

## ARS □ CSREES □ ERS □ NASS

### *Policies and Procedures*

**Title:** Recruitment and Retention Incentives and Other Special Pay

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**Distribution:** REE offices in Headquarters, Areas, and Field Locations

This P&P provides guidance and information on travel incentives, bonuses, allowances, and differentials.

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**For most recent changes to this P&P, please see Bulletin 05-412.5 entitled: "Update to P&P 412.5 Section 8 - Relocation Bonuses and Section 7 - Relocation Expenses for Current Federal Employees."**

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## **1. Introduction**

The Federal Employees Pay Comparability Act of 1990 (FEPCA) significantly changed the laws governing recruitment, relocation, retention initiatives, and other special pay. The FEPCA changes and the rules covering quarters allowances, hazard and environmental payments, and supervisory differentials are incorporated into this P&P.

Separate from the FEPCA authorities, ARS operates its own Demonstration Project. This project gives managers additional choices in recruitment and retention incentives. This P&P notes those instances where ARS Demonstration Project authorities differ from Governmentwide regulation. Appendix A contains a chart comparing the FEPCA and ARS Demonstration Project authorities.

## **2. Policy**

It is REE policy to use incentives, bonuses, allowances, and differentials to fill positions which are difficult to fill and to retain employees who would otherwise be likely to leave.

## **3. Delegations of Authorities**

The Secretary of Agriculture retains the authority to review and approve payment of incentives, bonuses, allowances, and differentials to employees appointed to Senior Executive Service positions and senior-level positions (SL or ST pay plan) paid under 5 U.S.C. 5376.

In ARS, Offices/Staff/Area Directors and Division Directors are delegated the authority to review and approve payment of travel and transportation expenses, superior qualification incentives, quarters allowances, and hazard and environmental pay to new and current employees. They also will review and approve payment of retention allowances, relocation bonuses, and supervisory differentials to current employees appointed to General Schedule positions, and interview expenses, recruitment bonuses, and Demonstration Project recruitment incentives to newly appointed employees. Team Leaders, Operating Branches, Human Resources Division, AFM, ARS, are delegated the authority to approve superior qualifications appointments.

In ERS, Division and Associate Division Directors are delegated the authority to approve payment of incentives, bonuses, and allowances. The Agency Head retains the delegation for bonuses beyond 10 percent. In CSREES and NASS, the Agency Head must approve the Associate/Deputy Administrators' recommendations.

## **4. Preemployment Interviews**

### **Eligibility**

Funds permitting, managers may pay travel expenses for preemployment interviews for any position, regardless of grade level or type of appointment.

### **Provisions**

Decisions on payment of expenses for preemployment interviews will be based on a written determination. The Justification Section of form REE-11, New Hire Recruitment Incentives, will be checked and the written determination attached.

Preemployment interview expenses include payment of travel expenses from residence to the official duty station in accordance with the Federal Travel Regulations (FTR).

Agencies may reimburse all or a part of preemployment travel expenses; i.e., only subsistence or only common carrier transportation costs. If only common carrier expenses are authorized, agencies must pay the full amount to which a Government employee would be entitled for those expenses. Paying less than the full reimbursement for common carrier tickets could make the interviewee ineligible for Government discounts. Common carrier tickets that costs exceeds \$100 must be obtained by the agency and charged to the Government through the GVTS account or GTR.

All authorized expenses, with the exception of transportation expenses by common carrier, are to be paid by the interviewee. Agencies will reimburse the interviewee for allowable travel expenses upon submission and approval of a travel voucher. An interviewee cannot be issued a travel advance.

Travel expenses may normally be paid for no more than five top candidates who are within reach for appointment. If preference eligibles are ranked ahead of non-preference eligibles, preference eligibles must be interviewed before or concurrently with other candidates. In rare cases such as in a declination of a candidate already interviewed, up to eight candidates may receive such incentives.

## 5. Recruitment Bonuses and Demonstration Project Cash Payments

### Eligibility

Individuals newly appointed or who have received a written offer to be newly appointed and have signed a written Service Agreement, REE-12, are eligible for these bonuses. Newly appointed in this context means **all** Federal employees regardless of tenure including those former employees who have a break in service of at least 90 days from the last period of Federal employment. **Not** included are those under the student employment programs, those students employed during school vacations under a short-term temporary appointing authority, and those employed under a temporary appointment that is neither full time nor the principal employment of the candidate.

Under the Demonstration Project cash payments are not available to current, permanent competitive service Federal employees or former Federal employees who have a break of service of less than 180 days.

### Provisions

Each review and approval of such bonuses/cash payments will be preceded by a budget and fiscal review.

Each bonus/cash payment paid will be based on a written determination that, in the absence of such a bonus/cash payment, the agency would encounter difficulty in filling the position. Each such determination will be made before the employee enters on duty. The Justification Section of form REE-11, New Hire Recruitment Incentives, will be checked.

All bonuses will be calculated as a percentage of the employee's rate of annual basic pay (not to exceed 25 percent) and processed effective with the first pay check as a lump sum. They will not be considered part of an employee's rate of basic pay for any purpose. There will be no deferred payment under this option. A 12-month service agreement is required for all recruitment bonuses. Payments are processed through the NFC Personnel Action Processing System (PACT/PRES) and are not part of the employee's base pay.

ARS Demonstration Project cash payments have no prescribed limit on the amount of payment that may be negotiated. The amount will depend upon budget availability and the agreement of the Area Director. The cash payments may be made by one of the following means:

- lump sum upon entrance on duty;
- incrementally over a period not to exceed 36 months; or

- lump sum deferred until completion of a specified term of service, not to exceed 36 months.

These payments will be paid according to the schedule shown on the Deferred Cash Payment Agreement, ARS-43. Employees agree that no outstanding deferred or incremental amounts will be paid in the event they are no longer employed by ARS. If a deferred payment schedule is arranged, each scheduled payment must be initiated with an SF-52, Request for Personnel Action. Payments are issued after the first salary check and are subject to tax withholdings. The schedule of payment is the length of the service agreement, not to exceed 36 months. Service under one service agreement will run concurrently with service under any other simultaneous or subsequent service agreements in effect.

## **6. Travel and Transportation Expenses for New Hires**

### **Eligibility**

Newly appointed employees or individuals not yet employed who have received a written offer to be newly appointed and have signed a written Service Agreement, REE-12, maybe eligible for travel and transportation expenses. Agencies may determine which positions qualify for payment of travel and transportation expenses.

### **Provisions**

The determination to authorize payment of travel and transportation expenses must be made before the new hire or appointee incurs any expenses.

Approval of travel and transportation expenses will be preceded by a budget and fiscal review by the second level supervisor.

Travel and transportation expenses will be paid in accordance with the Federal Travel Regulations.

When a new hire, **not under ARS' Demonstration Project**, is authorized payment of travel and transportation to the first post of duty, the Agency must pay all travel and transportation expenses in accordance with the Federal Travel Regulations as listed below:

NOTE: Refer to Chapter 302 of the Federal Travel Regulations for rates and other specifics.

- travel of appointee (including per diem expenses, for appointee only);
- transportation of employee and immediate family which includes airfare or mileage allowance of a privately-owned vehicle, whichever is applicable;

- transportation of household goods and personal effects from place of residence at time of selection to first duty station including temporary storage of goods; and
- transportation of mobile homes (if used as permanent residence) in lieu of transportation and storage of household goods.

Funding for travel and transportation expenses is the responsibility of the Management Unit Head.

A **new hire under the ARS Demonstration Project** may receive any, all, or none of the following travel and transportation expenses. The Management Unit Head must make a determination as to what travel and transportation expenses will be authorized:

NOTE: Refer to Chapter 302 of the Federal Travel Regulations for rates and specifics.

- per diem for new employee and immediate family;
- transportation for employee and immediate family which includes airfare or mileage allowance of privately-owned vehicle, whichever is applicable;
- residence transactions (sale, purchase, lease breaking);
- shipment and storage of household goods;
- miscellaneous expenses and allowance; and
- shipment of one privately-owned vehicle.

The following are optional expenses that may be paid and/or limited at management's discretion:

- househunting trip for employee and/or spouse; and
- temporary quarters.

## **7. Relocation Expenses for Current Federal Employees**

### **Eligibility**

All current employees appointed without a break in service or former Federal employees with less than a three-day break in service or employees separated as a result of a reduction-in-force or transfer of functions within the last year to a position in a different commuting area or whose duty station is changed to a different commuting area may be entitled to travel and transportation expenses. This includes employees moving from one agency to another. Travel and



Transportation expenses will not be paid to anyone selected from a vacancy announcement opened to applicants in the local commuting area only.

If relocation expenses are authorized, the agency will pay all the following expenses:

NOTE: Refer to Chapter 302 of the Federal Travel Regulations for rates and specifics.

1. travel of employee (including per diem expenses for immediate family members);
2. transportation for employee and immediate family which includes airfare or mileage allowance of privately-owned vehicle, whichever is applicable;
3. transportation of household goods and personal effects from place of residence at time of selection to first duty station including temporary storage of goods;
4. transportation of mobile homes (if used as permanent residence) instead of transportation and storage of household goods;
5. residence sale/lease breaking and purchase expenses;
6. miscellaneous expenses and allowance; and
7. shipment of one privately-owned vehicle.

The following are optional expenses that may be paid and/or limited at management's discretion:

8. househunting trip for employee and/or spouse; and
9. temporary quarters.

Funding of payment for travel and transportation expenses is the responsibility of the Management Unit Head.

If a current employee is selected to a Demonstration Project position and relocation expenses are authorized, management cannot limit the expenses the employee is entitled to; the employee is eligible for the same relocation expenses as a regular transferee.

If a transferee meets one of the following criteria, the transfer is considered primarily for the benefit of the government and travel/transportation expenses must be paid:

- 1) initiated by Agency management;
- 2) a reduction in force action; or

3) selectee possesses unique competencies directly related to the position being filled as determined by management.

## **Provisions**

Each approval of such expenses will be preceded by a budget and fiscal review. A 12-month Service Agreement, REE-12, is required when relocation expenses are granted. If the employee violates the agreement, the money is recoverable as a debt to the Government. If relocation expenses are not authorized, the employee must sign the Wavier of Relocation Expenses Statement of Understanding, REE-15, acknowledging that the selection is primarily for their own benefit and convenience.

## **8. Relocation Bonuses**

### **Eligibility**

In accordance with the Title 5, CFR 575 Subpart B covering relocation bonuses, the regulations apply to all REE agencies. All **current** General Schedule (GS), SES, SL/ST, and prevailing-rate (Wage Grade) employees appointed without a break in service to a position in a different commuting area or whose duty station is changed permanently or temporarily to a different commuting area are eligible. This includes employees transferring from one agency to another (newly appointed employees are not eligible).

### **Provisions**

Review and approval of such bonuses will be preceded by a budget and fiscal review.

A relocation bonus will be calculated as a percentage of the employee's rate of annual basic pay in the new position (not to exceed 25 percent) and processed effective with the first salary payment as a lump sum. It will not be considered part of an employee's rate of basic pay for any purpose. An employee must establish a residence in the new commuting area before a relocation bonus may be paid.

There will be no deferred payments under a relocation bonus.

A 12-month Service Agreement, REE-12, is required. If the employee violates the agreement, the money is recoverable as a debt to the Government. Service under one service agreement will run concurrently with any other service agreement(s) in effect.

Each bonus paid will be based on a written justification that in the absence of such a bonus, the agency would encounter difficulty in filling the position as well as the rationale for the amount proposed. The justification must be made prior to the employee incurring moving expenses and will be attached to form REE-14, Current Federal Employee Incentives.

## **9. Retention Allowances**

### **Eligibility**

All current employees appointed to GS positions who have completed 1 year of continuous service with REE immediately prior to such payment are eligible. Those current GS employees who have completed a period of employment established under the service agreement for payment of a recruitment bonus or a relocation bonus are also eligible.

REE may pay a retention allowance to an employee only if the employee is likely to leave the Federal service for employment outside the executive, legislative, or judicial branches of the Federal Government.

An agency may not begin payment of a retention allowance while the employee is under a recruitment or relocation bonus service agreement. After retention allowance payments have begun, a relocation bonus may be paid without affecting the payment of a retention allowance.

### **Provisions**

An allowance of up to 25 percent of basic pay may be paid. Each review and approval of such allowances will be preceded by a budget and fiscal review and may be continued as long as the conditions giving rise to the original determination to pay the allowance still exist. At least annually the supervisor will review each determination to verify continued payments. This determination will be certified in writing by the Agency Head in CSREES, by the Division/Area/Staff Directors in ARS and ERS, and by the Division Directors or Associate/Deputy Administrators in NASS.

Each retention allowance paid under REE's plan will be based on a written determination that the unusually high or unique qualifications of the employee or a special need of REE for the employee's services for program delivery make it essential to retain the employee.

The determination that an employee is likely to leave will be based on a written offer from an employer outside the Federal Government, or it may be based on a written statement by the Agency Head in CSREES, or by the Division/Area/Staff Directors in ARS and ERS, or by the Division Directors or Associate/ Deputy Administrators in NASS, that the employee is likely to leave based on such evidence as personal knowledge that the employee is actively seeking outside employment and that competitive labor market conditions make it likely that such efforts will yield positive results for the employee. It should also be based on the extent to which the employee's departure would affect REE's ability to carry out a function that is deemed essential to the mission. Each such justification will be attached to form REE-14, Current Federal Employee Incentives.

The retention allowance will be a constant percent throughout the period of time covered by the initial authorization or the reauthorization. Allowances will be automatically recalculated during the year whenever there is a change in basic pay and the position for which the authorization or reauthorization was established remains the same. The annual rate of all continuing payments may not exceed the rate for Level I of the Executive Schedule. Notice of early termination or reduction of a retention allowance must be sent in writing through supervisory channels to the employee and the servicing personnel management specialist by the supervisor 30 days before the effective date of such action. This notice is prepared in a standard narrative format.

## **10. Superior Qualifications**

### **Eligibility**

The regulations covering superior qualifications appointments apply to all REE GS employees. The authority is to be used to make competitive offers to high quality candidates entering the Federal civilian service for the first time or returning to Federal employment after a break in service of 90 days or more.<sup>1</sup> The authority applies to new GS permanent and temporary positions

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<sup>1</sup> The 90-day break in service requirement does not apply to individuals employed: (1) with the District of Columbia Government who were first appointed by that Government on or after October 1, 1987; (2) as experts or consultants; (3) under a temporary appointment in a postdoctoral research program; (4) under the Student Career Experience Program; and (5) under the Intergovernmental Personnel Act.

in either the competitive or the excepted service, at any grade level, when the candidate has superior qualifications for the position.

## **Provisions**

Each review and approval of such hires will be preceded by a budget and fiscal review. NOTE: Team Leaders in the Human Resources Division Operating Branches have delegated authority to approve superior qualifications appointments.

Each advanced hire will be based on a written determination that, in the absence of such hiring, the agency would encounter difficulty in filling the position with a high quality candidate. Each such determination will be made before the employee actually enters on duty. The Justification Section of form REE-11, New Hire Recruitment Incentives, will be checked and the determination attached. The Work Sheet for Calculating Appointment Above The Minimum Salary Based On Superior Qualifications, REE-13, will also be completed and attached.

In determining whether an employee should receive a superior qualifications appointment and, if so, at what level the employee's pay should be set, the agency must consider the possibility of authorizing a recruitment bonus.

There is no provision in law or regulation for retroactive approval, and sufficient time must be allowed for the Human Resources Division to make the salary offer and establish the reporting date.

The salary should not be disruptive to pay alignment of the organization or adversely impact current employees, i.e., bringing new employees in at a rate much higher than employees in similar positions.

## **11. Pay and Travel Advances**

Requests for pay advances for salary purposes will be handled through financial management P&P's - 330 series. It is REE's decision not to use the personnel system for such payments. Travel advances must be obtained through the unified travel system from the National Finance Center and in accordance with Federal Travel Regulations.

## **12. Quarters Allowances**

### **Eligibility**

For information on occupying Federal quarters at the convenience of the Federal Government where there is no condition of employment requirement, see Real Property Manual, 245.1.

REE employees will be required to occupy Government quarters as a condition of employment only when essential program services cannot be given if the employees live away from the station, or Federal property cannot be adequately protected through other means. The number of employees who occupy Federally owned quarters as a condition of employment will be kept to an absolute minimum.

### **Provisions**

When employees who occupy Federally owned quarters as a condition of employment are transferred or reassigned to another position which also requires them to occupy such quarters, the Area/Division and Beltsville Area-Unit Directors must submit a new recommendation, justification, and four copies of Occupancy of Federally Owned Quarters, REE-16, to cover the new position. If the new position does not require occupying Federally owned quarters as a condition of employment, the employees may continue living in the quarters in accordance with the provisions of the Real Property Manual, 245.1, or be required to vacate the quarters.

## **13. Uniform Allowances**

### **Eligibility**

The only Agency with uniform needs is ARS. Office/Staff/Area/Division Directors decide on the necessity or desirability of furnishing uniforms to employees who have the same basic function.

### **Provisions**

ARS will pay an allowance for a uniform not to exceed \$400 a year.

Uniform allowances will be processed on the employee's Time and Attendance Report. The PRES Program DP127, Allowances will **not** be used for these purposes.

The transaction codes used for these purposes are TC 51 with suffix code 1, Uniform Allowance (Taxable) and TC 51 with suffix code 8, Uniform Allowance (Tax Exempt).

Uniform allowances may be charged to the current year and one prior year appropriation during any pay period. The proper transaction code used for this purpose is TC 51, suffix 8, Uniform Allowance (Tax Exempt).

## **14. Physicians Comparability Allowances**

### **Eligibility**

The Secretary of Agriculture may enter into a service agreement with a Government physician for an allowance for a specified period of service in return for an allowance in an amount not to exceed \$20,000 per annum. Only physicians serving in positions where there is a significant recruitment and retention problem will be eligible for an allowance. Currently, a physician's comparability allowance is applicable only in ARS.

## **Provisions**

Agreements will be for a period of 1 year unless the physician requests an agreement for a longer period of service. The Department may not enter into any agreement until its plan for implementing the allowance has been submitted to and approved by the Office of Management and Budget. The laws authorizing this allowance have always carried a termination date to end the program.

## **15. Hazardous and Environmental Pay**

### **Eligibility**

Law and regulation intend that employees receive additional pay when exposed to hazards of an unusually severe nature. There are distinctly separate systems established for wage grade and GS employees. Environmental Differential Pay (EDP) is for wage grade employees and Hazard Pay Differential (HPD) is for GS employees. Schedules of categories for which differentials are payable are established and periodically revised by the Office of Personnel Management.

### **Provisions**

It is REE policy that all hazards, physical hardships, and working conditions of an unusually severe nature will be eliminated or reduced to the lowest level possible. All employees are responsible for identifying and immediately bringing to the attention of management any element of danger or risk which causes or contributes to a hazard, physical hardship, or working condition of an unusually severe nature.

Responsible supervisors and managers must immediately notify the appropriate safety and health officer of the existence of hazardous conditions, particularly ones which may warrant hazardous duty or environmental differential pay. The safety and health official should inspect the worksite as soon as possible, determine the extent of the hazard, propose abatement procedures, and set a date for correction of the hazard. If abatement cannot be accomplished immediately, the safety and health official, in concert with management, should determine if the work can be allowed to continue within an acceptable level of risk. If not, the operation should be shut down until the hazard is eliminated or alleviated to an acceptable level of risk. A follow-up inspection must be conducted to ensure compliance with the established abatement procedures.



When action does not overcome these undesirable situations, EDP or HPD may be warranted for employees exposed to them if they match the categories which have been established by the Office of Personnel Management. These categories are periodically updated by that Office.

The existence of EDP/HPD is not intended to condone work practices which circumvent Federal safety laws, rules, and regulations. Willful violation may subject employees to disciplinary action.

## HPD

- an HPD must be taken into account in the classification of a position;
- an HPD is “taken into account in the classification of a position” when the duty is a part of the knowledge, skills, and abilities required of the incumbent of the position. In other words, the incumbent of the position is able to influence the hazardous duty, i.e., exercise knowledge, skill, and ability to reduce the risk of the hazard;
- the actual circumstances of the specific hazard or physical hardship must have changed from that taken into account and described in the position description;
- using the knowledges, skills, and abilities that are described in the position description, the employee cannot control the hazard or physical hardship; thus, the risk is not reduced to a less than significant level;
- “a risk of less than significant level” is used by OPM to be consistent with generally accepted standards such as those published by the Occupational Safety and Health Administration.

## EPD

- management must determine whether the local situation is covered by one or more of the defined categories;
- an employee entitled to a differential will be paid an amount equal to the percentage rate authorized by OPM for the category in which the working condition or hazard falls, multiplied by the rate for the second step of WG-10;

- an employee entitled to a differential on the basis of hours in a pay status will be paid not more than one differential for a particular period of work. The payment is computed on the basis of the highest differential rate authorized during the period of entitlement;
- an environmental differential is part of basic pay and will be used to compute premium pay, the amount from which retirement deductions are made, and the amount on which group life insurance is based.

## **16. Supervisory Differentials**

### **Eligibility**

A supervisory differential may be paid to a GS employee who has supervisory responsibility for one or more civilian non-GS employees, if any of the subordinate civilian employees would, in the absence of such a differential, be paid more than the supervisory employee. The purpose of this differential is to compensate GS employees who administratively and technically supervise one or more non-GS employees. This differential must be discontinued when the continuing pay of the supervisor exceeds that of the highest paid subordinate by more than 3 percent.

### **Provisions**

Each determination to pay a differential will be made in writing under these procedures.

In determining whether to use this authority and in determining the amount of such a differential, the salary relationship of this position to the other supervisors in the same organizational component of REE will be considered, as well as the relationship in salary between the supervisor and his/her non-GS subordinate.

The differential will be paid at an hourly rate for each hour during which the supervisor receives basic pay.

Payment of the differential will not cause the supervisor's continuing pay to exceed that of their highest paid subordinate by more than 3 percent.

In making the comparison, the following payments will be included in determining the supervisor's continuing pay:

- basic pay including a retained rate;
- a locality-based comparability payment; (**Changed on 5/27/99**)
- a retention allowance; and
- any other continuing payment except night, Sunday, or holiday premium pay or a hazardous duty differential.

In making the comparison, the following payments will be included in determining the subordinate's continuing pay:

- basic pay excluding a retained rate (because it is not related to the subordinate's current position) and a night or environmental differential;
- a locality-based comparability payment; and
- any other continuing payment except Sunday, holiday pay, or retention allowances, e.g., cost of living allowances.

Supervisory differentials may not be authorized for an employee to the extent that such an allowance would cause the annual rate to exceed the rate for Level I of the Executive Schedule.

The differential will be terminated or reduced when the continuing pay of the supervisor (including the supervisory differential) exceeds the pay of the subordinate by more than 3 percent.

The effective date of a reduction or termination of a differential will not be later than 30 calendar days after the date on which the event that necessitates the action occurs.

## **17. Procedures**

The forms for these procedures are found under the InForms Filler section of your Microsoft Windows Program Manager. If there is no form mentioned, your data should be submitted in the standard narrative format. The environmental and the hazard pay differentials and their percentages are found in 5 C.F.R. Parts 532 and 550, respectively.

## **Preemployment Interviews**

### Selecting Official

- initiates form REE-11, New Hire Recruitment Incentives, by checking the block for pre-employment interviews;
- checks the appropriate box under “Justification” and attaches a narrative statement;
- attaches the list of all candidates;
- prepares AD 202, Travel Authorization/Advance; and
- signs, dates, and forwards the package to the second level supervisor.

### Second Level Supervisor and Any Other Required Intermediate Levels

- reviews request and approves or disapproves by signing or not signing the form; and
- returns the unsigned form and the package to the selecting official; forwards the approved package to the Budget and Fiscal Officer.

### Budget and Fiscal Office

- reviews requested amount and signs the form if concurs on available funds;
- returns the package if funds are not available; and
- if concurs, forwards the package to the final approving authority.

### Final Approving Authority

- reviews the form and approves or disapproves; and
- forwards the approved package to the servicing personnel office for processing.

## **Recruitment Bonuses**

### Selecting Official

- initiates form REE-11, New Hire Recruitment Incentives, by checking the block for Recruitment Bonuses;
- under “Justification,” completes section A determining whether the coverage will be under FEPCA or the ARS Demonstration Project;
- if a deferred payment is chosen under the ARS Demonstration Project completes the USDA Demonstration Project Deferred Cash Payment Agreement, ARS-43, obtains the employee’s signature and date, and signs and dates it and attaches it to the New Hire Recruitment Incentives form;
- includes a 12 month Service Agreement, REE-12, signed and dated by the employee; and
- signs and dates the form and forwards the package to the second level supervisor.

### Second Level Supervisor and Any Other Required Intermediate Levels

- reviews the request and approves or disapproves by signing or not signing the form; and
- returns the unsigned form and the package to the selecting official; forwards the signed form and the package to the Budget and Fiscal Officer.

### Budget and Fiscal Officer

- reviews requested amount plus payment agreement and signs the form if concurs on available funds;
- returns package if funds are not available; and
- if concurs, forwards the package to the final approving authority.

#### Final Approving Authority

- reviews the form and approves or disapproves; and
- forwards the approved package to the servicing personnel office for processing.

## **Travel and Transportation Expenses**

#### Selecting Official

- determines if can fill “new hire” position through merit promotion or through the ARS Demonstration Project;
- if through the merit promotion process, initiates form REE-11, New Hire Recruitment Incentives, by checking the block for travel and transportation expenses and attaches a signed and dated Service Agreement, REE-12; checks the appropriate box under “Justification” and attaches a narrative statement;
- if the employee is being hired under the ARS Demonstration Project, checks that block and completes Section B;
- obtains the signature and date of the ARS Demonstration Project selectee on the Service Agreement, REE-12, and attaches it to the package; and
- prepares AD 202, Travel Authorization/Advance.

#### Second Level Supervisor and Any Other Required Intermediate Levels

- reviews request and approves or disapproves by signing or not signing the form; and
- returns the unsigned form and the package to the selecting official; forwards the signed form and the approved package to the Budget and Fiscal Officer.

#### Budget and Fiscal Office

- reviews requested amount and signs the form if concurs on available funds;
- returns form and the package if funds are not available; and
- if concurs, forwards the package to the final approving authority.

#### Final Approving Authority

- reviews the form and approves or disapproves; and
- forwards the approved package to the servicing personnel office for processing.

## **Superior Qualifications**

#### Selecting Official

- initiates form REE-11, New Hire Recruitment Incentives, by checking the block for superior qualifications-advanced step;
- checks the appropriate box under “Justification” and attaches a narrative statement;
- completes the Work Sheet for Calculating Appointment Above the Minimum Salary Based on Superior Qualifications, REE-13; and
- signs and dates the form and forwards the package to the second level supervisor.

### Second Level Supervisor and Any Other Required Intermediate Levels

- reviews request and approves or disapproves by signing or not signing the form; and
- returns the unsigned form and the package to the selecting official; forwards the signed form and the package to the Budget and Fiscal Officer;

### Budget and Fiscal Office

- reviews requested amount and signs the form if concurs on available funds;
- returns the package if funds are not available; and
- if concurs, forwards the package to the final approving authority.

### Final Approving Authority

- reviews the form and approves or disapproves; and
- forwards the approved package to the servicing personnel office for processing.

## **Relocation Bonuses**

### Recommending Official

- initiates form REE-14, Current Federal Employee Incentives, by checking the block for Relocation Bonuses;
- completes Section A determining what percent the bonus will be and the recommended amount;
- attaches a justification outlining the difficulty experienced in filling the position and the rationale for the amount proposed;



- includes a 12-month Service Agreement, REE-12, signed and dated by the employee; and
- signs and dates the form and forwards the package to the second level supervisor.

#### Second Level Supervisor and Any Other Required Intermediate Levels

- reviews the request and approves or disapproves by signing or not signing the form; and
- returns the unsigned form and the package to the selecting official; forwards the signed form and the package to the Budget and Fiscal Officer.

#### Budget and Fiscal Officer

- reviews requested amount and signs the form if concurs on available funds;
- returns package if funds are not available; and
- if concurs, forwards the package to the final approving authority.

#### Final Approving Authority

- reviews the form and approves or disapproves;
- forwards the approved package to the servicing personnel office for processing.

## Relocation Expenses

### Recommending Official

- initiates form REE-14, Current Federal Employee Incentives, by checking the block for Relocation Expenses;
- completes Section B by checking the justification for the expenses;
- attaches a justification outlining the difficulty experienced in filling the position and the rationale for the amount proposed;
- if there is no relocation expense payment authorized, attaches the Waiver of Relocation Expenses Statement of Understanding, REE-15;
- includes a 12-month Service Agreement, REE-12, signed and dated by the employee;
- completes and attaches form AD-202, Travel Authorization/Advance; and
- signs and dates the form and forwards the package to the second level supervisor.

### Second Level Supervisor and Any Other Required Intermediate Levels

- reviews the request and approves or disapproves by signing or not signing the form; and
- returns the unsigned form and the package to the selecting official; forwards the signed form and the package to the Budget and Fiscal Officer.

### Budget and Fiscal Officer

- reviews requested amount and signs the form if concurs on available funds; and
- returns the package if funds are not available; and

- if concurs, forwards the package to the final approving authority.

#### Final Approving Authority

- reviews the form and approves or disapproves; and
- forwards the approved package to the servicing personnel office for processing.

### **Retention Allowances**

#### Recommending Official

- initiates form REE-14, Current Federal Employee Incentives, by checking the block for Retention Allowances;
- completes Section C, determining what percent of salary the allowance will be and its equivalence in dollars, the year of recertification, and the date of termination;
- attaches a justification stating the employee's unique qualifications or the special needs of the agency, the evidence the employee is likely to leave, and the extent to which the departure would affect the agency; and
- signs and dates the form and forwards the package to the second level supervisor.

#### Second Level Supervisor and Any Other Required Intermediate Levels

- reviews the request and approves or disapproves by signing or not signing the form; and
- returns the unsigned form and the package to the selecting official; forwards the signed form and the package to the Budget and Fiscal Officer.

#### Budget and Fiscal Officer

- reviews requested amount and signs the form if concurs on available funds;

- returns package if funds are not available; and
- if concurs, forwards the package to the final approving authority.

#### Final Approving Authority

- reviews the form and approves or disapproves; and
- forwards the approved package to the servicing personnel office for processing.

### **Quarters Allowances**

#### Recommending Official

- initiates form REE-16, Occupancy of Federally Owned Quarters, and has the employee sign and date the agreement;
- attaches a brief justification; and
- signs and dates the form and forwards the package to the second level supervisor.

#### Second Level Supervisor and Any Other Required Intermediate Levels

- reviews the request and approves or disapproves by signing or not signing the form;
- returns the unsigned form and the package to the selecting official;
- with the help of the Property Management Officer fills out form REE-17, Rates for Quarters and Services Furnished to Federal Employees, and obtains the signature and date of the employee; and
- forwards the package to the Property Management Officer.

### Property Management Officer

- reviews the Rates for Quarters and Services Furnished to Federal Employees form and, as well as the employee, signs the form if the housing is available;
- returns package if housing is not available; and
- if concurs, forwards the package to the final approving authority.

### Final Approving Authority

- reviews the Occupancy of Federally Owned Quarters form and approves or disapproves; and
- forwards the approved package to the servicing personnel office for processing.

## **Hazard and Environmental Payments**

### Recommending Official

- identifies work situations possibly warranting EDP or HPD compensation to employees by comparison to the Code of Federal Regulations and prepares request for approval. Request should include:
  - description of hazard or hardship or severe working condition;
  - the frequency of exposure;
  - the estimated biweekly hours of exposure per employee;
  - the applicable category requested;
  - the differential rate;

- the corrective action taken to eliminate or reduce the situation;
- the official authorized to assign the work;
- the official authorized to approve the payroll documentation; and
- forwards the package to the second level supervisor.

#### Second Level Supervisor and Any Other Required Intermediate Levels

- reviews the request and forwards to the safety officer if payment is approved.

#### Safety Officer

- reviews questioned situation in detail, including onsite study if required, and renders technical evaluation in terms of (a) the extent to which the situation matches other related categories and (b) the extent to which existing or proposed safety equipment, facilities, or procedures eliminate or degrade the impact of qualifying situations; and
- forwards the package to the final approving authority.

#### Final Approving Authority

- reviews the package and approves or disapproves;
- notifies supervisors and union in writing of approval/disapproval and provides rationale; and
- forwards the package to the recommending official for processing.

## Recommending Official

- for each incident of exposure, documents the authorization for payment of the EDP/HPD by entering the appropriate code and number of hours on the T&A Report, REE-331;
- keeps a copy of the approval package along with the initial T&A Report for the 6-year duration of the T&A records.

## **Supervisory Differentials**

### Supervisor

- initiates the Acceptance and Notification of Circumstance Change, REE-18, by agreeing to the conditions and signing the first part of the form.

### Second Level Supervisor and Any Other Required Intermediate Levels

- completes the Acceptance of Circumstance Change;
- initiates the Recommendation and Approval of Supervisory Differentials, REE-19, and signs the first part of the form;
- initiates a Request for Personnel Action, SF-52, requesting the salary change;
- initiates a written justification outlining the necessity for granting, ending, or adjusting the differential and the impact this will have on the unit; and
- forwards these forms and memos through supervisory channels to the Budget and Fiscal Officer.

### Budget and Fiscal Officer

- reviews requested amount and signs the Approval form if concurs on available funds;

- returns package if funds are not available; and
- if concurs, forwards the package to the final approving authority.

#### Final Approval Authority

- reviews the package and approves or disapproves; and
- forwards the approved package to the servicing personnel management specialist for processing.

#### Servicing Personnel Management Specialist

- submits the required payment data to NFC via AD-343, Payroll Action Request; and
- attaches a memo to the Head, Payroll/Personnel Operations Section stating that, as an interim procedure, we wish for NFC to continue payment until we send in an AD-343 to end or change the payment.

#### Second Level Supervisor and Any Other Required Intermediate Levels

- on December 15, March 15, June 15, and September 15 of each year conducts a manual review of each approved instance to assure that the situation warrants a differential; and
- if the situation does not warrant a differential or a change in the differential, initiates a SF-52, REE-19, REE-18, and a justification memo stating the reason for the termination or change.

## **18. Summary of Responsibilities**

### **Agency Heads**

In ARS



- Delegates authority to review and approve payment of incentives, bonuses, allowances and differentials.

In CSREES

- Approves/disapproves the Deputy Administrators' recommendations.

In ERS

- Delegated authority to review and approve payment of incentives, bonuses, allowances and differentials for up to 10 percent of the salary level.
- Retains the delegation beyond the 10 percent salary level.

In NASS

- Approves/disapproves the Associate/Deputy Administrators' recommendation.

**Office/Staff/Area/Division Directors in ARS; Associate/Deputy Administrators in CSREES and NASS; and Division and Associate Division Directors in ERS**

In ARS

- Review and approve payment.

In CSREES and NASS

- Recommends payment to the Agency Head.

In ERS

- Review and approve payment up to 10 percent of salary level.

**Budget and Fiscal/Property Management/Safety Officers**

- Technically reviews proposal and recommends payment.

### **Second Level Supervisors and Any Other Required Intermediate Levels**

- Reviews and approves request.

### **Recommending Officials**

- Initiates request.

### **Employees**

- Report erroneous payments immediately to their supervisors.

## **19. Glossary**

**Allowance.** A sum of money granted that takes into account mitigating circumstances or contingencies.

**Basic Pay.** A rate of pay fixed by law or administrative action for the position before deductions and exclusive of additional pay of any kind.

**Commuting Area.** A geographic area that normally is considered one area for employment purposes. It includes at least one population center and the surrounding localities where people live and reasonably can be expected to travel back and forth daily to work.

**Continuing Pay.** The aggregate of all continuing payments received by an employee at any one time.

**Continuing Payment.** Basic pay and any other form of pay that is paid in the same manner and at the same time as basic pay.

**Differential.** A difference in wage rates reflecting differences in working conditions, worker status, or job standards.

**Duty Involving Physical Hardship.** A duty that may not in itself be hazardous, but causes extreme physical discomfort or distress and is not adequately alleviated by protective or mechanical devices.

**Employee for Purpose of Paying a Recruitment Bonus.** An individual who is newly appointed or an individual who has received a written offer to be newly appointed in an agency. The individual has met all the conditions for such a bonus including the completion of a service agreement.

**Employee for Purpose of Paying a Relocation Bonus.** An individual in an agency who is appointed without a break in service to a position in another commuting area or whose duty station is changed to another commuting area. The individual has met all of the conditions for such a bonus including the completion of a service agreement.

**Employee for Purpose of Paying a Retention Allowance.** An individual in or under an agency of the Federal Government who has met all of the conditions for such an allowance including the completion of a service agreement.

**Environmental Differential.** A differential paid for duty involving unusually severe hazards or working conditions.

**Facilities.** Household furniture and equipment, garage space, utilities, subsistence, and laundry service.

**Hazardous Duty.** A duty performed under circumstances in which an accident could result in serious injury or death where protective equipment is not used or adverse conditions exist.

**Newly Appointed.** The first appointment, regardless of tenure, or an appointment following a break in service of at least 90 calendar days.

**Office/Staff/Area Directors and Division Directors.** In ARS, Area Directors are the top field administrators. Office Staff and Division Directors are the administrators in the Headquarters Offices, the National Program Staff, and the Administrative and Financial Management Divisions.

**Per Diem.** A daily payment instead of actual expenses for subsistence.

**Quarters.** Housing owned or leased by the Government.

**Service Agreement.** A written agreement between REE and an employee under which the employee agrees to a specified period of employment.

**Subsistence.** Lodging, meals and incidental expenses.

**Supervisory Employee for Purpose of Paying a Supervisory Differential.** An employee who has technical and administrative supervisory responsibility for one or more employees not under the General Schedule, if one of them would, in the absence of such a differential, be paid more than the supervisory employee.

**Technical Supervision.** Supervision that consists of: determining assignments; making reviews requiring substantial subject matter or technical knowledge; planning and organizing work; advising, assisting and counseling individuals; evaluating performance; and being the focal point for problems with work products.

**Uniform.** A specified article or articles of clothing that may include, but is not limited to, such items as shoes, boots, hats, shirts, slacks, skirts, or outerwear an employee is required by an agency to wear to provide a distinctive and easily identifiable appearance in performing the job.

W. G. HORNER

Deputy Administrator

Administrative and Financial Management

## FEPCA and ARS Demonstration Project Incentives

WHAT CAN I PAY?	WHO CAN I PAY?	WHEN CAN I PAY?	HOW MUCH CAN I PAY?
Travel Expenses for Pre-Employment Interviews	All appointments	Does not apply	Federal travel regulations apply. May pay all or part of expenses, i.e., only subsistence or only common carrier transportation costs or both.
Demonstration Project Cash Payment	Demonstration Project appointments. Current permanent Federal employees are ineligible.	Former Federal employees must have 180-day break from a permanent competitive service appointment.	No limits on amount. Payable in a lump sum or deferred payment(s) over period not to exceed 36 months. Service agreement required.
Demonstration Project Payment for Travel & Transportation Expenses	Demonstration Project appointments. Current permanent Federal employees are ineligible.	Former Federal employees must have 180-day break from a permanent competitive service appointment.	Can pay any or all travel, transportation & associated expenses (see page 8 P&P 412.5 for specifics). Service agreement required.
Travel & Transportation for New Hires	All appointments other than Demonstration Project.	1st appointment or after break in service of 3 days or more.	Travel expenses including per diem for the new hire/appointee, transportation for immediate family, transportation and temporary storage of household goods and if authorized, the shipment of one POV.
Recruitment Bonus	Any appointment to a position in the General Schedule	1st appointment or after 90-day break unless converting from student career employment program, or other exception. <b>(Changed on 5/27/99)</b>	Not to exceed 25% of base pay. Payable with 1st paycheck. Service agreement required.
Superior Qualifications*	All appointments	1st appointment or after 90-day break unless converting from student career employment program, postdoctoral appointment or other exception.	Must be reasons for setting pay at rate higher than that needed to match existing pay.

<b>WHAT CAN I PAY?</b>	<b>WHO CAN I PAY?</b>	<b>WHEN CAN I PAY?</b>	<b>HOW MUCH CAN I PAY?</b>
Relocation Bonus	Current Federal employees in the General Schedule	Appointed to another position or duty station changed permanently or temporarily in a different commuting area without a break in service	Not to exceed 25% of base pay. Payable with 1st paycheck. Service agreement required.
Payment of Relocation Expenses	Current permanent Federal employees	Appointed to another position in a different commuting area without a break in service	Federal travel regulations apply. If approved, must pay all expenses. Service agreement required.  Under merit promotion only, must pay when move is for the benefit of the Government -- not required to pay if position is not a higher grade or does not have greater promotion potential.
Retention Allowance	Current Federal employees in the General Schedule	Employee must have completed 1 yr of service with REE and be likely to leave Federal Service	Not to exceed 25% of base pay payable at hourly rate in pay status. May be continued/ reduced/ terminated as needed. Annual review required.

All incentives require the approval of the Area Director and the Area Budget and Fiscal Officer.

\*Also requires the approval of the HRD Operations Branch Team Leader.

NOTE: Contact your servicing Personnel Specialist for more specific guidance on offering these incentives.