



## UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

The Director

Friday, January 24, 2003

### MEMORANDUM FOR: Human Resources Directors

FROM: Donald J. Windstead, Acting Director Workforce Compensation and Performance Service

Subject: Aggregate Pay Limitation for Members of the Senior Executive Service and Employees in Senior-Level and Scientific or Professional Positions

Section 1322 of the Homeland Security Act of 2002 (Public Law 107-296, November 25, 2002) provides, under certain conditions, a higher aggregate limitation on pay for members of the Senior Executive Service (SES) and employees in senior-level (SL) and scientific or professional (ST) positions. **Until these conditions are met, the aggregate limitation on pay for all employees will remain at the rate for level I of the Executive Schedule (\$171,900 in 2003).**

Section 1322 of the Act provides that the aggregate pay limitation established in 5 U.S.C. 5307 for SES and SL/ST employees in an agency may be the total annual compensation payable to the Vice President under 3 U.S.C. 104 if the Office of Personnel Management (OPM), with the concurrence of the Office of Management and Budget (OMB), certifies that the agency has a performance appraisal system that makes meaningful distinctions based on relative performance. The law gives OPM and OMB joint responsibility for issuing regulations, as necessary, including the criteria and procedures for obtaining certification of a performance appraisal system.

Following appropriate consultation, we plan to issue regulations and guidance jointly with OMB on the requirements for obtaining certification of agency performance appraisal systems so that you may use the higher aggregate pay limitation for SES and SL/ST employees. Until your agency's performance appraisal system has been certified under the new regulations, the aggregate limitation on pay for all employees will remain at the rate for level I of the Executive Schedule. The overall rules for administering the aggregate pay limitation will remain the same as currently found in 5 CFR part 530, subpart B.

If you have questions about performance appraisal requirements, please contact OPM's Performance Management and Incentive Awards Division by calling (202) 606-2720 or sending an email message to [perform-mgmt@opm.gov](mailto:perform-mgmt@opm.gov). If you have questions about administering the aggregate pay limitation, please contact OPM's Pay and Leave Administration Division by calling (202) 606-2858 or sending an email message to [payleave@opm.gov](mailto:payleave@opm.gov).