

(2) A recruitment or relocation bonus may be paid to an employee under this subsection only if the employee enters into an agreement with the Commission to complete a period of employment established in the agreement. If the employee voluntarily fails to complete such period of employment or is separated from service in such employment as a result of an adverse action before the completion of such period, the employee shall repay the entire amount of the bonus.

(3) A recruitment or relocation bonus under this subsection may be paid as a lump sum. A bonus under this subsection may not be considered to be part of the basic pay of an employee.

(d) Retention bonuses

(1) The Commission may pay a retention bonus to an employee of the Commission if the Commission determines that—

(A) the employee has unusually high or unique qualifications and those qualifications make it essential for the Commission to retain the employee for a period specified by the Commission ending not later than the Canal Transfer Date, or the Commission otherwise has a special need for the services of the employee making it essential for the Commission to retain the employee for a period specified by the Commission ending not later than the Canal Transfer Date; and

(B) the employee would be likely to leave employment with the Commission before the end of that period if the retention bonus is not paid.

(2) A retention bonus under this subsection—

(A) shall be in a fixed amount;

(B) shall be paid on a pro rata basis (over the period specified by the Commission as essential for the retention of the employee), with such payments to be made at the same time and in the same manner as basic pay; and

(C) may not be considered to be part of the basic pay of an employee.

(3) A decision by the Commission to exercise or to not exercise the authority to pay a bonus under this subsection shall not be subject to review under any statutory procedure or any agency or negotiated grievance procedure except under any of the laws referred to in section 2302(d) of title 5.

(e) Limit on compensation

Additional compensation provided under this section may not exceed 25 percent of the rate of basic pay of the individual to whom the compensation is paid.

(Pub. L. 96-70, title I, §1217, Sept. 27, 1979, 93 Stat. 465; Pub. L. 104-201, div. C, title XXXV, §3533, Sept. 23, 1996, 110 Stat. 2863; Pub. L. 105-85, div. C, title XXXV, §3525(a), Nov. 18, 1997, 111 Stat. 2066; Pub. L. 105-261, div. C, title XXXV, §3507(a), Oct. 17, 1998, 112 Stat. 2269; Pub. L. 115-73, title I, §107(a)(2)(D), Oct. 26, 2017, 131 Stat. 1239; Pub. L. 115-91, div. A, title X, §1097(b)(3)(D), Dec. 12, 2017, 131 Stat. 1618.)

Editorial Notes

AMENDMENTS

2017—Subsec. (d)(3). Pub. L. 115-91 substituted “section 2302(d)” for “section 2302(c)”.

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

1998—Subsec. (a). Pub. L. 105-261 struck out subsec. (a) which read as follows: “In addition to basic pay, additional compensation may be paid, in such amounts as the head of the agency concerned determines, as an overseas recruitment or retention differential to any individual who—

“(1) before October 1, 1979, was employed by the Panama Canal Company, by the Canal Zone Government, or by any other agency in the area then known as the Canal Zone;

“(2) is an employee who was recruited on or after October 1, 1979, outside of the Republic of Panama for placement in the Republic of Panama; or

“(3) is a medical doctor employed by the Department of Defense in the Republic of Panama or by the Commission;

if, in the judgment of the head of the agency concerned, the recruitment or retention of the individual is essential.”

1997—Subsecs. (c), (d). Pub. L. 105-85, §3525(a)(3), added subsecs. (c) and (d). Former subsec. (c) redesignated (e).

Subsec. (e). Pub. L. 105-85, §3525(a)(1), (2), redesignated subsec. (c) as (e) and substituted “of the individual to whom the compensation is paid” for “for the same or similar work performed in the United States by individuals employed by the Government of the United States”.

1996—Subsec. (d). Pub. L. 104-201 struck out subsec. (d) which read as follows: “Subchapter III of chapter 59 of title 5, relating to overseas differentials and allowances, shall not apply with respect to any employee whose permanent duty station is in the Republic of Panama and who is employed by an agency.”

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-261, div. C, title XXXV, §3507(a), Oct. 17, 1998, 112 Stat. 2269, provided that the amendment made by section 3507(a) striking out subsec. (a) of this section is effective 11:59 p.m. (Eastern Standard Time), Dec. 30, 1999, and any right or condition of employment provided for in, or arising from, subsec. (a) of this section is terminated.

SAVINGS PROVISION FOR BASIC PAY

Pub. L. 105-261, div. C, title XXXV, §3507(b), Oct. 17, 1998, 112 Stat. 2269, provided that: “Notwithstanding subsection (a) [amending this section and sections 3664, 3671, and 3731 of this title and repealing sections 3646 and 3647 of this title], benefits based on basic pay, as listed in paragraphs (1), (2), (3), (5), and (6) of section 1218 of the Panama Canal Act of 1979 [22 U.S.C. 3658(1), (2), (3), (5), (6)], shall be paid as if sections 1217(a) and 1231(a)(2)(A) and (B) of that Act [22 U.S.C. 3657(a), 3671(a)(2)(A), (B)] had been repealed effective 12:00 noon, December 31, 1999. The exception under the preceding sentence shall not apply to any pay for hours of work performed on December 31, 1999.”

Executive Documents

COORDINATION OF PAY AND EMPLOYMENT PRACTICES

For provisions requiring consultations with the Secretary of Defense for agencies under this subpart with respect to the establishment of rates of pay and other matters deemed appropriate by the Secretary in order to develop compatible or unified systems of basic pay and employment practices, see section 1-201 of Ex. Ord. No. 12215, May 27, 1980, 45 F.R. 36043, set out as a note under section 3601 of this title.

§ 3657a. Quarters allowances

(a) “Position” and “employee” defined

Notwithstanding paragraphs (2) and (3) of section 3651 of this title, as used in this section—

(1) “position” means a civilian position; and
 (2) “employee” means an individual serving in a position in the Department of Defense whose permanent duty station is in the area which, before October 1, 1979, was known as the Canal Zone.

(b) Covered employees

Under regulations prescribed by or under authority of the President, the Department of Defense may grant a quarters allowance in the case of—

(1) any employee who is a citizen of the United States and who, before October 1, 1979, was employed by the Panama Canal Company, the Canal Zone Government, or any other agency, in the area then known as the Canal Zone; and

(2) any other employee who is a citizen of the United States and who (before, on, or after the effective date of this section) is or was recruited within the United States;

for whom adequate Government owned or leased quarters are not made available.

(c) Determination of amount

The amount of any quarters allowance granted to an employee under this section shall be determined in accordance with the regulations prescribed under subsection (b) of this section, except that such allowance for any period may not exceed the amount, if any, by which—

(1) the lesser of—

(A) the actual expenses for rent and utilities incurred by the employee during such period while occupying quarters other than Government owned or leased quarters; or

(B) the maximum amount which would be authorized for such employee with respect to such period under the Department of State Standardized Regulations (Government Civilians, Foreign Areas) if such employee were covered by those regulations;

exceeds

(2) the estimated total cost of rent and utilities which the employee would have been charged if Government owned or leased quarters had been provided on a rental basis during such period.

(d) Inapplicability of election under section 3652(b) of this title

The provisions of this section shall apply without regard to whether any election by the Department of Defense under section 3652(b) of this title is then in effect.

(Pub. L. 96–70, title I, §1217a, as added Pub. L. 98–600, §1(a), Oct. 30, 1984, 98 Stat. 3145.)

Editorial Notes

REFERENCES IN TEXT

For effective date of this section, referred to in subsec. (b)(2), see section 2 of Pub. L. 98–600, set out below.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Pub. L. 98–600, §2, Oct. 30, 1984, 98 Stat. 3146, provided that: “The amendments made by this Act [enacting this section] shall take effect on October 1, 1984, and

shall apply with respect to utility costs incurred, and rent payable for any period beginning, on or after that date.”

Executive Documents

EX. ORD. NO. 12520. QUARTERS ALLOWANCE TO DEPARTMENT OF DEFENSE EMPLOYEES IN PANAMA

Ex. Ord. No. 12520, June 19, 1985, 50 F.R. 25683, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 1217a of the Panama Canal Act of 1979 (22 U.S.C. 3657a), it is hereby ordered as follows:

SECTION 1. The Secretary of Defense is authorized to prescribe the regulations referred to in section 1217a of the Panama Canal Act of 1979 [22 U.S.C. 3657a], relating to quarters allowances.

SEC. 2. The regulations prescribed under Section 1 shall be consistent with Article VII(4) of the Agreement in Implementation of Article IV of the Panama Canal Treaty and with all other relevant provisions of the Panama Canal Treaty and related agreements.

RONALD REAGAN.

§ 3658. Benefits based on basic pay

For the purpose of determining—

(1) amounts of compensation for disability or death under chapter 81 of title 5, relating to compensation for work injuries;

(2) benefits under subchapter III of chapter 83 or chapter 84 of title 5, relating to retirement;

(3) amounts of insurance under chapter 87 of title 5, relating to life insurance;

(4) amounts of overtime pay or other premium pay;

(5) annual leave benefits; and

(6) any other benefits related to basic pay;

the basic pay of each employee shall include the rate of basic pay established for his position under section 3642 of this title plus the amount of any additional compensation provided under section 3657(a)¹ of this title.

(Pub. L. 96–70, title I, §1218, Sept. 27, 1979, 93 Stat. 466; Pub. L. 104–201, div. C, title XXXV, §3534, Sept. 23, 1996, 110 Stat. 2863; Pub. L. 105–85, div. C, title XXXV, §3523(c)(2), Nov. 18, 1997, 111 Stat. 2065.)

Editorial Notes

REFERENCES IN TEXT

Section 3657(a) of this title, referred to in text, was repealed by Pub. L. 105–261, div. C, title XXXV, §3507(a), Oct. 17, 1998, 112 Stat. 2269.

AMENDMENTS

1997—Pub. L. 105–85, in concluding provisions, substituted “section 3642” for “section 3655” and “section 3657(a)” for “section 3657”.

1996—Par. (2). Pub. L. 104–201 amended par. (2) generally. Prior to amendment, par. (2) read as follows: “benefits under subchapter III of chapter 83 of title 5, relating to civil service retirement;”.

Executive Documents

COORDINATION OF PAY AND EMPLOYMENT PRACTICES

For provisions requiring consultations with the Secretary of Defense for agencies under this subpart with

¹ See References in Text note below.