

Relocation Incentive Waiver Template

An agency may pay a relocation incentive to a current employee who must relocate to accept a position in a different geographic area if the agency determines that the position is likely be difficult to fill in the absence of an incentive. A relocation incentive waiver must be approved before an employee enters on duty in the position to which relocated.

Agencies have the authority to approve a relocation incentive without OPM approval for payments of up to 25 percent of an employee's annual rate of basic pay times the number of years in a service agreement (not to exceed 4 years or 100 percent of annual basic pay). OPM approval is required when an agency would like to exceed this payment limit to make larger payments over shorter service agreement lengths. Under an OPM relocation incentive waiver, agencies could approve a relocation incentive of up to 50 percent of an employee's annual rate of basic pay times the number of years in a service agreement (not to exceed 100 percent of annual basic pay).

For example—

- An OPM waiver is not required for an agency to pay a relocation incentive of up to 25 percent of annual basic pay for a 1-year service agreement, 50 percent of basic pay for a 2-year service agreement, or 100 percent of basic pay for a 4-year service agreement.
- An OPM waiver is required for an agency to pay a relocation incentive of 50 percent of annual basic pay for a 1-year service agreement or 100 percent of annual basic pay for a 2-year service agreement.

Additional information on relocation incentive coverage, approval criteria and payment and service agreement requirements may be found at 5 U.S.C. 5753, 5 CFR part 575, subpart B , and the fact sheets at <https://www.opm.gov/policy-data-oversight/pay-leave/recruitment-relocation-retention-incentives/#url=Fact-Sheets>. Agency headquarters-level human resources offices may contact OPM at pay-leave-policy@opm.gov for additional information. Employees must contact their agency human resources office for further information.

Agencies may use the template below to submit a relocation incentive waiver request to OPM. Relocation incentives generally must be approved on an individual, case-by-case basis.

Use of this template does not guarantee approval. OPM will make a determination on each submission based on the documentation provided by the requesting agency.

Brenda L. Roberts
Deputy Associate Director for Pay and Leave
Employee Services
U.S. Office of Personnel Management
Room 7H31
1900 E Street, NW
Washington, DC 20415

Dear Ms. Roberts:

In accordance with 5 CFR 575.209(c), the _____ requests that the U.S. Office of Personnel Management (OPM) waive the limitation on relocation incentive payments—i.e., 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 in the service period. Based on the critical agency need described below, we are requesting OPM approval to pay a relocation incentive to _____ of _____.

The criteria for approving a relocation incentive waiver for _____ are met by the information provided below.

1. Information on the employee and position the relocation incentive waiver would cover.

2. A description of the critical agency need the proposed relocation incentive would address. The authorized agency official must determine that the competencies required for the position are critical to the successful accomplishment of an important agency mission, project, or initiative (e.g., programs or projects related to a national emergency or implementing a new law or critical management initiative).

3. The basis for determining that the position is likely to be difficult to fill. An agency must consider the following factors listed in 5 CFR 575.206(b), as applicable to the case at hand, in determining that the position is likely to be difficult to fill in the absence of an incentive:

- The availability and quality of candidates possessing the competencies required for the position, including the success of recent efforts to recruit candidates for the position or similar positions using indicators such as offer acceptance rates, proportion of positions filled, and the length of time required to fill similar positions;

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- The salaries typically paid outside the Federal Government for similar positions;
- Recent turnover in similar positions;
- Employment trends and labor-market factors that may affect the agency's ability to recruit candidates for similar positions;
- Special or unique competencies required for the position;
- Agency efforts to use non-pay authorities, such as special training and work scheduling flexibilities, to resolve difficulties alone or in combination with a relocation incentive;
- The desirability of the duties, work or organizational environment, or geographic location of the position; and
- Other supporting factors.

An agency may also determine that a position is likely to be difficult to fill if OPM has approved the use of a direct-hire authority applicable to the position. (See 5 CFR 575.206(c).)

4. The proposed relocation incentive payment amount and a justification for that amount.

The justification for the amount should provide supporting evidence, such as the success of relocation incentives offered under normal payment limitations and/or the salaries typically paid outside the Federal Government for similar positions. Under a waiver, the total amount of relocation incentive payments paid to an employee in a service period may not exceed 50 percent of the employee's annual rate of basic pay at the beginning of the service period multiplied by the number of years (including fractions of a year) in the service period. However, in no event may a waiver provide total relocation incentive payments exceeding 100 percent of the employee's annual rate of basic pay at the beginning of the service period. (See fact sheet at <https://www.opm.gov/policy-data-oversight/pay-leave/recruitment-relocation-retention-incentives/fact-sheets/calculating-maximum-recruitment-and-relocation-incentives-for-service-periods-of-various-lengths/>.)

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5. The timing and method of making the proposed relocation incentive payments.

Relocation incentives may be paid as an initial lump-sum payment at the beginning of the service period, in installments throughout the service period, as a final lump-sum payment upon completion of the service period, or in a combination of these methods.

6. The length of the required service period. An employee's required service period may not exceed 4 years.

7. The geographic location of the employee's new position and residence. The agency must document that the worksite of the employee's new position is not in the same geographic area as the worksite of the position held immediately before the move (or a waiver was approved under 5 CFR 575.205(b)) and the employee will establish a residence in the new geographic area.

8. Any other information pertinent to the case at hand.

The point of contact for this request is
contacted at

, who can be
.

Sincerely,

[Attachments—if any]

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