

DEPARTMENTAL MANUAL		Number: 4050-575
SUBJECT Recruitment, Relocation and Retention Payments	DATE: May 28, 2003	
	OPI: Office of Human Resources Management	

CHAPTER 1: RECRUITMENT AND RELOCATION BONUSES

1 PURPOSE

The purpose of these plans is to provide managers and supervisors with additional tools to fill Department positions which would otherwise be difficult to fill with high quality candidates.

Under the Recruitment Bonus Plan, agencies are authorized to pay a recruitment bonus of up to 25 percent of annual basic pay to a newly appointed employee or an individual to whom a written offer of employment has been made by the agency, provided there is a determination that, in the absence of such a bonus, difficulty would be encountered in filling the position with a high quality candidate.

Under the Relocation Bonus Plan, agencies are authorized to pay a relocation bonus of up to 25 percent of annual basic pay to an employee who must relocate to accept a position in a different commuting area, provided there is a determination that, in the absence of such a bonus, difficulty would be encountered in filling the position with a high quality candidate.

2 SPECIAL INSTRUCTIONS

These instructions replace PERSONNEL BULLETIN NO. 575-1, dated May 16, 1991.

3 AUTHORITY

The instructions contained in this chapter constitute the Department's Recruitment and Relocation Bonus Plans. These plans meet the requirements set forth in 5 U.S.C. 1104(a)(2) and 5753; E.O. 12748; and 5 CFR Part 575.

4 DELEGATIONS OF AUTHORITY

a The Secretary retains the authority to review and approve payment of recruitment bonuses and relocation bonuses to employees appointed:

- (1) to a senior-level or scientific or professional position paid under 5 U.S.C. 5376;
- (2) to a Senior Executive Service position paid under 5 U.S.C. 5383;
- (3) to a position under the Executive Schedule established under 5 U.S.C. Chapter 53, Subchapter 2, or a position for which the rate of pay is fixed by law, at a rate equal to a rate for the Executive Schedule; or
- (4) to an executive branch position filled by Presidential (with or without the advice and consent of the Senate) or Secretarial appointment.

b Agency Heads and General Officers are delegated the authority to review and approve payment of recruitment bonuses and relocation bonuses to employees appointed:

- (1) to a General Schedule position as defined under 5 U.S.C. 5332;
- (2) to a prevailing rate (wage) position as defined under 5 U.S.C. 5342; or
- (3) to a law enforcement officer position within the meaning of 5 U.S.C. 8331(20) or 8401(17).

Agency Heads and General Officers are encouraged to re-delegate this authority to the lowest level practicable.

5 DEFINITIONS

a Agencies. Refers to mission areas, agencies or staff offices (such as the Office of General Counsel).

b Agency Head. The head of a Department of Agriculture (USDA) agency or an official who has been delegated the authority to act for the head of the agency in the matter concerned.

c Commuting area. The geographic area that normally is considered one area for employment purposes. It includes any population center (or two or more neighboring ones) and the surrounding localities where people live and reasonably can be expected to travel back and forth daily to work.

d Employee. For purposes of paying a recruitment bonus, means an employee who is newly appointed or an individual who has received a written offer to be newly appointed, and has signed a service agreement. If the employee is offered a recruitment bonus to a temporary position, the appointment would have to be of at least 6 months' duration. For purposes of paying a relocation bonus, means an employee who is appointed without a break in service to a position in a different commuting area or whose duty station has changed permanently or temporarily to a different commuting area, assuming all other conditions (see Section 7) are met.

e General Officer. A USDA official as defined in 7 CFR 2.4. General Officers report directly to the Secretary of Agriculture.

f Involuntarily Separated. A separation initiated by an agency against the employee's will and without his or her consent, for reasons other than cause on charges of misconduct or delinquency. An involuntary separation includes a separation resulting from the employee's actual inability to do the work following genuine efforts to do so, but does not include a separation under 5 CFR Part 752 or an equivalent procedure for reasons that involve culpable wrongdoing on the

part of the employee. In addition, when an employee is separated because he or she declines to accept a reassignment outside the commuting area, the separation is involuntary if the employee's position description or other written agreement does not provide for such reassignment. However, an employee's separation is not involuntary if, after such a written mobility agreement is added, the employee accepts one reassignment outside the commuting area, but subsequently declines another such reassignment.

- g Newly appointed. For purposes of paying a recruitment bonus, refers to the first appointment, regardless of tenure, as an employee of the Federal Government or an appointment following a break in service of at least 90 days.
- h Rate of Basic Pay. The rate of pay fixed by law or administrative action for the position to which the employee is or will be newly appointed, before deductions and exclusive of any additional pay of any kind, such as locality-based comparability payments under 5 U.S.C. 5304 or interim geographic adjustments under Section 302 of the Federal Employees Pay Comparability Act of 1990 (Public Law 105-509).
- i Service Agreement. In conjunction with a recruitment bonus, means a written agreement between USDA and a newly appointed employee under which the employee agrees to a specified period of employment with the appointing agency in return for payment of a recruitment bonus. In conjunction with a relocation bonus, means a written agreement between USDA and an employee under which the employee agrees to a specified period of employment with the agency at the new duty station to which relocated in return for payment of a relocation bonus.

6 RESPONSIBILITIES

- a The Director of Human Resources is responsible for setting policy and providing overall technical guidance and direction for the Department Recruitment and Relocation Bonus Plans. The Office of Human Resources Management (OHRM) shall provide staff assistance to agencies and monitor compliance with Departmental policy.
- b Agency Heads and General Officers are responsible for ensuring that recruitment and relocation bonuses in their agencies are granted in accordance with the requirements set forth in the Department Plans.

7 REQUIREMENTS

- a Higher level review and approval.
 - (1) Except as provided in Section 7a(2), each determination to pay a recruitment bonus or relocation bonus, including the amount of such bonus, shall be reviewed and approved by an official of the agency who is at a higher level than the official who made the initial decision, unless there is no official at a higher level in the agency.
 - (2) When necessary to make a timely offer of employment, Agency Heads and General Officers may establish criteria in advance, based on identification of qualifications typically possessed by high quality

candidates for a specific position or other similar positions and authorize the recommending official to offer a recruitment bonus (in an amount within a pre-established range) to any high quality candidate without further review or approval.

b Criteria for payment.

- (1) Each bonus paid shall be based on a written determination that, in the absence of such a bonus, the agency would encounter difficulty in filling the position with a high quality candidate. Each such determination shall be made before the employee actually enters on duty in the position for which he or she was recruited or to which he or she is being relocated. The determination that a recruitment or relocation bonus may be paid may be made before the recruitment or announcement takes place or after such activity takes place. Relocation bonuses should not be paid in lieu of reimbursing employees for relocation expenses under the General Service Administration's Federal Travel Regulations. In determining which employee may receive a recruitment or relocation bonus, an agency may target groups of positions that have been difficult to fill in the past or that may be difficult to fill in the future, and may make the required written determination to offer a recruitment bonus on a group basis. In most situations, however, relocation bonuses will be offered on a case-by-case basis.
- (2) In determining whether a recruitment or relocation bonus should be paid and the amount to be paid, an agency shall consider the following factors, as applicable in the case at hand:
 - (a) the success of recent efforts to recruit high quality candidates for similar positions, including indicators such as offer acceptance rates, the proportion of positions filled, and the length of time required to fill similar positions;
 - (b) recent turnover in similar positions;
 - (c) labor-market factors that may affect the ability of the agency to recruit high quality internal or external candidates for similar positions now or in the future (may include such factors as salary ranges of comparable positions, scarcity of skills, emerging technology, etc.);
 - (d) special qualifications needed for the position;
 - (e) for recruitment bonuses, the practicality of using the superior qualifications appointment authority provided by 5 U.S.C. 5333 and 531.203(b) alone or in combination with a recruitment bonus;
 - (f) funding availability;
 - (g) positive and negative impacts on the morale of current employees;

- (h) for bonuses for temporary relocations, whether it is more cost-effective to pay per diem for a detail;
- (i) attractiveness of the duty station in such terms as remoteness, cost of living, community amenities, etc.; and
- (j) urgency of filling the position.

8 PAYMENT OF RECRUITMENT AND RELOCATION BONUSES

- a A recruitment or relocation bonus shall be calculated as a percentage of the employee's rate of annual basic pay (not to exceed 25 percent) and paid as a lump sum. It shall not be considered part of an employee's rate of basic pay for any purpose. Before a relocation bonus can be paid, the employee must have established residence in the new commuting area.
- b In the case of a law enforcement officer within the meaning of 5 U.S.C. 8331(20) or 8401(17) with respect to whom the provisions of 5 U.S.C Chapter 51 apply, the amount of a relocation bonus may not exceed the greater of \$15,000 or 25 percent of the officer's rate of basic pay.
- c Agencies can submit recruitment/relocation bonus requests to the National Finance Center on Form AD-343.

9 SERVICE AGREEMENTS

- a Before a recruitment or relocation bonus may be paid, the employee must sign a written service agreement to complete a specified number of months of employment in the agency offering the bonus. In the case of relocation bonuses, the service must be completed in the agency at the location of the new duty station. (See Form AD-1074, Appendix B)
- b The minimum period of employment that may be established under a service agreement for a recruitment or relocation bonus shall be 6 months.
- c Agencies may establish longer periods for service agreements in policy or on a case-by-case basis based upon consideration of the following: an unusually high bonus percentage of salary; training/orientation time for full productivity; exceptional labor market competition; work of a project nature; or other exceptional circumstances. Written justification for service agreements lasting longer than the minimum established in mission area/agency policy must be attached to the AD-1074 before it may be approved.
- d Service under one service agreement will run concurrently with service under any other simultaneous or subsequent service agreements in effect.

10 REPAYMENT OF RECRUITMENT AND RELOCATION BONUSES

- a Except as provided under Section 10(e) and (f), an employee who fails to complete the period of employment established under a service agreement will be indebted to the Federal Government and will be required to repay the recruitment or relocation bonus on a pro rata basis. The amount to be repaid will be determined by providing credit for each full month of employment completed by

the employee under the service agreement.

- b Failure to complete the period of employment established under a service agreement established in conjunction with a recruitment bonus occurs when the employee's service with the agency terminates before the employee completes the period of employment specified in the service agreement.
- c Failure to complete the period of employment established under a service agreement established in conjunction with a relocation bonus occurs when the employee's service with the agency at the new duty station terminates before the employee completes the period of employment specified in the service agreement.
- d Amounts owed by an employee under this section will be recovered from the employee under USDA regulations for collection by offset from an indebted government employee under 5 U.S. C. 5514 and 5 CFR Part 550 Subpart K.
- e Section 10-a of this chapter does not apply when an employee fails to complete a period of employment established under a service agreement because the employee is involuntarily separated, or because of a written determination by the head of the agency that it is necessary to relocate the employee to a position in a different commuting area.
- f When an employee is promoted or reassigned to a position with greater promotion potential in another USDA agency, the service agreement will be transferred with the employee and no repayment will be required by the USDA agency which initiated the bonus. However, if the employee then fails to complete the remainder of the service agreement with the new USDA agency, the pro rata payment for the unexpired service agreement must be made to the initial USDA agency.
- g The right of recovery of an employee's debt may be waived in whole or in part by the Agency Head if he or she determines that recovery would be against equity and good conscience or against public interest.

11 EVALUATION AND REPORTS

- a OHRM will conduct periodic reviews and evaluations of the use of recruitment and relocation bonuses to ensure that the payment of recruitment and relocation bonuses conforms to the criteria established under the Department's Recruitment and Relocation Bonus Plans. Agencies' headquarters Human Resources offices must periodically evaluate the use of recruitment and relocation bonuses within their agencies.
- b OHRM will generate an annual recruitment and relocation bonus report based on Fiscal year information.
- c From time to time, the Department may request information from agencies on their use of recruitment and relocation bonuses. Agencies must keep a record of each determination to grant recruitment, or relocation payments and make these records available for review upon request.

12 PROCEDURES, RECORDS AND FORMS

- a Each determination to pay a recruitment or relocation bonus will be documented on form AD-1073 (See Appendix A). A copy of the determination will be maintained and made available for review upon request.

- b Service agreements in connection with recruitment and relocation bonuses will be documented on form AD-1074 (See Appendix B). A copy of the service agreement will be placed on the left side of the Official Personnel Folder for the period of time specified in the service agreement. A second copy will be attached to the AD-1073, Recommendation and Approval of a Recruitment/Relocation Bonus.

**RECRUITMENT, RELOCATION, AND RETENTION PAYMENTS
CHAPTER 2 - RETENTION ALLOWANCES**

1 **PURPOSE**

The purpose of this Plan is to provide managers and supervisors with an additional tool to retain needed employees who would otherwise be likely to leave Federal service.

Under the Retention Allowance Plan, agencies are authorized to pay a retention allowance of up to 25 percent of basic pay to a current employee if the unusually high or unique qualifications of the employee or a special need of the agency for the employee's service makes it essential to retain the employee, and the agency determines that the employee would be likely to leave in the absence of a retention allowance. Agencies may also authorize a retention allowance of up to 10 percent of an employee's rate of basic pay for a group or category of employees, based on a written determination that the category of employees has unusually high or unique qualifications or that the agency has a special need for the employees' services that makes it essential to retain the employees in that category, and that it is reasonable to presume that there is a high risk that a significant number of employees in the targeted category are likely to leave Federal service in the absence of the allowance.

2 **AUTHORITY**

The instructions contained in this chapter constitute the Department's Retention Allowance Plan. This Plan meets the requirements set forth in 5 U.S.C. 1104(a)(2) and 5754; E.O. 12748; and 5 CFR Part 575.

3 **DELEGATIONS OF AUTHORITY**

a The Secretary retains the authority to review and approve payment of retention allowances to employees appointed:

- (1) to a senior-level or scientific or professional position paid under 5 U.S.C. 5376;
- (2) to a Senior Executive Service position paid under 5 U.S.C. 5383;
- (3) to a position under the Executive Schedule established under 5 U.S.C. Chapter 53 Subchapter 2, or a position the rate of pay for which is fixed by law at a rate equal to a rate for the Executive Schedule; or
- (4) to an executive branch position filled by Presidential (with or without the advice and consent of the Senate) or Secretarial appointment.

b Agency Heads and General Officers are delegated the authority to review and approve payment of retention allowances to employees appointed:

- (1) to a General Schedule position as defined under 5 U.S.C. 5332;

- (2) to Prevailing Rate (Wage Grade) position as defined under 5 U.S.C. 5342; or
- (3) to a position a law enforcement officer within the meaning of 5 U.S.C. 8331(20) or 8401(17).

Agency Heads and General Officers are encouraged to re-delegate this authority to the lowest level practicable.

4 DEFINITIONS

- a Agency Head. The head of a Department of Agriculture (USDA) agency or an official who has been delegated the authority to act for the head of the agency in the matter concerned.
- b Employee. For purposes of paying a retention allowance, means an employee serving in a position listed in Section 3, above.
- c General Officer. A USDA official as defined in 7 CFR 2.4. General Officers report directly to the Secretary of Agriculture.
- d Rate of basic pay. The rate of pay fixed by law or administrative action for the position held by the employee, or in the place of an employee who is entitled to grade or pay retention, the employee's retained rate of pay, before deductions and exclusive of additional pay of any kind, such as locality-based comparability payments under 5 U.S.C. 5304 or interim geographical adjustments under 3021 of the Federal Employees Pay Comparability Act of 1990 (Public Law 105-509).

5 RESPONSIBILITIES

- a The Director of Human Resources is responsible for setting policy and providing overall technical guidance and direction for the Department's Retention Allowance Plan. OHRM shall provide staff assistance to agencies and monitor compliance with Departmental policy.
- b Agency Heads and General Officers are responsible for ensuring that retention allowances in their agencies are granted in accordance with the requirements set forth in the Department Plans.

6 REQUIREMENTS

- a Conditions for Payment.
 - (1) An agency may pay a retention allowance to an employee only if the employee has completed 1 year of continuous service with the agency immediately prior to such payment or, if applicable, a period of employment established under the service agreement required for

payment of a recruitment bonus or relocation bonus, whichever occurs later.

- (2) An agency may pay a retention allowance to an employee only if the employee is likely to leave Federal service for employment outside the executive, legislative or judicial branches of the Federal Government.

b Higher level review and approval.

Each determination to pay a retention allowance, including the amount of such allowance, will be reviewed and approved by an official of the agency who is at higher level than the official who made the initial decision, unless there is no official at a higher level in the agency.

c Criteria for payment.

- (1) Each retention allowance paid under the Department's plan will be based on a written determination that the unusually high or unique qualifications of the employee or a special need of the agency for the employee's services make it essential to retain the employee and that, in the absence of such an allowance, the employee would be likely to leave the Federal service for employment outside the executive, legislative or judicial branches of the Federal Government.
- (2) The determination required by Section 6c(1) will be based on a written description of the extent to which the employee's departure would affect the agency's ability to carry out an activity or perform a function that is deemed essential to the agency's mission.
- (3) In determining whether a retention allowance should be paid, and in determining the amount of any such payment, an agency will consider the following factors, as applicable in the case at hand:
 - (a) the success of recent efforts to recruit candidates and retain employees with qualifications similar to those possessed by the employee for positions similar to the position held by the employee;
 - (b) the availability in the labor market of candidates for employment who, with minimal training or disruption of services to the public, could perform the full range of duties and responsibilities assigned to the position held by the employee;
 - (c) the likely duration of the retention allowance;
 - (d) the likely effects of such payment on the morale of co-workers;
 - (e) funding availability;
 - (f) the current and expected performance level of the employee; and

- (g) the relationship of a retention allowance to such payments as previous recruitment or relocation bonuses for which a service agreement has been completed, salary based on superior qualifications, performance awards, etc. that affect the aggregate monies received by the employee.

7 PAYMENT OF RETENTION ALLOWANCE

- a A retention allowance will be calculated as a percentage of the employee's rate of basic pay (not to exceed 25 percent) and paid in the same manner and at the same time as basic pay. That is, the allowance will be paid at an hourly rate for each hour during which the employee receives basic pay. It will not be considered part of an employee's rate of basic pay for any purpose.
- b Retention allowances may not be authorized for an employee if, or to the extent that such an allowance, when added to the annual rate of all other continuing payments (as defined in 5 CFR 530.202) to which the employee is then entitled, would cause the annual rate of all continuing payments to exceed the rate then payable for Level I of the Executive Schedule.
- c Payment of a retention allowance may be continued as long as the conditions giving rise to the original determination to pay the allowance still exist. However, at least annually, each determination to pay an allowance will be reviewed by the agency to determine whether the payment is still warranted, and this determination will be certified in writing by the approving official.
- d Except as provided in Section 8, below, the retention allowance will be a constant percent throughout the period of time covered by the initial authorization or the reauthorization. Allowances will be automatically recalculated during the year whenever there is a change in basic pay and the position for which the authorization or reauthorization was established remains the same.

8 REDUCTION OR TERMINATION OF RETENTION ALLOWANCE

- a At the time of an increase in one or more non-discretionary continuing payments to an employee, the amount of a retention allowance shall be reduced to the extent necessary to ensure that the annual rate of all continuing payments (as defined in 5 CFR 530.202) to which the employee is then entitled does not exceed the rate then payable for Level I of the Executive Schedule.
- b Payment of a retention allowance shall be reduced or terminated when it is determined that:
 - (1) a lesser amount (or not at all) would be sufficient to retain the employee;
 - (2) labor-market factors make it more likely (or reasonably likely) to recruit a candidate with qualifications similar to those possessed by the employee;

- (3) the agency's need for the services of the employee has been reduced to a level that makes it unnecessary to continue payment at the level originally approved (or at all);
 - (4) budgetary considerations make it difficult to continue payment at the level originally approved (or at all);
 - (5) the employee leaves the position for which the allowance was authorized; or
 - (6) the employee's performance falls below Level 3 (the fully successful or equivalent level of performance).
- c Notice of early termination or reduction of a retention allowance must be sent in writing to the employee 30 days before the effective date of such action.
- d The reduction or termination of a retention allowance may not be appealed. However, the preceding sentence should not be construed as extinguishing or lessening any right or remedy under 5 U.S.C. Chapter 12, Subchapter 2, or any of the laws referred to in 5 U.S.C 2302(d).

9 EVALUATION AND REPORTS

- a OHRM will conduct periodic reviews and evaluations of the use of retention allowances to ensure that the payment of allowances conforms to the criteria established under the Department's Retention Allowance Plan. Agencies' headquarters Human Resources offices must periodically evaluate the use of retention allowances within their agencies.
- b OHRM will generate an annual retention allowance report based on Fiscal year information.

10 PROCEDURES, RECORDS AND FORMS

- a Each determination to pay a retention allowance will be documented on form AD-1073 (See Appendix A). A copy of the determination will be maintained and made available for review upon request.
- b A written notice of each retention allowance authorization or reauthorization will be provided to the employee involved. It will contain the percent of salary added, the expected duration of the allowance and specific dates covered, and provisions regarding early termination or reduction of the retention allowance.

APPENDIX B

U.S. DEPARTMENT OF AGRICULTURE
**SERVICE AGREEMENT FOR A RECEIPT OF PAYMENT FOR A
RECRUITMENT/RELOCATION BONUS**

I hereby agree to remain in the U.S. Department of Agriculture (USDA) - _____
_____ for the period beginning _____ and ending on
_____ following the effective date of my
appointment/relocation, unless I am involuntarily separated or the head of the agency makes a
written determination that it is necessary to relocate me to a position in a different commuting
area, or for reasons which are acceptable to the agency head. The amount of the
recruitment/relocation bonus I will be receiving under this agreement is
_____.

I agree that if I do not remain in the agency (in the case of a relocation, the service must be
performed at the new duty station) for the above specified period, I will repay to the agency the
recruitment/relocation bonus on a pro rata basis. The amount to be repaid shall be determined
by providing credit for each full month of employment completed under this agreement. I
understand that under such circumstances these monies are recoverable from me as a debt due
the United States Government.

SIGNATURE	DATE
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