

Compensation Flexibilities to Recruit and Retain Cybersecurity Professionals

Introduction

This guide, “Compensation Flexibilities to Recruit and Retain Cybersecurity Professionals,” provides checklists for, and examples of, certain compensation flexibilities in the Federal Government that can be used to recruit and retain civilian cybersecurity professionals. This guide is intended as a work aid for managers, supervisors, and human resources staff. Agency hiring managers and human resources staff should work together with their chief information officer, finance, and other pertinent staffs to ensure compensation flexibilities are used in a strategic, cost-effective manner. OPM strongly encourages agencies to establish metrics that can demonstrate the value of using discretionary incentives commensurate with the benefits gained. Use of these compensation flexibilities should be part of an overall human capital strategy that considers the full range of human resources flexibilities and authorities available for recruiting and retaining a talented cybersecurity workforce.

This guide provides information on compensation flexibilities available across Federal agencies for employees in General Schedule and other pay systems and must be read together with applicable laws, regulations, and internal agency policies. Unless otherwise noted, agencies have authority to use many of the compensation flexibilities discussed in this guide without OPM approval. Many of the compensation flexibilities can be combined to maximize their effectiveness and this guide provides examples of flexibility combinations that could be used to recruit and retain cybersecurity professionals throughout their careers. Agencies are encouraged to consider the use of these flexibilities to address recruitment and retention difficulties when appropriate. Some agencies may also have independent compensation authorities that could be used in place of or in addition to the flexibilities discussed in this guide. Note that the flexibilities discussed in this guide may also be used by agencies to recruit and retain employees in other types of positions outside of cybersecurity.

Hiring managers and employees should contact their agency human resources office for further information on the flexibilities discussed in this guide. Agency

headquarters-level human resources offices may contact OPM's Pay, Leave, and Workforce Flexibilities office at paypolicy@opm.gov. Please send any headquarters-level requests for critical pay, special rates, or waiving the payment limitation on recruitment, relocation, or retention incentives to OPM's Pay, Leave, and Workforce Flexibilities office at paypolicy@opm.gov.

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Compensation Flexibilities

IT Special Rates

General Schedule (GS) employees are entitled to a basic salary or rate of basic pay. GS employees with official worksites in the United States and nonforeign areas are also entitled to a locality payment on top of their basic salary. Because of serious difficulties in staffing certain occupations at certain GS grade levels and geographic areas, OPM may approve special rates which are higher than the normal rates of basic pay. A GS employee is generally entitled to the greater of his or her special rate or locality rate. (See [General Schedule Overview](#).)

The Federal Government pays special rates to entry and developmental computer engineers, computer science specialists, and information technology (IT) management specialists in the GS pay system ([999B \(01/01/2025\)](#), [999C \(01/01/2025\)](#), [999D \(01/01/2025\)](#), [999E \(01/01/2025\)](#), [999F \(01/01/2025\)](#), [99AA \(01/01/2025\)](#), [99AF \(01/01/2025\)](#), [99AG \(01/01/2025\)](#), [99AH \(01/01/2025\)](#), [99AP \(01/01/2025\)](#), [99AV \(01/01/2025\)](#)).

(See “New or Increased Special Rates” in this guide for how to request special rates.)

Checklist for IT Special Rates

- You are filling a GS position.
- Determine which [locality pay table](#) applies to the position and the applicable rate. Consult with [locality pay areas definitions](#) as needed.
- Determine whether special rates apply to the position. (The IT special rate tables are listed under “All Federal Government Agencies” and coverage is defined by locality pay area.)
 - Use the [search engine](#). Search by occupation, agency and location; OR
 - Indexes are available by [occupation](#), [agency](#), and [location](#).
- If a special rate applies, determine the amount of any applicable special rate at the grade for the GS position.
- Compare the special rate for the position to the locality rate for the position to see which is higher.
- Ensure the vacancy announcement includes the correct salary rate range, and the job offer includes the correct salary for the position.

Recruitment Incentive

An agency may pay a recruitment incentive to a newly-appointed cybersecurity employee if the agency has determined that the position is likely to be difficult to fill in the absence of an incentive. Note: Approval of direct-hire authority (DHA) for a position meets this criterion, and OPM has approved a DHA for IT management positions (Information Security), GS-2210-09 through GS-2210-15.

Before receiving a recruitment incentive, an employee must sign a written agreement to complete a specified period of employment with the agency.

A recruitment incentive may be as much as 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 (up to 4 years) (i.e., as much as 100 percent of basic pay).

An agency may target groups of similar positions that have been difficult to fill in the past or that may be difficult to fill in the future and make the required determination to offer a recruitment incentive to newly-appointed employees on a group basis.

For more information, see OPM's guidance on [Recruitment Incentives](#).

Checklist for Recruitment Incentives

- Your agency has a recruitment incentive plan consistent with 5 CFR 575.107.
- The candidate is eligible to receive a recruitment incentive.
 - This will be the candidate's first appointment as a civilian employee of the Federal Government; OR the candidate had a break in service of at least 90 days (certain exceptions apply).
 - The position is in a pay system authorized to receive a recruitment incentive under 5 CFR 575.103 or [Recruitment, Relocation & Retention Incentives for Non-GS Employees](#).
 - The position is not excluded from receiving a recruitment incentive under 5 CFR 575.104.
- Determine and document:
 - The basis for determining the position is likely to be difficult to fill based on the factors in 5 CFR 575.106, such as OPM-approved DHA for the position;
 - The recruitment incentive amount and basis for that amount (not to exceed 25% of annual rate of basic pay multiplied by number of years in the service period);
 - The length of the required service period (from 6 months to 4 years); and

- The timing of the recruitment incentive payments (initial lump sum, installments, final lump sum, or combination).
- An authorized agency official approves the recruitment incentive before the candidate enters on duty.
- The service agreement includes the items required by 5 CFR 575.110.
- The employee signs the service agreement.

Superior Qualifications and Special Needs Pay-Setting Authority

An agency may use the superior qualifications and special needs pay-setting authority to set the pay of a newly-appointed GS employee above step 1 (up to step 10) because of the superior qualifications of the candidate or a special agency need for the candidate's services.

For more information, see OPM's guidance on the [Superior Qualifications and Special Needs Pay-Setting Authority](#).

Checklist for Superior Qualifications and Special Needs Pay-Setting Authority

- Your agency has a policy on the superior qualifications and special needs pay-setting authority.
- You are filling a GS position.
- This is the candidate's first appointment as a civilian employee of the Federal Government, OR the employee had a break in service of at least 90 days (certain exclusions apply, see 5 CFR 531.212(a)(3)).
- Determine and document:
 - The superior qualifications of the candidate or the special need of the agency for the candidate's services;
 - The factors under 5 CFR 531.212(c) which were used to justify the rate at which the employee's pay is set and supporting documentation; and
 - Why you are using the superior qualifications and special needs pay-setting authority instead of or in addition to a recruitment incentive. (Note: A recruitment incentive is not basic pay for any purpose and has limited duration. Using the superior qualifications and special needs pay-setting authority sets the candidate's basic pay at a higher step that is then used in all future pay actions.)
- An authorized agency official approves use of this authority before the candidate enters on duty.

Federal Student Loan Repayment Program

The Federal Student Loan Repayment Program permits agencies to repay Federally-insured student loans as a recruitment or retention incentive for candidates or current employees of the agency.

- Each agency may make payments to the loan holder of up to a maximum of \$10,000 for an employee in a calendar year.
- Each agency may pay a total of up to \$60,000 for any one employee.
- An employee may receive student loan repayment benefits from multiple agencies totaling greater than \$60,000.
- A 3-year service agreement is required regardless of the exact amount of the payment provided. An agency may not provide for a lesser service agreement period.

For more information, see OPM's guidance on the [Student Loan Repayment Program](#).

Checklist for Federal Student Loan Repayment Program

- Your agency has a student loan repayment plan consistent with 5 CFR 537.103.
- Document that the candidate or employee is highly qualified and eligible to receive a student loan repayment under 5 CFR 537.104.
- Document the recruitment or retention need:
 - Your agency otherwise would have difficulty filling the position with a highly-qualified individual; OR
 - The employee otherwise is likely to leave the Federal service and it is essential to retain the employee based on the employee's high or unique qualifications or a special agency need.
 - Note: An agency may not authorize student loan repayment benefits to recruit an individual from outside the agency who is currently employed in Federal service.
- Document the approval of student loan benefits.
 - When used for recruitment, document approval before the candidate enters on duty in the position for which he or she was recruited.
- Verify that the employee or candidate has an outstanding student loan that qualifies for repayment and the amount. (The employee or job candidate has a student loan that is made, insured, or guaranteed under parts B, D, or E of Title IV of the Higher Education Act of 1965 or a health education assistance loan

made or insured under part A of Title VII or part E of Title VIII of the Public Health Service Act.)

- Determine the amount of student loan repayment benefits to approve based on the employee or candidate's value to the agency, the agency's budget, and payment limits.
 - Maximum of \$10,000 for an employee in a calendar year and a total of up to \$60,000 for any one employee.
- The service agreement contains the provisions required by 5 CFR 537.107.
 - Minimum service period is 3 years, regardless of repayment amount; service period must be extended by time in a non-pay status (certain exclusions apply).
- The employee signs the service agreement.

Creditable Service for Annual Leave Accrual

An agency may provide service credit that otherwise would not be creditable for the purpose of determining the annual leave accrual rate to a newly-appointed employee, a reappointed employee with a break of at least 90 calendar days after his or her last period of civilian employment in the civil service, or a retired member of the active duty uniformed services.

The head of an agency, or his or her designee, must approve an employee's qualifying prior work experience and determine the amount of service credit that may be granted before the employee enters on duty. The determination cannot be made retroactively.

Once an employee completes 1 full year of continuous service with the appointing agency, the period of service for which the employee was granted service credit for non-Federal or active duty uniformed service work experience is permanently creditable for the purpose of determining the employee's annual leave accrual rate for the duration of the employee's career.

For more information, see our guidance on [Creditable Service for Annual Leave Accrual for Non-Federal Work Experience and Experience in the Uniformed Service](#).

Checklist for Creditable Service for Annual Leave Accrual

- The candidate is eligible for this benefit.
 - This is the candidate's first appointment as a civilian employee of the Federal Government;
 - The candidate had a break in service of at least 90 days; or
 - The candidate is a retired member of the active duty uniformed services.
- The skills and experience the candidate possesses are:
 - Essential to the new position and were acquired through performance in a non-Federal or active duty uniformed service position having duties which directly relate to the duties of the position to which he or she is being appointed; and
 - Necessary to achieve an important agency mission or performance goal.
- The candidate provides written documentation of his or her prior non-Federal work experience or uniformed service.
- Before the candidate enters on duty, the head of the agency or his or her designee must:
 - Determine the amount of service that will be credited; and

- Approve the candidate's qualifying prior work experience.
- Document the amount of creditable service provided for non-Federal or active duty uniformed service on the SF-144A or agency equivalent form and the SF-50. Include in Remarks section the periods of service creditable under 5 U.S.C. 6303(e) to allow for reconstruction of the action.

Relocation Incentive

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 to be difficult to fill in the absence of an incentive. Note: Approval of a direct-hire authority for the position meets this criterion, and OPM has approved a DHA for IT management positions (Information Security), GS-2210-09 through GS-2210-15.

The employee must sign an agreement to complete a specified period of service with the agency (not to exceed 4 years).

Total relocation incentive payments 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 in the service period (up to 4 years) (i.e., as much as 100 percent of basic pay). (Note: Relocation incentives may be paid in addition to reimbursement for relocation expenses. However, each of these benefits has its own approval criteria and requirements and should be approved separately.)

For more information, see OPM's guidance on [Relocation Incentives](#).

Checklist for Relocation Incentive

- Your agency has a relocation incentive plan consistent with 5 CFR 575.207.
- The employee is eligible to receive a relocation incentive.
 - The employee is in a pay system authorized under 5 CFR 575.203 or [Recruitment, Relocation & Retention Incentives for Non-GS Employees](#).
 - The employee's position is not excluded under 5 CFR 575.204.
 - The employee has a rating of record of at least "Fully Successful" or equivalent.
- Determine and document:
 - The basis for determining the position is likely to be difficult to fill based on the factors in 5 CFR 575.206, such as OPM-approved DHA for the position;
 - The relocation incentive amount and basis for that amount (not to exceed 25% of annual rate of basic pay multiplied by number of years in the service period);
 - The length of the required service period (not to exceed 4 years);
 - The timing of the relocation incentive payments (initial lump sum, installments, final lump sum, or combination);

- The worksite of the new position is in a different geographic area (50+ miles) than the previous position; and
- The employee established a residence in the new geographic area.
- An authorized agency official approves the relocation incentive before the candidate enters on duty at the new location.
- The service agreement includes the items required by 5 CFR 575.210.
- The employee signs the service agreement.
- The employee must establish a residence (permanent or temporary) in the new geographic area prior to payment and maintain a residence in the new geographic area for the duration of the service agreement.

Retention Incentive

An agency may pay a retention incentive to a current employee if the agency determines the unusually high or unique qualifications of the employee or a special need of the agency for the employee's services makes it essential to retain the employee and the employee would be likely to leave the Federal service in the absence of a retention incentive. An agency may also authorize retention incentives for a group or category of employees under these conditions. A retention incentive may not exceed 25 percent of the rate of basic pay for an individual employee or 10 percent for a group or category of employees.

For more information, see OPM's guidance on [Retention Incentives \(likely to leave the federal service\)](#) and [Group Retention Incentives \(likely to leave the federal service\)](#).

Checklist for Retention Incentive

- Your agency has a retention incentive plan consistent with 5 CFR 575.307.
- The employee is eligible to receive a retention incentive.
 - The employee is in a pay system authorized under 5 CFR 575.303 or [Recruitment, Relocation & Retention Incentives for Non-GS Employees](#).
 - The employee's position is not excluded under 5 CFR 575.304.
 - The employee has a rating of record of at least "Fully Successful" or equivalent.
- Determine and document:
 - The unusually high or unique qualifications of the employee (or group of employees) or a special agency need for the employee's (or group of employees') services that make it essential to retain the employee(s);
 - The basis for determining that the employee (or a significant number of employees in a group) would otherwise be likely to leave the Federal service;
 - The retention incentive rate and the basis for establishing the amount of the retention incentive payment (up to 25% of the rate of basic pay for an individual or 10% for a group of employees);
 - The basis for establishing the timing of the retention incentive payment (final lump sum or installments only; initial lump sum prohibited for this incentive); and
 - The basis for establishing the length of the required service period.
- The service agreement includes the items required under 5 CFR 575.310 and the employee signs the service agreement. (A service agreement is not required if

the agency pays the retention incentive in biweekly installments and sets each biweekly installment at the full retention incentive percentage rate.)

- Review the retention incentive at least annually to determine whether the original determination still applies or whether payment is still warranted and certify this determination in writing.

Recruitment, Relocation, or Retention Incentive Payment Limit Waiver

An agency may request that OPM waive the normal payment limitations on recruitment, relocation, and/or retention incentives and increase the cap up to 50 percent based on a critical agency need. See 5 CFR 575.109(c), 575.209(c), and 575.309(e). Waiver requests must include the information outlined in the checklists below. (See checklists for Recruitment Incentive, Relocation Incentive, and Retention Incentive in this guide for additional requirements.)

Recruitment Incentive Waiver Checklist

- Information on the job candidate or candidates and the position or group of positions the waiver would cover.
- A description of the critical agency need the proposed recruitment incentive would address.
- The basis for determining that the position is likely to be difficult to fill using the factors in 5 CFR 575.106(b).
- The proposed recruitment incentive payment amount and a justification for that amount.
- The timing and method of making the proposed recruitment incentive payments.
- The length of the required service period.
- Any other information pertinent to the case at hand.

Relocation Incentive Waiver Checklist

- Information on the current employee and position the waiver would cover.
- A description of the critical agency need the proposed relocation incentive would address.
- The basis for determining that the position is likely to be difficult to fill using the factors in 5 CFR 575.206(b).
- The proposed relocation incentive payment amount and a justification for that amount.
- The timing and method of making the proposed relocation incentive payments.
- The length of the required service period.
- The worksite of the employee's new position is not in the same geographic area of the position held immediately before the move.
- Any other information pertinent to the case at hand.

Retention Incentive Waiver Checklist

- A description of the employee's work requirements and responsibilities. (Individual)
- A description of the group or category of employees and the number of employees to be covered by the proposed retention incentive. (Group)
- A description of the critical agency need the proposed retention incentive would address.
- The basis for determining that the unusually high or unique qualifications of the employee (or group of employees) or a special need of the agency for the employee's (or group of employees') services makes it essential to retain the employee(s).
- The basis for determining that the employee (or a significant number of employees in a group) would be likely to leave the Federal service in the absence of a retention incentive.
- The proposed retention incentive rate and a justification for that rate.
- The timing and method of making the proposed retention incentive payments.
- The length of the required service period.
- Any other information pertinent to the case at hand.

New or Increased Special Rates

OPM may establish higher rates of basic pay-special rates-for a group or category of GS positions in one or more geographic areas to address existing or likely significant handicaps in recruiting or retaining well-qualified employees. Special rate requests must include the information required by OPM's [Worksheet for Special Rate Requests, Form 1397 \(PDF file\)](#). The requests must come to OPM through agency headquarters. Requests may require coordination with other agencies that have similar positions. The checklist below outlines the information to include in special rate requests (as required by OPM Form 1397).

Checklist for New or Increased Special Rates

- Indicate positions covered by request (occupation series code, job title, agency code, agency name, duty station code(s), and duty station name(s)).
- Staffing data by grade level.
 - On board, vacant, and total positions at two specific times.
 - Positions tried to fill, offers made, number hired during period.
 - Transfers, quits, quits for pay during period.
- Proposed special rate schedule.
- Cost by grade level.
- Narrative information:
 - Explain whether special rates are needed to address an (1) existing recruitment or retention problem or (2) a recruitment or retention problem that is likely to exist in the future if special rates are not approved. If existing, explain the cause of the significant recruitment or retention problems. If your agency determines that special rates are needed to address a likely recruitment or retention problem, explain the basis and provide evidence to support this determination, including estimates of the number of vacant positions and/or quits for comparable positions that are likely to occur if the special rate request is not approved.
 - Explain how the nature of the existing labor market is affecting your agency's ability to recruit or retain employees covered by the request.
 - Explain the degree to which your agency has considered and used other pay flexibilities to alleviate the staffing problems, including recruitment, relocation, and retention incentives, superior qualifications and special needs pay-setting authority, student loan repayments, and performance awards.

- Explain the degree to which your agency has considered and used other non-pay solutions to the staffing problems, such as conducting aggressive recruiting programs, using appropriate appointing authorities, redesigning jobs, establishing or enhancing training programs, authorizing flexible work schedules, and improving working conditions.
- Explain how the staffing problem is affecting accomplishment of your agency's mission.
- Explain and provide estimates of the costs attributable to the staffing situation which would be offset if this special salary rate is approved, such as overtime, contracting, training, recruiting, or other costs.
- Agency certification.
- Salary comparisons.

Critical Pay

OPM, in consultation with the U.S. Office of Management and Budget (OMB), may grant authority to set pay at a higher than normal rate for a position that requires an extremely high level of expertise in a scientific, technical, professional, or administrative field that is critical to the successful accomplishment of an important agency mission. For more information, see OPM's guidance on [Critical Position Pay](#). The checklist below outlines the information to include in requests for critical pay.

Checklist for Critical Pay

- Position title.
- Position appointment authority.
- Pay plan and grade/level of the position.
- Occupational series of the position.
- Geographic location of the position.
- Current salary or salary range of the position or incumbent.
- Name of incumbent (or "vacant" if vacant).
- Length of time the incumbent, if any, has been in the position.
- If the position is new, the length of time the position has been vacant.
- Provide a written evaluation of the need to designate the position as critical. Such an evaluation must include:
 - The kinds of work required by the position and the context within which it operates;
 - The range of positions and qualification requirements that characterize the occupational field, including those that require extremely high levels of expertise;
 - The rates of pay reasonably and generally required in the public and private sectors for similar positions; and
 - The availability of individuals who possess the qualifications to do the work required by the position.
- Provide information on agency experiences in efforts to recruit or retain exceptionally well qualified individuals for the position or similar positions.
- Provide an assessment of why the position could not be filled with a desired candidate without using the critical position pay authority. This assessment must include a justification as to why other human resources flexibilities such as

recruitment, relocation, and retention incentives under 5 CFR part 575 could not be used.

- Provide an explanation of the organizational context of the position and how it compares with other critical positions in the agency.
- Describe the anticipated effect on the successful accomplishment of an important agency mission if the position is authorized for critical position pay.
- Any additional information the agency may deem appropriate to demonstrate that higher pay is needed to recruit or retain an employee for the critical position.
- Provide a copy of the position description and qualification standard for the position (not required for an Executive Schedule position).
- Specify the desired rate of basic pay for the position.
- If the desired rate of pay is above the rate for level II of the Executive Schedule, provide justification to show that such a rate is necessary to fill the critical position.

Examples of Compensation Flexibilities

1. Recruitment (Entry-Level)

In 2025, an agency wants to hire a student who is graduating with a degree in cybersecurity for a GS-2210-07 (Information Security) position in Washington, DC. After difficulty recruiting, the agency learns from salary survey data that the entry-level salary for this type of position and location is more than they were offering. How can the agency combine pay flexibilities to be competitive?

1. The agency decides to use the [superior qualifications and special needs pay-setting authority](#) based on a special need for the candidate's services. The agency sets pay at GS-7, step 6, on special rate table 999C (\$67,222) based on how pay has been set for similarly qualified individuals appointed to similar positions.
2. The agency offers a [recruitment incentive](#) based on the availability and quality of candidates possessing the competencies required for the position. (The agency examines offer acceptance rates, the proportion of positions filled, and the length of time required to fill similar positions.) The agency offers a recruitment incentive of 10 percent with a three-year service agreement. $\$67,222 \times .10$ (10 percent) $\times 3$ years = \$20,167.
3. The agency offers to [repay the candidate's student loan](#). The agency will repay \$7,000 a year over three years for a total of \$21,000.

Description	Amount
GS-7, step 6, on special rate table 999C	\$67,222
Recruitment incentive (for 3-year service agreement)	+\$20,167
Student loan repayment (for 3-year service agreement)	+\$21,000
Total compensation	= \$108,389

2. Recruitment (Mid-Level)

In 2025, an agency wants to hire a candidate with 15 years of relevant private sector experience for a GS-2210-12 cybersecurity position in the Rest of the United States locality pay area. The candidate states he expects to make at least \$120,000. What can the agency do?

1. The agency decides to use the [superior qualifications and special needs pay-setting authority](#) based on the candidate's superior qualifications. The agency sets pay at GS-12, step 4, on the Rest of U.S. locality pay table (\$97,485) based on the employee's education, experience, and the salaries of current employees with similar qualifications in similar positions.
2. The agency offers a [recruitment incentive](#) based on the direct-hire authority approved for GS-2210 Information Technology Management (Information Security) positions. The agency offers a recruitment incentive of 25 percent with a one-year service agreement. $\$97,485 \times .25$ (25 percent) $\times 1$ year = \$24,371.
3. The agency provides [service credit](#) for the candidate's 15 years of private sector experience towards the employee's annual leave accrual rate. The employee will accrue 8 hours of annual leave each pay period instead of 4 hours of annual leave each pay period.

Description	Amount
GS-12, step 4, on the Rest of U.S. locality pay table	\$97,485
Recruitment incentive (for 1-year service agreement)	+\$24,371
Total compensation	= \$121,856
Annual leave accrual rate	+ 8 hours per pay period

3. Recruitment (Senior/Expert-Level)

An agency wants to hire a candidate by career appointment for a Senior Executive Service (SES) cybersecurity position in the Washington, DC, locality pay area. The agency has a certified performance appraisal system. This means the agency may set pay up to EX-II (\$225,700 in 2025) consistent with its agency policy on SES pay-setting. Salary survey data indicate that a senior manager IT role could earn total pay of about \$200,000. How could the agency design a compensation package?

1. The agency **sets pay** at \$160,000.
2. The agency offers a 25% **recruitment incentive** of \$40,000 with a one-year service agreement.

Description	Amount
SES basic pay	\$160,000
Recruitment incentive (for 1-year service agreement)	+\$40,000
Total compensation	= \$200,000

An agency could also request a recruitment incentive payment limitation waiver and/or critical pay if appropriate and necessary.

Certain Title 5 payments above basic pay, including recruitment, relocation, and retention incentives, are subject to the [limitation on aggregate compensation](#) received in any given calendar year as established by 5 U.S.C. 5307. SES members and employees in Senior Level (SL)/Scientific or Professional (ST) positions who are covered by a certified performance appraisal system are subject to a higher aggregate limitation on pay of the Vice President's salary (\$289,400 in 2025). The aggregate limitation on pay for calendar year 2025 for other employees is \$250,600 (equivalent to the rate for EX-I). Any amounts not payable in a calendar year must be paid on the first day of the next calendar year subject to the limitation that applies to that next calendar year.

4. Retention (Senior/Expert-Level)

An agency has a critical need to retain a Senior Level (SL) employee in a cybersecurity position in the Washington, DC, locality pay area. The employee has unusually high qualifications and is likely to leave the Federal service. The SL employee has a salary of \$175,000 and the employee has been offered a position earning \$240,000. The employee is receiving a retention incentive of 25% of the employee's pay, but it is not enough (Retention incentive: $\$175,000 \times 25\% = \$43,750$; Total pay = $\$175,000 + \$43,750 = \$218,750$). The agency has a certified performance appraisal system. How can the agency retain the employee?

1. The agency requests OPM waive the 25 percent limitation on retention incentives for the employee so it can pay the employee a retention incentive of 35 percent based on a critical agency need. The agency submits the required documentation. (See page 18.)

Description	Amount
SL basic pay	\$175,000
Retention incentive (for 1-year service agreement)	+\$61,250
Total compensation	= \$236,250

Certain Title 5 payments above basic pay are subject to the [limitation on aggregate compensation](#) received in any given calendar year as established by 5 U.S.C. 5307. SES members and employees in SL/ST positions who are covered by a certified performance appraisal system are subject to a higher aggregate limitation on pay of the Vice President's salary (\$289,400 in 2025). The aggregate limitation on pay for calendar year 2025 for other employees is \$250,600 (equivalent to the rate for EX-I). Any amounts not payable in a calendar year must be paid on the first day of the next calendar year subject to the limitation that applies to that next calendar year.

5. Retention (Mid-Level)

An agency wants to retain a GS-12, step 1, cybersecurity employee in the Washington, DC, locality pay area who earns \$101,401. The employee is likely to leave the Federal Government for a position in the private sector earning \$120,000. The agency has a special need for the employee's services. The employee recently finished a master's degree and has an outstanding student loan. How can the agency incentivize the employee to remain in her current position?

1. The agency offers a **retention incentive** of 15%. $\$101,401 \times .15 = \$15,210$.
2. The agency offers to **repay the employee's student loan**. The agency offers to pay \$5,000 a year for 3 years for a total of \$15,000.

Description	Amount
GS-12, step 1, salary on the DC locality pay table	\$101,401
Retention incentive (for 1-year service agreement)	+ \$15,210
Student loan repayment (for 3-year service agreement)	+ \$15,000
Total compensation	=\$131,611

6. Group Retention Incentives Based On the NICE Category and Retention Data

An agency is experiencing difficulties in retaining a group of employees in similar GS cybersecurity positions. The agency has been able to recruit and hire entry-level employees. However, once trained, a number of employees are leaving for private-sector companies that can pay higher salaries. How can the agency incentivize employees to remain in Federal service?

The agency may establish a group retention incentive of up to 10 percent of basic pay for a defined group of GS cybersecurity employees. See the Retention Incentive checklist in this guide for specific approval and documentation requirements.

- The agency must determine and document that (1) the unusually high or unique qualifications of the group of employees or a special need of the agency for the employees' services makes it essential to retain the employees in the group, and (2) there is a high risk that a significant number of employees in the group would be likely to leave the Federal service.
- The agency must narrowly define the targeted category of cybersecurity employees with unusually high or unique qualifications or for which the agency has a special need:
 - The group may be limited by how positions are coded based on the [National Initiative for Cybersecurity Education \(NICE\) National Cybersecurity Workforce Framework](#). The Framework organizes the cybersecurity workforce into high-level categories with several specialty areas. The agency could limit the coverage of the group retention incentive to positions with NICE codes experiencing the greatest retention problems.
 - The agency may limit the group to employees in positions where cybersecurity is the primary function (i.e., employees must perform cybersecurity tasks and positions must require cybersecurity skills; employees who only support those who perform cybersecurity tasks are not eligible).
 - Eligibility could also be based on occupational series, grade level, geographic location, performance rating and other factors the agency considers appropriate.

- Factors the agency may consider and document in making the likely-to-leave determination include exit survey data, quit rate analysis, retirement rate analysis, and market survey analysis for the identified group of cybersecurity positions. (Quits generally refer to voluntary separations from Federal service and a quit rate is calculated by dividing the number of quits over a given period by the average number of employees in the period and multiplying the result by 100 (Formula for Quit rate = (# Quits / Average # Employees) x 100).)
- The agency must set the cybersecurity group retention incentive at a rate not to exceed 10 percent of basic pay. In determining the retention incentive rate, the agency may consider salaries typically paid outside the Federal Government, labor market conditions, funding availability, and other factors. Factors used to justify the retention incentive rate must be documented.
- Payments may be made biweekly without a service agreement. Other payment options require a service agreement.
- The agency must evaluate the group retention incentive annually to determine if payment is still warranted and certify this determination in writing. In making this determination, the agency must consider factors such as whether the agency's need for the services of the group of employees has been reduced to a level that makes it unnecessary to continue paying a retention incentive. The agency may also want to consider whether the group retention incentive is effective.

If the agency determines that a 10 percent group retention incentive is not sufficient or is ineffective in retaining a group of GS cybersecurity employees, it may:

- Approve retention incentives of more than 10 percent, up to 25 percent, of basic pay to employees on an individual, case-by-case basis. See Retention Incentive checklist in this guide.
- Request that OPM approve a retention incentive of up to 50 percent of basic pay for the group of employees. See Recruitment, Relocation, or Retention Incentive Payment Limit Waiver checklist in this guide.

7. Retention Incentive Based on Cybersecurity Industry Certifications and Credentials

An agency is experiencing difficulties in retaining GS cybersecurity employees with job-related industry certifications and credentials. The agency provides access to tools, resources, and project opportunities for its employees to become certified or credentialed in highly-desired cybersecurity skills. However, once employees are certified or credentialed and have experience in performing the cybersecurity skills, they become likely to leave Federal service because of higher compensation packages offered outside the Federal Government. How can the agency incentivize these highly-skilled employees to remain in Federal service?

The agency may approve a retention incentive of up to 25 percent of basic salary to an individual GS cybersecurity employee or a retention incentive of up to 10 percent of basic salary to a group of GS cybersecurity employees with highly-desired certifications or credentials. See the Retention Incentive checklist in this guide for specific approval and documentation requirements.

- For each individual or group retention incentive authorization, the agency must determine and document that (1) the unusually high or unique qualifications of the individual or group of employees or a special need of the agency for the employees' services makes it essential to retain the employees, and (2) the employee(s) would be likely to leave the Federal service.
- To facilitate documentation and approval, the agency may identify in advance the job-related industry certifications or credentials that provide an employee or group of employees with unusually high or unique qualifications or fulfill a special agency need that make it essential to retain employee(s) with those certifications or credentials.
 - The agency may document how those job-related industry certifications bring higher salaries in the labor market. An agency may further indicate different levels of certifications, such as those that are most mission-critical and highly-valued in the labor market. (The most highly-valued certifications may require a certain amount of job-relevant experience in addition to passing an examination.)
 - Employee coverage could also be based on occupational series, grade level, geographic location, performance rating and other factors the agency considers appropriate.

- To facilitate documentation and approval, the agency may pre-approve the individual and group retention incentive rates that will be paid for each covered cybersecurity certification or credential to an employee who meets coverage eligibility. In determining the retention incentive rate, the agency may consider salaries typically paid outside the Federal Government and labor market conditions for individuals with the covered cybersecurity certifications/credentials, funding availability, and other factors. Factors used to justify the retention incentive rate must be documented.
- In making a determination that the employees are likely to leave Federal service:
 - For retention incentives approved on an individual, case-by-case basis (retention incentive of up to 25 percent), the agency must document in writing that the individual employee with the approved certifications would be likely to leave Federal service in the absence of the incentive.
 - For retention incentives approved for a group of employees (retention incentive of up to 10 percent), the agency must document that there is a high risk that a significant number of employees in the group would be likely to leave the Federal service in the absence of a retention incentive. Factors the agency may consider and document in making the likely-to-leave determination include exit survey data, quit rate analysis, retirement rate analysis, and market survey analysis for the identified group of cybersecurity positions. (Quits generally refer to voluntary separations from Federal service and a quit rate is calculated by dividing the number of quits over a given period by the average number of employees in the period and multiplying the result by 100 (Formula for Quit rate = (# Quits / Average # Employees) x 100).)
- An agency may decide to pay the retention incentives biweekly at the full retention incentive rate established based on certification level and not require the employees to sign a service agreement. Other payment options require a service agreement.
- An agency must evaluate each individual or group retention incentive annually to see whether the payment is still warranted and certify this determination in writing. In making this determination, an agency must consider factors such as whether labor-market factors make it more likely to recruit a candidate with

competencies similar to those possessed by the employee and whether the approved certifications or credentials are still job-relevant and warrant payment of an incentive. An agency should also establish proper internal controls.

If the agency determines that a 25 percent (for an individual) or 10 percent (for a group) retention incentive is not sufficient or is ineffective in retaining employees with job-relevant cybersecurity certifications or credentials, it may request that OPM approve a retention incentive of up to 50 percent of basic pay for the individual or group of employees. See Recruitment, Relocation, or Retention Incentive Payment Limit Waiver checklist in this guide.

Other Flexibilities

Many organizational strategies focus primarily on monetary benefits to retain and motivate quality employees. However, pay often is not the most important reason cited by employees for being satisfied with their jobs or wanting to continue to work for a particular organization. When applying the flexibilities in this guide, agencies should also assess (including how successfully they were used and how important they turned out to be) the use of non-monetary strategies and factors, such as the following:

- Opportunities for career growth and improvement in skills, including formal training and on-the-job learning and development;
- Mentoring employees to help advance their careers and build their networks;
- Understanding how work fits in with and contributes to the agency's goals and priorities;
- Performance appraisals that provide timely and constructive feedback and reflect fairly on performance;
- "Open door" policies that help to foster good working relationships and effective teamwork;
- Alternative work schedules (flexible work hours/days);
- Family-friendly leave options;
- Supportive Work-Life and health and wellness policies; and
- Positive, healthy work environment.

Additional Resources

The U.S. Office of Personnel Management (OPM) is the central source for information on Governmentwide regulations, policies, guidance, and [human resources tools and flexibilities for federal human resources management](#). For the latest information on Federal human resources policies, please visit [OPM's website](#).

For the latest information on civilian employment opportunities with the Federal Government, please visit [USAJOBS.gov](#).