

EXTENDED ASSIGNMENT INCENTIVES

REPORT TO THE CONGRESS

Working for America



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
APRIL 2006

A MESSAGE FROM THE DIRECTOR OF THE OFFICE OF PERSONNEL MANAGEMENT

I am pleased to present the Office of Personnel Management's (OPM's) report to Congress on agencies' use of extended assignment incentives. During the reporting period (May 2, 2003, through December 31, 2005), one agency—the Department of Justice, Federal Bureau of Investigation—provided approximately \$1.5 million in extended assignment incentive payments to 87 employees.

The first Governmentwide initiative in the President's Management Agenda is the "Strategic Management of Human Capital." OPM is proud of its leadership role in assisting Federal agencies to recruit, retain, and develop the employees they need to meet their specific missions. OPM has led the way to encourage agencies to implement effective human capital strategies to build successful, high-performing organizations.

This report was prepared in response to a statutory requirement that OPM prepare, and submit to the Congress, information on agencies' use of extended assignment incentives. Section 5757 of title 5, United States Code, authorizes agencies to pay an extended assignment incentive to eligible Federal employees assigned to positions located in a territory or possession of the United States, the Commonwealth of Puerto Rico, or the Commonwealth of the Northern Mariana Islands. Extended assignment incentives are meant to assist agencies in retaining experienced, well-trained employees in these locations for a longer period than the employee's initial tour of duty.

We will continue to work closely with agencies to assist them in taking full advantage of extended assignment incentives, as well as other existing recruitment and retention incentives, to attract and retain well-qualified, high-performing employees.

Linda M. Springer
Director

Report to Congress on Extended Assignment Incentives

Introduction

Section 207(d) of Public Law 107-273 (November 2, 2002) requires that, 3 years after the effective date of the Public law, the Office of Personnel Management (OPM) must report to Congress on the operation and effectiveness of the extended assignment incentives authority, including information on—

- Agencies' use of extended assignment incentives;
- Whether the use of extended assignment incentives influenced employees to stay longer than their initial tour of duty at their current duty stations; and
- Agencies' recommendations for changes necessary to improve the effectiveness of extended assignment incentives.

To prepare this report, OPM asked all agencies that authorized extended assignment incentives to provide the following data for the period from May 2, 2003, through December 31, 2005:

- The number of extended assignment incentive service agreements that commenced during the reporting period;
- The dollar amount expended on extended assignment incentives during the reporting period;
- The number of employees who declined an extended assignment incentive, by occupational series and geographic location;
- The number of employees who signed an extended assignment incentive service agreement, the total amount of the planned incentives, and the total number of years of agreed-upon service, by occupational series and geographic location;
- The number of employees whose service agreements were terminated before completion of the agreed-upon service period;
- The number of employees who incurred a repayment debt under 5 CFR 575.513 (including any repayment penalty under 5 CFR 575.513(e)) and the total amount of repayment debt incurred; and
- The portion of the repayment debt that, as of December 31, 2005—
 - Has been recovered;
 - Is subject to ongoing collection efforts; and
 - Has been waived or written off.

Background

Section 5757 of title 5, United States Code, provides agencies the authority to pay extended assignment incentives to retain experienced, well-trained employees in a territory or possession of the United States, the Commonwealth of Puerto Rico, or the Commonwealth of the Northern Mariana Islands for a longer period than the employee's initial tour of duty in these locations. The law permits the head of an Executive agency to provide an extended assignment incentive to an employee if (1) the employee has completed at least 2 years of continuous service in one or more civil service positions located in a territory or possession of the United States, the Commonwealth of Puerto Rico, or the Commonwealth of the Northern Mariana Islands; (2) the agency determines that replacing the employee with another employee possessing the required qualifications and experience would be difficult; and (3) the agency determines that it is in the best interest of the Government to encourage the employee to complete a specified additional period of employment with the agency in one of the covered locations.

The Office of Personnel Management's (OPM's) regulations provide that an employee must have completed the required 2 years of continuous service immediately before commencement of a service agreement to receive an extended assignment incentive. In determining whether it is in the best interest of the Government to retain the employee in a particular location, an agency may consider how the employee's departure would affect the agency's ability to carry out an activity or perform a function the agency deems essential to its mission or to operate effectively. By law, the total amount of service an employee may perform in a particular territory, possession, or commonwealth under one or more extended assignment incentive service agreements with an agency may not exceed 5 years.

OPM's regulations require the head of the agency to establish an agency plan for authorizing extended assignment incentives. The plan must designate the agency officials with authority to review and approve incentive payments and specify (1) agency criteria for authorizing extended assignment incentive payments and determining the amount of a payment, (2) requirements governing service agreements, (3) procedures for paying extended assignment incentives, and (4) documentation and recordkeeping requirements sufficient to allow reconstruction of the action.

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

An employee may receive an extended assignment incentive not to exceed the greater of (1) an amount equal to 25 percent of the annual rate of basic pay of the employee at the

beginning of the service period times the number of years in the service period or (2) \$15,000 per year in the service period. Before paying an extended assignment incentive, an agency must require the employee to sign a written service agreement to complete a specified period of additional employment with the agency in one of the covered locations. If an employee fails to fulfill the terms of the service agreement, he or she generally must reimburse the employing agency for the prorated share of any extended assignment incentive received for service not yet performed. By law, an agency may not require repayment of an extended assignment incentive if an employee is involuntarily separated from his or her position or is involuntarily reassigned to a position stationed outside the particular area involved.

Summary of Agencies' Use of Extended Assignment Incentives

One Federal agency—the Department of Justice, Federal Bureau of Investigation (FBI)—reported it had provided approximately \$1.5 million in extended assignment incentive payments to 87 employees during the reporting period May 1, 2003, through December 31, 2005, as provided in further detail below:

Total number of employees offered an extended assignment incentive: 87

Number of employees receiving an offer by occupational series, grade, and geographic location:

Employees	Series	Grade	Geographic Location
1	0391	13	Saipan, Commonwealth of Northern Mariana Islands
8	1811	13	Saipan, Commonwealth of Northern Mariana Islands
1	0391	13	San Juan, Puerto Rico
3	0656	12	San Juan, Puerto Rico
7	1040	12	San Juan, Puerto Rico
1	1040	13	San Juan, Puerto Rico
10	1811	12	San Juan, Puerto Rico
41	1811	13	San Juan, Puerto Rico
11	1811	14	San Juan, Puerto Rico
3	1811	15	San Juan, Puerto Rico
1	1811	13	Territory of Guam

Number of employees accepting an offer by occupational series, grade, geographic location, amount of incentive, salary, and length of service agreement:

Employees	Series	Grade	Geographic Location	Average Incentive Amount	Average Annual Salary	Service Agreement
1	0391	13	Saipan	16,657	66,627	1 year
8	1811	13	Saipan	13,961	56,417	1 year
1	0391	13	San Juan	19,343	77,372	1 year
3	0856	12	San Juan	15,693	61,449	1 year
7	1040	12	San Juan	16,459	65,837	1 year
1	1040	13	San Juan	18,606	75,223	1 year
10	1811	12	San Juan	15,081	43,910	1 year
41	1811	13	San Juan	18,031	72,999	1 year
11	1811	14	San Juan	20,302	83,582	1 year
3	1811	15	San Juan	26,141	104,465	1 year

Number of employees who declined an extended assignment incentive by occupational series, grade, and geographic location:

Employee	Series	Grade	Geographic Location
1	1811	13	Territory of Guam

Three employees' service agreements were terminated before the completion of the agreed-upon service period. The FBI reported no employees who incurred a repayment debt under 5 CFR 575.513 during the reporting period.

Summary and Recommendations

The FBI has indicated that extended assignment incentives are a useful tool for retaining well-trained, experienced employees in positions located in a territory or possession of the United States, the Commonwealth of Puerto Rico, or the Commonwealth of the Northern Mariana Islands. The FBI indicated that the duty stations to which the employees are assigned are located in less desirable locations, lack quality medical care, and lack quality schools. The use of extended assignment incentive payments has influenced employees to stay longer in these locations. The FBI did not make any substantive recommendations to change the extended assignment incentive authority.



**United States Office of
Personnel Management**
1900 E Street, NW
Washington, DC 20415