



# Implementation Guidelines for Authorizing Payment of Retention Incentives

A Mandatory Reference for ADS Chapter 467

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## Implementation Guidelines for Authorizing Payment of Retention Incentives

### 1. Overview

Effective Date: 12/17/07

These guidelines set forth the Agency's policy directives and required procedures, criteria, and responsibilities for the payment of retention incentives under the authority of [5 CFR Part 575 Subpart C](#).

A retention incentive is a payment to a current Federal employee if USAID determined that the unusually high or unique qualifications of the employee or a special need of the organization for the employee's services in a position critical to the mission of the organization makes it essential to retain the employee.

USAID has authority to pay retention incentives: (1) to retain an employee that would be likely to leave the Federal service, or (2) to retain an employee who would likely leave for a different Federal position prior to the closure or relocation of the employee's office, facility, activity, or organization. USAID has authority to approve retention incentives under the same circumstances for a group or category of employees.

Retention incentives are paid as a percentage of an employee's rate of basic pay (including any special rate or locality payment) not to exceed: (1) 25 percent, if authorized, for an individual employee; or (2) 10 percent, if authorized for a group or category of employees. However, with Office of Personnel Management (OPM) approval, this cap may be increased to 50 percent based on a critical Agency need.

USAID pays a retention incentive in

- (1) Installments after the completion of specified periods of service; or
- (2) A single lump-sum payment after completion of the full service period.

A retention incentive may be paid only when the employee's rating of record under an official performance appraisal or evaluation system is at least "Fully Successful" or equivalent.

### 2. Responsibilities

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a. The **Immediate Supervisor** is normally responsible for initiating a request to grant, continue, reduce, or terminate a retention incentive to an individual employee.

- b. Heads of Bureaus and Independent Offices (B/IOs)** are responsible for defining the targeted group of employees to be paid a group retention incentive using factors outlined in this reference. In addition, heads of B/IOs are responsible for reviewing and clearing requests from supervisors for granting retention incentives to individual employees and for continuing, reducing or terminating these payments.
- c. B/IO Management Staffs** are responsible for advising supervisors on use of retention incentives, identifying available funding for such requests, and coordinating requests for use of this authority with B/IO managers, supervisors, and HR staff.
- d. The Office of Human Resources, Chief, Civil Service Personnel Division (HR/CSP)** is responsible for ensuring that requests for use of this incentive comply with all the regulations and requirements set forth in USAID's retention incentive plan.
- e. The Office of Human Resources, Policy, Planning and Information Management Division (HR/PPIM)** is responsible for verifying with HR/CSP that granting a retention incentive is consistent with workforce planning initiatives and/or data.
- f. The Deputy Assistant Administrator for Human Resources (DAA/HR)** is responsible for approving requests for granting, continuing, reducing, or terminating retention incentive payments for individual employees and groups of employees up to the GS-15 or equivalent level, and making recommendations to the Administrator on requests for incentives for USAID senior-level (above GS-15) employees.
- g. The Administrator of USAID (A/AID) or designee** is responsible for approving requests for granting, continuing, reducing, or terminating payment of retention incentives for employees serving in senior-level positions above the GS-15 or equivalent level.
- h. The U.S. Office of Personnel Management (OPM)** is responsible for reviewing Agency requests to waive the limitation on payment of retention incentives in excess of 25 percent (for an individual employee) or 10 percent (for a group or category of employee). With OPM's approval, this cap may be increased to as much as 50 percent based on a critical Agency need.

### **3. Use of Pay Authorities**

Effective Date: 12/17/07

USAID has authority to pay retention incentives to a current employee in the following circumstances:

- a. Retention incentive** (likely to leave the Federal Service)

USAID may pay a retention incentive to a current employee (or group of employees) if it determines that the unusually high or unique qualifications of the employee (or group of

employees) or a special need of the Agency for the employee's (or group of employees') services make it essential to retain the employee(s) and 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.

USAID must establish a single retention incentive rate for each individual or group of employees, expressed as a percentage of each employee's rate of basic pay (including a special rate or locality payment). The retention incentive rate may not exceed 25 percent (for an individual employee) or 10 percent (for a group or category of employees). With OPM approval, this cap may be increased to as much as 50 percent under the conditions specified in [5 CFR 575.309\(e\)](#).

**b. Retention incentive** (likely to leave for a different Federal position)

USAID may pay a retention incentive to a current employee if it determines that, given the Agency's mission requirements and the employee's competencies, USAID has a special need for the employee's services that makes it essential to retain the employee in his or her current position. In such a case, USAID must have provided a general or specific written notice to the employee that his or her position would be affected by the closure or relocation of the employee's office, facility, activity, or organization. Due to such circumstances, the employee would be likely to leave for a different position in the Federal service in the absence of a retention incentive (see [5 CFR 575.315\(b\)\(3\)](#)).

USAID may also pay a retention incentive, not to exceed 10 percent of the rate of basic pay, including a special rate or locality payment, (or up to 50 percent with OPM approval, based on a critical Agency need) under this circumstance for a group or category of employees.

**c. Funding**

Payment of retention incentives is subject to available funding. USAID/Washington (USAID/W) B/IOs must fund retention incentives approved for their organizations.

**d. Information Technology (IT) Skills Incentive Program (SIP)**

Civil Services (CS) employees in the Bureau for Management, Chief Information Office (M/CIO) in certain information technology (IT)-related occupational series may be eligible for retention incentives under the joint Department of State (DoS) and USAID Skills Incentive Program, known as SIP. Employees must meet eligibility requirements and possess professional and security-related certifications and training, as outlined by SIP. (See <http://sip.state.gov/> and [Attachment to ADS 467, the Information Technology \(IT\) Skills Incentive Program \(SIP\) Standard Operating Procedures Manual](#) for additional information.)

While the program is primarily geared for IT employees in M/CIO, other B/IOs with IT staff may be eligible to participate in the SIP. Such participation requires written approval by the head of the B/IO where the position(s) is located and agreement by the B/IO to fund the retention payments. This written approval must provide the rationale for why retention incentives are needed to retain IT employees in the particular B/IO.

USAID's continued participation in the joint IT Skills Incentive Program with the Department of State is subject to available funding and the annual review and certification by the Chief Information Officer (M/CIO) that the conditions justifying the original retention incentive still exist and that payment is still warranted.

#### **4. Eligibility**

Effective Date: 12/17/07

A retention incentive may be paid when

- The employee(s) is in a covered position (see Covered Positions in section 5 below);
- The employee's (or group or category of employees') rating of record under USAID's performance evaluation system is at least "Fully Successful" or equivalent;
- The Agency has provided a general or specific written notice to the employee informing the employee that the elimination of their position is either possible or imminent or that their office, facility, activity, or organization will be closed or relocated. In such cases, the employee is likely to leave for a different Federal position and the retention incentive is extended to keep the employee from leaving Federal service." (See [5 CFR 575.315\(b\)\(3\)](#)).

#### **5. Covered and Excluded Positions**

Effective Date: 12/17/07

A retention incentive may be paid to an eligible employee in a General Schedule (GS), senior-level (SL), scientific or professional (ST), career Senior Executive Service (SES), Executive Schedule (EX), law enforcement officer, or a prevailing rate position. OPM may approve other categories for coverage upon written request from the head of the Agency.

A retention incentive may not be paid to

- Presidential appointees;
- Non-career appointees in the SES;
- Employees in Administratively Determined (AD) positions;

- Employees serving in positions excluded from the competitive service by reason of their confidential, policy-determining, policy-making, or policy-advocating nature (Schedule C);
- Employees in Foreign Service (FS) or Senior Foreign Service (SFS) positions;
- Employees serving as the Agency head; or an employee expected to receive an appointment as the Agency head;
- Employees on temporary and/or intermittent (when actually employed) appointments;
- U.S. and Foreign Service National Personnel Services Contractors (FSNPSCs); or
- FSN direct hires.

In addition, USAID does not include in a group retention authorization an employee in a career SES, Executive Schedule (EX), senior-level (SL), scientific or professional (ST), or in a similar category of positions for which the payment of a retention incentive has been approved by OPM. Retention incentives for employees in such positions must be approved on an individual, case-by-case basis.

## **6. Agency Authorizing Officials (AAOs)**

Effective Date: 12/17/07

The Administrator of USAID (A/AID) and the Deputy Assistant Administrator for Human Resources (DAA/HR) are the Agency Authorizing Officials (AAOs) to

- Approve use of retention incentives;
- Make decisions on continuing, reducing, or terminating retention incentive payments; and/or
- Request OPM to waive the limitation to permit USAID to pay up to 50 percent of the employee's or group-based incentive based on a critical Agency need.

## **7. Conditions of Payment**

Effective Date: 12/17/07

The Agency is authorized, under [5 CFR 575.309](#) and [5 CFR 575.315](#), to pay a single retention incentive rate for an individual employee or groups of employees that is expressed as a percentage of the employee's rate of basic pay, including any special rate or locality payment. Rate of basic pay is defined in [5 CFR 575.302](#) and in the definition section of this reference.

**a. Payment to individual employees**

The Agency is authorized to pay a retention incentive of up to 25 percent of basic pay (including any special rate or locality payment) to a current employee. With OPM approval, the percentage rate may be increased up to 50 percent based on a critical Agency need.

Each determination to pay a retention incentive is made on a case-by-case basis. In preparing a request to grant a retention incentive to an individual employee, the recommending official, who is normally the immediate supervisor, must submit a written justification that addresses the criteria described in section 8. In addition, the supervisor must complete a [Retention Incentive Recommendation and Approval Form, AID Form 400-13](#), and obtain approval of the request from the Division Chief (or equivalent level) and the Head of the Bureau or Independent Office, as appropriate.

**b. Payment to a group or category of employees**

The Agency is authorized to pay a retention incentive of up to 10 percent of basic pay (including any special rate or locality payment) for a group or category of employees, or up to 50 percent, with approval from OPM.

The Bureau/Independent Office (B/IO) Head must submit a written justification for the targeted category of employees to receive the incentive, taking into account the criteria specified in section 8. In addition, a [Retention Incentive Recommendation and Approval Form, AID Form 400-13](#), must be completed for each affected individual employee in the targeted category.

All requirements in the regulations must have been met in order to pay a retention incentive to an individual employee in the targeted category. For example, the Agency cannot pay a retention incentive to an employee in the category who is fulfilling a one-year service agreement and is in receipt of a recruitment or relocation incentive.

Supervisors and B/IO Heads coordinate with their management staff on the use and funding of retention incentives and the preparation of justification packages, based on the requirements and criteria for payment set forth in these guidelines. The B/IO management staff coordinates requests for use of this incentive through the Head of the B/IO to HR/CSP for review and approval by the Authorizing Approval Official (see section 6).

**8. Criteria for Payment**

Effective Date: 12/17/07

**a. General policy**

For each retention incentive authorized, the Agency must document in writing

- That the unusually high or unique qualifications of an individual employee (or group of employees) or a special need of the Agency for the employee's (or group of employees') services makes it essential to retain the employee(s);
- That the employee (or a significant number of employees in a group) would be likely to leave the Federal service or leave for different Federal positions, prior to closure or relocation of the employee's office, facility, activity, or organization, in the absence of a retention incentive; and
- The amount and timing of the approved retention incentive payments and the length of the required service period.

**b. Factors for authorizing a retention incentive**

The following are factors to be considered when authorizing a retention incentive:

**(1) For employees likely to leave Federal service**

Recommending and authorizing officials must consider the following factors (see [5 CFR 575.306](#))-when determining whether a retention incentive should be paid to an individual employee, the amount of any such payment, and the length of the service period:

- Employment trends and labor market factors, such as the availability and quality of candidates in the labor market possessing the competencies required for the position. Such candidates, who, with minimal training, cost, or disruption of service to the public, could perform the full range of duties and responsibilities at the level required for the position.
- The success (or failure) of recent efforts to recruit candidates and retain employees with competencies similar to those possessed by the employee for positions similar to the position held by the employee;
- Special or unique competencies required for the position;
- Agency efforts to use non-pay authorities to help retain the employee instead of, or in addition, to a retention incentive, such as special training, work scheduling flexibilities, or improving work conditions;
- The desirability of the duties, work, or organizational environment or geographic location of the position;



- The extent to which the employee's 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;
- Salaries typically paid outside the Federal government;
- The expected duration of the retention incentive;
- The likely effects of such payment on the morale of co-workers;
- Funding availability;
- The current and expected performance level of the employee;
- The total compensation received by the employee including previous recruitment or relocation incentives for which a one-year service agreement has been completed, salary based on superior qualifications, and performance awards, etc.; and
- Other supporting factors.

**(2) For employees likely to leave the Agency for a different Federal position, prior to the closure or relocation of the employee's office, facility, activity, or organization**

Recommending and approving officials must consider the following factors listed in [5 CFR 575.315 \(d\)\(2\)](#) in determining whether a retention incentive should be paid to an individual employee, the amount of any such payment, and the length of the service period:

- The extent to which the employee's departure for a different position in the Federal service would affect the Agency's ability to carry out an activity, perform a function, or complete a project the Agency deems essential to its mission before and during the closure or relocation period. Examples may include the need to (a) retain the employee to ensure minimal disruption in the performance of mission-critical functions; (b) ensure continuity of key operations or minimal disruption of service to the public before and during the closure or relocation; (c) train new employees who will move with the organization to the new geographic location; (d) assist with the actual closure or relocation of the office, facility, activity, or organization; or (e) perform similar mission-essential functions before or during the closure or relocation);-
- The competencies possessed by the employee that are essential to retain; and

- A Federal agency (which may be in the executive, judicial, or legislative branch) for which the employee would be likely to leave in the absence of the retention incentive.

### **(3) Group or category of employees**

USAID must consider the factors in (1) and (2) of this section as they relate to determining whether a retention incentive should be paid to a group or category of employees, the amount of such payment, and the length of the service period.

#### **c. Targeting the group or category of employees**

USAID may target groups or 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 retention incentives on a group basis. In these instances, the recommending official who is normally the Bureau or Independent Office Head, must narrowly define the targeted group of employees. Each retention incentive authorized for a group of employees likely to leave for another Federal position may cover no more than one occupational series (see [5 CFR 575.306\(c\)\(2\)](#) and [575.315\(d\)\(4\)](#)).

Factors that may be appropriate include the following (see **5 CFR 575.306(c)**):

- Occupational series, grade level, distinctive job duties,
- Unique competencies required for the position,
- Assignment to a special project,
- Minimum Agency service requirements,
- Organization or team designation,
- Geographic location, and
- Required rating of record.

(While a rating of record of higher than the “Fully Successful” rating of record required by regulation (see [5 CFR 575.305\(d\)](#)) may be a factor used in defining the targeted category, the rating of record by itself is not sufficient to justify a retention incentive. A rating of record may function as a supporting factor in authorizing an incentive or setting the incentive rate only to the extent that it directly relates to factors (1) and (2) of this section.)

## **9. Payment of Retention Incentives**

Effective Date: 12/17/07

The following requirements must be met before the Agency is authorized to pay a retention incentive to an individual or group or category of employees:

- a. Retention incentives must be approved by the Agency Authorizing Official listed in section 6 of these guidelines.

**b.** By law, a retention incentive must be calculated as a percentage of the employee's rate of basic pay (including any special rate or locality payment) and paid in the same manner and at the same time as basic pay. In USAID, retention incentives are paid biweekly at an hourly rate for each hour during which the employee receives basic pay, based on the regulations in [5 CFR 575.309\(a\)](#). However, under [5 CFR 575.315](#), the Agency may not pay retention incentives in biweekly installments at the full retention incentive percentage rate.

**c.** A retention incentive may be paid

- In installments, after the completion of specified periods of service during the course of the full service period (biweekly, monthly, quarterly, etc.); or
- As a single lump-sum payment, after the completion of the full period of service required by a service agreement.

See the [Retention Incentive Payment and Termination Calculations](#) fact sheet for additional information on computing and paying retention incentives.

**d.** USAID must not pay a retention incentive as an initial lump-sum payment at the start of a service period or in advance of the employee fulfilling the service period for which the retention incentive is being paid.

**e.** The Agency must not offer a retention incentive or authorize the payment of a retention incentive to recruit an employee from another agency or to recruit a job candidate. (See [5 CFR 575.309\(f\)](#))

**f.** A retention incentive may not be paid during the one-year service period established by an employee's recruitment or relocation incentive service agreement. However, a relocation incentive may be paid to an employee who is already receiving a retention incentive.

**g.** The determination that an employee is likely to leave Federal service must be based on a written offer from an employer outside the Federal government or a written statement by a higher level official that the employee is likely to leave Federal service for any reason. This statement may be based on such evidence as personal knowledge that the employee is actively seeking outside employment and that competitive market conditions make it likely that such efforts will yield positive results.

**h.** The determination that an employee is likely to leave for a different position when the Agency has provided a general or specific written notice to the employee that his or her position may or would be affected by the closure or relocation of the employee's office, facility, activity, or organization (for example, the employee's position may or would move to a new geographic location or the employee's position may or would be eliminated) (see [5 CFR 575.315\(b\)\(3\)](#));

- i. A retention incentive is not part of an employee's rate of basic pay for any purpose including retirement, severance pay, and lump-sum annual leave payments upon separation.
- j. Retention incentives are subject to the aggregate limitation on pay under [5 USC 5307](#) and [5 CFR part 530, subpart B](#). No General Schedule (GS) employee may receive any allowance, differential, bonus, award, or other similar cash payment, in any calendar year which, in combination with the employee's basic pay, would cause the employee's aggregate compensation to exceed the rate for Level I of the Executive Schedule on the last day of the calendar year, unless covered by a performance appraisal system that has been certified under [5 CFR part 430, subpart D](#). For SES, SL, and ST employees covered by a performance appraisal system that has been certified under [5 CFR part 430, subpart D](#), payment of an incentive is subject to the aggregate limitation on pay in a calendar year, which may not exceed the rate payable to the Vice President under [3 U.S.C. 104](#). This applies to USAID whenever its SES performance appraisal system receives full or provisional certification from OPM.
- k. The employing B/IO must review the appropriateness of a retention incentive whenever the conditions that originally prompted the payment of the incentive change significantly. For example, a significant increase in an employee's rate of basic pay as a result of a promotion may lessen the likelihood that the employee will leave Federal service.

## 10. Service Agreement

Effective Date: 12/17/07

### a. Retention incentives with a service agreement

A service agreement is required in most cases when a retention incentive is paid. It is required when USAID pays the incentive

- In a single lump-sum payment after completion of the full service period;
- In installments after the completion of periods of service (except when the incentive is paid in biweekly installments at the full retention incentive percentage rate established for the employee);
- In all cases where the 25 percent cap (or 10 percent for groups of employees) has been waived, no matter how payment is made; and
- In all cases when an employee is likely to leave for a different position in the Federal service.

USAID determines how long to set the service period under a retention incentive service agreement. Since the reason for the incentive is to encourage an employee to remain with USAID, the Agency should consider what service period length would best help achieve this objective; that is, what the Agency believes to be a reasonable period of service for the amount of incentive it is willing to pay. (See [AID Form 400-28, Retention Incentive Service Agreement](#))

Additional requirements regarding retention incentive service agreements include the following:

- In no event may the service period under a service agreement extend past the date on which the employee's position is actually affected by the relocation or closure of the employee's office, facility, activity, or organization (for example, the date the employee's position moves to a new geographic location or the date the employee's position is eliminated).
- In addition to the terminating conditions in [5 CFR 575.310\(d\) and \(e\)](#), the service agreement must include the conditions under which the Agency must terminate the service agreement under [5 CFR 575.315\(g\)](#), including the conditions under which the Agency will pay an additional retention incentive payment for partially completed service under [5 CFR 575.311](#); and
- The service agreement must include a notification to the employee that the Agency will review the determination to pay the retention incentive at least annually to determine whether payment is still warranted.

**b. Retention incentives without a service agreement**

A service agreement is not required when USAID pays the incentive

- In biweekly installments at the full retention incentive percentage rate established for the employee; and
- The incentive percent amount established for the employee is set at or below the 25 percent cap (or 10 percent cap for groups of employees).

For retention incentives that are paid when no service agreement is required, payment may be continued as long as the conditions justifying the original retention incentive still exist, and payment is still warranted. However, at least every twelve months the employing B/IO must review each authorized retention incentive to determine whether the payment is still warranted and certify in writing in [Part III of the Retention Incentive Recommendation and Approval Form, AID Form 400-13](#), that the review took place.

**11. Continuation, Reduction, and Termination of Retention Incentive**

Effective Date: 12/17/07

This section includes policy directives and required procedures for the continuation, reduction, and termination of retention incentives.

**a. Likely to leave the Federal service (see [5 CFR 575.311](#))**

**Discretionary**: USAID may unilaterally terminate a retention incentive service agreement, based solely on the management needs of the Agency, for example,

- When the employee's position is affected by a reduction in force;
- When there are insufficient funds to continue the planned retention incentive payments; and
- When conditions no longer warrant payment at the level originally approved or at all, or when the Agency assigns the employee to a different position (if the different position is not within the terms of the service agreement).

**Mandatory**: USAID must terminate a service agreement or payment of an incentive if the employee

- Is demoted or separated for cause, such as for unacceptable performance or conduct;
- Receives a rating of record below "Fully Successful" or equivalent during the service period; or
- Otherwise fails to fulfill the terms of the service agreement.

The termination of a service agreement is not grievable or appealable. However, this does not alter an employee's right or remedy under [5 U.S.C. Chapter 12](#) or any of the laws referred to in [5 U.S.C. 2302\(d\)](#).

**b. Likely to leave for a different Federal position prior to the closure or relocation of the employee's office, facility, activity, or organization. (See [5 CFR 575.315](#))**

USAID must terminate a service agreement or retention incentive pay for such an employee if

- The closure or relocation is cancelled or no longer affects the employee's position;
- The employee moves to another position not affected by the closure or relocation (including another position within USAID);
- The employee accepts USAID's offer to relocate with his or her office, facility, activity or organization and, thus, the employee is not likely to leave for a different position in the Federal service; or

- The employee moves to a different position in the same office, facility, activity, or organization subject to closure or relocation that is not covered by the employee's service agreement. In this situation, USAID may authorize a new retention incentive for the employee.

### c. **Notification and Entitlements**

If a retention incentive is reduced or terminated before the period for which it was authorized, written notice must be provided to the employee by the employing Bureau or Independent Office two weeks before the effective date of the action. This does not apply in cases when a retention incentive is terminated or reduced because of the aggregate limitation on pay (see section 9) or lack of funds in emergency situations.

See [5 CFR 575.311](#) (likely to leave federal service) and [5 CFR.315\(g\)](#) (likely to leave for a different Federal position) for information on employee entitlements and Agency obligations upon reduction or termination of retention incentives.

## 12. **Internal Monitoring Requirements and Revocation or Suspension of Authority**

Effective Date: 12/17/07

USAID must monitor the use of retention incentives to ensure that its retention incentive plan and the payment of retention incentives are consistent with the requirements and criteria established under [5 U.S.C. 5754](#), [5 CFR 575.312](#), and requirements issued in this reference.

When OPM finds that the Agency is not paying retention incentives consistent with the Agency's retention incentive plan or otherwise determines that the Agency is not using this authority selectively and judiciously, OPM, under [5 CFR 575.312](#), may revoke or suspend the authority granted to the Agency for all or any part of the Agency and, with respect to any category or categories of employees, require that the Agency obtain OPM's approval before paying a retention incentive to such employees.

## 13. **Records and Evaluation**

Effective Date: 12/17/07

a. Each determination to authorize or reauthorize a retention incentive payment must be documented on the [Retention Incentive Recommendation and Approval Form, AID Form 400-13](#), addressing the following information: the percentage of basic pay added, the effective date of the retention incentive, the expected duration of the incentive, the provisions regarding termination or reduction of the retention incentive. USAID must make such records available for review upon OPM's request.

b. HR/CSP maintains records on each approved retention incentive for reporting and evaluation purposes. The original **Retention Incentive Recommendation and**



**Approval Form, AID Form 400-13**, and supporting justification are filed in the e-OPF for determinations made to grant, continue, reduce, or terminate a retention incentive.

**c.** HR/CSP, in coordination with the Office of Human Resources, Policy, Planning, and Information Management Division (HR/PPIM), periodically evaluates the use of retention incentives to ensure that payments conform to the regulations and requirements set forth in regulations and these guidelines.

**d.** In addition to the recordkeeping requirements, HR/CSP must submit a written report to OPM by March 31<sup>st</sup> of each year on the use of retention incentives for employees likely to leave Federal service and for incentives paid relating to closure or relocation of an employee's office, facility, activity, or organization.

The report must include

- A description of how the authority to pay retention incentives was used in the Agency during the previous calendar year;
- The number and dollar amount of retention incentives paid during the previous calendar year to individuals by occupational series and grade, pay level, or other pay classification;
- A Federal agency (which may be in the executive, judicial, or legislative branch) to which each employee would be likely to leave in the absence of a retention incentive;
- Each employee's official worksite and the geographic location of the Federal agency (which may be in the executive, judicial, or legislative branch) for which each employee would be likely to leave in the absence of a retention incentive; and
- Other information, records, reports, and data as OPM may require.

#### **14. Authority and References**

Effective Date: 12/17/07

These guidelines constitute the Agency's plan for authorizing retention incentives. This plan meets the requirements in [5 U.S.C. 5754](#) and [5 CFR part 575, subpart C, Retention Incentives](#). See also

- [5 U.S.C. 2302\(d\)](#) and [5 U.S.C. Chapter 12](#), for information on employee rights relating to this authority
- [5 CFR Part 530 subpart B](#) for information on aggregate limitation on pay
- [5 CFR Part 531 subpart B](#) for information on determining rate of basic pay



The following forms are required to comply with the policy directives and required procedures in this Mandatory Reference:

- [Retention Incentive Recommendation and Approval Form \(AID Form 400-13\)](#)
- [Retention Incentive Service Agreement Form \(AID Form 400-28\)](#)

## 15. Definitions

Effective Date: 12/17/07

### **agency**

Agency means a Federal agency which may be in the executive, judicial, or legislative branch included in 5 U.S.C. 5102(a)(1). (Chapter 467)

### **Agency authorizing official**

Agency authorizing 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 (Chapter 467)

### **competencies**

The knowledge, skills, ability, behaviors, and other characteristics an employee needs to perform the duties of a position. (Chapter 467)

### **executive agency**

Executive agency has the meaning given that term in 5 U.S.C. 105. (Chapter 467)

### **rate of basic pay**

The **rate of basic pay** means the rate of pay fixed by law or administrative action for the position held by a GS employee before any deductions, including any retained rate, locality rate, or special rate but exclusive of additional pay of any other kind. For example, a *rate of basic pay* does not include additional pay such as night shift differentials under 5 U.S.C. 5343(f) or environmental differentials under 5 U.S.C. 5343(c)(4). (Chapter 467)

### **service agreement**

A service agreement is a written agreement that must be signed by an employee prior to receiving an **incentive** payment that requires completion of a specified period of employment. (A service agreement is not required for bi-weekly retention incentive payments.) (Chapter 467)

### **service period**

A service period is the period of service required by the service agreement or Agency approval form. Service periods begin on the first day of a pay period and end on the last day of a pay period. (Chapter 467)

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