

# U.S. NUCLEAR REGULATORY COMMISSION

## DIRECTIVE TRANSMITTAL

TN: DT-03-07

To: NRC Management Directives Custodians

Subject: Transmittal of Management Directive 10.45, "Advances in Pay"

Purpose: Management Directive and Handbook 10.45, "Advances in Pay," are being revised to reflect organizational changes that affect the Office of the Chief Information Officer as a result of elimination of the Executive Council and to clarify the functions of the OIG. In addition, the phrase "advances in pay" was added to the Organizational Responsibilities and Delegations of Authority for the Chairman (Section 032), and specific mention of OCIO was deleted from Section (033), Executive Director for Operations.

Office and  
Division of Origin: Office of Human Resources

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Date Approved: May 4, 1992 (**Revised: March 25, 2003**)

Volume: 10 Personnel Management

Part: 2 Position Evaluation and Management, Pay Administration, and Leave

Directive: 10.45 Advances in Pay

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# Advances in Pay

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Directive

10.45

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# U. S. Nuclear Regulatory Commission

Volume: 10 Personnel Management

Part: 2 Position Evaluation and Management, Pay  
Administration, and Leave

HR

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## Advances in Pay Directive 10.45

### Policy (10.45-01)

It is the policy of the U.S. Nuclear Regulatory Commission to make advance payments of basic pay of not more than two pay periods to newly appointed individuals, either entering a first appointment as a Federal Government employee with a scheduled tour of duty or entering a new appointment following a break in service of at least 90 days, when it will assist in recruiting highly qualified individuals who might otherwise encounter financial difficulties in accepting a position.

### Objectives (10.45-02)

- To adopt and implement the advances-in-pay provisions of the Federal Employees Pay Comparability Act of 1990 and the applicable implementing regulations from the Office of Personnel Management. (021)
- To ensure agencywide equity in the application of criteria to NRC employees. (022)
- To encourage and promote recruitment of individuals by providing appropriate advances in pay when an individual

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## Objectives

(10.45-02) (continued)

needs financial assistance in order to accept an initial appointment.  
(023)

## Organizational Responsibilities and Delegations of Authority

(10.45-03)

### Chairman and Commissioners

(031)

Recommend advances in pay and, where appropriate, waivers of repayment of advances in pay for individuals who are being newly appointed to their immediate staff.

### Chairman

(032)

Approves waivers of repayment of advances in pay for Commission staff members and employees in Commission-level offices.

### Executive Director for Operations (EDO)

(033)

- Recommends advances in pay for individuals who are being newly appointed to the EDO's immediate staff. (a)
- Approves all requests for waivers of repayment of advances in pay for employees in EDO staff offices. (b)

Organizational Responsibilities and  
Delegations of Authority  
(10.45-03) (continued)

Chief Financial Officer (CFO)  
(034)

- Provides fiscal technical review for requests for waiver of repayment of advances in pay, including the amount to be waived. (a)
- Develops and implements payroll and accounting procedures governing payments and recovery of debts incurred. (b)
- Provides the specific payment or repayment information to the Office of Human Resources (HR) for completion of individual requests for advances. (c)
- Recommends advances in pay for individuals who are being newly appointed to OCFO. (d)
- Recommends approval of all requests for waivers of repayment of advances in pay for employees in OCFO. (e)

Inspector General (IG)  
(035)

- Recommends advances in pay for individuals who are being newly appointed to the Office of the Inspector General (OIG). (a)
- Approves all requests for advances in pay for employees in OIG. (b)

Organizational Responsibilities and  
Delegations of Authority  
(10.45-03) (continued)

Inspector General (IG)  
(035) (continued)

- Approves all requests for waivers of repayment of advances in pay for employees in OIG. (c)

Deputy Executive Director for  
Management Services (DEDM)  
(036)

- Advises the EDO on recommendations for advances in pay for individuals who are being newly appointed to the EDO's immediate staff. (a)
- Directs program oversight and evaluation activities. (b)

Director, Office of Human Resources (HR)  
(037)

- Approves all requests for advances in pay except for employees in OIG. (a)
- Administers the advances in pay program on a day-to-day basis. (b)
- Provides a technical review of individual requests for advances in pay and requests for waiver of repayment to ensure that regulatory requirements are met. (c)

Organizational Responsibilities and  
Delegations of Authority  
(10.45-03) (continued)

Director, Office of Human Resources (HR)  
(037) (continued)

- Coordinates payment actions with the CFO. (d)
- Advises the CFO of any personnel actions that would cause the employee to be unable to meet the agreed-upon repayment schedule. (e)
- Evaluates the advances-in-pay program on a periodic basis. (f)

Office Directors and  
Regional Administrators  
(038)

Recommend payment of advances in pay for individuals being newly appointed to their organizations and recommend requests for waiver of repayment, when appropriate, including the amount to be waived in accordance with the criteria specified in Handbook 10.45.

Applicability  
(10.45-04)

- This directive is applicable to all newly appointed NRC employees except the Chairman and the Commissioners, or individuals appointed to positions in the expectation of receiving appointments as the Chairman or as a Commissioner. (041)



## Applicability

(10.45-04) (continued)

- This directive is not applicable to advance payment under 5 U.S.C. to an individual appointed to a foreign post of duty. (042)

## Handbook

(10.45-05)

Handbook 10.45 contains the criteria and procedures for the payment of advances and any requests for waiver of repayment of these advances.

## Definitions

(10.45-06)

**Employee.** An individual employed in or under an agency who is appointed to a position with a scheduled tour of duty.

**Newly appointed employee.** The first appointment, regardless of tenure, as a Federal Government employee or a new appointment following a break in service of at least 90 days. This definition also includes a permanent appointment in the NRC following a period of leave without pay for at least 90 days, or after termination of an appointment in a cooperative work-study program under an NRC Noncareer (Excepted) Appointment made in accordance with the provisions of Management Directive (MD) 10.13, "Special Employment Programs," provided the employee has fully repaid any advance in pay received under MD 10.13.

**Pay period.** The period established by an agency for payment of employees under 5 U.S.C. 5504.

## References

(10.45-07)

“Advances in Pay,” 5 CFR Part 550, Subpart B.

“Advance Payments for New Appointees,” 5 U.S.C. Section 5524a.

Atomic Energy Act of 1954, as amended (42 U.S.C. 2011 et seq.).

Energy Reorganization Act of 1974, as amended (42 U.S.C. 5801 et seq.).

Federal Employees Pay Comparability Act of 1990, Section 302.

Inspector General Act of 1978, as amended (5 U.S.C. App. 3 et seq.).

NRC Management Directive 10.13, “Special Employment Programs.”

# Advances in Pay

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Handbook

10.45

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## Advances in Pay

### Purpose and Criteria of the Advances-in-Pay Program (A)

#### **Purpose of the Pay Authority Within the U.S. Nuclear Regulatory Commission (1)**

The purpose of the advances-in-pay authority is to provide NRC managers with the option of offering an individual an advance in pay of not more than two pay periods, when circumstances warrant the payment, to enable the individual to accept a position with the NRC.

#### **Eligibility Criteria (2)**

To be eligible for this program, the appointment must be the individual's first Federal appointment with a scheduled tour of duty, or a new appointment following a 90-day break in service. Eligibility criteria also include a permanent appointment in the NRC following a period of leave without pay for at least 90 days, or after termination of an appointment in a cooperative work-study program under an NRC Noncareer (Excepted) Appointment made in accordance with the provisions of Management Directive (MD) 10.13, "Special Employment Programs," provided the employee has fully repaid any advance in pay received under MD 10.13. (a)

There must be a written determination that in the absence of the advance in pay, NRC may encounter difficulty in filling the position with the best qualified candidate. (b)

The narrative must be specific as to the impact the failure to provide an advance in pay would have on the individual's acceptance of the appointment. (c)

## Purpose and Criteria of the Advances in Pay Program (A) (continued)

### **Eligibility Criteria (2) (continued)**

The narrative must identify the specific use of the advance that could not be satisfied through regular pay practices. (d)

### **Determining the Amount of the Advance and the Type of Payment (3)**

The advance may be for one or two pay periods, but not more than two pay periods. (a)

Payment will be made in one installment. (b)

Payment may not be made before the day of appointment or later than 60 days after the date of appointment. (c)

The maximum amount of the advance is based on the rate of basic pay the employee is entitled to on the date of his or her new appointment, reduced by the amount of any allotments or deductions that would normally be deducted from the employee's first regular paycheck. (d)

## Processing a Request for an Advance in Pay (B)

### **Initiating a Request for an Advance in Pay (1)**

Approval authorities for the recommending, reviewing, and deciding officials for requests for advances in pay are described in Exhibit 1. (a)

## Processing a Request for an Advance in Pay (B) (continued)

### **Initiating a Request for an Advance in Pay (1) (continued)**

At the time the position is vacant, the office director, the regional administrator, or the Inspector General (IG), together with the division director or the supervising official, shall determine how the position will be filled. (b)

- If the position will be competitive, the advance-in-pay provisions may become applicable. Prior notification of the advance in pay option is not required in the vacancy announcement. (i)
- Once the selectee is identified and found to meet the coverage criteria, the option of using an advance in pay may be considered, if necessary. When making the formal offer, if the Office of Human Resources (HR) determines the selectee may have a problem accepting the offer because of an immediate financial difficulty, HR will discuss available options with the selecting official. (ii)
- If the selecting official agrees to consider an advance in pay, HR will consult with the selectee to determine if an advance in pay would resolve the situation sufficiently for the selectee to accept the position. If an advance is advisable, HR will notify the selecting official, who will then notify the office director, the regional administrator, or the IG, as appropriate. (iii)
- The office director will initiate the request for an advance in pay and submit it to the Director of HR, or to the IG if for an OIG selectee, using the format provided in Exhibit 2. (iv)

Requests must be forwarded to the Director of HR for technical review and final approval and must be submitted on a case-by-case basis. (c)

## Processing a Request for an Advance in Pay (B) (continued)

### **Providing Prepayment Information to the Employee (2)**

Before making an advance payment, HR, together with the Chief Financial Officer (CFO) or the Director of Resource Management and Operations Support (RMOS) (OIG), shall advise the employee in writing and have the employee sign an agreement to repay the Federal Government, unless repayment has been waived, using the format provided in Exhibit 3. The notification or agreement to repay must contain the following information—(a)

- How the advance in pay will be recovered: in installments under NRC procedures for payroll deduction, by salary offset procedures, or by other methods provided by law. (i)
- The total amount of the advance in pay, the total number of pay periods scheduled for repayment, and the amount that must be deducted from pay by payroll deduction or salary offset. (ii)
- A statement indicating that the employee may prepay all or part of the balance not yet repaid at any time before the money is due. (iii)
- The amount of the advance not yet repaid or waived that must be repaid if the employee transfers to another agency or if employment is terminated. (iv)
- A statement indicating that any balance not repaid or waived upon transfer or termination must be recovered by salary offset or other method provided by law. (v)

The CFO or the Director of RMOS for OIG shall establish a recovery period for each employee who receives an advance in pay. This period may be no longer than 14 pay periods, beginning on the date



## Processing a Request for an Advance in Pay (B) (continued)

### **Providing Prepayment Information to the Employee (2) (continued)**

the advance in pay is made to the employee, unless recovery is accomplished under salary offset procedures and a longer recovery period is necessary to avoid exceeding the maximum amount that may be offset under applicable law or regulation. A recovery period shorter than 14 pay periods may be established if requested in writing by the employee. (b)

### **Implementing the Advance in Pay (3)**

The Director of HR shall advise the CFO once the employee has been notified in writing so that payment procedures can be initiated. (a)

The Director of HR shall forward a copy of the documentation, including the advance notification letter, to the CFO for processing and initiation of payment procedures. (b)

Payment procedures for OIG employees will be initiated by OIG. (c)

The Director of HR or the Director of RMOS for OIG shall immediately notify the CFO of any personnel action relating to the employee that could make the employee unable to fulfill the terms of the repayment requirements. (d)

## Payments and Repayments (C)

### **Payment and Repayment Procedures (1)**

The advance will be made in one installment and will cover no more than two pay periods. (a)

## Payments and Repayments (C) (continued)

### **Payment and Repayment Procedures (1) (continued)**

The CFO shall determine procedures for the actual payment and repayment of the advance. (b)

An employee who transfers to another agency or whose employment with the NRC is terminated for any reason is indebted to the Federal Government and shall repay the remaining advance balance, unless repayment is waived in whole or in part by the Chairman, the Executive Director for Operations (EDO), the CFO, or the Inspector General (IG), as appropriate. (c)

Amounts must be recovered under NRC's regulations for collection by offset from an indebted Government employee under 5 U.S.C. 5514 and Subpart K of 5 CFR Part 550. (d)

### **Waiver of the Right of Recovery (2)**

All right of recovery may be waived by the Chairman, the EDO, or the IG, as appropriate, in whole or in part, if the Chairman, the EDO, or the IG determines that recovery would be against equity and good conscience, or against the public interest as stated in 5 CFR 550.206. (a)

An office director, a regional administrator, or the IG may recommend the waiver and shall submit substantial justification in support of the request. Any request for a waiver, except a request from OIG, must be concurred in and reviewed by the Director of HR for sound personnel practices. All requests for waivers must be reviewed by the CFO for sound fiscal management. (b)

A request for a waiver must be initiated by the office director or the regional administrator and forwarded to the Chairman, the EDO, or the IG, as appropriate, through the Director of HR and the CFO (see Exhibit 1). The justification for the waiver must be included. The

## Payments and Repayments (C) (continued)

### **Waiver of the Right of Recovery (2) (continued)**

request must state whether the entire balance or only a portion of the balance owed is to be waived. Waivers in OIG are forwarded to the IG through the Deputy IG.(c)

Once the waiver is approved by the Chairman, the EDO, or the IG, the request must be forwarded to the CFO for implementation. The OIG will implement waivers for OIG employees. (d)

## Obligations and Oversight (D)

### **Repayment Agreement (1)**

A repayment agreement as noted in Section C and in Exhibit 3 of this handbook must be signed by the employee before an advance payment will be made.

### **Records and Reporting (2)**

The selection files or other appropriate files will contain the documentation that justifies payment of the advance. (a)

The Director of HR shall periodically provide the EDO a report showing the number, occupations, and grades of employees to whom an advance has been paid and the number of pay periods advanced. (b)

The Director of HR shall conduct appropriate oversight and evaluation activities to ensure conformance with the use of this pay authority and appropriate regulations. (c)

## Exhibit 1

### Approval Authorities for Advances in Pay

Pay Authority	Recommending Official	Reviewing Official	Deciding Official
<b>Advances in Pay</b>			
For all eligible employees as indicated:			
• Immediate staff of the Chairman or Commissioners	Chairman or Commissioners	CFO	Director, HR
• Commission-level offices	OD	CFO	Director, HR
• EDO staff offices	OD or RA	CFO	Director, HR
• OCFO	CFO	CFO	Director, HR
• OIG	IG	CFO	IG
For approval of waiver (including amount to be waived) to right of recovery of employee's debt incurred with an advance in pay:			
• Immediate staff of the Chairman or Commissioners	Chairman or Commissioners	Director, HR CFO	Chairman
• Commission-level offices	OD	Director, HR CFO	Chairman
• EDO staff offices	OD or RA	Director, HR CFO	EDO
• OIG	IG	CFO	IG

CFO - Chief Financial Officer	OCFO - Office of the Chief Financial Officer
EDO - Executive Director for Operations	OD - Office Director
HR - Office of Human Resources	OIG - Office of the Inspector General
IG - Inspector General	RA - Regional Administrator

Exhibit 2  
Request To Use Recruitment or Relocation Bonus,  
Retention Allowance, or Advances-in-Pay Authority

TO: Chairman or the Executive Director for Operations  
THRU: Director, Office of Human Resources  
FROM: Office Director, Regional Administrator, or Inspector General  
SUBJECT: REQUEST TO USE PAY AUTHORITY

I.A. This position is being filled through \_\_\_\_ reassignment \_\_\_\_ competition.

If filled through competition, the vacancy announcement must have stated that there was a possibility that a relocation or recruitment bonus might be paid.

B. I request approval for the use of the following pay authority for (name).

\_\_\_\_ **Recruitment Bonus**    \_\_\_\_ **Relocation Bonus**    \_\_\_\_ **Retention Allowance**

I recommend that the amount of the bonus/allowance be \_\_\_\_% of basic pay.

\_\_\_\_ **Advance in Pay**

C. I have reviewed the criteria outlined in the handbook and have attached a narrative justification that addresses both the criteria to be met in making an initial determination to use the pay authority and the criteria for determining the amount of the payment.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature (Office Director or Regional Administrator)

## Exhibit 2 (continued)

- II. I have reviewed the request for the use of the above-indicated pay authority and have determined that it \_\_\_\_ does \_\_\_\_ does not meet the criteria specified in the handbook. I \_\_\_\_ do \_\_\_\_ do not concur with this recommendation. An explanation is attached for any nonconcurrence.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director, Office of Human Resources

- III. We have reviewed the request for use of the above pay authority. We \_\_\_\_ do \_\_\_\_ do not agree that it fully meets the criteria for payment. We \_\_\_\_ do \_\_\_\_ do not agree with the amount recommended. We recommend an alternate payment amount of \_\_\_\_ based on the attached evaluation. We recommend that this request be \_\_\_\_ approved \_\_\_\_ disapproved with any change noted. Justification for this recommendation is attached.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chairman, FEPCA [Federal Employees Pay  
Comparability Act] Senior Management  
Review Panel Subgroup

**Note:** For approval authority for requests for advances in pay, go directly to Part VI of this exhibit for CFO coordination of implementation.

Exhibit 2 (continued)

IV. I have reviewed the request for the use of the above authority and \_\_\_\_ approve  
\_\_\_\_ disapprove the request \_\_\_\_ for the amount initially requested or for the amount  
of \_\_\_\_\_.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Deciding Official

V. Forward to the Director, HR, for implementation.

VI. There \_\_\_\_ are \_\_\_\_ are not sufficient funds to pay for the request as approved above  
by the Deciding Official. (For advances in pay, this memorandum constitutes a request  
for employee notification information.)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chief Financial Officer (CFO)

**(Return copy of memorandum with CFO funds determination to HR.)**

### Exhibit 3

## Sample Employee Notification of Advance-in-Pay Requirements

Name  
Street  
City, State, ZIP Code

Dear

Your request for an advance in pay of \_\_\_\_ pay periods (not to exceed two pay periods) in the amount of \$\_\_\_\_ has been granted. The advance will be paid in one installment no earlier than the date of your appointment with the U.S. Nuclear Regulatory Commission (NRC) or after you have received your first regular paycheck.

The advance in pay will be recovered from you by the NRC \_\_\_\_ either in installments under NRC procedures for payroll deductions or \_\_\_\_ by salary offset procedures. Your advance in pay will be recovered from you over \_\_\_\_ pay periods. The amount that will be deducted from your pay by \_\_\_\_ payroll deduction or \_\_\_\_ salary offset for each pay period will be \$ \_\_\_\_ .

You may prepay all or part of the balance of the advance pay not yet repaid at any time before the money is due. If you elect to prepay all or part of the balance due, you should make out a check in the amount to be prepaid payable to the U.S. Nuclear Regulatory Commission. The check, with a note explaining the reason for the prepayment and your employee identification number, should be forwarded to the License Fee and Accounts Receivable Branch, Division of Accounting and Finance, Office of the Chief Financial Officer.

You should be advised that the amount of the advance in pay not yet repaid by you or waived by the Executive Director for Operations must be repaid by you if you transfer to another agency or if your employment with the NRC is terminated for any reason.



Exhibit 3 (continued)

You should also be advised that any amount of the remaining balance of the advance in pay that has not been waived or repaid by you upon transfer or termination for any reason must be recovered by salary offset procedures established by the NRC.

You should carefully review the above information and sign below to acknowledge receipt of the information and your agreement to repay the advance in pay as indicated above. A signed copy with an original signature should be returned to me.

Sincerely,

Human Resources Representative

I have read the above information regarding the repayment of the advance in pay I have requested. I agree to repay the advance in pay as described above.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name