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THE GUIDE TO PERSONNEL DATA STANDARDS

RETENTION ALLOWANCE

Definition: The annual total dollar amount (up to 25 percent of basic pay) paid to an essential employee with unusually high qualifications or special skills in those cases where the agency determines that the employee would be likely to leave Federal employment if no allowance were paid. Note that, under Section 301 (effective May 1, 2005) of the Federal Workforce Flexibility Act of 2004 (Public Law 108-411, dated October 30, 2004), retention allowance (used with nature of action code 810) has been replaced by retention incentive (used with nature of action code 827). An employee receiving an allowance under the former retention payment program is entitled to continue receiving the allowance until the allowance is terminated, but not later than April 30, 2006. Retention allowance should only be used for such an employee.

Responsible Organization: Office of Personnel Management, Division for Strategic Human Resources Policy.

Applicability: Mandatory (Central Personnel Data File, Personnel Actions).

Cross-Reference: [BASIC PAY](#), [OTHER PAY](#), [TOTAL SALARY](#)

Format: 5N

Note:

The amount is right justified with leading zeros.