

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 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). A waiver to the normal payment limitations is required when an agency would like to exceed this payment limit to make larger payments over shorter service agreement lengths, based on a critical agency need. An agency may grant a relocation incentive waiver approving 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—

- A 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.
- A 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](#). Agency headquarters-level human resources offices may contact OPM at PayPolicy@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 the authorized agency official designated in the agency's relocation incentive plan and document the waiver determination. Relocation incentives generally must be approved on an individual, case-by-case basis. The use of waivers may be considered in Strategic Hiring Committee decisions.

*Use of this template does not guarantee approval. The **[authorized agency official]** will make a determination on each submission based on the documentation provided by the requesting **[office/bureau/component]**.*

[Authorized agency official]
[Title]
[Address]

Dear **[authorized agency official]**:

In accordance with 5 CFR 575.209(c), **[office/bureau/component]** requests that the **[department/agency]** 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 **[department/agency]** approval to pay a relocation incentive to **[individual]** of **[percentage/total dollar amount]**.

The criteria for approving a relocation incentive waiver for **[individual]** are met by the information provided below.

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

[Insert information on the employee and position.]

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). [Insert description of the critical agency need.]

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. [Insert information that addresses each of these factors or explain why a factor isn’t applicable.]:

- 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;
- 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;

*Use of this template does not guarantee approval. The **[authorized agency official]** will make a determination on each submission based on the documentation provided by the requesting **[office/bureau/component]**.*

- The desirability of the duties, work or organizational environment, or geographic location of the position; and
- Other supporting factors.

An agency also may 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](#).) [Insert the proposed relocation incentive payment amount and a justification for that amount.]

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. [Insert the timing and method of making the proposed relocation incentive payments.]

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

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.

[Identify the geographic location of the employee's position held immediately before the move, the location of the new position, verify that the positions are at least 50 miles apart or request a waiver of that requirement if needed, and confirm that the employee will establish a residence in the new geographic area.]

8. Any other information pertinent to the case at hand. [Insert any other pertinent information.]

The point of contact for this request is **[office/bureau/component POC]**, who can be contacted at **[phone number and/or email address]**.

*Use of this template does not guarantee approval. The **[authorized agency official]** will make a determination on each submission based on the documentation provided by the requesting **[office/bureau/component]**.*

Sincerely,
[Name of Requestor]
[Title]

[Attachments—if any]

Approve

Let's Discuss

Authorized Agency Official

Date

Use of this template does not guarantee approval. The [authorized agency official] will make a determination on each submission based on the documentation provided by the requesting [office/bureau/component].