be considered to be part of the basic pay of an employee, and the reduction or elimination of a supervisory differential may not be appealed. The preceding sentence shall not be construed to extinguish or lessen any right or remedy under subchapter II of chapter 12 or under any of the laws referred to in section 2302(d).

(3) A supervisory differential shall be paid in the same manner and at the same time as the employee's basic pay is paid.

(c) For the purpose of this section—

(1) the terms “agency” and “employee” have the meanings given them by section 5102; and

(2) any reference to “an employee under the General Schedule” shall be considered to be a reference to any employee holding a position to which subchapter III of chapter 53 applies.

(d) The Office shall prescribe such regulations as it considers necessary for the administration of this section.

(Added Pub. L. 101-509, title V, § 529 [title II, § 211(a)], Nov. 5, 1990, 104 Stat. 1427, 1461; amended Pub. L. 115-73, title I, § 107(a)(2)(B), Oct. 26, 2017, 131 Stat. 1239; Pub. L. 115-91, div. A, title X, § 1097(b)(3)(B), Dec. 12, 2017, 131 Stat. 1617.)

## REFERENCES IN TEXT

The General Schedule, referred to in subsecs. (a)(1), (2) and (c)(2), is set out under section 5332 of this title.

## AMENDMENTS

2017—Subsec. (b)(2). Pub. L. 115-91 substituted “section 2302(d)” for “section 2302(c)”.

Pub. L. 115-73 substituted “section 2302(c)” for “section 2302(d)”.

## EFFECTIVE DATE

Section effective on such date as the President shall determine, but not earlier than 90 days, and not later than 180 days, after Nov. 5, 1990, see section 529 [title III, § 305] of Pub. L. 101-509, set out as an Effective Date of 1990 Amendment note under section 5301 of this title.

**§ 5756. Home marketing incentive payment**

(a) Under regulations prescribed under subsection (b), an agency may pay to an employee who transfers in the interest of the Government an amount to encourage the employee to aggressively market the employee's residence at the official station from which transferred when—

(1) the residence is entered into a relocation services program established under a contract in accordance with section 5724c of this title to arrange for the purchase of the residence;

(2) the employee finds a buyer who completes the purchase of the residence through the program; and

(3) the sale of the residence results in a reduced cost to the Government.

(b)(1) The Administrator of General Services shall prescribe regulations to carry out this section.

(2) The regulations shall include a limitation on the maximum amount payable with respect to an employee's residence. The Administrator shall establish the limitation in consultation with the Director of the Office of Management and Budget. For fiscal years 1997 and 1998, the maximum amount shall be the amount equal to five percent of the sale price of the residence.

(Added Pub. L. 104-201, div. A, title XVII, § 1717, Sept. 23, 1996, 110 Stat. 2757.)

## EFFECTIVE DATE

Section effective 180 days after Sept. 23, 1996, see section 1725(a) of Pub. L. 104-201, set out as an Effective Date of 1996 Amendment note under section 5722 of this title.

**§ 5757.<sup>1</sup> Payment of expenses to obtain professional credentials**

(a) An agency may use appropriated funds or funds otherwise available to the agency to pay for—

(1) expenses for employees to obtain professional credentials, including expenses for professional accreditation, State-imposed and professional licenses, and professional certification; and

(2) examinations to obtain such credentials.

(b) The authority under subsection (a) may not be exercised on behalf of any employee occupying or seeking to qualify for appointment to any position that is excepted from the competi-

<sup>1</sup> Another section 5757 is set out after this section.