Pay and Leave Flexibilities for Recruitment and Retention

Text-Only Version

Introduction

Does this story sound familiar?

Jane found the perfect person to fill a Medical Technician position at a Federal Medical Center. The interview went well. The candidate was excited to have the opportunity to care for others and was available immediately.

However, the candidate rejected the Medical Center's initial offer of employment because a private sector hospital offered a higher starting salary.

But the story doesn't have to end this way!

Welcome!

Welcome to OPM's course on Pay and Leave Flexibilities for Recruitment and Retention.

Finding the right employee can sometimes be hard. Intense competition from the private sector makes it even more challenging for agencies to hire the best and brightest. That's why the Federal Government has created certain pay and leave flexibilities to help hire—and retain—the best people you can.

After completing this course, you will have a better understanding of:

- What pay and leave flexibilities are available,
- When they can be used,
- How much you are allowed to offer,
- The documentation required, and
- Where to get approval.

You'll have help from a compensation expert.

Meet Mark, a Senior Human Resources Specialist at OPM. Mark will provide detailed feedback on the scenario-based knowledge checks that appear throughout the course.

Video begins.

[Mark is sitting in his office and introduces himself to the camera.]

Mark: Hi, I’m Mark. I’ve been working at OPM for 10 years on pay and leave policies and I look forward to sharing all the ins and outs of these great programs. By the end of this course, you will feel more comfortable answering questions about the topics we will cover. I also want to help you be more confident deciding which flexibilities to use and justifying your agency’s use of these flexibilities.

Video ends.

Creditable Service for Annual Leave Accrual for Non-Federal Work Experience and Experience in the Uniformed Service

How can prior experience be accounted for?

Normally a newly hired employee's annual leave accrual rate is based on the amount of creditable civilian or uniformed service the employee has.

But what if an employee has non-Federal experience—or uniformed service experience that wouldn't otherwise be creditable—that is directly related to a critically important position the agency is having difficulty filling?

What if the agency feels it needs to offer a greater benefit to recruit the employee?

Uniformed Service Experience

Generally, retired members of the military are only given annual leave accrual credit for:

- Actual service during a war declared by Congress or while participating in a campaign or expedition for which a campaign badge is authorized, or
- All active duty time—if their retirement was due to disability received as a direct result of armed conflict or caused by an instrumentality of war and incurred in the line of duty during a period of war.

Otherwise, active duty service that does not meet these conditions is not accounted for when determining an employee's annual leave accrual rate.

Meet Eduardo

Eduardo retired from the military last year after 20 years of service and is a strong candidate for an open position as a computer network defense analyst at a Federal agency.

There's just one problem. Eduardo has 10 years of experience as a cyber warfare engineer, but in the eyes of the Federal Government, he has 0 years of Federal service. This means he can earn only 4 hours of annual leave for each pay period, a lot less than what he's being offered elsewhere.

Eduardo's situation is one that you might run into when hiring people new to the Federal workforce, but not new to working, who want their previous job experience recognized.

Is there anything the agency can do to make this situation more appealing to Eduardo?

Who can get service credit?

At its discretion, an agency may provide service credit—that otherwise would not be creditable—for the purpose of determining the annual leave accrual rate of:

- 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 determine that the skills and experience the employee possesses are:

- ***Essential*** to the new position and were acquired through performance in a non-Federal or active duty uniformed service position that included duties directly related 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.

How is the amount of service credit determined?

The amount of service credit that may be granted to an employee is determined at the sole and exclusive discretion of the head of the agency, or his or her designee.

The amount of service credit granted to an employee may not exceed the actual amount of service during which he or she performed duties directly related to the position to which he or she is being appointed.

For example, an agency may extend a job offer to an employee who has 7 years of experience directly related to the duties of the position, but the agency may decide to give only 3 years of service credit to move the employee to the next annual leave accrual rate of 6 hours per pay period.

Annual Leave Accrual Rates for Full-time Employees

- **Less than 3 years of service:** ½ day (4 hours) for each pay period
- **3 to 15 years of service:** ¾ day (6 hours) for each pay period, except 1¼ day (10 hours) in last pay period
- **15 or more years of service:** 1 day (8 hours) for each pay period

Test Your Knowledge: A Real-World Scenario

Read the scenario below and answer the question. Then, Mark, our compensation expert, will provide feedback on the answer.

The hiring manager is trying to determine exactly what annual leave accrual rate he can offer Eduardo. Remember, the agency is looking to hire a computer network defense analyst, a position vital to their cybersecurity performance goals that they have been having difficulty filling so far. Eduardo, recently retired after 20 years in the military, spent 10 of those years as a cyber warfare engineer, doing work directly related to the open position.

Which annual leave accrual options are available to the hiring manager? (Select all that apply.)

A) Give Eduardo credit for 0 years, leaving his accrual rate at 4 hours per pay period.
B) Give Eduardo credit for 5 years, bumping his accrual rate to 6 hours per pay period.
C) Give Eduardo credit for 10 years, bumping his accrual rate to 6 hours per pay period.
D) Give Eduardo credit for 15 years, bumping his accrual rate to 8 hours per pay period.

The correct answer is A, B, and C.

Mark: It is at the discretion of the agency to determine how many years of Eduardo's previous service to credit — none, some, or all. However, if the goal is to use this flexibility to attract Eduardo to the position, then the hiring manager will want to provide some service credit. Providing Eduardo with credit for his previous experience can shorten the amount of time he must work in the Federal Government before he starts earning annual leave at a higher rate or can directly bump him into a higher rate bracket.

Note that although Eduardo served in the military for 20 years, only the 10 years of service as a cyber warfare engineer, during which Eduardo performed duties directly related to the open position, may be considered.

Can service credit be lost?

Credit granted to an employee for non-Federal service or active duty uniformed service remains to the credit of the employee unless he or she fails to complete 1 full year of continuous service with the appointing agency.

If an employee separates from Federal service or transfers to another Federal agency prior to completing 1 full year of continuous service with his or her appointing agency, the employee is not entitled to retain the discretionary service credit.

The appointing agency must subtract the additional service credit from the employee's total creditable service, and a new service computation date for annual leave must be established before the employee separates or transfers to the new agency.

Test Your Knowledge: A Real-World Scenario

Read the scenario below and answer the question. Then, Mark, our compensation expert, will provide feedback on the answer.

In the end, the agency offered to give Eduardo credit for all 10 years of his relevant experience. Eduardo accepted the offer and started working as a computer network defense analyst, earning 6 hours of annual leave per pay period.

After 9 months on the job, Eduardo hears about an opening at a different agency that is offering better pay and a shorter commute and jumps at the opportunity.

What happens to Eduardo's discretionary service credit?

A) It automatically carries over to the position at the new agency.
B) The new agency must re-offer the service credit.
C) Eduardo loses the service credit.

The correct answer is C.

Mark: Since Eduardo did not complete 1 full year of service with the agency that gave him the credit, he loses the service credit. The new agency may not offer him the credit again, as he is no longer a newly appointed employee. Eduardo will have only 9 months of service on his record from his time at the former agency when he begins his position at the new agency.

When must service credit be approved?

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 will be granted **before** the employee enters on duty. *The determination cannot be made retroactively.*

Each agency is responsible for determining what constitutes acceptable written documentation of an employee's qualifying non-Federal work experience or experience in the uniformed service. In addition, the agency must establish documentation and recordkeeping procedures sufficient to allow reconstruction of each action.

Test Your Knowledge: A Real-World Scenario

Read the scenario below and answer the question. Then, Mark, our compensation expert, will provide feedback on the answer.

Jane just started her new cybersecurity position. Jane's supervisor recently learned that the agency can provide new employees with service credit for work performed in the private sector essential to and directly related to the employee's new position. Jane's supervisor would like to give Jane credit for 5 years of private sector experience that is directly related to Jane's new cybersecurity position, so he immediately submits documentation of Jane's private sector work experience. Can the agency provide Jane the service credit?

A) Yes
B) No

The correct answer is B, no.

Mark: Even if the agency determines that the skills Jane acquired in her previous job are essential and directly related to her new cybersecurity position, the determination to grant service credit must be made before Jane enters on duty and cannot be made retroactively.

Critical Position Pay Authority

Giving Expertise Its Due

Agencies may find it difficult recruiting and retaining qualified individuals for positions requiring the very highest levels of expertise in scientific, technical, professional, or administrative fields. Individuals who have achieved such expertise are often paid very high salaries in the private sector.

The critical position pay authority allows the Federal Government to offer appropriate salaries to such individuals.

A critical position needs to be filled STAT.

Imagine the frustration of not being able to fill a Chief Medical Officer position that requires an extremely high level of scientific expertise and is critical to the successful accomplishment of an important agency mission.

You have advertised the position twice but not found a viable candidate who was willing to accept the position at the current pay levels. Pay for the position in the Scientific or Professional (ST) pay plan is limited to level III of the Executive Schedule. Your agency does not have a certified performance appraisal system for its ST positions.

Your agency could request OPM approval for critical position pay authority to raise the salary offering.

What is the critical position pay authority?

If an agency has trouble recruiting or retaining for a position that requires an extremely high level of expertise in a scientific, technical, professional, or administrative field, the agency may want to consider requesting approval to use the critical position pay authority. The authority may be used only to the extent necessary to recruit or retain an individual exceptionally well qualified for the position.

OPM, in consultation with the Office of Management and Budget (OMB), may grant authority to set pay at a higher than normal rate for a position that is critical to the successful accomplishment of an important agency mission.

Who is eligible for critical position pay?

Categories of positions that are eligible for critical position pay include:

- General Schedule (GS),
- Senior-level (SL),
- Senior Executive Service (SES) and the Federal Bureau of Investigation (FBI) and Drug Enforcement Administration SES,
- Executive Schedule (EX),
- Scientific and professional (ST),
- FBI intelligence positions as determined by the Director of the FBI, and
- Other positions designated by the Director of OPM at the request of an agency head.

How many critical positions can there be?

A maximum of 800 positions Governmentwide may be designated as critical positions at any one time, with not more than 30 active authorizations for positions otherwise paid rates of pay under the Executive Schedule.

As of 2015, 25 years after the critical position pay authority was created, the authority had been used a total of 36 times, with 4 of the 800 positions filled.

Setting Critical Position Pay Rates

Subject to the limit approved by OPM and OMB, the head of an agency may set a critical pay rate.

Critical Position Pay Rate Limits

Pay Limit	Circumstance
Up to the rate for level II of the Executive Schedule	Under normal criteria required by regulations
Up to the rate for level I of the Executive Schedule	In exceptional circumstances
In excess of the rate for level I of the Executive Schedule	In rare circumstances, requiring the President's written approval

Employees receiving critical pay are not eligible for locality pay, special rates, or other similar supplements. An employee receiving a critical pay rate may receive a recruitment, relocation, or retention incentive if eligible and approved by the agency. Recruitment, relocation, and retention incentives are not considered supplements that are similar to locality pay or special rates.

Critical Position Pay Approval

To obtain approval for critical position pay, agencies must:

- Submit a written request describing the position and the qualifications of any incumbent or prospective candidates,
- Document the level of expertise required and explain how any incumbent or candidate is exceptionally well qualified for the position,
- Demonstrate that the use of other human resources flexibilities has not enabled the agency to fill the position, and
- Explain why the position is critical to an important agency mission and the potential impact if the agency is unable to fill the position with an exceptional candidate.

OPM can assist agencies in determining if the use of this authority is appropriate and in completing the application process.

Test Your Knowledge: A Real-World Scenario

Read the scenario below and answer the question. Then, Mark, our compensation expert, will provide feedback on the answer.

Your agency is still having trouble filling the Chief Medical Officer position described at the beginning of this lesson, and the low pay is clearly an issue.

You ask OPM to boost the critical pay rate to level II of the Executive Schedule, and the request is granted. You continue to have problems recruiting for the position even when offering the critical pay rate.

Which other payments can you combine with critical position pay? (Select all that apply.)

A) Locality pay
B) Recruitment incentive
C) Special rates
D) None of the above

The correct answer is B.

Mark: Employees receiving critical pay are not eligible for locality pay or special rates under title 5 or other similar payments or supplements under other legal authority.

If raising the salary to level II of the Executive Schedule does not help fill the position, you can ask OPM to approve raising the rate up to, or even above, level I of the Executive Schedule. These higher pay limits will only be approved in exceptional or rare circumstances.

Extension of Higher Annual Leave Accrual Rates to SES and SL/ST Equivalent Pay Systems

Annual Leave Entitlement

The annual leave system for Federal employees is fairly straightforward. Employees earn annual leave each pay period, which they can use for any purpose, including travel and vacation, a personal emergency, or just to take a day off. The annual leave accrual rate for most employees is based on years of service. Generally, employees with less than 3 years of Federal service, those with 3 but less than 15 years, and those with 15 or more years of service earn 4 hours, 6 hours, or 8 hours per pay period respectively.

The major exception is for Senior Executive Service (SES), Senior-Level (SL), and Scientific and Professional (ST) employees. These employees earn the maximum amount of 8 hours of annual leave per pay period, regardless of how long they have worked for the Federal Government.

Some agencies have the authority to create pay systems with high levels of responsibility similar to the SES, SL, or ST pay systems. Naturally, they want to attract employees with high levels of experience to these positions and would also like to offer candidates the ability to accrue 8 hours of annual leave per pay period.

The head of an agency may request that OPM authorize a similar 8 hours of leave per pay period for these additional categories of employees.

Equivalent Systems = Equivalent Leave

Examples of senior-level positions outside of the SES, SL, and ST pay systems include senior intelligence positions, the senior foreign service, and senior staff positions under a pay plan authorized by the Financial Institutions Reform, Recovery, and Enforcement Act.

Take Joan, who has never worked in the Federal Government. After years of consulting work in business line management and strategic and operational planning, she joined a cabinet-level agency where she reports to the Deputy Assistant Secretary and manages four groups of employees. Although her responsibilities are like those of an SES employee, the pay system she was hired into is an agency-specific one established by special legislative authority.

Her agency's request to OPM to extend the higher annual leave accrual rate to the established pay system was approved; therefore, Joan earns 8 hours of annual leave per pay period as soon as she is hired.

As an avid hiker and rock climber during her time away from work, she was much more interested in the position at the cabinet-level agency once she was told she would be earning a full day off each pay period, instead of only 4 hours.

Higher Annual Leave Requirements

Agency requests should explain how the affected pay system is equivalent to the SES or SL/ST pay systems in each of four requirements:

1) Employees in the pay system must be covered by the definition of "employee" under 5 U.S.C. 6301(2).
2) Pay rates must have been established under an administratively determined pay system under a separate statutory authority.
3) Covered positions must be equivalent to an SES position as defined at 5 U.S.C. 3132(a)(2), or an SL or ST position as described in 5 U.S.C. 3104.
4) Covered positions must be subject to a performance appraisal system established under 5 U.S.C. chapter 43 and 5 CFR part 430, subparts B or C, or other applicable legal authority, for planning, monitoring, developing, evaluating, and rewarding employee performance.

Pay Rate Requirements

There are two pay rate requirements for higher annual leave incentives.

- If the position has a single rate of pay, the rate must be higher than the rate for GS-15, step 10 (excluding locality pay).
- If the position is paid within a rate range, the minimum rate of the range must be at least equal to the minimum rate for the SES and SL/ST pay systems (120 percent of the rate for GS-15, step 1, excluding locality pay), and the maximum rate of the rate range (excluding locality pay) must be at least equal to the rate for level IV of the Executive Schedule.

Who receives annual leave at the higher rate?

If OPM approves an agency's request, the higher annual leave accrual rate is extended to all employees in the position under the pay system for which the request was made, and the higher annual leave accrual rate becomes effective at the beginning of the pay period during which the request is approved.

The higher annual leave accrual rate applies only to an employee who holds a position in a pay system determined by OPM to be equivalent to the SES or SL/ST pay system.

Can an employee lose the higher annual leave rate?

Since agencies request the higher annual leave rate for a specific pay system, an employee who moves from a covered pay system to a non-covered pay system is no longer entitled to the higher annual leave accrual rate, unless the employee moves to a SES, SL, or ST position.

Upon movement to a non-covered pay system, an employee's annual leave accrual rate must be re-determined based on the employee's years of creditable service.

Any annual leave accrued or accumulated by the employee under the covered position remains to the employee's credit.

Test Your Knowledge: A Real-World Scenario

Read the scenario below and answer the question. Then, Mark, our compensation expert, will provide feedback on the answer.

David, who works with Joan in the same cabinet-level agency and is covered by the same pay system, has decided to leave his position and accept a senior position within another agency. He has only been with the Federal Government for 2 years and has no prior creditable civilian or military service. Before working with Joan, David worked in the private sector.

If the pay system for the position in the new agency to which David is moving has not been approved by OPM for the higher annual leave accrual, will David be able to continue to accrue 8 hours of annual leave as he had been when he worked with Joan?

A) Yes
B) No

The correct answer is B, no.

Mark: David cannot continue to accrue 8 hours of annual leave as he did at his former agency because he is no longer covered by a pay system to which OPM has extended the higher annual leave accrual rate. He will be able to keep the balance of annual leave hours he has already accrued. Since he only has 2 years of Federal service and no prior creditable civilian or military service, he will only earn 4 hours of annual leave. Employees with less than 3 years of creditable Federal service earn 4 hours of annual leave per biweekly pay period.

Federal Student Loan Repayment Program

Many graduates have student loan debt.

Considerations of how to start paying off loans play a role in recent graduates' decisions about which jobs to apply for and which job offers to accept. The Federal Government can offer assistance paying off these loans through the Federal Student Loan Repayment Program.

Closing the STEM Skills Gap

From small to large agencies, there have been many successful uses of the Federal Student Loan Repayment Program (SLRP).

Several Federal agencies have used student loan repayments to recruit and retain employees in Federal Science, Technology, Engineering, and Mathematics (STEM) positions—occupations that are vital to the Federal Government's mission.

Does your agency have a plan in place to use this flexibility?

What is the Student Loan Repayment Program?

The SLRP permits agencies to repay Federally insured student loans to attract candidates or retain current employees of the agency. The use of this authority is at the discretion of the agency.

An agency must document that the employee (or job candidate) is highly qualified and otherwise eligible.

- For recruitment, the agency must document that without utilizing the program they would otherwise have difficulty filling the position with a highly qualified individual.
- If used for retention, the agency must document 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.

Federally Insured Student Loans

Loans eligible for payment are those made, insured, or guaranteed under parts 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.

Eligibility

Any employee (as defined in 5 U.S.C. 2105) is eligible, except those occupying a position excepted from the competitive civil service because of their confidential, policy-determining, policy-making, or policy-advocating nature (e.g., Schedule C appointees).

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, or to retain an individual who is staying in the Federal service but moving to a different agency.

Test Your Knowledge: A Real-World Scenario

Read the scenario below and answer the question. Then, Mark, our compensation expert, will provide feedback on the answer.

Kathleen has been with an agency for 3 years as a pharmacist. She has an outstanding student loan debt. She has been offered a position at a new agency. Kathleen's supervisor wants to keep Kathleen and wants to offer to repay her qualifying student loans as an incentive to keep her.

Can Kathleen receive a student loan repayment from her current agency to retain her?

A) Yes
B) No

The correct answer is B, no.

Mark: The Student Loan Repayment Program may only be used to retain employees otherwise likely to leave the Federal service.

An agency may not offer to repay a student loan for an employee who is leaving or likely to leave for any position in any branch of Federal service as an incentive to remain with the agency.

How much can be paid off?

For each eligible employee, an agency may make payments to the loan holder of up to:

- $10,000 in a calendar year, and
- $60,000 total.

An employee receiving this benefit must sign a written agreement to remain in the service of the employing agency for a period of at least 3 years.

Each agency must develop a plan to describe how the program will be implemented.

Student Loan Repayment Incentive Plan

The plan must include the following elements:

- The designation of officials with authority to review and approve offering student loan repayment benefits,
- The situations in which the student loan repayment authority may be used,
- The criteria to meet or consider in authorizing student loan repayment benefits,
- A system for selecting employees (or job candidates) to receive student loan repayment benefits that ensures fair and equitable treatment,
- The requirements associated with service agreements,
- The procedures for making loan payments,
- The provisions for recovering any amount outstanding from an employee who fails to satisfy a service agreement and conditions for waiving an employee's obligation to reimburse the agency for payments, and
- Documentation and recordkeeping requirements.

Test Your Knowledge

Answer the questions below.

What is the minimum required service agreement term for the Student Loan Repayment Program?

A) 1 year
B) 2 years
C) 3 years
D) The length of service requirement is completely at the discretion of the agency.

The correct answer is C. A minimum 3-year service agreement is typically required, regardless of the exact amount of the payment provided. An agency may not provide for a lesser service agreement period. Agency policy may require a longer minimum service period. Refer to 5 CFR 537.107 for details.

Under the student loan repayment authority, what is the maximum amount that can be paid by an agency for an employee in a calendar year?

A) $10,000
B) $20,000
C) $60,000
D) 25% of the employee's salary

The correct answer is A. Each agency may make payments to the loan holder of up to a maximum of $10,000 for an employee in a calendar year. Refer to 5 CFR 537.106 for details.

Non-Monetary Strategies to Recruit and Retain Employees

Salary isn't the only incentive.

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.

Agencies should also assess the use of non-monetary strategies and factors, such as telework.

Everyone's situation is different.

Antoine really enjoys his job working in the Dallas–Fort Worth area, but the terrible traffic is starting to make him wonder if it's worth it.

He talks with his manager about the problem, and they agree that he can switch from a 9 to 5:30 schedule to a 6:30 to 3 schedule. Now his commute is a breeze, and it turns out he's more productive when the office is empty in the morning.

Isabella is a Federal employee who does policy work in Washington, D.C. She is a subject-matter expert who works well independently, has great attention to detail, and her work rarely needs to be edited. Isabella’s manager was crushed to hear that Isabella’s husband had accepted a position in Chicago and Isabella would be moving with him out there.

Thinking fast, though, led to a solution that was a win-win: Isabella could continue her work remotely under a telework agreement when she moved to Chicago.

What other strategies are there?

Sometimes it takes a little creativity to find the right incentive to recruit and retain a quality employee. Some creative non-monetary recruitment and retention strategies already used in the Government include:

- 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,
- Policies and programs that promote diversity and inclusion in the workplace,
- 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, and
- "Open door" policies that help to foster good working relationships and effective teamwork.

There are many different ways to support an employee.

Other examples of non-monetary recruitment and retention strategies include:

- Alternative work schedules (flexible work hours/days),
- Family-friendly leave options,
- Opportunity to telework,
- Supportive work/life and health and wellness policies, and
- A positive, healthy work environment.

Test Your Knowledge

Answer the question below.

Which of the following are possible non-monetary recruitment and retention strategies? (Select all that apply.)

A) Family-friendly leave options
B) Telework
C) Alternative work schedules
D) Employee development programs

The correct answer is A, B, C, and D. These are all good examples of non-monetary strategies that could help recruit or retain employees.

Recruitment Incentives

The Federal Government's need for a cybersecurity workforce is growing.

As the Federal Government's need for cybersecurity talent increases, there has not been a sufficient supply of candidates to fill these positions.

To meet this demand, OPM has approved Governmentwide direct hire authority for information management technology (information security), GS-2210, at grades GS-9 and above at all locations.

Did you know that in addition to making the hiring process faster, this approval can also make it easier for agencies to offer recruitment incentives?

Cybersecurity—Help Wanted

As threats to our nation's critical IT infrastructure become more sophisticated, Federal agencies may find increasing need for an experienced and qualified cybersecurity workforce.

For example, an agency may have a particular need for employees who can handle digital forensics and forensics analysis. This involves trying to recover partially destroyed data, such as deleted emails or hacking software that has been erased.

There just aren't that many people out there with expertise in this field, and the agency may experience fierce competition from the private sector to fill these positions. While Federal agencies can offer the appeal of serving the country, the private sector's much higher salaries could outweigh this sense of patriotism.

But recruitment incentives are one way to help level the playing field.

Can all newly appointed employees receive a recruitment incentive?

An agency may pay a recruitment incentive to a newly appointed employee if the agency has determined that the position is likely to be difficult to fill. The determination to pay a recruitment incentive must be made **before** the prospective employee enters on duty in the position for which recruited.

Most employees newly appointed to positions in Governmentwide pay systems, such as General Schedule and prevailing rate positions, are eligible.

OPM has approved certain categories of employees under single-agency pay systems as eligible.

Political positions are **excluded** from receiving recruitment incentives.

Newly Appointed Employee

Newly appointed refers to:

- An employee's first appointment to the Federal Government,
- An employee's appointment after at least a 90-day break in service, or
- An employee's appointment after less than a 90-day break in service in certain cases (e.g., time-limited appointment).

Governmentwide Pay Systems

Categories of positions that are generally eligible for recruitment incentives include:

- General Schedule (GS),
- Senior-level (SL),
- Senior Executive Service (SES) and the Federal Bureau of Investigation (FBI) and Drug Enforcement Administration (DEA) SES,
- Executive Schedule (EX),
- Scientific and professional (ST),
- Law enforcement officer, and

- Prevailing rate system (e.g., Federal Wage System).

Political Positions

Categories of positions that are **excluded** from receiving recruitment incentives include:

- Presidential appointees (unless the individual serves in a career appointment in the SES),
- Non-career appointees in the Senior Executive Service,
- Those in positions excepted from the competitive service because of their confidential, policy-determining, policy-making, or policy-advocating character (e.g., Schedule C employees),
- Agency heads,
- Those expected to receive an appointment as an agency head, and
- SES limited term appointees or SES limited emergency appointees when the appointment must be cleared through the White House Office of Presidential Personnel.

What makes a position "difficult to fill"?

An agency must consider the factors listed in OPM's regulations when determining whether the position is likely to be difficult to fill. An agency may satisfy the difficult-to-fill consideration if OPM has approved the use of a direct hire authority applicable to the position.

An agency must document all of the factors that supported its determination.

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

Difficult-to-Fill Positions

An agency must consider the following factors, as applicable to the case at hand, in determining whether a position (or group of positions) is likely to be difficult to fill:

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

A recruitment incentive requires a written agreement.

One advantage of using a recruitment incentive is that an employee must sign a written agreement to complete a specified period of employment with the agency before receiving a recruitment incentive.

The employee's required service period may not be less than 6 months and may not exceed 4 years.

The service agreement contains key information about the service period and the incentive.

An agency must document the service period length when approving the recruitment incentive.

Service Agreement Information

The service agreement must contain certain information:

- The beginning and ending dates of the service period,
- The total amount of the incentive,
- The method of paying the incentive,
- The timing and amounts of each incentive payment,
- Conditions under which the agency must terminate the service agreement and under which the employee must repay the incentive, and
- Conditions under which the agency may terminate the service agreement and the effect.

Test Your Knowledge

Answer the statement below.

An agency must document which of the following when approving a recruitment incentive? (Select all that apply.)

A) The basis for determining that the position is likely to be difficult to fill in the absence of a recruitment incentive.
B) The amount of the recruitment incentive and basis for that amount.
C) The timing of the incentive payments.
D) The length of the service period.
E) The basis for determining that the employee would be likely to leave the Federal service once hired in the absence of a recruitment incentive.

The correct answer is A, B, C, and D. When approving a recruitment incentive, an agency must document the basis for determining that the position is likely to be difficult to fill, the amount and basis for the amount, the timing of the payment(s), and the length of the service period.

While an employee must sign a written agreement to complete a specified period of employment with the agency before receiving a recruitment incentive, an agency does not need to document that the candidate would be likely to leave the Federal service once hired in the absence of a recruitment incentive. An agency must document the basis for determining that an employee would be likely to leave the Federal service before authorizing a retention incentive.

Recruitment Incentive Timing

An agency may pay a recruitment incentive:

- Before the start of the service period if the employee has signed the service agreement,
- As an initial lump sum at the beginning of the service period,
- In installments throughout the service period,
- As a final lump sum at the end of the service agreement, or

- In a combination of these payment methods.

An agency must establish a recruitment incentive plan before paying a recruitment incentive.

Recruitment Incentive Plan

A recruitment incentive plan must include:

- Designation of officials with authority to review and approve recruitment incentives,
- Employees prohibited from receiving recruitment incentives,
- Required documentation for determining that a position is likely to be difficult to fill,
- Any requirements for determining the recruitment incentive amount,
- The payment methods that may be authorized,
- Requirements governing service agreements, and
- Documentation and recordkeeping requirements sufficient to allow reconstruction and satisfy regulatory requirements.

Recruitment Incentive Calculations

An agency may pay a recruitment incentive of up to 25 percent of the employee's annual rate of basic pay at the beginning of the service period multiplied by the number of years in the service agreement.

For example: In 2017, an agency determines that a GS-2210-9 position in the Washington, D.C., area is likely to be difficult to fill. The GS-9, step 1, rate from the applicable special rate table 999C is $56,226. The agency authorizes a recruitment incentive of $10,000 to be paid as an initial lump sum with a 1-year service period. The amount is about 18 percent of annual basic pay, which is less than the payment limitation of $14,057 (25% x $56,226 x 1 year).

With OPM approval, this incentive can be increased to up to 50 percent of the employee's annual rate of basic pay if there is a critical agency need. The total incentive offered cannot exceed 100 percent of the employee's annual rate of basic pay.

An agency must document the amount and the basis for that amount.

Test Your Knowledge: A Real-World Scenario

Read the scenario below and answer the question. Then, Mark, our compensation expert, will provide feedback on the answer.

A Federal agency needs to fill a cybersecurity position on the Digital Forensics and Forensics Analysis team.

Their top candidate is leaning toward accepting a higher paying offer from a Federal contractor. The Federal agency offers to pay her an entire year's salary right when she starts if she'll sign a 4-year service agreement.

That still falls short of her other offer, so the Federal agency wants to up the offer to 125 percent with a 5-year service agreement.

Is this an option when using a recruitment incentive?

A) Yes

B) No

The correct answer is B, no.

Mark: An agency may pay up to 25 percent of the employee's annual rate of basic pay at the beginning of the service period multiplied by the number of years in the service agreement. However, the service agreement may not exceed 4 years, and the total incentive may not exceed 100 percent of the employee's annual rate of basic pay.

One hundred percent of the annual rate can be paid out in just 2 years if OPM approves increasing the incentive to 50 percent per year, but the total incentive still cannot exceed 100 percent of the annual rate.

Relocation Incentives

Locations Open Across the Globe

Many Federal departments and large agencies have headquarters offices (typically in Washington, D.C.), regional offices located around the country to manage large geographic areas, and satellite offices to provide public services. The Federal Government has positions in every state and overseas.

Some locations are more desirable than others for various reasons.

When an agency has difficulty filling a position in a certain location (especially if an experienced employee is needed), authorizing a relocation incentive may encourage a current employee in a different area to accept the position even though he or she would have to move.

A Change of Scene

Sometimes it can be difficult to staff a small office in a rural area where there isn't much infrastructure, such as housing, shopping, and schools. Other times an agency may have difficulty encouraging a well-qualified, experienced employee to temporarily move to a position located overseas where there is no locality pay for GS positions.

Recently a Federal agency had an open engineering position in the Los Angeles area. Jessica, an engineer currently working in San Diego, applied for the position because she was looking to move into a position with more responsibility.

However, when she visited the office for an interview, she was dismayed to see how much traffic there was.

Los Angeles was a great opportunity for her, but Jessica said packing up her family and moving was too much to ask if she was going to be moving somewhere she just wasn't excited about.

A relocation incentive ended up being the perfect tool to get Jessica excited about the opening.

Who can receive a 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.

A position is considered to be in a different geographic area if the worksite of the new position is 50 or more miles from the worksite of the position held immediately before the move.

If the new position is less than 50 miles from the worksite of the position held immediately before the move, but the employee must relocate (i.e., establish a new residence) to accept the position, an authorized agency official may waive the 50-mile requirement and pay the employee a relocation incentive.

The categories of employees who are eligible and ineligible are the same for recruitment, relocation, and retention incentives.

Difficult to Fill

An agency must consider the following factors, as applicable to the case at hand, in determining whether a position (or group of positions) is likely to be difficult to fill:

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

An agency may satisfy the difficult-to-fill consideration if OPM has approved the use of a direct hire authority applicable to the position.

Review of Eligibility

Eligible

- General Schedule (GS)
- Senior-level (SL)
- Senior Executive Service (SES) and the Federal Bureau of Investigation (FBI) and Drug Enforcement Administration (DEA) SES
- Executive Schedule (EX)
- Scientific and professional (ST)
- Law enforcement officer
- Prevailing rate system (e.g., Federal Wage System)
- OPM-approved categories

Ineligible

- Presidential appointees (unless the individual serves in a career appointment in the SES)
- Those in positions excepted from the competitive service because of their confidential, policy-determining, policy-making, or policy-advocating character (e.g., Schedule C employees)
- Non-career appointees in the Senior Executive Service
- Agency heads
- Those expected to receive an appointment as an agency head
- SES limited term appointees or SES limited emergency appointees when the appointment must be cleared through the White House Office of Presidential Personnel

Test Your Knowledge

Read the statement below and answer the question.

As with recruitment incentives, an agency must consider the factors listed in OPM's regulations in determining whether the position is likely to be difficult to fill.

Select the factors an agency must consider, as applicable to the case at hand, when determining whether a position is likely to be difficult to fill. (Select all that apply.)

A) Success of recent efforts to recruit for the position or similar positions.
B) Recent turnover in similar positions.
C) Special or unique competencies required for the position.
D) Desirability of the work or location of the position.
E) OPM approved direct hire authority for the position.

The correct answer is A, B, C, D, and E. An agency must consider all of these factors when making its determination that a position is likely to be difficult to fill. In addition, the agency must consider the competitiveness of the labor market and what people outside the Federal Government are paid for similar work.

Keep in mind that, unlike recruitment incentives, relocation incentives can only be offered to current employees, not used to hire new employees.

Relocation Incentive Requirements

Agency determinations to pay a relocation incentive must generally be made on a case-by-case basis. An agency may waive the case-by-case approval requirement when the employee is a member of a group of employees subject to a mobility agreement or when a major organizational unit is being relocated to a new duty station.

There are several conditions that an employee must satisfy in order to receive a relocation incentive:

- An employee must sign a service agreement to complete a specific period of service with the agency, not to exceed 4 years.
- An employee must have a rating of record of at least "Fully Successful" or equivalent.
- An employee must establish residence in the new area before payment (new position worksite is 50+ miles from old position worksite).
- An employee must maintain a residence in the new area for the duration of the service agreement.

Service Agreement

The service agreement must include:

- The beginning and ending dates of the service period,
- The total amount of the incentive,
- The method of paying the incentive,
- The timing and amounts of each incentive payment,
- Conditions under which the agency must terminate the service agreement and under which the employee must repay the incentive,
- The limits of the new geographic area for the purpose of determining whether an employee maintains residency in that geographic area for the duration of the service agreement, and
- Conditions under which the agency may terminate the service agreement and the effect.

Relocation Incentive Calculations

An agency may pay a relocation incentive of up to 25 percent of the employee's annual rate of basic pay at the beginning of the service period multiplied by the number of years in the service agreement.

With OPM approval, this incentive can be increased to up to 50 percent of the employee's annual rate of basic pay if there is a critical agency need. The total incentive offered cannot exceed 100 percent of the employee's annual rate of basic pay.

For example, an agency could pay a relocation incentive equaling 50 percent of an employee's annual rate of basic pay with a 2-year service period without needing OPM approval. However, an agency would need OPM approval if it wanted to pay a relocation incentive equaling 50 percent of the employee's pay with a 1-year service period.

An agency must document the amount and basis for that amount.

Relocation Incentive Timing

The determination to pay a relocation incentive must be made before the employee enters on duty in the position at the new worksite.

Agencies have the discretion to pay a relocation incentive in several ways: an initial lump-sum payment (if the employee has signed the service agreement), in installments throughout the service period, as a final lump sum upon completion of the service period, or in a combination of these ways.

An agency must establish a relocation incentive plan before paying a relocation incentive.

Relocation Incentive Plan

The plan must include:

- The designation of officials with authority to review and approve payment of relocation incentives,
- The categories of employees who are prohibited from receiving relocation incentives,
- The required documentation for determining that a position (or group of positions) is likely to be difficult to fill,
- Any requirements for determining the amount of a relocation incentive,
- The payment methods that may be authorized,

- The requirements governing service agreements (criteria for determining the length of a service period, the conditions for terminating a service agreement, the obligations of the agency and the employee if the agency terminates the agreement), and
- Documentation and recordkeeping requirements.

Test Your Knowledge: A Real-World Scenario

Read the scenario below and answer the question. Then, Mark, our compensation expert, will provide feedback on the answer.

In the case of Jessica, the employee you heard about earlier, there was initially some confusion about whether she would be eligible for a relocation incentive. Since her current position and the new position were both in California, the hiring manager wasn't sure if it qualified as moving to a new geographic area.

When is a position considered to be in a different geographic area for the purpose of paying a relocation incentive?

A) The worksite of the new position is different from the worksite of the old position.
B) It is up to the agency to decide if the position is considered to be in a different geographic area.
C) The worksite of the new position is 50 or more miles from the old position.

The correct answer is C.

Mark: A position is considered to be in a different geographic area if the worksite of the new position is 50 or more miles from the worksite of the position held immediately before the move. If the worksite of the new position is less than 50 miles from the worksite of the position held immediately before the move, but the employee must relocate (i.e., establish a new residence) to accept the position, an authorized agency official may waive the 50-mile requirement and pay the employee a relocation incentive.

Retention Incentives

The Grass Isn't Always Greener

It is always hard to lose a valued employee. It's even more frustrating when what makes those employees appealing to a new employer is the experience they got while working for the Federal Government.

Retention incentives help agencies hold on to important employees and can be used to target specific individuals or entire groups that could otherwise be lured away from your team.

For example, some agencies have used retention incentives to keep police from leaving.

Keeping the Force in Force

Sometimes Federal agencies compete with local governments to recruit and retain police officers. While special rate tables cover certain General Schedule police officer positions, they tend to provide higher special rates at the lower grade levels to help recruit entry-level police officers.

However, one Federal agency found that it was losing police officers to local government police stations after the agency had invested in sending the police officers to a training academy and training them on the job.

This agency later learned that other agencies have experienced success using retention incentives to retain experienced employees who were likely to leave the Federal Government.

Types of Retention Incentives

There are different types of retention incentives: Individual incentives, group incentives, incentives for employees likely to leave the Federal service, and incentives for employees likely to leave for a different Federal position.

An agency may pay a retention incentive to a current employee (or group of employees) otherwise likely to leave Federal service if:

- The employee (or group of employees) has unusually high or unique qualifications, or
- The agency has a special need for the services of the employee (or group of employees).

An agency may pay a retention incentive to a current employee (or group of employees) otherwise likely to *leave for a different Federal position* only in one circumstance—when the agency determines there is a special need for the employee's (or group of employees') services that makes it essential to retain the employee(s) during a period of time before the closure or relocation of the employee's office.

Who can be given a retention incentive?

The categories of employees who are eligible and ineligible are the same for recruitment, relocation, and retention incentives.

Additionally, a retention incentive may only be paid when an employee's rating of record is at least "Fully Successful" or equivalent.

Review of Eligibility

Eligible

- General Schedule (GS)
- Senior-level (SL)
- Senior Executive Service (SES) and the Federal Bureau of Investigation (FBI) and Drug Enforcement Administration (DEA) SES
- Executive Schedule (EX)
- Scientific and professional (ST)
- Law enforcement officer
- Prevailing rate system (e.g., Federal Wage System)
- OPM-approved categories

Ineligible

- Presidential appointees (unless the individual serves in a career appointment in the SES)
- Those in positions excepted from the competitive service because of their confidential, policy-determining, policy-making, or policy-advocating character (e.g., Schedule C employees)
- Non-career appointees in the Senior Executive Service

- Agency heads
- Those expected to receive an appointment as an agency head
- SES limited term appointees or SES limited emergency appointees when the appointment must be cleared through the White House Office of Presidential Personnel

Retention Incentive Requirements

An agency must consider an extensive set of factors, as applicable to the case at hand, in determining whether the unusually high or unique qualifications of the employee(s) or a special need of the agency for their services makes it essential to retain the employee(s) and that the employee (or a significant number of employees) would be likely to leave the Federal service in the absence of a retention incentive.

For each retention incentive, an agency must document in writing:

- 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 their 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, and
- The basis for establishing the amount and timing of the approved retention incentive payment and the length of the required service period.

Retention Incentive Factors to Consider

- Employment trends and labor market factors,
- The quality and availability of the potential sources of employees that are identified in any agency succession plan,
- The success of recent efforts to recruit candidates and retain employees with competencies similar to those possessed by the employee(s) for positions similar to the position(s) held by the employee(s),
- Special or unique competencies required for the position(s),
- Agency efforts to use non-pay authorities,
- The desirability of the duties, work or organizational environment, or geographic location of the position(s),
- The extent to which the employee's (employees') departure would affect the agency's ability to carry out an activity, perform a function, or complete a project that the agency deems essential to its mission,
- The salaries typically paid outside the Federal Government, and
- Other supporting factors.

Retention Incentive Calculations and Plan

An agency may pay:

- Up to 25 percent of the employee's rate of basic pay, if authorized for an individual employee.
- Up to 10 percent of the employee's rate of basic pay, if authorized for a group or category of employees.

An agency may request that OPM waive these limitations and permit the agency to pay an individual employee or group of employees a retention incentive of up to 50 percent of the employee's basic pay based on a critical agency need.

An agency must establish a retention incentive plan before paying a retention incentive.

Retention Incentive Plan

The plan must include:

- The designation of officials with authority to review and approve payment of retention incentives,
- The categories of employees who are prohibited from receiving retention incentives,
- The required documentation for determining that an employee would be likely to leave the Federal service,
- Any requirements for determining the amount of a retention incentive,
- The payment methods that may be authorized,
- The requirements governing service agreements (criteria for determining the length of a service period, the conditions for terminating a service agreement, the obligations of the agency if the agency terminates the agreement, and the conditions for terminating retention incentive payments when no service agreement is required), and
- Documentation and recordkeeping requirements.

Retention Incentive Timing

Agencies have the discretion to pay a retention incentive in three ways:

- In installments after the completion of specified periods of service,
- In a single lump-sum payment after completion of the full-service period, or
- Biweekly with no service agreement.

Unlike recruitment and relocation incentives, an agency may not pay a retention incentive as an initial lump-sum payment at the start of a service period or in advance of fulfilling the service period for which the retention incentive is being paid.

When a service agreement is required, it must contain the beginning and ending dates of the service period, the retention incentive percentage rate, whether the payments will be made in installments (including timing of payments) or a final lump sum, conditions under which the agency must terminate the service agreement, and the effect of a termination.

Test Your Knowledge: A Real-World Scenario

Read the scenario below and answer the question. Then, Mark, our compensation expert, will provide feedback on the answer.

In the case of the police officers introduced earlier, the agency instituted a group retention incentive to cover its police officers at higher grade levels and was able to improve its ability to retain its trained and experienced police officers.

Specifically, the agency agreed to pay a 7 percent retention incentive to any GS-10 level officers.

What are the different ways the agency could pay out this incentive? (Select all that apply.)

A) Pay out an upfront lump sum payment for a 26-pay period service agreement.
B) Pay the officers each biweekly pay period with no service agreement.
C) Pay the officers an installment payment after an initial 13 pay periods of service have been completed, then another installment payment after a second 13 pay periods of service have been completed.
D) Pay the officers a lump sum payment after 26 pay periods of service have been completed.

The correct answer is B, C, and D.

Mark: Agencies have the discretion to pay a retention incentive in three ways: in installments after the completion of specified periods of service, in a single lump-sum payment after completion of the full-service period, or biweekly with no service agreement.

Unlike recruitment and relocation incentives, an agency may not pay a retention incentive as an initial lump-sum payment at the start of a service period or in advance of fulfilling the service period for which the retention incentive is being paid.

Special Pay Flexibilities for Prevailing Rate Employees

What special pay flexibilities are available for prevailing rate employees?

The Federal Wage System (FWS) was developed to ensure that blue-collar Federal workers across the country, whether they maintain military aircraft or provide janitorial services at Federal facilities, are paid competitive hourly wages based on prevailing private sector wage levels.

However, from time to time FWS wage schedules may not be high enough to attract and retain qualified employees in an individual occupation or group of occupations. When this happens, agencies may consider use of pay flexibilities.

These special pay flexibilities include:

- Special qualifications appointment,
- Increased minimum hiring rate,
- Special rates,
- Special schedules, and
- Unrestricted rate authority.

Trouble in Paradise

The Federal Government operates recreation and lodging facilities worldwide to support military personnel and their families. Most of these facilities are self-sustaining from revenues generated from patrons and operate using funds not appropriated by Congress.

In some areas of the country with high living costs and high labor costs, particular facilities have difficulty recruiting and retaining employees because of nearby competition from similar private sector facilities that charge their patrons and pay their employees more than the Federal facilities do.

Later in this lesson, we'll learn more about how Federal facilities can address their recruitment and retention challenges in situations such as these.

What is a special qualifications appointment?

An agency may make an employee's new appointment at any scheduled rate above step 1 of the appropriate grade to recognize any special qualifications the employee may have for a position.

The employing agency has the authority to make FWS special qualifications appointments. In each case, the Standard Form 50 prepared for an employee appointed above the minimum rate in recognition of special qualifications must contain a statement under remarks referring to this authority. The employing agency must approve each FWS special qualifications appointment before the employee enters on duty.

New Appointment

A new appointment is the *first appointment* as an employee of the Federal Government, regardless of whether it is permanent or temporary.

Special Qualifications

Special qualifications are skills and experience of an exceptional or highly specialized nature in the employee's trade or craft.

Test Your Knowledge

Answer the question below.

An agency gives a special qualifications appointment to an employee on his first appointment. The new employee's pay may be set at:

A) Step 1
B) Step 2
C) Any level above step 1
D) Any level below step 4

The correct answer is C. The new employee's pay may be set at any step above step 1.

What is an increased minimum hiring rate?

The lead agency for a wage area is responsible for conducting wage surveys and issuing wage schedules. The lead agency for *all wage areas* is the Department of Defense (DOD).

The lead agency may establish any scheduled rate above step 1 as the minimum rate at which a new employee can be hired for a specific occupation and grade(s) at a particular location(s).

The lead agency may authorize an increased minimum rate for a specific occupation and grade(s) at a particular location(s) when the following two conditions are met:

- The rates paid by private sector establishments are higher than step 1 for the occupation and grade(s), *and*
- Federal agencies are unable to recruit qualified employees at step 1 of the occupation and grade(s).

Who is affected by a change in the minimum rate?

When an increased minimum rate has been authorized for an occupation and grade(s) at a particular location(s), all affected agencies must make all applicable appointments at the authorized increased minimum rate.

The lead agency may cancel use of the increased minimum rate authority if either of the two conditions mentioned in the previous screen change. However, no agency may reduce an employee's pay because the lead agency terminates an increased minimum rate.

Test Your Knowledge

Read the statement below and select whether it is true or false.

DOD has increased their presence in the San Antonio area and has the need to hire electricians to refurbish equipment. They have been having difficulty hiring electricians because San Antonio's building boom has led to increased pay for electricians in private industry.

Given this, DOD may establish an increased minimum rate for all electrician positions in the San Antonio, TX, wage area.

A) True
B) False

The correct answer is A. An agency may establish an increased minimum wage at a particular location (in this case, San Antonio) for a specific occupation (in this case, electrician).

What are special rates?

The lead agency, with the approval of OPM, may establish rates above the regular wage schedule rates for an occupation(s) experiencing, or potentially experiencing, recruitment or retention difficulties.

Special rates are established by occupation, grade, agency, and/or geographic location. An agency interested in establishing special rates must submit its request with supporting documentation to the lead agency for consideration.

Since special rate requests may cover more than one agency, the lead agency will coordinate and consolidate the necessary supporting data for submission to OPM.

Recruitment or Retention Difficulties

OPM may authorize special rates under any of the following circumstances:

- Rates of pay in private industry are significantly higher than in the Federal Government,
- The remoteness of the area or location involved, or
- Any other circumstances OPM considers appropriate.

Supporting Documentation

Agencies must use the worksheets in Appendix M of the FWS Operating Manual to record the first two points below and prepare a brief narrative for the remaining points.

- Occupational coverage,
- Staffing, recruitment, and turnover data,

- Geographic coverage,
- Information on the staffing difficulties that have affected mission accomplishment and attempts made to alleviate the problem,
- Percentage of market rate proposed,
- Estimated additional annual cost, and
- Any offsetting savings.

Setting Special Rates

Special rates should be set at the minimum level that is sufficient to alleviate the recruitment or retention difficulties involved in the particular situation.

The special rate may be set at the full market rate or at a percentage of the market rate, as determined by the lead agency special wage survey of private industry establishments, but may not be set lower than the unrestricted/uncapped rate for the grade on the regular schedule.

Once approved by OPM, these rates will be paid by all agencies having positions for which the rates are authorized.

Test Your Knowledge: A Real-World Scenario

Read the scenario below and answer the question. Then, Mark, our compensation expert, will provide feedback on the answer.

Remember the story of the lodging facility you heard about at the beginning of the lesson, where the agency was having difficulty competing with the wages paid by private sector facilities?

Well, the agency made the decision to request special rates for most of its FWS positions.

What entity would give final approval for these special rates?

A) The local legislature
B) DOD (the lead agency)
C) OPM

The correct answer is C.

Mark: OPM approves the special rates based on the lead agency's request. The local legislature does not have any input in a Federal agency's special rate request. And while DOD is the lead agency and coordinates and consolidates data for submission to OPM, it does not have final approving authority.

In this case, OPM would approve the agency's request, enabling the lodging facility to continue operating successfully.

What are special schedules?

The lead agency, with the approval of OPM, may establish special schedules for use within a geographic area for a specific occupation(s) that is critical to the mission of a Federal agency or activity.

Special schedules are established to ensure the recruitment or retention of qualified employees or to address unique agency missions or other unusual circumstances. OPM bases its decision to approve or deny the lead agency's special schedule request on findings regarding whether:

- Unusual pay practices exist in the private sector that are incompatible with regular FWS pay-setting practices, and serious recruitment or retention problems exist (or will likely develop) if agencies pay employees from the regular schedule for the wage area; or
- Unique agency missions or other unusual circumstances exist that require special schedules to address them.

How are special schedules and special rates different?

The special schedules authority is broader in scope than the special rates authority. For example, OPM has approved a special schedule practice for any prevailing rate employees who perform diving and tending duties regardless of the geographic area they work in. Under this special schedule:

- Divers must be paid 175 percent of the WG-10, step 2, rate in the applicable wage area for all payable hours of the shift.
- Tenders must be paid the WG-10, step 2, rate in the applicable wage area for all payable hours of the shift.

If the employees' regular scheduled rate exceeds the diving/tending rate on the day they perform such duties, they retain their regular scheduled rate.

The diving/tending rate must be used as the basic rate of pay for computing all premium payments for a shift. Employees who both dive and tend on the same shift receive the higher diving rate as the basic rate for all hours of the shift.

Regulation of Special Schedules

If OPM authorizes a special schedule, OPM will regulate how the lead agency will construct, apply, and administer the special schedule. The authorization may include such information as:

- Coverage,
- Directives on how to compute rates of pay, and
- Effective date.

The lead agency will then determine the rates of pay according to OPM's regulation. Affected agencies will apply these rates of pay to positions covered by the special schedule.

Test Your Knowledge

Read the statement below and select the correct answer.

Select the situation below where it would NOT be appropriate for OPM to approve a special schedule.

A) Special schedule for aircraft maintenance positions in the Denver, CO, wage area
B) Special schedule for apprentices and shop trainees
C) Special schedule for U.S. Army Corps of Engineers Flood Control Employees of the Vicksburg District in MS
D) Special schedule for U.S. citizens who are employees in foreign areas

The correct answer is A. OPM would approve special rates, not a special schedule, in situations like this.

Unrestricted Rate Authority

Each year since 1978, Congress has passed appropriations legislation limiting annual wage schedule adjustments to the increase amounts provided to the General Schedule. OPM may approve exceptions to a pay limitation (pay cap) statute if the statute provides OPM with the authority to do so and OPM determines that an exception is necessary to ensure an agency can recruit or retain qualified FWS employees.

The lead agency for the wage area must coordinate with other agencies and submit a consolidated exception request to OPM. The consolidated request must include any available supporting wage survey data and a formal recommendation by the lead agency to approve or disapprove the request.

The rates OPM authorizes under this authority will be equal to the regular or special schedule unrestricted (uncapped) rates. OPM may authorize such rates for agencies to use within all or part of a wage area for a designated occupation(s) and grade(s). All agencies having such positions in the specified wage area (or part thereof) must pay these rates for the positions covered by the unrestricted rates.

Test Your Knowledge

Read the question below and select the correct answer.

Who grants OPM the authority to waive the FWS pay adjustment limitation during a fiscal year?

A) The lead agency
B) An OPM advisory committee
C) The President
D) Congress

The correct answer is D. Annual appropriations provisions or a Continuing Resolution passed by Congress grants OPM the authority to waive the FWS pay adjustment limitation during a fiscal year.

Special Rates

Special rates help fill the gaps.

The Federal Government has many sources of competition for its employees. Other employers may offer higher compensation for certain kinds of work. Similar positions may be in more appealing locations. And some jobs are just always tough to recruit for due to their unpleasant working conditions (e.g., working in a prison, or jobs requiring extreme physical labor or exposure to health hazards).

Special rates can help address all of these difficulties. The special rates authority is a strategic tool used by Federal agencies to ensure they can recruit and retain the workforce they need.

A Tough Sell

Do you think most nurses and doctors would rather work in a hospital, or in a Federal prison?

Hiring managers at a Federal prison faced difficulties recruiting for several different health care and psychology services positions at certain locations. The work is challenging, as all staff, regardless of work assignment, have direct and frequent contact with inmates, respond to institution emergencies, and actively maintain facility security.

In addition, state and private sector employers are sometimes able to offer better pay and benefits packages.

When the agency found that, even when using all available recruitment tools, one of its facilities was not able to fill certain health care positions, it decided to come to OPM to request special rates.

What are special rates?

Special rates are higher rates of basic pay. OPM may establish special rates for a group or category of GS positions in one or more geographic areas to address significant recruitment or retention problems.

An employee's coverage under a special rate schedule may be based on occupation, grade, employing agency, geographic location of official worksite, or other factors OPM may determine to be appropriate.

An agency may request that a special rate schedule be established or increased, or that its employees be covered by an existing special rate schedule at any time. Special rate requests must come to OPM from agency headquarters.

An authorized agency official is responsible for submitting complete supporting data for any request for new or higher special rates. Requests may require coordination with other agencies that have similar positions in the same labor market.

Test Your Knowledge: A Real-World Scenario

Read the scenario below and answer the question. Then, Mark, our compensation expert, will provide feedback on the answer.

As noted earlier, a Federal prison facility was having difficulty filling open health care positions. The situation became serious enough that inmates were not receiving the medical attention they were legally entitled to in a timely manner, and current employees were overworked and thinking of quitting.

By using special rates, the facility was able to fill the open positions with qualified employees.

Who had to submit the request to OPM to establish the special rate?

A) A nurse at the Federal prison who would otherwise leave for a private hospital
B) The facility hiring manager
C) A prisoner advocacy group
D) The Federal agency headquarters

The correct answer is D.

Mark: Special rate requests must come to OPM through an agency's headquarters. This is true for both new requests and requests to increase a preexisting special rate. Special rate requests must include data that explain the necessity for the new or higher special rate.

When are special rates needed?

The circumstances OPM considers in evaluating the need for special rates include:

- Rates of pay offered by non-Federal employers,
- The remoteness of the area or location involved,
- The undesirability of the working conditions or the nature of the work involved,

- Locality pay authorized for the area involved, and
- Non-foreign area cost-of-living allowance authorized for the area involved.

What do agencies need to submit in order to request a special rate?

Special rate requests must include the information required by OPM's [Worksheet for Special Rate Requests, Form 1397], including:

- Type of special salary rate request,
- Coverage,
- Staffing status data (e.g., number of filled and vacant positions),
- Recruitment and turnover data (e.g., number of job offers and quits),
- Proposed special rate schedule,
- Cost estimate,
- Narrative information (justification — e.g., labor market information and use of other flexibilities),
- Agency certification, and
- Salary comparisons and survey data.

OPM can assist agencies in determining if the use of this authority is appropriate and in completing the application process.

How are special rates set?

For any given grade, a minimum special rate may not exceed the maximum rate of basic pay for the rate range (excluding any locality rate, other special rate, or similar payment under other legal authority) by more than 30 percent.

A special rate may not exceed the rate for level IV of the Executive Schedule.

An employee covered by a special rate schedule is not entitled to a special rate for any purpose if the employee is already entitled to a higher rate of basic pay under any other legal authority.

For example, an employee is not entitled to a special rate if he or she is entitled to a higher locality rate or a retained rate.

Test Your Knowledge

Answer the question below.

In 2017, special rate table 999C covers computer engineers, computer science specialists, and information technology (IT) management at grades GS-5, 7, 9, and 11 in multiple locality pay areas, including the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA locality pay area.

The special rate at GS-11, step 1, is $62,795. The D.C. locality rate at GS-11, step 1, is $66,510. The GS-11, step 1, base rate is $52,329.

What rate is a computer engineer at GS-11, step 1, in Washington, D.C., entitled to receive?

A) $66,510
B) $62,795
C) $129,305

D) $52,329

The correct answer is A. The employee is entitled to receive the locality rate because it is greater than the IT special rate at grade GS-11, step 1.

Superior Qualifications and Special Needs Pay-Setting Authority

And the starting salary is...

There are 15 grades in the General Schedule (GS) pay system and each grade has 10 steps.

A new hire usually starts at step 1 of the grade for the position. However, in cases where a candidate has superior qualifications, or the agency has a special need to fill the position, a new hire can start above step 1.

Let's take a look at how this flexibility has been used.

Fill Your Need with Speed

If you are an agency that recruits research economists, you are probably aware that most hiring takes place at an annual professional organization conference.

Most employers post a vacancy or potential vacancy online prior to the conference, review applications, and identify who they want to interview at the annual conference. These employers then extend job offers soon after the conference.

There is also readily available research online on compensation levels for economists across the profession, which is maintained by professional economic organizations.

What is the superior qualifications and special needs pay-setting authority?

An agency may use the superior qualifications and special needs pay-setting authority to set the payable rate of basic pay for a newly appointed General Schedule employee above step 1 of the employee's grade. An agency may not set pay above step 10 under this authority.

An agency may set the payable rate of basic pay of a newly appointed employee above step 1 if:

- The candidate has superior qualifications, or
- The candidate fills a special agency need.

Some agencies, such as those attending the annual conference previously mentioned, maintain a well-established, fast-moving process of using the superior qualifications and special needs pay-setting authority on a case-by-case basis.

Newly Appointed GS Employee

Newly appointed refers to:

- An employee's first appointment to the Federal Government,
- An employee's appointment after at least a 90-day break in service, or
- An employee's appointment after less than a 90-day break in service in certain cases (e.g., time-limited appointment).

How are superior qualifications determined?

An agency may determine that a candidate has superior qualifications based on:

- The level, type, or quality of the candidate's skills or competencies demonstrated or obtained through experience and/or education,
- The quality of the candidate's accomplishments compared to others in the field, or
- Other factors that support a superior qualifications determination.

The candidate's skills, competencies, experience, education, and/or accomplishments must be relevant to the position to be filled. The candidate's qualities must be significantly higher than those needed to be minimally qualified for the position and/or be of a more specialized quality compared to other candidates.

Does your agency have a special need for the candidate's services?

An agency may determine that a candidate fills a special agency need if:

- The type, level, or quality of skills and competencies or other qualities and experiences possessed by the candidate are (1) relevant to the requirements of the position and (2) essential to accomplishing an important agency mission, goal, or program activity, or
- The candidate meets agency workforce needs, as documented in the agency's human capital operating plan or a similar document.

An agency must approve each determination to use the superior qualifications and special needs pay-setting authority before the candidate enters on duty. The determination cannot be made retroactively.

How is pay set under this authority?

An agency may consider one or more factors to determine the step at which to set an employee's pay using the superior qualifications and special needs pay-setting authority.

OPM's regulations do not require a candidate to have an existing salary or competing salary offer to justify the step at which to set an employee's rate of basic pay. Existing salary, recent salary history, or a competing salary offer are only a few of many factors that may be used to determine an employee's step rate.

Also note that a determination based on more than one factor may provide a stronger justification than a determination based on one factor.

Factors to Consider

An agency may consider one or more of the following factors, as applicable in the case at hand, to determine the step at which to set an employee's pay:

- The level, type, or quality of the candidate's skills or competencies,
- The candidate's existing salary, recent salary history, or salary documented in a competing job offer,
- Significant disparities between Federal and non-Federal salaries for the skills and competencies required in the position to be filled,
- Existing labor market conditions and employment trends,
- The success of recent efforts to recruit candidates for the same or similar positions,

- Recent turnover in the same or similar positions,
- The importance of the position to be filled and the effect on the agency if it is not filled or if there is a delay in filling it,
- The desirability of the geographic location, duties, and/or work environment associated with the position,
- Agency workforce needs, as documented in the agency's human capital operating plan or a similar document, or
- Other relevant factors.

Test Your Knowledge: A Real-World Scenario

Read the scenario below and answer the question. Then, Mark, our compensation expert, will provide feedback on the answer.

An agency goes to a professional conference looking to hire a research economist to fill a special agency need.

They interview several candidates at the conference and find one that they would like to extend an offer to. It's a GS-12 position, so the step 1 salary is $79,720. However, other organizations recruiting at the conference are offering a starting salary for students graduating with a PhD in economics closer to $90,000.

They would like to use the superior qualifications and special needs pay-setting authority to offer a salary at step 5, which would boost the pay to $90,350. But the candidate is still a student, so she has no history of such a high salary.

Can the agency still make their higher offer?

A) Yes
B) No

The correct answer is A, yes.

Mark: OPM's regulations do not require a candidate to have an existing salary or competing salary offer to justify the step at which to set an employee's rate of basic pay.

Because the agency need is high and the typical salary is above step 1, the agency could still document many other factors that would support their decision.

What documentation is required?

For each determination to use this authority, an agency must sufficiently document all of the following to allow reconstruction of the action taken in each case:

- The superior qualifications of the candidate or the special agency need for the candidate's services that justifies a higher than minimum rate,
- An explanation of the factor(s) and supporting documentation that were used to justify the rate at which the employee's pay is set, and
- The reasons for authorizing a higher than minimum rate instead of, or in addition to, a recruitment incentive.

Recruitment Incentive vs. Superior Qualifications and Special Needs

When determining which pay flexibility to use, there are differences between recruitment incentives and the superior qualifications and special needs pay-setting authority.

- A recruitment incentive is usually a less expensive option for the agency over time.
  - 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.
- A candidate must sign a service agreement to complete a specified period of employment with the agency before receiving a recruitment incentive. There is no service agreement requirement with the superior qualifications and special needs pay-setting authority.

Test Your Knowledge

Read the statement below and select whether it is true or false.

A recruitment incentive is usually a less expensive option over time than using the superior qualifications and special needs pay-setting authority.

A) True
B) False

The correct answer is A. A recruitment incentive is not basic pay for any purpose and has limited duration, while 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.

Application Lesson

Putting It All Together

You've traveled all around the map and learned about all of the different pay and leave flexibilities that your agency can use.

Now that you've learned about each flexibility on its own, it's time to put it all together. After all, these incentives are not mutually exclusive, and in some situations multiple incentives might make sense. Combining these incentives can help you create the most appealing offer to someone you want to get or keep on your team.

In the following scenarios, you'll read transcripts of some hiring managers talking to Mark (our compensation expert) via teleconference. After they explain their hiring dilemmas, you'll get a chance to think of the flexibilities they could use, and then receive some advice from Mark.

Recruiting a Graduating Student

[The hiring manager is sitting in her office, on a teleconference call with Mark, the compensation expert.]

Hiring Manager: I'm having some trouble hiring an entry-level engineer and could really use your help. I just interviewed a candidate who is graduating with a degree in engineering. The problem is that he has a job offer from a company for $80,000. That's more than the GS-7, step 1, special rate. Is there any other way we can offer him leave or any other incentive? There's such a shortage of engineers and it's a mission-critical occupation for our agency.

What pay flexibilities could be used to recruit the engineer in this scenario? Select all that could be offered.

A) Superior qualifications and special needs pay-setting authority
B) Student loan repayment program
C) Recruitment incentive
D) Creditable service for annual leave accrual

The correct answer is A, B, and C.

Mark: Well, more leave is not on the table. Creditable service only applies to experience directly related to the position, which he wouldn't have since he is just graduating. But, did you know that our agency uses the Federal student loan repayment program? Since he is just graduating, he may have a student loan that needs to be repaid. If his loan is eligible and the position meets the criteria in our agency plan, you could offer to pay up to $10,000 each calendar year up to a total of $60,000 on that loan. You could also offer a recruitment incentive of up to 25 percent of the employee's annual rate of basic pay because the position is likely to be difficult to fill. Another option to consider is setting pay above step 1 under the superior qualifications and special needs pay-setting authority because the agency needs the candidate's services. You could use any of these flexibilities or a combination of them. How about we crunch some numbers, look at the requirements for each authority, and figure out what works best?

Retaining an Experienced Employee

[The hiring manager is sitting in his office, on a teleconference call with Mark, the compensation expert.]

Hiring Manager: Just as we were awarding multiple contracts for the new fiscal year, we found that our most experienced contract specialist has a job offer from a Government contractor. The company is offering to double her salary! We need to keep her at least until she can finish what she's working on and train someone else to take over. I overheard that the job offer is especially attractive because she's still trying to repay some student loans. What do you suggest that we do? These contracts are critical to our agency accomplishing our mission!

What pay flexibilities could be explored to retain the employee? Select all that could be offered.

A) Retention incentive of up to 25 percent of the employee's annual rate of basic pay
B) Request that OPM waive the 25 percent retention incentive payment limitation based on a critical agency need
C) Federal Student Loan Repayment Program
D) Superior qualifications and special needs pay-setting authority

The correct answer is A, B, and C.

Mark: You can offer a retention incentive of up to 25 percent of the employee's annual rate of basic pay because it is essential to retain the employee and she is likely to leave the Federal service. However, if that isn't enough, you can also offer up to $10,000 each calendar year up to $60,000 to repay the employee's student loan. If combining the retention incentive and repaying her student loan still isn't enough, you could also request that OPM waive the normal retention incentive payment limitation based on a critical agency need to offer a retention incentive of up to 50 percent of the employee's annual rate of basic pay. However, the agency need would NOT allow for superior qualifications and special needs pay-setting authority: that can only be offered to newly appointed employees. Let me show you some fact sheets so we can pull together the necessary information to request approval of these authorities.

Recruiting an Experienced Employee

[The hiring manager is sitting in her office, on a teleconference call with Mark, the compensation expert.]

Hiring Manager: Hi, Mark! Thanks for speaking with me today to discuss what we can do about the SES position we're trying to fill. We've posted the position for career staffing more than once. Managing a complex Medical Center requires special competencies that are hard to find. While we've had several people apply for the position, the agency executive resources board found only one best-qualified applicant from the last announcement. The candidate has never worked for the Government before and would like to serve our country, but is currently earning a higher salary than the maximum of the SES rate range. Our position has been vacant for almost a year now. Is there anything we can do?

What human resources flexibilities could be used to recruit a candidate to an SES position in this scenario? Select all that could be offered.

A) Recruitment incentive under normal payment limitations
B) Request that OPM waive the normal recruitment incentive payment limitations
C) Superior qualifications and special needs pay-setting authority
D) Critical position pay
E) Creditable service for annual leave accrual for non-Federal work experience rate

The correct answer is A, B, and D.

Mark: Because this is an SES position, some options are unavailable, like the superior qualifications and special needs pay-setting authority (which can only be used on General Schedule positions) and creditable service for annual leave accrual (SES members already receive the maximum leave accrual of 8 hours per pay period). But that still leaves a lot of options; you can definitely make the offer more appealing. One possibility is to offer a recruitment incentive of up to 25 percent of the employee's annual rate of basic pay multiplied by the number of years in the service period. For example, with a 4-year service agreement, you could offer a recruitment incentive of up to 100 percent of the employee's annual rate of basic pay, which is the maximum amount under normal payment limitations. However, you could also request that OPM waive the 25 percent recruitment incentive payment limitation and offer a recruitment incentive of up to 50 percent of the employee's annual rate of basic pay. The candidate could sign a 1- or 2-year service agreement under that option. Another pay flexibility that is available is to request that OPM approve critical position pay for the position so we could pay up to level I of the Executive Schedule. I'd be happy to help make sure your draft request includes all of the required information if you decide that seeking a recruitment incentive waiver or critical position pay authority is what would be best.

Checklists

OPM has developed a series of checklists that list all the requirements for each flexibility in one handy location.

If you are concerned that you might not keep track of all the flexibility requirements, you can review the corresponding flexibility checklist to make sure that:

- Your situation meets all the conditions for using the flexibility, and
- You have all the necessary documentation.

If you've checked every box, then you're well on your way to hiring and keeping the workforce your agency needs!

Resources

Additional Resources

- Flexibility Checklists
- Human Resources Flexibilities
- Pay and Leave Flexibilities for Recruitment and Retention

Creditable Service for Non-Federal and Uniformed Service Experience

- 5 CFR 630.205
- 5 U.S.C. 2101(1)
- 5 U.S.C. 6303(e)
- Creditable Service for Annual Leave Accrual for Non-Federal Work Experience and Experience in the Uniformed Service

Critical Position Pay Authority

- 5 CFR part 535
- 5 U.S.C. 5377
- Critical Position Pay
- Template to Request Critical Pay

Extension of Higher Annual Leave Accrual Rate to SES and SL/ST Equivalent Pay Systems

- 5 CFR 630.301(a) - (d)
- 5 U.S.C. 6303(f)
- Extension of Higher Annual Leave Accrual Rate to SES and SL/ST Equivalent Pay Systems

Federal Student Loan Repayment Program

- 5 CFR part 537
- 5 U.S.C. 5379
- Student Loan Repayment Program

Non-Monetary Strategies to Recruit and Retain Employees

- Family-friendly leave options
- Handbook on Alternative Work Schedules

- Handbook on Leave and Workplace Flexibilities for Childbirth, Adoption, and Foster Care
- Handbook on Workplace Flexibilities and Work-Life Programs for Elder Care
- Telework.gov
- Work-Life: Health and Wellness

Recruitment Incentive

- 5 CFR part 575, subpart A
- 5 U.S.C. 5753
- Calculating Maximum Recruitment and Relocation Incentives for Service Periods of Various Lengths
- Recruitment Incentives
- Recruitment and Relocation Incentive Payment and Termination Calculations
- Recruitment, Relocation, and Retention Incentives Oversight and Accountability

Relocation Incentive

- 5 CFR part 575, subpart B
- 5 U.S.C. 5753
- Calculating Maximum Recruitment and Relocation Incentives for Service Periods of Various Lengths
- Recruitment and Relocation Incentive Payment and Termination Calculations
- Recruitment, Relocation, and Retention Incentives Oversight and Accountability
- Relocation Incentives

Retention Incentive

- 5 CFR part 575, subpart C
- 5 U.S.C. 5754
- Group Retention Incentives (likely to leave for a different Federal position)
- Group Retention Incentives (likely to leave the Federal Service)
- Retention Incentives (likely to leave for a different Federal position)
- Retention Incentives (likely to leave the Federal service)
- Recruitment, Relocation, and Retention Incentives Oversight and Accountability
- Retention Incentive Payment and Termination Calculations

Special Pay Flexibilities for Prevailing Rate Employees

- 5 CFR 532.249, 532.251, 532.254, 532.403, and 532.801
- 5 U.S.C. 5341
- Appropriated Fund Operating Manual

Special Rates

- 5 CFR part 530, subpart C
- 5 U.S.C. 5305
- Special Rates Index
- Special Rates Requests
- Worksheet for Special Rate Requests, Form 1397

Superior Qualifications and Special Needs Pay-Setting Authority

- [5 CFR 531.212]
- [5 U.S.C. 5333]
- [Superior Qualifications and Special Needs Pay-Setting Authority]

Course Completion and Certificate

You have completed the Pay and Leave Flexibilities for Recruitment and Retention course.

In this course you learned:

- What pay and leave flexibilities are available,
- When they can be used,
- How much you are allowed to offer,
- The documentation required, and
- Where to get approval.

The most important takeaway is that the flexibility process is not arbitrary. If you follow the established process, you can use the available flexibilities confidently and successfully.

You may now print your Certificate of Completion.