



REPLY TO  
ATTENTION OF

DEPARTMENT OF THE ARMY  
UNITED STATES ARMY COMBINED ARMS SUPPORT COMMAND  
SUSTAINMENT CENTER OF EXCELLENCE  
2221 ADAMS AVENUE  
FORT LEE, VIRGINIA 23801-1809

FORT LEE POLICY NO. 03-09

ATCL-CG

MAY 19 2009

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Recruitment, Relocation, and Retention Incentives

1. References.
  - a. Title 5, United State Code, Chapter 57, subchapter IV.
  - b. Title 5, Code of Federal Regulations, Part 575.
  - c. Office of Personnel Management (OPM) Recruitment, Relocation, and Retention Questions and Answers.
2. Purpose. To establish policy and provide guidance for the use of recruitment, relocation, and retention incentives for civilian employees paid from appropriated funds at Fort Lee, Virginia.
3. Scope. This applies to all supervisors and managers of organizations serviced by the Fort Lee Civilian Personnel Advisory Center (CPAC)
4. Delegation.
  - a. Approval authority is delegated by the organizational commander or director. The authority may be delegated no lower than the first level supervisor but may also be limited to commanders. For example, at his discretion, the Sustainment Center of Excellence Commanding General may elect to restrict the authority to commanders only. Copies of the delegations will be forwarded to the CPAC to ensure requests are processed consistent with the delegated authority.
  - b. The incentive or retention, including the amount, must be reviewed and approved by an official who is at a level higher than the official recommending the incentive.
  - c. Approval is subject to availability of funds, conformance to established criteria, and adequacy of justification.
5. Policy. It is the policy of Fort Lee to grant incentive pay consistent with the intent and requirements set forth by Department of Defense (DoD) and Department of Army (DA) to attract and retain a high quality, skilled, and productive civilian workforce. In exercising this authority, responsible supervisors and managers shall give due weight to budgetary considerations as well

ATCL-CG

SUBJECT: Recruitment, Relocation, and Retention Incentives

as DA's mission requirements. Payment of these incentives and allowances resolves a specific recruiting or retention problem and should not be a matter of routine.

6. Definitions.

a. Recruitment Incentive. A lump sum payment or installment payments of up to 25 percent of basic pay that may be offered to a newly appointed employee based on the determination that, in the absence of such an incentive, difficulty would be encountered in filling the position.

b. Relocation Incentive. A lump sum payment or installment payments of up to 25 percent of basic pay may be offered to certain current employees who must relocate to accept a position in a different commuting area.

c. Retention Incentive. A lump sum payment or installment payments of up to 25 percent of basic pay may be offered to certain current employees in order to retain their services with the Federal Government. A current employee is eligible for a retention allowance based on the unusually high or unique qualifications of the employee or a special need of the agency for the employee's services.

d. Group Retention Allowance. A payment of up to 25 percent of basic pay for a group or similarly situated people in certain hard to fill positions.

7. Recruitment and Relocation Incentive.

a. Coverage. A commander/director may pay a recruitment incentive to an employee who is newly appointed to an appropriated fund position. Similarly, a supervisor/manager may pay a relocation incentive to an employee who is relocating.

(1) Recruitment Incentive. A commander/director may pay a recruitment incentive of up to 25 percent of basic pay to an employee newly appointed without a definite time limitation, provided there is written determination that, in the absence of such an incentive, difficulty would be encountered in filling the position.

(2) Relocation Incentive. A commander/director may pay a relocation incentive of up to 25 percent of basic pay to an employee who is appointed without a break in service to a position in a different commuting area or who is serving under an appointment without time limitation and whose duty station is changed permanently or temporarily to a different commuting area. A relocation incentive may be offered only to a current employee, and only with the provision that there is written determination, that, absent such an incentive, difficulty would be encountered in filling the position.

b. Approval Criteria. A recruitment or relocation incentive shall be calculated as a percentage of the employee's basic pay up to and including 25 percent. In negotiating with the

ATCL-CG

SUBJECT: Recruitment, Relocation, and Retention Incentives

potential employee, organizations shall utilize the least costly alternative acceptable. The determination that an incentive, and the amount of that incentive, is appropriate shall be based on written documentation which considers such factors as:

- (1) Success of recent efforts to recruit candidates for similar positions;
  - (a) How many offers were made;
  - (b) How many offers were declined and reasons;
  - (c) Average length of time to fill this and/or similar positions;
  - (d) Number of employees in this and/or similar positions;
  - (e) The negative impact on the morale of other employees in the same occupation, if any;
  - (f) The availability of candidates who, with minimal training or disruption of service to the public, could perform the full range of duties and responsibilities assigned to the position held by the employee.
- (2) Recent turnover in similar positions;
- (3) Labor market factors affecting ability to recruit;
- (4) Unique/superior qualifications of the employee or those needed for the position;
- (5) Employee proof of higher monetary value of compensation package available when offered employment outside the Federal service;
- (6) Severity of impact on the organization's performance in meeting mission requirements;
- (7) The negative impact on the morale of other employees in the same occupation, if any;
- (8) The availability of candidates who, with minimal training or disruption of service to the public, could perform the full range of duties and responsibilities assigned to the position held by the employee.

c. Service Agreements. Before a recruitment or relocation incentive may be approved, the employee or applicant must sign a written service agreement. The period of such service is at least six months of employment with the Department of the Army. Failure to complete the service agreement will require the employee to repay the recruitment incentive on a pro rata basis.

ATCL-CG

SUBJECT: Recruitment, Relocation, and Retention Incentives

d. Flexibility. The flexibility of retention incentive is that the director/head of personnel staff offices should negotiate the least amount which would be needed to retain the employee. The maximum amount in accordance with regulatory guidance is 25 percent of the employee's basic pay. Therefore, any agreement with the employee as to time frame cannot be enforced because of this method of payment. For the employee to receive the retention allowance, the agreement form should include a time frame that Fort Lee may expect the employee to continue to be employed, i.e., one year.

e. Documentation and Records. Each approving official is responsible for ensuring that the basis for any recruitment/relocation incentive or retention allowance is documented in accordance with Title 5 Code of Federal Regulations (CFR) Part 575. Documentation shall be available for review and submission upon request. On a fiscal year basis, each delegated approving official shall compile and maintain the following information:

- (1) The number of recruitment or relocation incentives offered and the number accepted;
- (2) The percentage of salary offered and accepted in each individual case;
- (3) A summary statement assessing the effect of the incentive authority on the ability to fill key positions with qualified candidates in a timely manner;
- (4) Average length of time to fill this and/or similar positions; and
- (5) Number of employees in this and/or similar positions; authorized, required, and filled.

f. Method of Payment. Recruitment and relocation incentives are calculated as a percentage (not to exceed 25 percent) of the employee's annual rate of basic pay and paid as a one-time lump sum payment or installment payments. Before a relocation incentive may be paid to an employee, the employee must establish a residence in the new commuting area. Retention allowances will be paid in the same manner and at the same time as basic pay, although it is not considered part of basic pay.

8. Retention Incentive. A commander/director may pay a retention incentive of up to 25 percent of basic pay to a current employee if the unusually high or unique qualifications of the employee or a special need of the Department of Army for the employee's services makes it essential to retain the employee, and the Department of Army determines the employee would be likely to leave Federal service for any reason in the absence of a retention incentive. A retention incentive may be paid only to an employee who has completed one year of continuous service with the Department of Army immediately prior to such payment.

a. Coverage. An organization may pay a retention allowance to a current permanent employee who holds an appropriated fund position.

ATCL-CG

SUBJECT: Recruitment, Relocation, and Retention Incentives

b. Approval Criteria. The approving officer must certify in writing that unusually high or unique qualifications of the employee or a special need of the agency for the employee's services make it essential to retain the employee and, absent a retention allowance, the employee would be likely to leave the Federal service. The determination that a retention incentive, and the amount of the incentive, are appropriate and shall be based on written documentation which considers such factors as:

- (1) Employee proof of offer of more compensation;
- (2) Success of recent efforts to recruit candidates and retain employees with similar qualifications in similar positions;
- (3) Availability in the labor market of candidates who, with minimal training or disruption of service, could perform the full range of duties and responsibilities.

c. Service Agreement. Before a retention incentive may be approved, the employee or applicant must sign a written service agreement to complete a specified period of service with the agency. The service period must begin on the first day of a pay period and end on the last day of a pay period.

d. Documentation. Each approving official must keep a record of each determination to pay a retention incentive. On a fiscal year basis, each delegated approving official shall compile and maintain the following information:

- (1) A description of how the authority to pay retention incentives were used in the agency during the previous calendar year; and
- (2) 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.

e. Method of Payment. The incentive may be paid in installments or in a single lump sum after completion of the full period of service required by the service agreement. The retention incentive is not considered basic pay for any reasons.

f. Review. The retention incentive will be reviewed at least every 12 months, and approving officials shall make a written determination whether the allowance is still warranted and that the conditions giving rise to the original determinations still exist. In addition, the appropriateness of payments will be reconsidered when the conditions that originally prompted the payment have significantly changed, including significant increases in basic pay.

g. Reduction or Termination. The approving official may reduce or terminate a retention incentive when it determines:

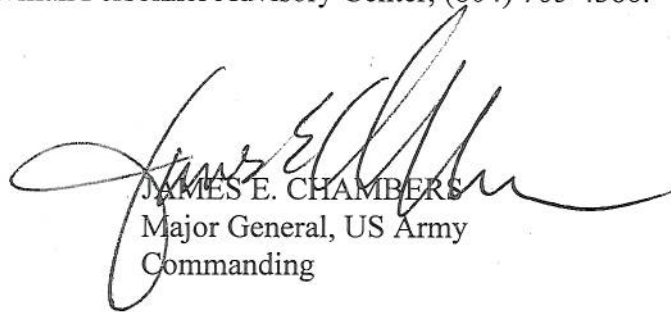
ATCL-CG

SUBJECT: Recruitment, Relocation, and Retention Incentives

- (1) A lesser amount (or none) would be sufficient to retain the employee;
- (2) Labor market factors make it more likely to recruit a candidate with qualification similar to those possessed by the employee;
- (3) The need for the employee's services has been sufficiently reduced; or
- (4) The budget will not support the cost.

9. Group Retention Incentive. The organizational commander or director has the authority to approve group retention allowances of up to 10 percent of basic pay unless the Department of Army requests a waiver from the Office of Personnel Management. The procedures for requesting a waiver of the limitation for retention incentives are in 5 CFR, Section 575.309(e). Requests must be routed through the DoD Civilian Personnel Management Service.

10. Proponent for this policy is the Civilian Personnel Advisory Center, (804) 765-4580.



JAMES E. CHAMBERS  
Major General, US Army  
Commanding

DISTRIBUTION: LEEKEY

## Recruitment, Relocation, and Retention Incentives Comparison Chart

Type	Recruitment Incentive	Relocation Incentive	Retention Incentive
Amount	Up to 25% of basic pay	Up to 25% of basic pay	Up to 25% of basic pay
Eligibility	Newly appointed or reappointed appropriate funded employees	Current employee moving to a permanent appropriate funded position	Current appropriate funded employee determined likely to leave Federal service
Service Agreement	6 months to 4 years	6 months to 4 years	6 months to 4 years
Criteria	<ul style="list-style-type: none"> <li>-Success of recent hiring efforts</li> <li>-Turnover in similar positions</li> <li>-Labor market factors</li> <li>-Special qualifications</li> <li>-Recruitment efforts and results</li> </ul>	<ul style="list-style-type: none"> <li>- Success of recent hiring efforts</li> <li>-Turnover in similar positions</li> <li>-Labor market factors</li> </ul>	<ul style="list-style-type: none"> <li>-Success of recent efforts to recruit candidates with qualification similar to employee's</li> <li>-Labor market availability of other candidates</li> <li>-Absent incentive, employee likely to leave Federal Service</li> <li>-Harm of loss</li> </ul>
Approval Authority	Commander or Director	Commander or Director	Commander or Director

## Recruitment/Relocation Incentive Service Agreement

TYPE OF INCENTIVE (Recruitment or Relocation)			
LOCATION			
TITLE	SERIES	GRADE	PD #
ANNUAL PAY	INCENTIVE AMOUNT OR PERCENTAGE		
EFFECTIVE DATE	EXPIRATION DATE		

### EMPLOYEE'S STATEMENT

I understand that:

a. As a condition of accepting the incentive, I will remain in the above position from the effective date at least through the expiration date of this agreement, unless the agreement is terminated sooner as indicated below.

b. If my employment in the position shown above is terminated during the period of agreement at the convenience of the Government, I will be entitled to retain the entire incentive.

c. If my employment in the position is terminated during the period of the agreement at my request, or as a result of misrepresentation or misconduct, I will be required to refund the unearned portion of the incentive.

d. The incentive is not considered basic pay for computing overtime, retirement, insurance entitlement, or other benefits based on basic pay.

e. This agreement does not, in any way, commit the Government to continue my employment until the expiration date.

PRINTED NAME	GRADE	SSN
SIGNATURE	DATE	
PRINTED NAME, GRADE & TITLE OF APPROVING OFFICIAL		
APPROVING OFFICIAL SIGNATURE	DATE	
PRINTED NAME, GRADE, & TITLE OF HR DIRECTOR		
HR DIRECTOR SIGNATURE	DATE	



## Retention Incentive Service Agreement

LOCATION			
TITLE	SERIES	GRADE	PD #
ANNUAL PAY	INCENTIVE PERCENTAGE		
EFFECTIVE DATE	EXPIRATION DATE		

### EMPLOYEE'S STATEMENT

I understand that:

- a. I will be paid in the same manner and at the same time as basic pay, although, it shall not be considered part of basic pay.
  
- b. I understand this allowance is subject to the aggregate limitation on pay as prescribed in the regulations.
  
- c. I understand this allowance is considered income for tax purposes.
  
- d. I understand the necessity of an annual review in relation to continuing payment of the retention allowance and that the allowance may be paid as long as conditions warrant continuation of payment.

PRINTED NAME	GRADE	SSN
SIGNATURE		DATE
PRINTED NAME, GRADE & TITLE OF APPROVING OFFICIAL		DATE
APPROVING OFFICIAL SIGNATURE		DATE
PRINTED NAME, GRADE, & TITLE OF HR DIRECTOR		DATE
HR DIRECTOR SIGNATURE		DATE