



UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

4301 JONES BRIDGE ROAD
BETHESDA, MARYLAND 20814-4799



APR 4 2006

PPM-002-2006

SUBJECT: Recruitment, Relocation, and Retention Incentives for General Schedule (GS) and Federal Wage System (FWS) Employees

References: *See Enclosure 1.*

Purpose. This Memorandum establishes USUHS policies and procedures for granting Recruitment, Relocation, and Retention Incentives to GS and FWS employees consistent with authority delegated by references (a) and (b). Reference (b) supersedes SC575.4.1 through SC575.4.2.3.2 of reference (c).

Applicability. This Memorandum applies to all GS and FWS positions assigned to USUHS and/or AFRRI. The criteria for granting these incentives to Administratively Determined (AD) positions at the University remain as outlined in USUHS Instruction 1412, "Pay Policy for Administratively Determined (AD) Employees."

Policies.

Recruitment Incentives may be offered to newly appointed USUHS GS and FWS employees, or employees being reappointed after a break in service of at least 90 days.

Relocation Incentives may be offered to current federal GS and FWS employees who are required to relocate to a different geographic area. A different geographic area is defined as a worksite where the new position is 50 miles or more from the worksite of the position held before the move or when the employee must relocate even though the new position is less than 50 miles from the former position. The President, USUHS, must authorize in writing payment of a relocation bonus for moves of less than 50 miles between the former and the new position. In all cases, the employee must establish a residence in the new geographic area prior to payment of the incentive. For relocation incentives, an employee must have received a rating of at least "Fully Successful" or equivalent.

The University retains the authority to delay recruitment and relocation incentive service period start dates until after the employee completes an initial period of formal training or a probationary period, as applicable.

Retention Incentives may be offered to current incumbents of USUHS GS and FWS positions. The maximum incentive rate for individual employees is up to 25% for individual employees or 10% for groups of employees. Retention incentives may be paid in installments after completion of specified periods of service or in a single lump sum at the end of a full service period. The President, USUHS, will define the payment

scheduled in writing to the employee upon approval of the retention incentive.

References (d) and (e) state that a Relocation or Recruitment Incentive may be authorized up to a maximum of 100 percent of basic pay. A Relocation or Recruitment incentive may not exceed 25 percent of the employee's annual rate of basic pay in effect at the beginning of the service period multiplied by the number of years (including fractions of a year) in the service period (not to exceed 4 years). At the time this memorandum was written, DoD had not yet determined whether these incentives would be authorized in excess of the previous limit of 25%. Until these guidelines are issued, the maximum amount authorized for payment remains 25%. The University's plan will reflect a maximum limit consistent with that established for the DoD as a whole.

Recruitment or Relocation Incentives will be calculated as a percentage of the employee's annual rate of basic pay, including locality pay or special rate and paid as a lump sum. These payments may be authorized for payment as a series of payments over a specified period at such time as DoD guidance has authorized such payment. A service agreement is required and must be in place prior to the employee receiving any incentive payments. The service agreement will:

- State the service agreed to by the employee; in no case will the period of service be less than six months or in excess of four years.
- State the beginning and ending dates of the service period and the total amount authorized for payment. Service periods must begin on the first day of a pay period and end on the last day of a pay period, unless service with the Department does not begin on the first day of a pay period.
- State the total amount and method of payment of the incentive.
- State the conditions under which USUHS must terminate the agreement (i.e., if an employee is demoted or separated for cause, or receives a rating of record of less than "Fully Successful"). The agreement may include other terms and conditions that, if violated, also will result in termination of the service agreement.
- State the consequence of decisions to terminate service agreements.

A service agreement is not required for Retention Incentives paid equally on a bi-weekly basis for the period of agreed service. When no service agreement is required, a retention incentive will be reduced or terminated whenever payment at the level originally approved is no longer warranted. If such action is taken, the employee will be notified in writing. Termination or reduction of a retention incentive is not subject to grievance or appeal. Lump sum payments of Retention Incentives are at the discretion of the President and will be paid only upon completion of the entire period of service. A service agreement is required for lump-sum Retention Incentive payments. If an employee is paid a lump sum payment, but fails to complete the service agreement, the employee will be paid a partial amount only if such payment was specified in the original service agreement. Otherwise, the employee will forfeit payment.

The aggregate limitation on pay not to exceed level I of the Executive Schedule as defined in 5 CFR 530, subpart B applies to all three incentives. Incentive payments are

not part of basic pay for any purpose (e.g., when calculating retirement annuities).

These incentives may only be offered to employees in positions deemed hard to fill consistent with the policy criteria outlined in this memorandum.

The authority to initially approve recommendations for Recruitment, Relocation, and Retention Incentives is retained by the USUHS President and may not be delegated. Recertification of eligibility for Retention Incentive may be approved by the Deans, Vice Presidents, and equivalent levels at the University, unless the recipient reports directly to them. In such cases the President must approve continuation of the Retention Incentive. However, the Vice President for Resource Management must concur that funds are available to continue payment.

Justification Statements Supporting Authorization of an Incentive.

Consistent with the requirements of references (d) and (e), and as stated in reference (b), “incentives must be based upon such factors as employment trends and labor-market factors, non-federal salaries paid for similar positions, special or unique competencies required for the position, agency efforts to use non-pay authorities, and the desirability of the duties, work or organizational environment, or location of the position.” The approving organization must make a written determination authorizing the incentive that addresses one or more of these factors, other pertinent factors, and describes the basis for determining the amount of the incentive (for recruitment and relocation incentives) as well as the basis for the length of the required service period.

At USUHS the following documentation requirements have been established:

1. A Recruitment or Relocation Incentive may be authorized in those cases where the President has determined that the granting of the incentive will significantly benefit the USUHS by filling a position with a well-qualified candidate who would not otherwise be available. As many of the following criteria as possible should be addressed and will be used to determine whether a bonus is appropriate:
 - A review of the available data relative to efforts to fill this or distinctly similar positions in the previous 12-18 months including:
 - The number of times this or a similar position was advertised.
 - The number of applicants certified by the servicing Human Resources Service Center for selection.
 - Comments by selecting officials as to why certificates were returned without a selection (if appropriate).
 - Data outlining the effectiveness of other government agencies or private-sector organizations in filling similar positions (if available).
 - A statement from the selecting official as to why the selected applicant’s qualifications significantly exceeded those of other candidates.

- A statement from the selecting official stating why the incentive is required in order to ensure that the selected applicant would accept the position.
 - In addition, the written justification must recommend the amount of the Recruitment or Relocation Incentive consistent with the following guidelines:
 - The rate of 21% (or more) may be recommended in those cases where the selected applicant's work history includes performing work of a type and difficulty equivalent to that of the position being filled. Positive evidence of superior performance in equivalent positions must also be presented.
 - A rate of 11 to 20% may be recommended in those cases where the selected applicant clearly possesses knowledge, skills, and abilities and a performance history of significant use to USUHS that could be applied to the new position with minimum orientation to USUHS requirements.
 - A rate not to exceed 10% may be recommended in those cases where the selected applicant possesses experience related to the position being filled even if not directly applicable. A bonus for such limited experience would only be appropriate if (1) repeated recruitment efforts had failed to identify more qualified candidates and (2) the selected applicant would not accept the position without the offer of a bonus.
 - *For relocation incentive only:* A statement that (1) the employee's new position is not in the same geographic areas as the worksite of the position held before the move or, if within the same geographic area, the distance from the employee's former address and new work site is in excess of 50 miles and (2) the employee has established a new residence in the new geographic area.
2. A Retention Incentive may be requested by a written justification recommending the amount of the allowance and outlining the high or unique qualifications of the employee and why a special need of USUHS/AFRRI for the employee's service makes it essential to retain the employee. The amount may not exceed 25% of the adjusted salary rate. The written justification should also address as many of the following as possible:
- The success of recent efforts to fill similar positions.
 - Recent turnover of positions with similar duties and responsibilities.
 - The availability of other well-qualified candidates to fill this position.
 - Evidence (e.g., a job offer letter from a non-federal entity) that, absent a retention incentive, the employee would be likely to leave the federal service.

Periods of leave without pay (LWOP) during the period of the agreement will result in an extension of the time period by the number of days in a LWOP status.

The President, USUHS may unilaterally terminate any incentive based upon the management needs of the University. If such action is taken, the employee will be notified in writing. The termination of a service agreement is not subject to grievance or appeal.

Procedures.

Deans, Vice Presidents, and equivalent officials will submit Recruitment, Relocation, and Retention Incentive requests with documentation as outlined above through the Civilian Human Resource Directorate and the Vice President for Finance and Administration to the President. These actions will be processed as other personnel actions (i.e., CHR to FMG to VFA to Dean to President's Committee).

Documentation and Records:

CHR will maintain the records applicable to payment of Recruitment, Relocation and Retention Incentives. On an annual basis, CHR will compile and maintain statistical data such as:

1. The number and dollar amount of Recruitment, Relocation, and Retention Incentives offered and accepted.
2. The percentage of incentive offered and accepted in each individual case.
3. A summary statement assessing the effect of the bonus and allowance authorities on the ability to fill and retain key positions with qualified candidates.

For Retention Incentives, at least every 12 months, CHR will submit to the appropriate official a request as to whether the allowance is still warranted and if the conditions giving rise to the original determination still exist.

Effective Date. This PPM is effective immediately.

A handwritten signature in blue ink, appearing to read "Charles L. Rice".

Charles L. Rice, M.D.
President

REFERENCES

- (a) DON Memo from Assistant Secretary of the Navy (Manpower and Reserve Affairs) of June 1, 2005
- (b) DoD Memo from Principal Deputy, Office of the Under Secretary of Defense (Personnel and Readiness) of May 24, 2005
- (c) Subchapter 575, Recruitment and Relocation Bonuses; Retention Allowance and Supervisory Differentials, DoD INST 1400.25-M, Civilian Personnel Manual, December 1996
- (d) Federal Workforce Flexibility Act of 2004 Section 101(a), 5 CFR 530 and 575
- (e) Office of Personnel Management Supplemental Guidance as appeared in Federal Register, May 13, 2005 (Volume 70, No 92), pp. 25731-25752