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OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 575

RIN 3206-AK01

Extended Assignment Incentives

AGENCY: Office of Personnel Management.

ACTION: Interim rule with request for comments.

SUMMARY: The Office of Personnel Management is issuing interim regulations to implement a recent statutory amendment that authorizes the payment of extended assignment incentives to certain categories of Federal employees in positions located in a territory or possession of the United States, the Commonwealth of Puerto Rico, or the Commonwealth of the Northern Mariana Islands. The interim regulations establish the criteria and procedures for the payment of extended assignment incentives.

DATES: *Effective Date:* The interim regulations will become effective on September 12, 2003.

Applicability Date: The interim regulations apply on the 1st day of the first applicable pay period beginning on or after September 12, 2003.

Comment Date: Comments must be received on or before November 12, 2003.

ADDRESSES: Send or deliver comments to Donald J. Winstead, Deputy Associate Director for Pay and Performance Policy, Office of Personnel Management, Room 7H31, 1900 E Street NW., Washington, DC 20415, FAX: (202) 606-4264, or e-mail at pay-performance-policy@opm.gov.

FOR FURTHER INFORMATION CONTACT: Lee Kara by telephone at (202) 606-2858; by fax at (202) 606-4264; or by e-mail at pay-performance-policy@opm.gov.

SUPPLEMENTARY INFORMATION: The Office of Personnel Management (OPM) is issuing interim regulations on the payment of extended assignment incentives authorized by section 207 of Public Law 107-273 (November 2, 2002). Section 207 adds a new section 5757 to chapter 57 of title 5, United States Code, to permit the head of an Executive agency to pay an extended assignment incentive to certain Federal employees assigned to positions located in a territory or possession of the United States, the Commonwealth of Puerto Rico, or the Commonwealth of the Northern Mariana Islands.

Public Law 107-273 provides that section 207 will become effective on the 1st day of the first applicable pay period beginning on or after 6 months after the date of enactment of the Act (November 2, 2002). The 6-month period ended on May 2, 2003. Since biweekly pay periods for Federal employees begin on a Sunday, this provision became effective on May 4, 2003, for most employees. However, for the few agencies using an alternative biweekly payroll cycle, the law became effective on May 11, 2003.

Extended Assignment Incentives

Congress provided authority to pay extended assignment incentives to assist agencies in retaining experienced, well-trained employees in a U.S. territory, possession, or commonwealth for a longer period than the employee's initial tour of duty. The interim regulations permit the head of an Executive agency to provide an extended assignment incentive to an employee if (1) the employee has completed at least 2 years of continuous service in one or more civil service positions located in a given territory or possession of the United States, the Commonwealth of Puerto Rico, or the Commonwealth of the Northern Mariana Islands; (2) the agency determines that replacing the employee with another employee possessing the required qualifications and experience would be difficult; and (3) the agency determines that it is in the best interest of the Government to encourage the employee to complete a specified additional period of employment with the agency in one of the covered locations. An employee must have completed the required 2 years of continuous service immediately before commencement of a

service agreement to receive an extended assignment incentive. In determining whether it is in the best interest of the Government to retain the employee in a particular location, an agency may consider how the employee's departure would affect the agency's ability to carry out an activity or perform a function that the agency deems essential to its mission or to operate effectively. By law, the total amount of service an employee may perform in a particular territory, possession, or commonwealth under one or more extended assignment incentive service agreements with an agency may not exceed 5 years.

The interim regulations require the head of the agency to establish an agency plan for authorizing extended assignment incentives. The plan must designate the agency officials with authority to review and approve incentive payments, agency criteria for authorizing extended assignment incentive payments and determining the amount of a payment, requirements governing service agreements, procedures for paying extended assignment incentives, and documentation and recordkeeping requirements sufficient to allow reconstruction of the action.

Subject to the limitations in § 575.506, any employee who meets the definition of "employee" under 5 U.S.C. 2105 is eligible to receive an extended assignment incentive, including employees in General Schedule positions, senior-level and scientific or professional positions, Senior Executive Service positions, and prevailing rate positions covered by the Federal Wage System. Any agency-wide limitations or prohibitions regarding the categories of employees that may receive an extended assignment incentive should be documented in the agency plan.

An employee may receive an extended assignment incentive not to exceed the greater of (1) 25 percent of the annual rate of basic pay of the employee at the beginning of the service period times the number of years in the service period; or (2) \$15,000 per year in the service period. The service period must begin on the first day of a pay period and end on the last day of a pay period. For example, assume an agency wishes to pay the maximum extended assignment incentive to an employee who signed an extended assignment

incentive service agreement to serve 39 pay periods (546 days) and his or her annual rate of basic pay at the beginning of the service period is \$65,335. To determine the maximum extended assignment incentive payments the agency may authorize, the following calculations must be made: (1) $\$65,335$ (annual rate) $\times .25$ (25%) $\times 1.5$ years (546/365) = \$24,501; and (2) $\$15,000 \times 1.5$ years = \$22,500. Thus, the employee may receive extended assignment incentive payments of up to \$24,501.

Extended assignment incentives are subject to the aggregate compensation limitation established by 5 U.S.C. 5307 and regulated in 5 CFR part 530, subpart B. They constitute "other similar payments" under paragraph (14) of the definition of "aggregate compensation" in § 530.202.

Before paying an extended assignment incentive, an agency must require the employee to sign a written service agreement to complete a specified period of additional employment with the agency in one of the covered locations. The service agreement also must specify the amount of the incentive payment, the method of paying the incentive, the conditions under which an agreement may be terminated, the requirements and procedures for the repayment of incentive payments if an employee separates prior to completion of the service period, and any other terms and conditions for receiving and retaining extended assignment incentive payments. The method of paying the incentive may include an initial lump-sum payment, equal installments at the end of specified periods throughout the service period, variable payments at the end of specified periods, a final lump-sum payment, or a combination of payment methods.

If an employee fails to fulfill the terms of the service agreement, he or she generally must reimburse the employing agency for the prorated share of any extended assignment incentive received for service not yet performed. (See § 575.513.) For example, assume an employee signed a 364-day (26 pay period) service agreement and received the full amount of a \$15,000 extended assignment incentive as an initial lump-sum payment. If the employee voluntarily separates after 20 pay periods (280 days), he or she would incur a debt equal to 23.1 percent (84/364) of the incentive, or \$3,465. The employee may keep 76.9 percent (280/364) of the incentive, or \$11,535, unless the agency imposes an additional repayment penalty for not fulfilling the terms of the service agreement, as permitted by § 575.513(e). While the

head of an agency may waive any debt owed to the Federal Government under 5 U.S.C. 5584, if warranted, waivers should be rare because the employee agreed to the repayment conditions at the time he or she signed the service agreement.

If an employee fails to complete the agreed-upon service period because of voluntary separation or transfer or another reason covered by § 575.513, and the portion of the extended assignment incentive received to date is less than or equal to the prorated share attributable to the employee's completed service, the employee will have no repayment obligation unless the agency imposes an additional repayment penalty, as permitted under § 575.513(f). However, if provided in the service agreement, the agency may have an obligation to pay an additional amount for service completed by the employee. For example, assume that an employee who signed a 364-day (26 pay period) service agreement will receive a total extended assignment payment of \$24,501 in two equal installment payments—i.e., \$12,250.50 at the end of 13 pay periods of completed service and \$12,250.50 at the end of the required service period. The employee receives the first payment of \$12,250.50 and then voluntarily separates after 20 pay periods (280 days). If the service agreement provides that the employee is entitled to receive a prorated share of the planned extended assignment incentive based on the amount of service completed, he or she would receive an additional \$6,590.77 ($280/364 = 76.9\%$; $76.9\% \times \$24,501 = \$18,841.27$; $\$18,841.27 - \$12,250.50 = \$6,590.77$). On the other hand, if the service agreement provides that the employee would not receive any unpaid incentive amount in the event of voluntary separation from the position, then the employee would keep the \$12,250.50 he or she received but would receive no additional payment.

By law, an agency may not require repayment of an extended assignment incentive if an employee is involuntarily separated from his or her position or is involuntarily reassigned to a position stationed outside the particular area involved. Under the regulations, if such an employee has not received incentive payments equal to the prorated share of the planned incentive attributable to completed service, the agency must pay an additional incentive to make up the difference. No other additional payment may be made except as allowed by the service agreement. (See § 575.511.) Parallel rules apply to employees whose service agreement is terminated

unilaterally by the agency as described in § 575.512.

The determination to pay an extended assignment incentive must be made on a case-by-case basis for each employee. While an agency may identify targeted groups or organizational units performing functions that are deemed essential to the agency's mission for special consideration, incentive determinations must still be made on a case-by-case basis for each employee. An extended assignment incentive may not be provided to an employee who is fulfilling the requirements of a service agreement for the payment of a recruitment or relocation bonus or to an employee who is receiving a retention allowance. (See 5 CFR part 575, subparts A, B, and C.)

Under 5 U.S.C. 5757(d), OPM must consult with affected agencies and submit a report to Congress assessing the effectiveness of the extended assignment incentive authority as a strategic human resources management tool and make recommendations for any changes necessary to improve the effectiveness of the incentive authority. OPM's report is due no later than May 4, 2006, which is 3 years after the effective date of section 207 of Public Law 107-273. To assist OPM in preparing the report, the interim regulations require agencies to provide data on their use of extended assignment incentives and to evaluate the extent to which these payments improved the retention of employees for longer than their initial tour of duty. In addition, OPM, invites agencies to provide recommendations for changes necessary to improve the effectiveness of extended assignment incentives. The interim regulations require agencies to provide the requested information for the period from May 2, 2003, through December 31, 2005. Agency reports are due to OPM by February 15, 2006.

Waiver of Notice of Proposed Rule Making and Delay in Effective Date

Pursuant to 5 U.S.C. 553(b)(3)(B), I find that good cause exists to waive the general notice of proposed rulemaking. Also, pursuant to 5 U.S.C. 553(d)(3), I find that good cause exists for making this rule effective upon publication in the **Federal Register**. These regulations implement section 207 of Public Law 107-273, which took effect on the first day of the first pay period beginning on or after May 2, 2003. Certain provisions cannot be applied, however, unless OPM issues implementing regulations. The waiver of the requirements for proposed rulemaking and a delay in the effective date are necessary to ensure

timely implementation of the law as intended by Congress.

Regulatory Flexibility Act

I certify that these regulations will not have a significant economic impact on a substantial number of small entities because they will affect only Federal agencies and employees.

E.O. 12866, Regulatory Review

This rule has been reviewed by the Office of Management and Budget in accordance with Executive Order 12866.

List of Subjects in 5 CFR Part 575

Government employees, Wages.

Office of Personnel Management.

Kay Coles James,

Director.

■ Accordingly, OPM is amending part 575 of title 5 of the Code of Federal Regulations as follows:

PART 575—RECRUITMENT AND RELOCATION BONUSES, RETENTION ALLOWANCES, SUPERVISORY DIFFERENTIALS, AND EXTENDED ASSIGNMENT INCENTIVES

■ 1. The authority citation for part 575 is revised to read as follows:

Authority: 5 U.S.C. 1104(a)(2), 5753, 5754, 5755, and 5757; Pub. L. 107-273, 116 stat. 1780; secs. 302 and 404 of the Federal Employees Pay Comparability Act of 1990 (FEPCA), Pub. L. 101-509, 104 Stat. 1462 and 1466, respectively; E.O. 12748, 3 CFR, 1992 Comp., p. 316.

■ 2. A new subpart E is added to read as follows:

Subpart E—Extended Assignment Incentives

Sec.

575.501 Purpose.

575.502 Definitions.

575.503 Who may approve the payment of an extended assignment incentive?

575.504 What requirements must an agency satisfy before authorizing the payment of an extended assignment incentive?

575.505 What criteria must an agency use to determine who will receive an extended assignment incentive?

575.506 When is an agency prohibited from paying an extended assignment incentive?

575.507 What is the maximum extended assignment incentive that may be paid for a period of service?

575.508 What is the maximum amount of service that may be covered by an extended assignment incentive?

575.509 Is an extended assignment incentive considered basic pay for any purpose?

575.510 What requirements are associated with service agreements?

575.511 What happens when an employee is involuntarily separated or

involuntarily reassigned prior to completion of the service period?

575.512 When may an agency terminate a service agreement?

575.513 What are the agency's and the employee's obligations when an employee fails to fulfill the terms of a service agreement?

575.514 What are an agency's monitoring responsibilities?

575.515 What records and reports are required?

Subpart E—Extended Assignment Incentives

§ 575.501 Purpose.

This subpart contains OPM regulations implementing 5 U.S.C. 5757, which authorizes the payment of extended assignment incentives. Subject to the requirements of this subpart, an agency may pay an extended assignment incentive to eligible Federal employees assigned to positions located in a territory or possession of the United States, the Commonwealth of Puerto Rico, or the Commonwealth of the Northern Mariana Islands who agree to complete a specified additional period of employment with the agency in that location.

§ 575.502 Definitions.

In this subpart:

Agency means an "Executive agency," as defined in 5 U.S.C. 105.

Authorized agency official means the head of an agency or an official who is authorized to act for the head of the agency in the matter concerned.

Employee means an employee of an agency who satisfies the definition of that term in 5 U.S.C. 2105.

Involuntarily reassigned refers to a reassignment initiated by an agency against an employee's will and without the employee's consent for reasons other than cause on charges of misconduct, delinquency, or inefficiency.

Involuntarily separated refers to a separation initiated by an agency against an employee's will and without the employee's consent for reasons other than cause on charges of misconduct, delinquency, or inefficiency. In addition, when an employee is separated because he or she declines to accept reassignment to another geographic area outside one of the covered locations, the separation is involuntary if the employee's position description or other written agreement does not provide for such reassignment. However, an employee's separation is not involuntary if, after such a written mobility agreement is added, the employee accepts one reassignment outside his or her particular territory, possession, or commonwealth, but

subsequently declines another reassignment. An employee's separation as a result of disability retirement, a disability that prevents an employee from continuing Federal service or is the basis for separation by the agency as determined by acceptable medical evidence, or the death of an employee is considered to be an involuntary separation.

Rate of basic pay means the rate of pay fixed by law or administrative action for the position held by an employee before deductions and exclusive of additional pay of any kind. For example, a rate of basic pay may not include nonforeign area cost-of-living allowances under 5 U.S.C. 5941, night shift differentials under 5 U.S.C. 5343(f), or environmental differentials under 5 U.S.C. 5343(c)(4).

Service agreement means a written agreement between an agency and an employee under which the employee agrees to a specified period of employment with the agency in a particular territory, possession, or commonwealth in return for payment of an extended assignment incentive.

Service period means an agreed-upon period of employment an employee is obligated to complete under a service agreement.

Territory, possession, or commonwealth means a territory or a possession of the United States, the Commonwealth of Puerto Rico, or the Commonwealth of the Northern Mariana Islands.

§ 575.503 Who may approve the payment of an extended assignment incentive?

An authorized agency official must review and approve the offer of an extended assignment incentive for an employee, including the amount of such incentive. The authorized agency official must be at a higher level than the official who made the initial decision to offer an extended assignment incentive, unless there is no official at a higher level in the agency.

§ 575.504 What requirements must an agency satisfy before authorizing the payment of an extended assignment incentive?

Before paying an extended assignment incentive under this subpart, an agency must establish an extended assignment incentive plan. This plan must include the following elements:

(a) The designation of authorized agency officials who must review and approve the payment of extended assignment incentives;

(b) The categories of employees which are prohibited from receiving an extended assignment incentive;

(c) The criteria that must be met or considered in authorizing extended assignment incentives, including criteria for determining the size of an incentive;

(d) The requirements governing service agreements, including the obligations of the agency and the employee when the service period is not completed;

(e) The procedures for paying extended assignment incentives; and

(f) Documentation and recordkeeping requirements sufficient to allow reconstruction of the action.

§ 575.505 What criteria must an agency use to determine who will receive an extended assignment incentive?

(a) An agency must base the payment of an extended assignment incentive on a written determination that—

(1) The eligible employee has completed at least 2 years of continuous service immediately before the commencement of the service agreement in one or more civil service positions located in a particular territory, possession, or commonwealth;

(2) It is in the best interest of the Government to encourage the employee to complete a specified additional period of employment with the agency in that location; and

(3) Replacing the employee with another employee possessing the required qualifications and experience would be difficult.

(b) In determining whether it is in the best interest of the Government to retain an employee under paragraph (a)(2) of this section, an agency may consider how the employee's departure would affect the agency's ability to operate effectively or to carry out an activity or perform a function which the agency deems essential to its mission.

(c) Any determination to approve an extended assignment incentive must be made on a case-by-case basis for each employee. However, an agency may consider common factors that apply to a category of employees, such as past recruitment and retention problems or the anticipation of such problems in the future.

§ 575.506 When is an agency prohibited from paying an extended assignment incentive?

(a) An extended assignment incentive may not be paid to the head of an agency, including an agency headed by a collegial body composed of two or more individual members.

(b) An agency may not begin paying an extended assignment incentive to an otherwise eligible employee who is fulfilling the requirements of a service

agreement for the payment of a recruitment or relocation bonus or who is receiving a retention allowance. (See 5 CFR part 575, subparts A, B, and C.)

§ 575.507 What is the maximum extended assignment incentive that may be paid for a period of service?

(a) The total amount of extended assignment incentive payments that may be paid for a service period may not exceed the greater of—

(1) An amount equal to 25 percent of the annual rate of basic pay of the employee at the beginning of the service period times the number of years (including fractions of a year) in the service period; or

(2) \$15,000 per year (including fractions of a year) in the service period.

(b) For hourly rate employees who do not have a scheduled annual rate of basic pay, the annual rate in paragraph (a) of this section is computed by multiplying the applicable hourly rate in effect at the beginning of the service period by 2,087 hours.

(c) The number of years in the service period is computed by dividing the total number of calendar days in the service period (as established under § 575.510(a)) by 365 and rounding the result to two decimal places. For example, a service period covering 39 biweekly pay periods equals 546 days, and 546 days divided by 365 days equals 1.50 years.

§ 575.508 What is the maximum amount of service that may be covered by an extended assignment incentive?

An employee's total service under one or more extended assignment incentive service agreements with a particular agency for service in a particular territory, possession, or commonwealth may not exceed 5 years. For this purpose, a year is equal to 365 days, resulting in a total service limit of 1,825 days.

§ 575.509 Is an extended assignment incentive considered basic pay for any purpose?

No, an extended assignment incentive is not considered part of an employee's rate of basic pay for any purpose, nor is it included for the purpose of calculating a lump-sum payment for annual leave under 5 CFR 550.1205.

§ 575.510 What requirements are associated with service agreements?

(a) Before paying an extended assignment incentive, the agency must require the employee to sign a written service agreement to complete a specified period of employment with the agency in a particular territory, possession, or commonwealth. The

service period must meet the following conditions:

(1) The service period must begin on the first day of a pay period and end on the last day of a pay period; and

(2) The service period must not cause an employee to exceed the 5-year lifetime limitation described in § 575.508.

(b) In addition to the service requirement in paragraph (a) of this section, the service agreement may specify other terms and conditions of employment applicable to the employee. For example, the service agreement may specify the employee's work schedule, type of position, and performance level. In addition, the service agreement may address the extent to which periods of time on a detail, in a nonpay status, or in a paid leave status are creditable towards the completion of the service period.

(c) The service agreement must specify the method of payment of an extended assignment agreement. The agency may choose to pay an extended assignment incentive in an initial lump-sum payment at the beginning of the service period, in installments at the end of specified periods throughout the service period (biweekly, monthly, quarterly, etc.), in a lump-sum payment at the end of the entire service period, or through a combination of payment methods.

(d) The service agreement must include the conditions under which the employee would be required to repay an extended assignment incentive under § 575.513.

(e) The service agreement must specify the conditions under which the payment of an extended assignment incentive may be terminated by the agency under § 575.512.

(f) The service agreement must specify the conditions under which the agency may be obligated to pay an additional incentive payment for partially completed service, as provided in § 575.513(d).

(g) The service agreement must specify the conditions under which the agency may impose a repayment penalty under § 575.513(e) for an employee who fails to fulfill the terms of the service agreement.

(h) The service agreement must specify the conditions under which the agency may be obligated to pay an incentive payment attributable to some or all of the employee's *uncompleted* service for employees covered by § 575.511 or § 575.512.

§ 575.511 What happens when an employee is involuntarily separated or involuntarily reassigned prior to completion of the service period?

An employee who is voluntarily separated or is involuntarily reassigned to a position outside the particular territory, possession, or commonwealth involved is not indebted to the Federal Government for any extended assignment incentive payments he or she has received. The employee is entitled to keep all incentive payments received and, if applicable, is entitled to receive any additional amount representing the difference between the amount received and the prorated share of the total incentive attributable to completed service. The employee may receive a portion or all of the incentive payment attributable to uncompleted service only to the extent provided in the service agreement.

§ 575.512 When may an agency terminate a service agreement?

(a) An agency may unilaterally terminate a service agreement based solely on the business needs of the agency. For example, an authorized agency official may terminate a service agreement when the employee's position is affected by a reduction in force or when there are insufficient funds to continue the planned incentive payments.

(b) If an agency terminates a service agreement under paragraph (a) of this section, the employee is entitled to keep all incentive payments received and, if applicable, is entitled to receive any additional amount representing the difference between the amount received and the prorated share of the total incentive attributable to completed service. The employee may receive a portion or all of the incentive payment attributable to uncompleted service only to the extent provided in the service agreement.

§ 575.513 What are the agency's and the employee's obligations when an employee fails to fulfill the terms of a service agreement?

(a) This section does not apply when an employee is involuntarily separated or involuntarily reassigned to a position outside the particular territory, possession, or commonwealth involved, as provided in § 575.511 or when an agency unilaterally terminates a service agreement under § 575.112.

(b) An employee is indebted to the Federal Government and must repay the paying agency for an appropriate portion of an extended assignment incentive received by the employee if—

(1) The employee fails to complete the period of employment required in his or her service agreement; or

(2) The employee violates any other condition specified in the service agreement that would trigger termination of the agreement.

(c)(1) If an employee does not fulfill the terms of a service agreement under the circumstances prescribed in paragraph (b) of this section and has received incentive payments whose value as a percentage of the planned total sum of incentive payments for the entire service period exceeds the percentage reflecting the portion of the service period completed by the employee, he or she must repay the excess payment and any additional repayment penalty imposed by the agency under paragraph (e) of this section.

(2) For example, consider an employee who signed a 364-day (26 pay period) service agreement and received the full amount of the extended assignment incentive as an initial lump-sum payment. If the employee voluntarily leaves after 20 pay periods (280 days), the employee will have received 100 percent of the total extended assignment incentive while completing only 76.9 percent (280/364) of the service period. The excess is 23.1 percent. Therefore, the employee must repay 23.1 percent (84/364) of the incentive. The employee is entitled to keep 76.9 percent of the incentive, unless the agency imposes an additional repayment penalty for failure to fulfill the service agreement under paragraph (e) of this section.

(d)(1) If an employee does not fulfill the terms of the service agreement under the circumstances prescribed in paragraph (b) of this section and has received incentive payments whose value as a percentage of the planned total sum of incentive payments for the entire service period is less than or equal to the percentage reflecting the portion of the service period completed by the employee, the employee has no repayment obligation unless the agency imposes an additional repayment penalty under paragraph (e) of this section. The agency may pay an additional incentive payment for some or all of the service completed by the employee if such additional payment is required by the service agreement. The total amount of incentive payments received by the employee may not exceed the prorated share of the planned incentive attributable to completed service.

(2) For example, consider an employee who signed a 364-day (26 pay period) service agreement to receive a

total extended assignment payment of \$24,501 in two equal installment payments—i.e., \$12,250.50 at the end of 13 pay periods of completed service and \$12,250.50 at the end of the required service period. If the employee voluntarily leaves after 20 pay periods (280 days), the employee will have received only 50 percent of the total extended assignment incentive while completing 76.9 percent (280/364) of the service agreement. The agency may pay the employee an additional amount of up to 26.9 percent of the incentive payment that is attributable to completed service, as allowed under the terms of the service agreement, assuming the agency does not impose an additional repayment penalty for failure to fulfill the service period under paragraph (e) of this section.

(e) An agency may impose an additional repayment penalty on an employee who does not fulfill the terms of a service agreement. This repayment penalty is in addition to any repayment required by paragraph (c) of this section. The specific terms and conditions governing the repayment penalty must be included in the service agreement. For example, an agency may adopt a schedule or formula that provides for varying penalty amounts based on the portion of the service period completed by the employee.

(f) If an employee fails to reimburse the paying agency for the full amount owed under this section, the amount outstanding must be recovered from the employee under the agency's regulations for collection by offset from an indebted Government employee under 5 U.S.C. 5514 and 5 CFR part 550, subpart K, or through the appropriate provisions for debt collection if the individual is no longer a Federal employee. However, the head of the agency may waive the debt under 5 U.S.C. 5584, if warranted.

§ 575.514 What are an agency's monitoring responsibilities?

Each agency must monitor the use of extended assignment incentives to ensure that the agency's extended assignment incentive plan and the payment of extended assignment incentives are consistent with the requirements and criteria established under 5 U.S.C. 5757 and this subpart.

§ 575.515 What records and reports are required?

(a) Each agency must keep a record of each determination required by this subpart and make such records available for review upon OPM's request.

(b) Each agency must provide any information requested by OPM for its

report to Congress, as required by 5 U.S.C. 5757(d). Before February 15, 2006, each agency must submit a written report to OPM on—

(1) The agency's use of extended assignment incentives by providing the data required in paragraph (c) of this section;

(2) Whether the use of extended assignment incentives influenced employees to stay longer than their initial tour of duty at their current duty stations; and

(3) The agency's recommendations for changes necessary to improve the effectiveness of extended assignment incentives.

(c) Each agency report must contain the following data for the period from May 2, 2003, to December 31, 2005:

(1) The number of extended assignment service agreements that commenced in each fiscal year;

(2) The dollar amount expended on extended assignment incentives in each fiscal year;

(3) The number of employees who declined an extended assignment incentive, by occupational series and geographic location;

(4) The number of employees who signed an extended assignment incentive service agreement, the total amount of the planned incentives, and the total number of years of agreed-upon service, by occupational series and geographic location;

(5) The number of employees whose service agreements were terminated before completion of the agreed-upon service period, with subcounts showing the number covered by § 575.511, § 575.512, and § 575.513, respectively.

(6) The number of employees who incurred a repayment debt under § 575.513 (including any repayment penalty under § 575.513(e)) and the total amount of repayment debt incurred; and

(7) The portion of the repayment debt that, as of December 31, 2005—

(i) Has been recovered;

(ii) Is subject to ongoing collection efforts; and

(iii) Has been waived or written off.

[FR Doc. 03-23132 Filed 9-11-03; 8:45 am]

BILLING CODE 6325-39-M

FEDERAL RESERVE SYSTEM

12 CFR Part 229

[Regulation CC; Docket No. R-1160]

Availability of Funds and Collection of Checks

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; correction.

SUMMARY: On September 2, 2003, the Board of Governors published in the **Federal Register** a final rule amending appendix A of Regulation CC. The rule removed the reference to the Pittsburgh check processing office of the Federal Reserve Bank of Cleveland and reassigned the Federal Reserve routing symbols currently listed under that office to the head office of the Federal Reserve Bank of Cleveland. The rule also replaced all references to Thomson Financial Publishing Inc., in appendices A and E with more general references to "an agent of the American Bankers Association." This document corrects the amendatory instructions for the removal of the reference to Thomson Financial Publishing Inc., in appendix, E. The original amendatory instruction would have caused the amended sentence in section II.DD. to contain duplicative references to the American Bankers Association agency arrangement.

DATES: The correction is effective on November 1, 2003 (*i.e.*, the effective date of the final rule).

FOR FURTHER INFORMATION CONTACT: Adrienne G. Threatt, Counsel (202/452-3554), Legal Division. For users of Telecommunications Devices for the Deaf (TDD) only, contact 202/263-4869.

SUPPLEMENTARY INFORMATION: In the final rule, FR Doc. 03-22333 published on September 2, 2003, make the following correction:

Appendix E to Part 229—[Corrected]

■ On page 52078, in the first and second columns, correct amendatory language in amendment 3. to read as follows:

3. Appendix E is amended in section II.DD. by removing the phrase "Thomson Financial Publishing Inc., as agent for" and adding the phrase "an agent of" in its place, and in sections XVIII.A.2.b.ii. and XXII.B.2.b.i. by removing the phrase "Thomson Financial Publishing Inc." and adding the phrase "an agent of the American Bankers Association" in its place.

By order of the Board of Governors of the Federal Reserve System, September 8, 2003.

Jennifer J. Johnson,

Secretary of the Board.

[FR Doc. 03-23239 Filed 9-11-03; 8:45 am]

BILLING CODE 6210-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 25

[Docket No. NM254; Special Conditions No. 25-246-SC]

Special Conditions: Cessna Model 680 Sovereign; Side-Facing Single-Occupant Seats

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final special conditions.

SUMMARY: These special conditions are issued for the Cessna Model 680 Sovereign airplane. This airplane will have a novel or unusual design feature(s) associated with side-facing single-occupant seats. The applicable airworthiness regulations do not contain adequate or appropriate safety standards for this design feature. These special conditions contain the additional safety standards that the Administrator considers necessary to establish a level of safety equivalent to that established by the existing airworthiness standards.

EFFECTIVE DATE: October 14, 2003.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

Background

On November 24, 1999, Cessna Aircraft Company, One Cessna Boulevard, Wichita, KS 67277, applied for type certificate for their new Cessna Model 680 Sovereign airplane. The Model 680 Sovereign is a twin-engine pressurized executive jet airplane with standard seating provisions for 12 passenger/crew and allowance for baggage and optional equipment. This airplane will have a maximum takeoff weight of 30,000 pounds with a wingspan of 63.1 feet and will have two aft-mounted Pratt & Whitney 306C engines.

The Cessna Model 680 offers interior arrangements, which include single-occupant side-facing seat installations. These seats are installed on the LH and RH side of the cabin's forward section, forward of and opposite to the entry door respectively. Dynamic testing of all seats approved for occupancy during takeoff and landing is required by 14 CFR 25.562. The pass/fail criteria for the testing developed in Amendment 25-64