

***The “Fourth R”
Student Loan “Repayments” and
other Pay Flexibilities***

***Strategic Compensation Conference 2002
August 28, 2002***

The “Fourth R” and Other Pay Flexibilities

- The “Fourth R”—Student Loan Repayments
- The “3Rs”—Recruitment and Relocation Bonuses, and Retention Allowances
- Special Salary Rates
- Superior Qualifications Appointments
- And More

Student Loan Repayments

(5 U.S.C. 5379 and 5 CFR part 537)

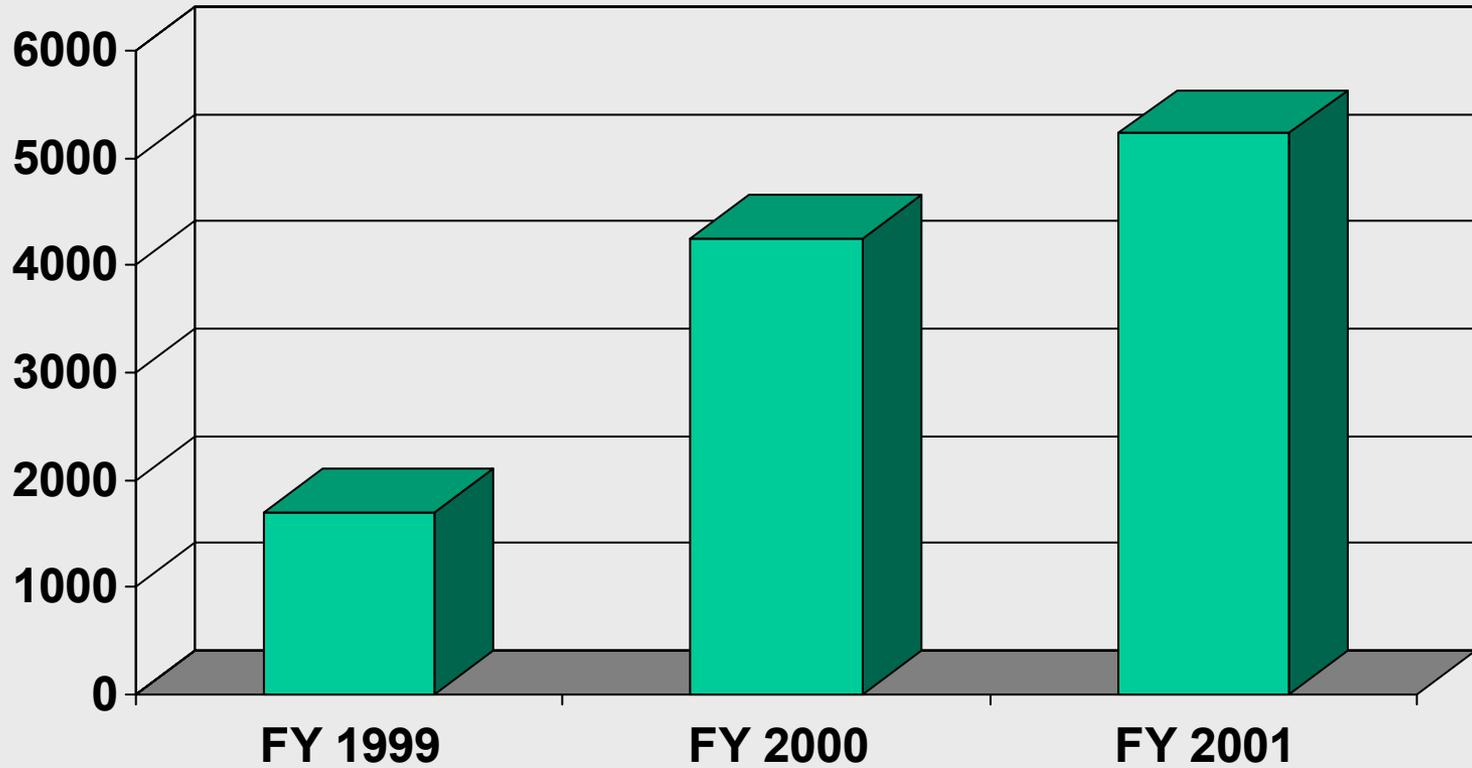
- Agencies may repay part or all of an outstanding student loan previously taken out by an employee.
- Used to help recruit or retain highly qualified personnel.
- Payments may be up to \$6,000 for an employee in a calendar year or a total of \$40,000 for any one employee.
- Requires employee to sign a service agreement to remain with the agency for a specified amount of time.

Recruitment Bonuses

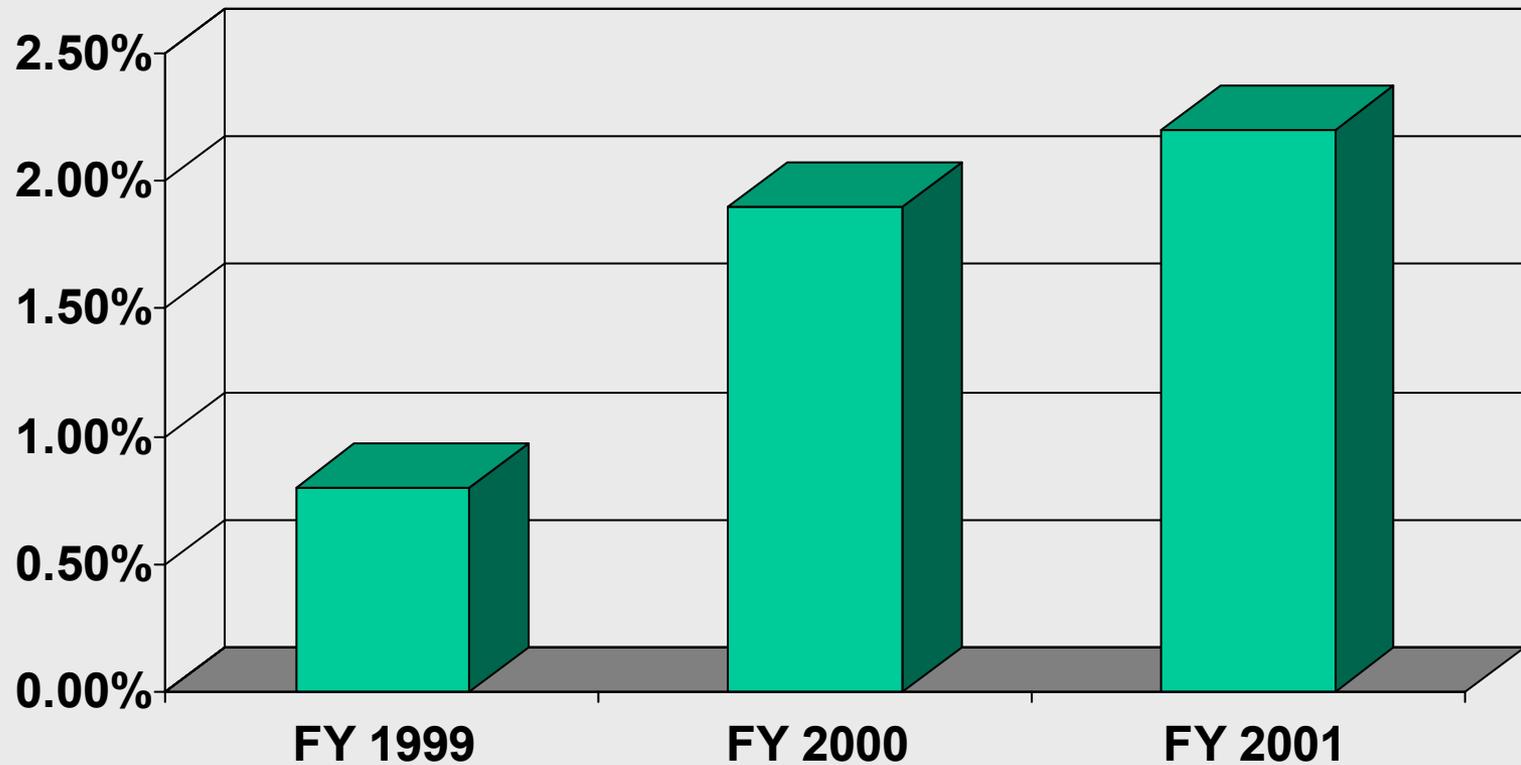
(5 U.S.C. 5753 and 5 CFR part 575, subpart A)

- Lump-sum bonus for a newly appointed employee or former employee with a 90-day break-in-service.
- Used for positions that would otherwise be difficult to fill.
- Up to 25 percent of basic pay.
- Employees must fulfill a service agreement of at least 6 months with repayment penalties if agreement not fulfilled.

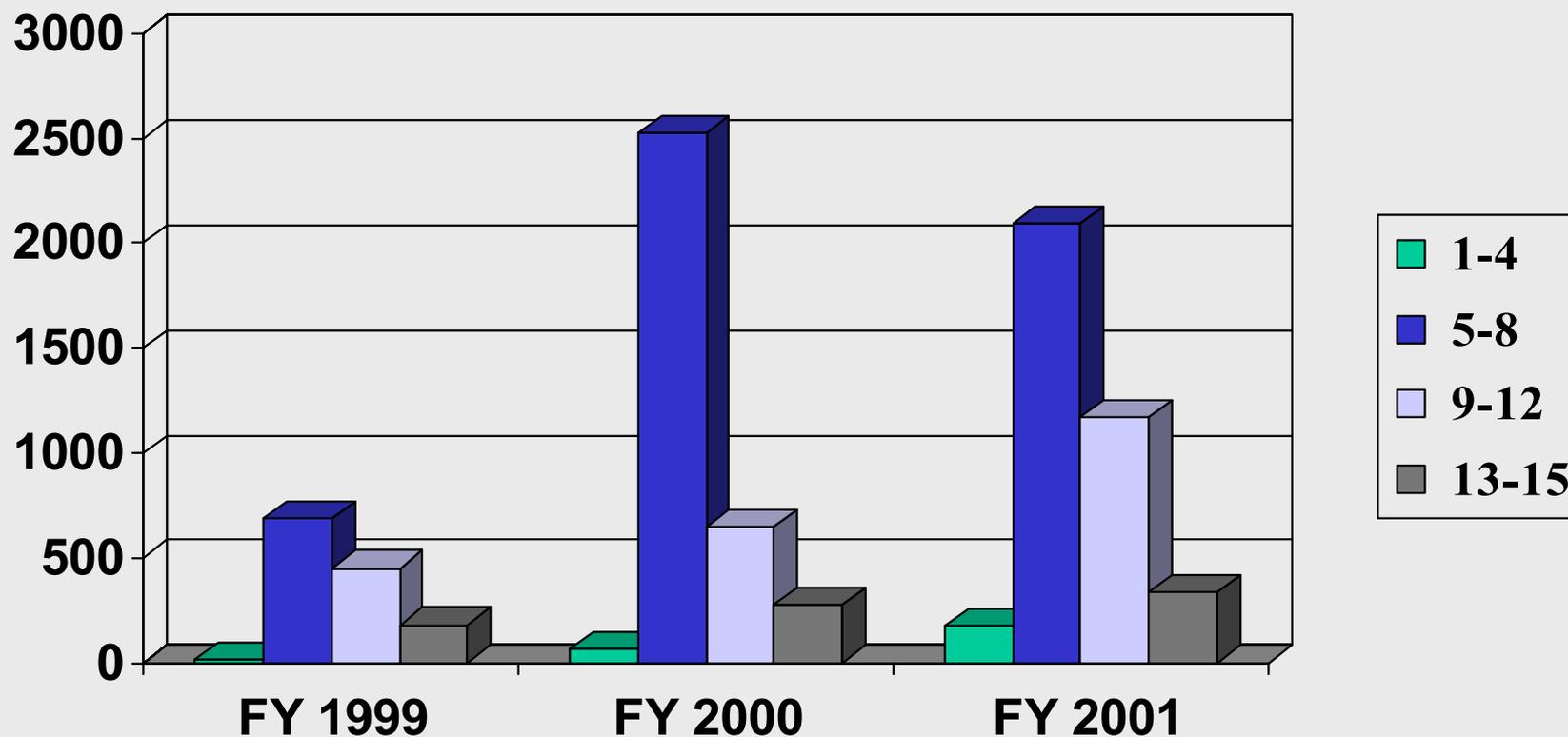
Recruitment Bonuses



Recruitment Bonus Usage Rates

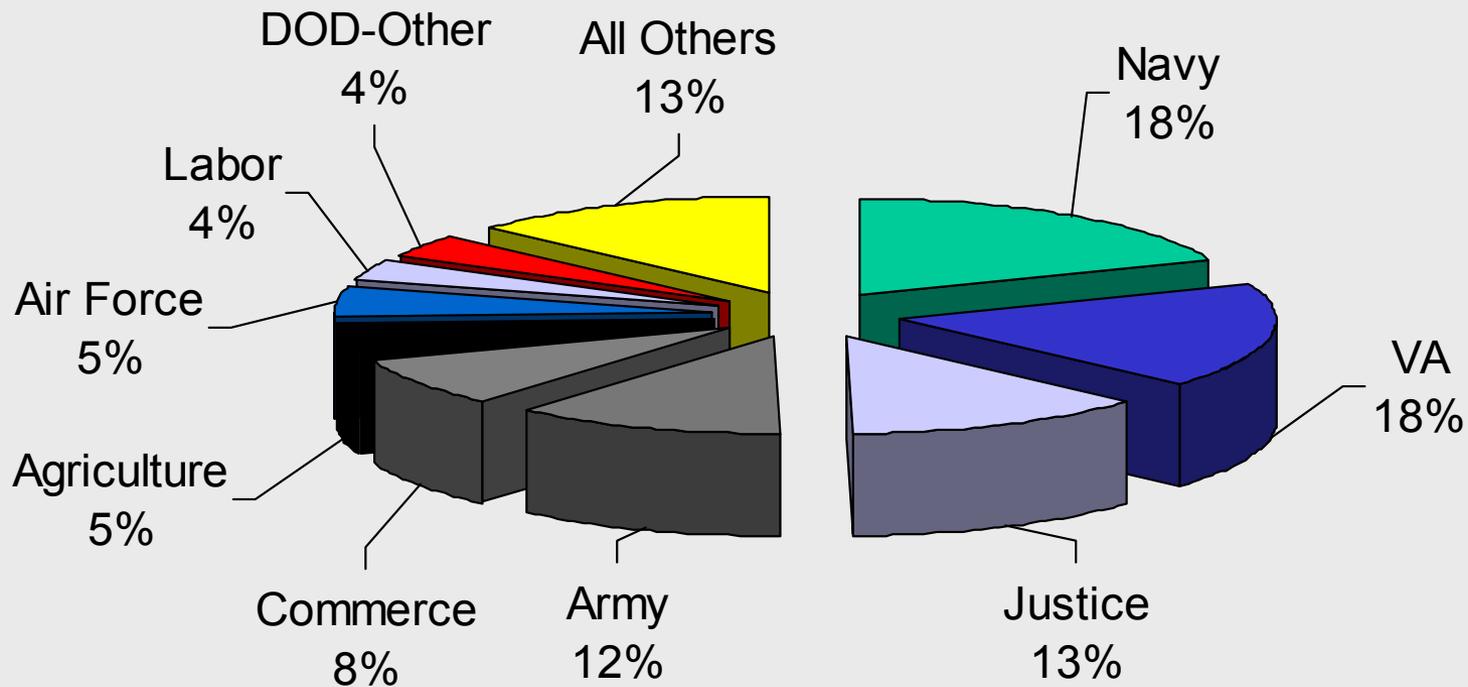


Recruitment Bonuses by GS Grade Groups



Agency Usage of Recruitment Bonuses

October 1998 - September 2001

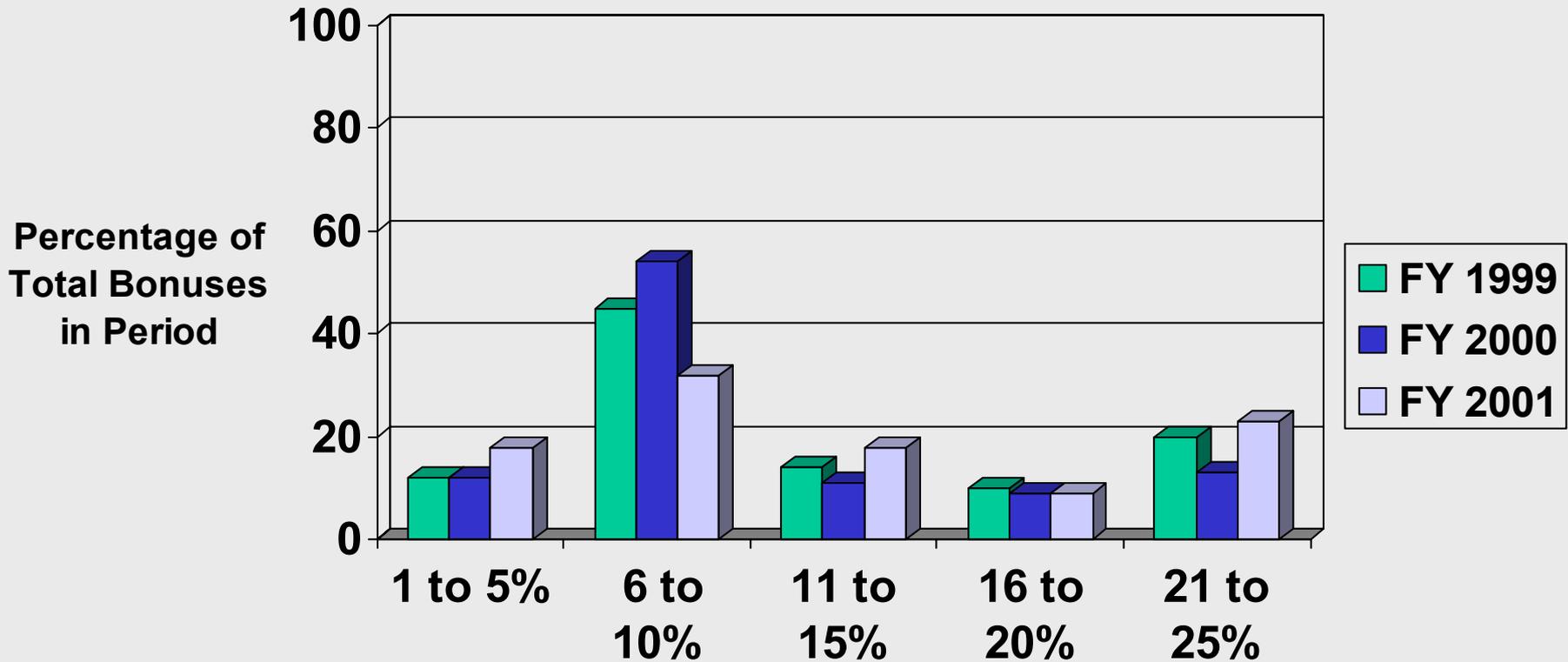


Recruitment Bonuses by Occupation

October 1998 - September 2001

Series	Number	Percent
Border Patrol Agent	1,349	12.1%
Nurse	860	7.7%
Electronics Engineer	633	5.7%
Patent Examiner	586	5.2%
Practical Nurse	529	4.7%
Mechanical Engineer	513	4.6%
Auditor	406	3.6%
Other Series	6,296	56.4%
Total All Series	11,172	100.0%

Recruitment Bonuses by Percentage of Basic Pay

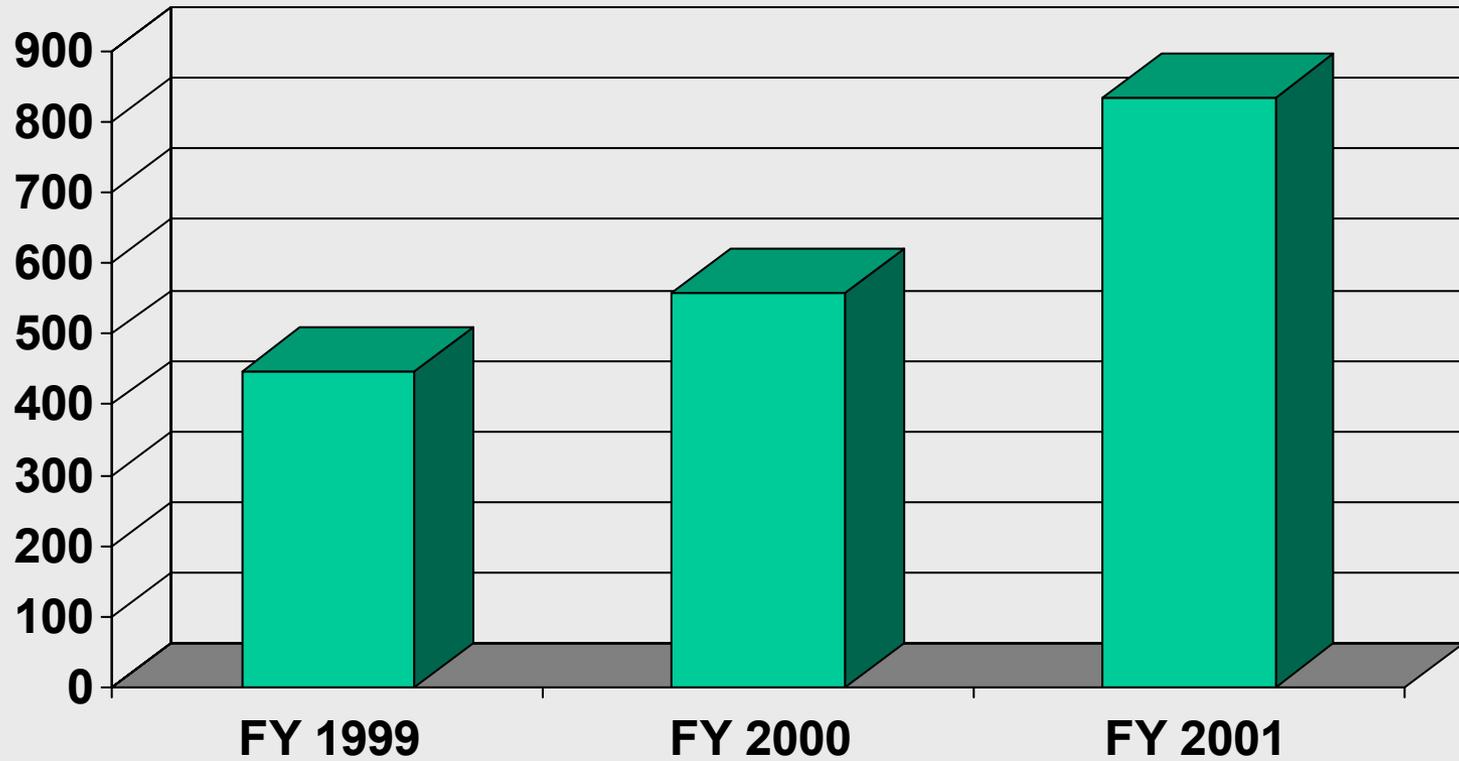


Relocation Bonuses

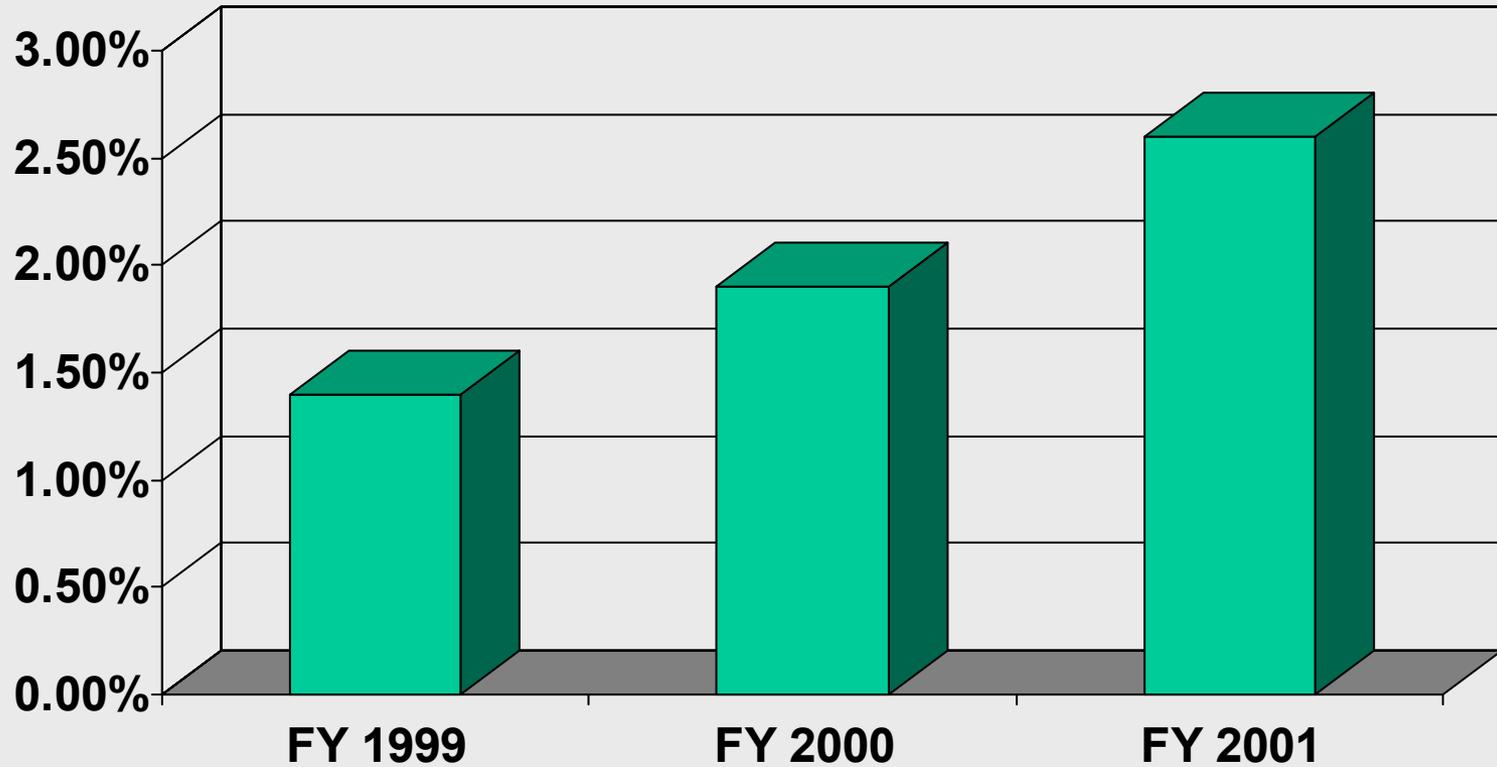
(5 U.S.C. 5753 and 5 CFR part 575, subpart B)

- Lump-sum bonus for current employees who must relocate to accept a position in a different commuting area.
- Position must be otherwise difficult to fill.
- Up to 25 percent of basic pay.
- Requires employee to sign a service agreement to remain with the agency for a specified amount of time and to establish a residence in the new commuting area.

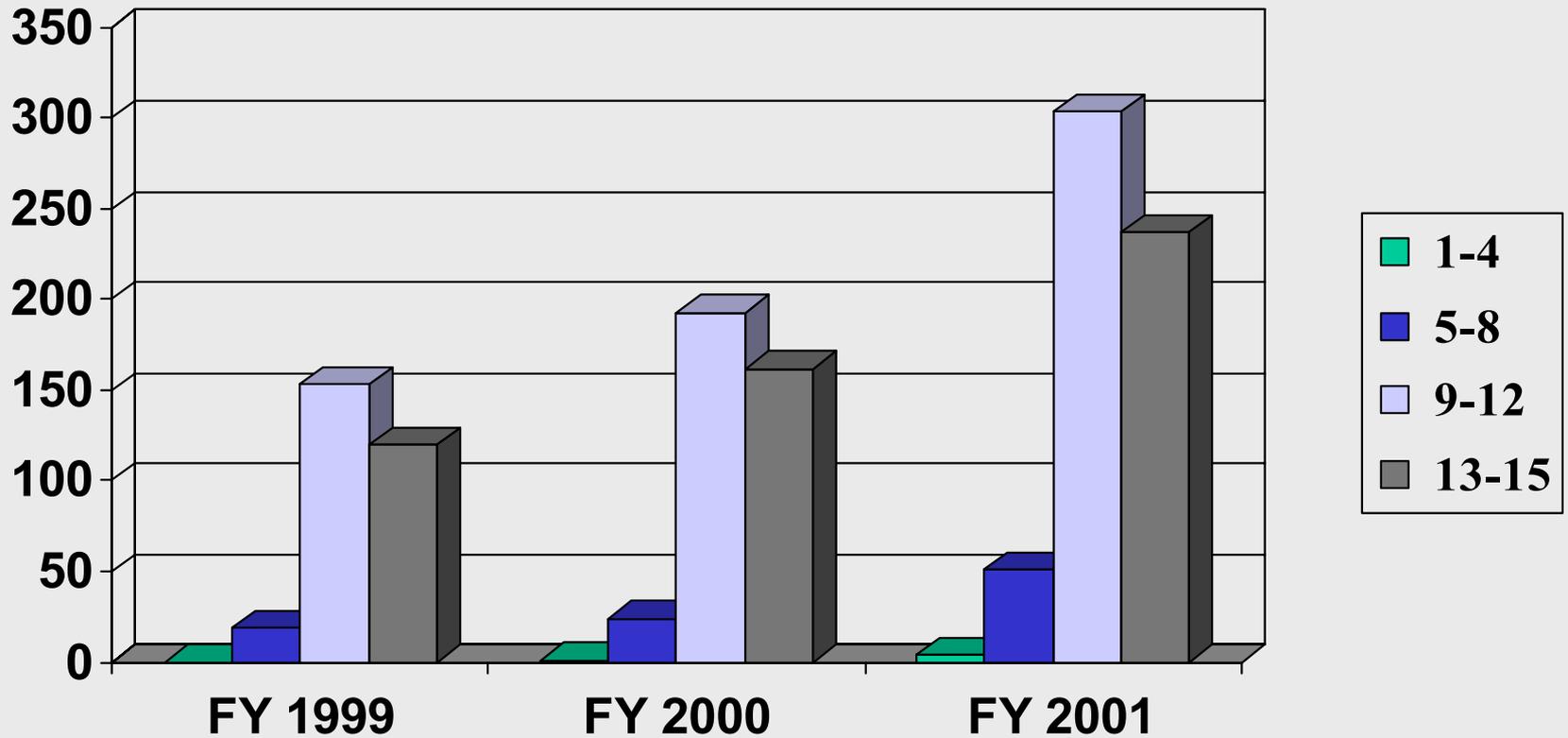
Relocation Bonuses



Relocation Bonus Usage Rates

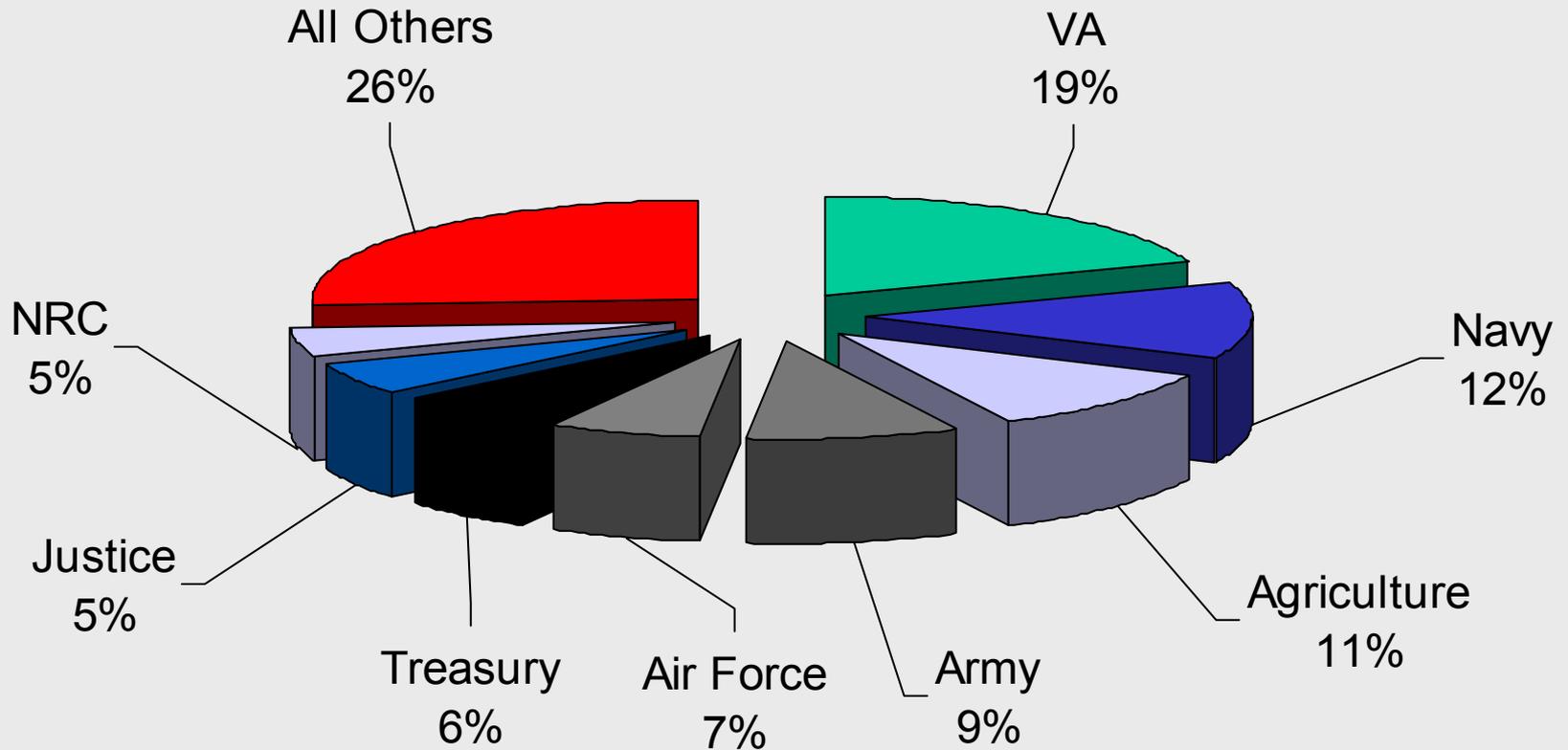


Relocation Bonuses by GS Grade Groups



Agency Usage of Relocation Bonuses

October 1998 - September 2001

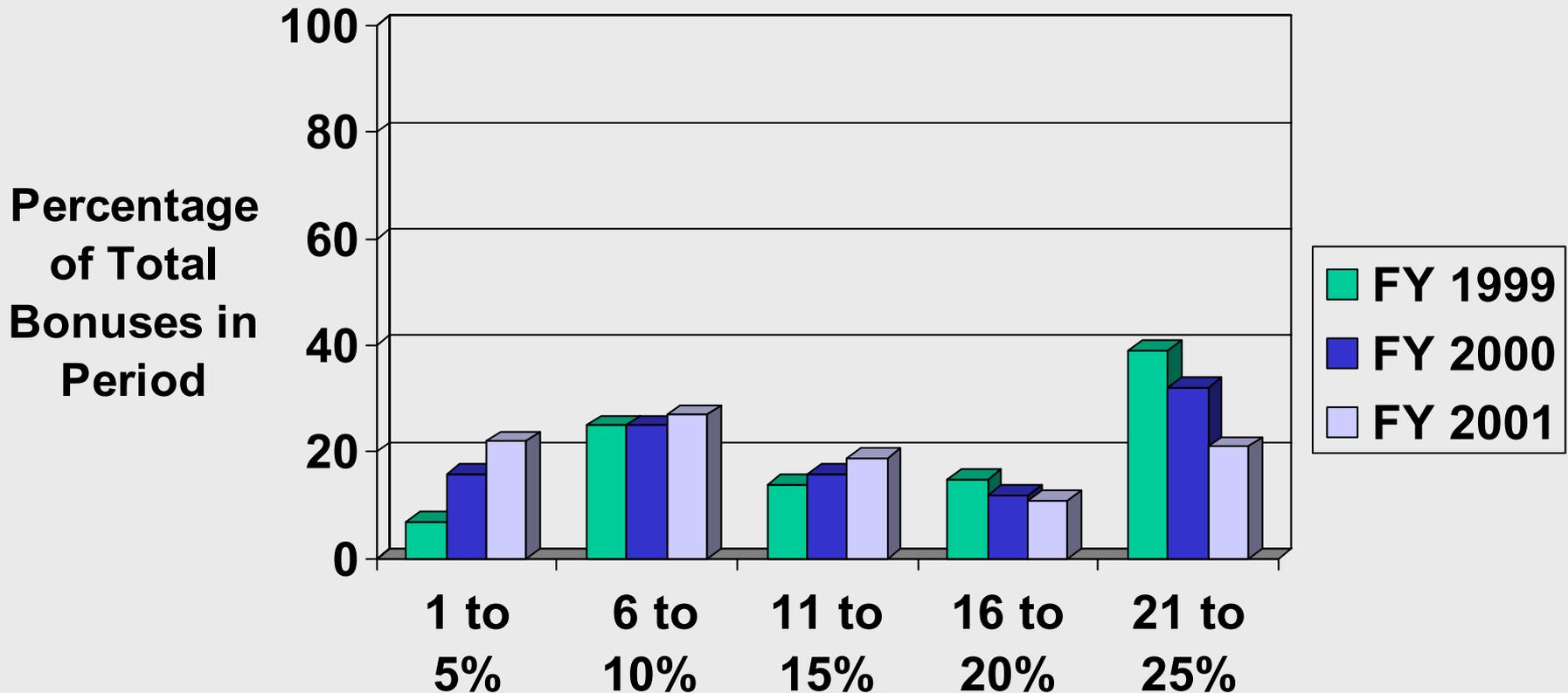


Relocation Bonuses by Occupation

October 1998 - September 2001

Series	Number	Percent
General Engineer	99	5.4%
IT Specialist	93	5.1%
Criminal Investigator	87	4.7%
Nuclear Engineer	77	4.2%
Nurse	77	4.2%
Electronics Engineer	74	4.0%
Medical Officer	69	3.8%
Other Series	1,263	68.7%
Total All Series	1,839	100.0%

Relocation Bonuses by Percentage of Basic Pay



Retention Allowances

(5 U.S.C. 5754 and 5 CFR part 575, subpart C)

Continuing payments (i.e., biweekly) to an employee-

- with unusually high or unique qualifications

OR

- when the agency has a special need for the employee's services that makes it essential to retain the employee,

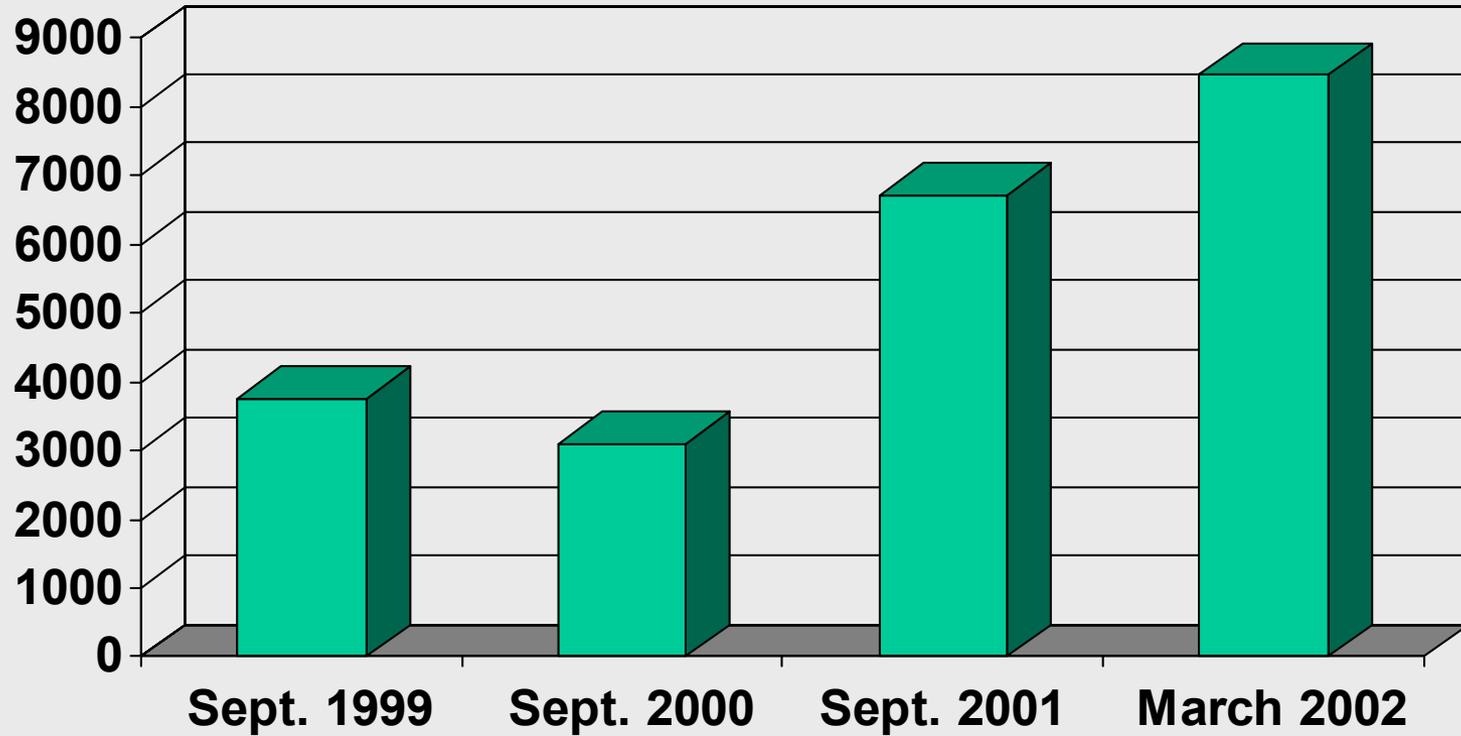
IF

- the employee would be likely to leave the Federal service in the absence of an allowance.

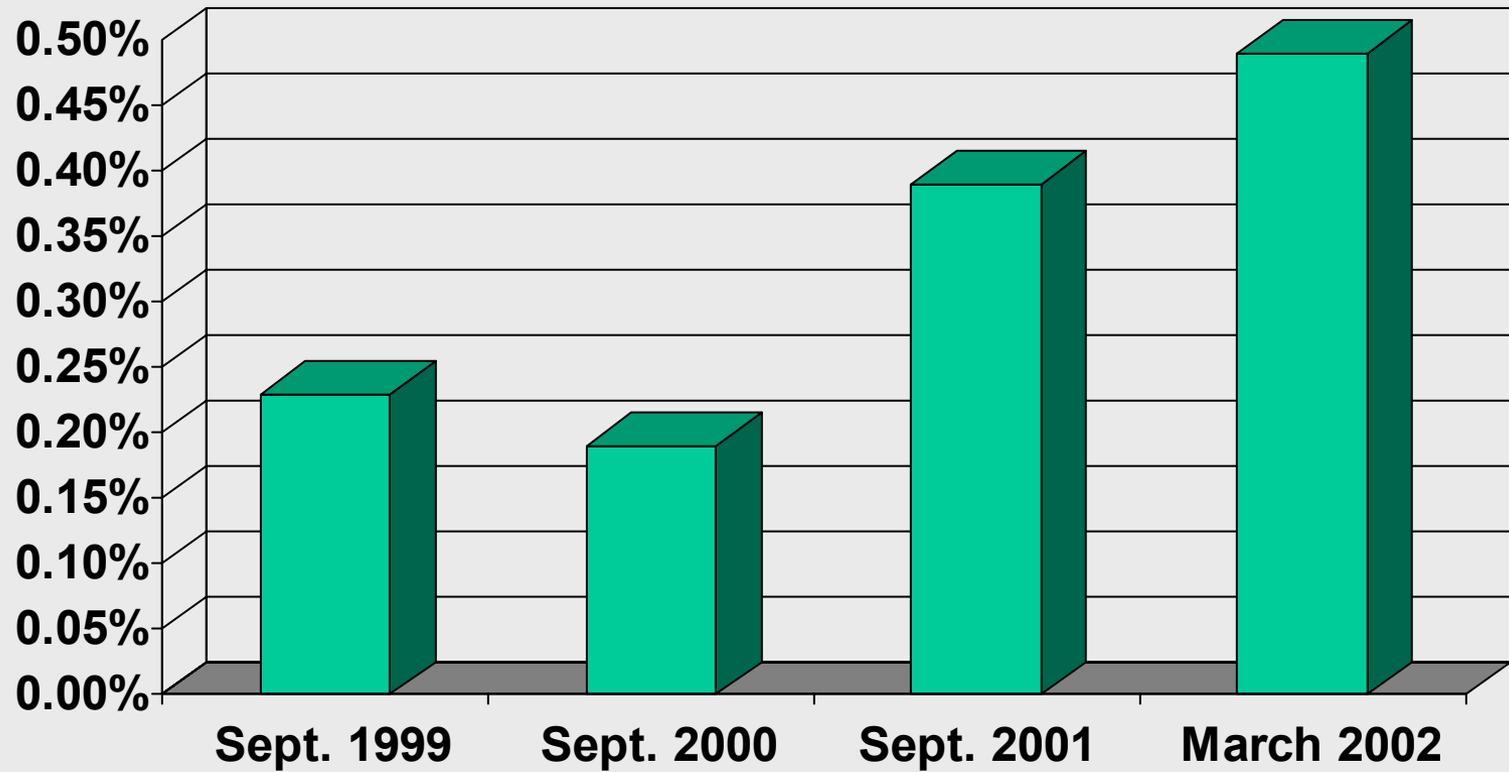
Retention Allowances

- Up to 25 percent of basic pay.
- May be authorized for groups of employees up to 10 percent of basic pay (or up to 25 percent with OPM approval).
- Must be recertified annually.

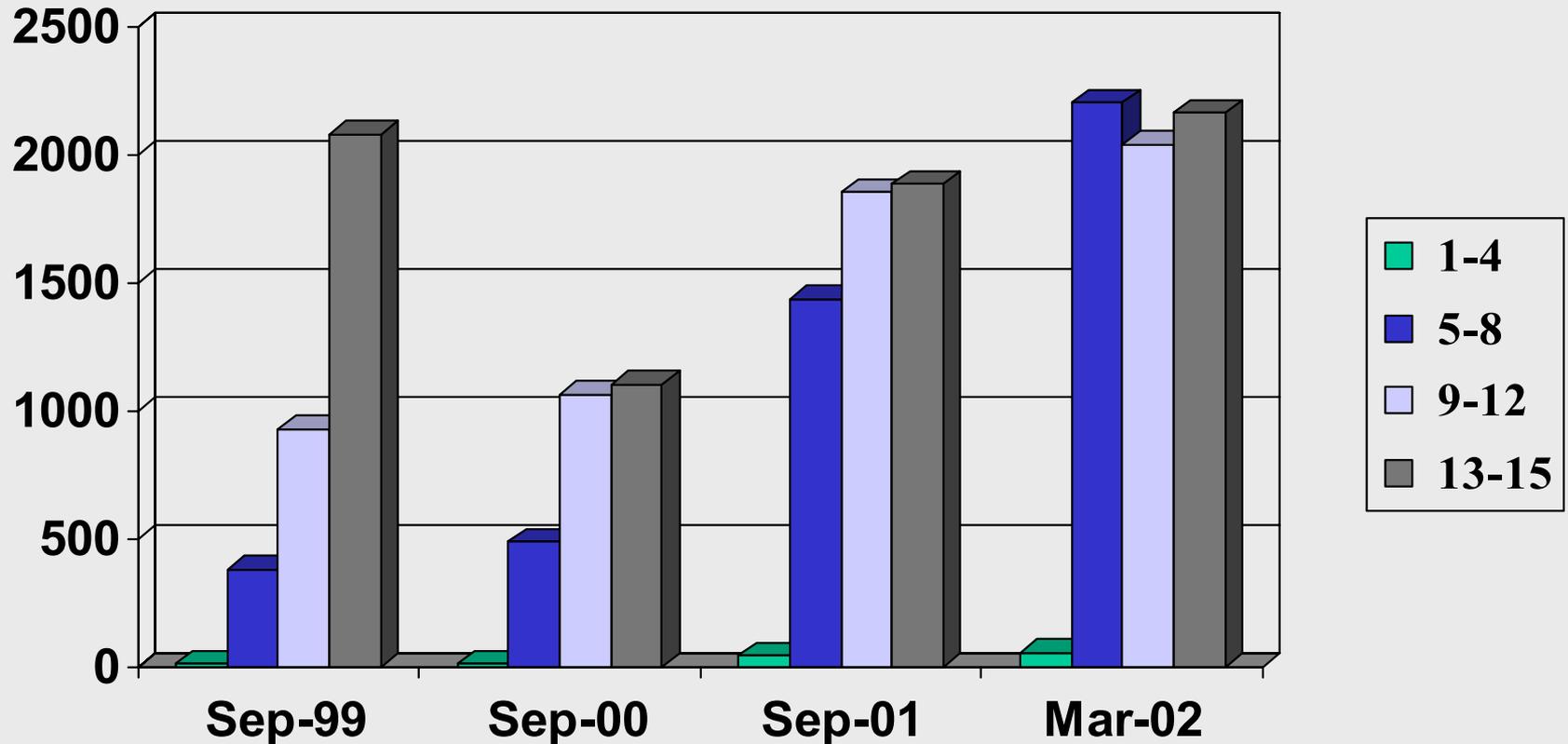
Retention Allowances



Retention Allowance Usage Rates

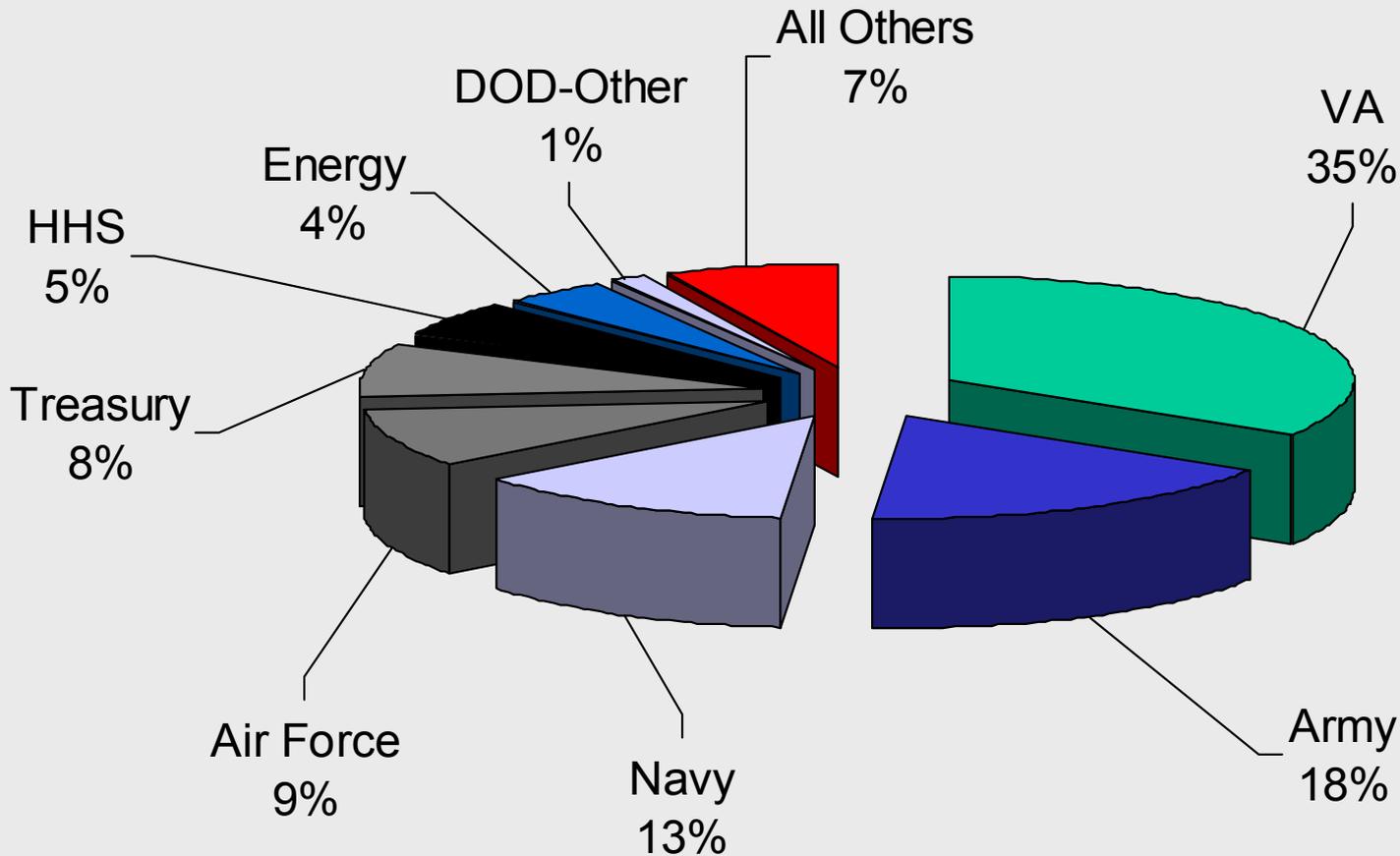


Retention Allowances by GS Grade Groups



Agency Usage of Retention Allowances

March 2002



Retention Allowances by Occupation

September 1999

Series	Number	Percent
IT Specialist	1,437	38.4%
Aircraft Operation (Pilot)	647	17.3%
Medical Officer	201	5.4%
Nurse	161	4.3%
Financial Institution Exam.	133	3.6%
Pharmacist	114	3.0%
Physician's Assistant	102	2.7%
All Other Series	952	25.4%
Total All Series	3,747	100.0%

Retention Allowances by Occupation

September 2000

Series	Number	Percent
Aircraft Operation (Pilot)	455	14.6%
IT Specialist	317	10.2%
Pharmacist	280	9.0%
Nurse	193	6.2%
Medical Officer	188	6.1%
Financial Institution Exam.	129	4.2%
Physician's Assistant	114	3.7%
Police	95	3.1%
Other Series	1,336	43.0%
Total All Series	3,107	100.0%

Retention Allowances by Occupation

September 2001

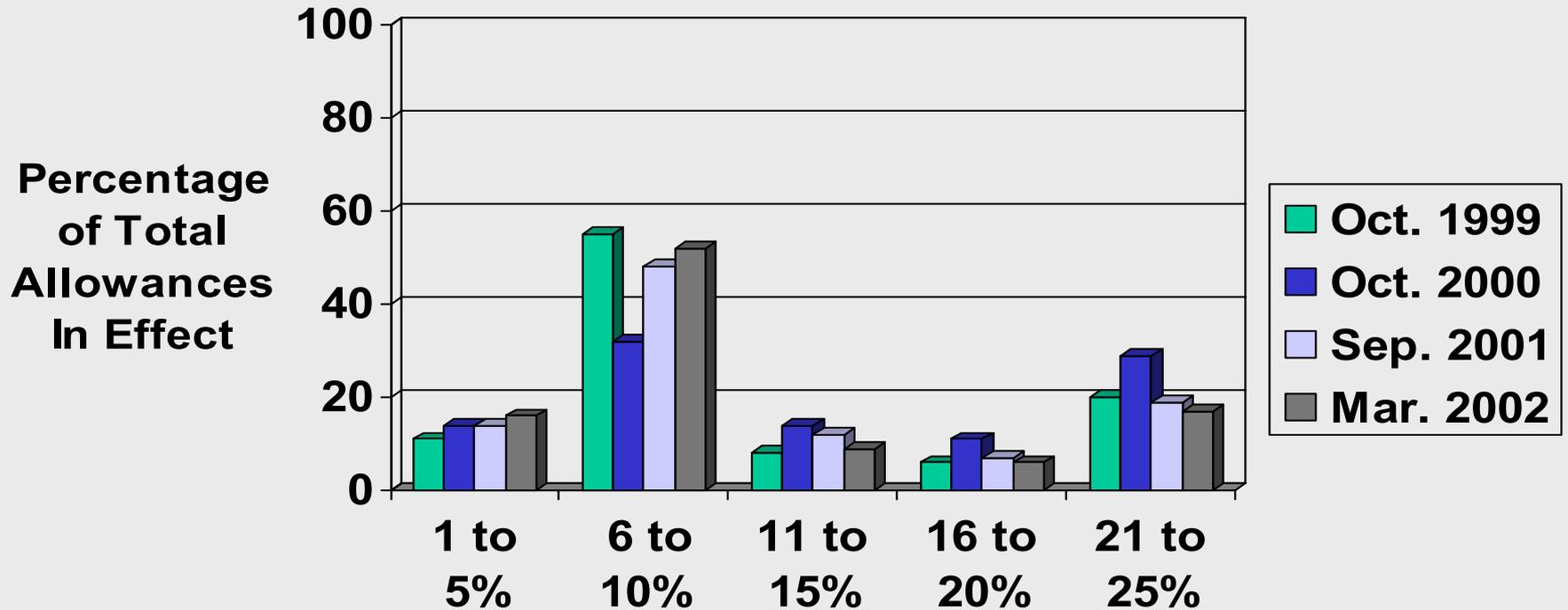
Series	Number	Percent
Police	543	8.1%
Nurse	501	7.5%
Pharmacist	499	7.4%
IT Specialist	446	6.7%
Aircraft Operation (Pilot)	442	6.6%
Medical Officer	343	5.1%
Able Seaman-Maintenance	310	4.6%
Diagnostic Rad. Tech.	251	3.7%
Other Series	3,370	50.3%
Total All Series	6,705	100.0%

Retention Allowances by Occupation

March 2002

Series	Number	Percent
Nurse	875	10.3%
Practical Nurse	614	7.3%
Pharmacist	536	6.3%
Police	467	5.5%
Aircraft Operation (Pilot)	452	5.3%
IT Specialist	384	4.5%
Able Seaman-Maintenance	340	4.0%
Medical Officer	339	4.0%
Diagnostic Rad. Tech.	321	3.8%
Other Series	4,136	48.9%
Total All Series	8,464	100.0%

Retention Allowances by Percentage of Basic Pay



Special Salary Rates

(5 U.S.C. 5305 and 5 CFR part 530, subpart C)

- Higher rates of basic pay approved by OPM.
- Needed to address serious staffing problems (existing or likely)--Targeted by occupation, grade, and location.
- Basic pay for most purposes. Not used to compute locality rates.
- May not exceed Executive Schedule V rate (currently \$121,600). Minimum rate may not exceed 30% above maximum rate for the grade.

Special Salary Rates

- Reviewed annually for possible adjustment (at the time of January GS increase).
- Approximately 143,000 employees are currently covered by special rates. There are 406 approved special rate tables.
- Police special rate study.

Superior Qualifications Appointment

(5 U.S.C. 5333 and 5 CFR 531.203(b))

- An appointment above step 1 of the grade.
- Based on the superior qualifications of the candidate or a special need of the agency for the candidate's services.
- Used for newly appointed employees or former employees with at least a 90 day break in service.

And More. . .

- Advanced payments for new appointees
- Travel and transportation expenses for interviews or new appointments
- Payment for academic degree training
- Performance and incentive awards
- Alternative work schedules
- More aggressive or creative recruitment efforts
- Use of different appointment authorities
- Job redesign
- Training
- Improvements in working conditions

For More Information:

- OPM's web site at www.opm.gov/oca
 - Factsheets
 - Frequently Asked Questions
- OPM's Pay and Leave Administration Division
 - (202) 606-2858
 - payleave@opm.gov