

ORNG TPR 575

Human Resources

Recruitment and Retention Pay and Benefit Options for Federal Technicians

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Oregon National Guard
Technician Personnel
Regulation 575

Human Resources

Use of Recruitment, Relocation, and Retention Incentives for Federal Technicians

By Order of the Governor:

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The Adjutant General

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History. This publication replaces ORARNGR 690-7 and ORARNGR 36-2602, Use of Recruitment and Retention Pay and Benefit Options for Federal Technicians. Incentive options for Federal civilian workers were changed in law as of 1 May 2005 and are described 5 CFR Part 575, Recruitment, Relocation and Retention Incentives; Supervisory Differentials; and Extended Assignment Incentives.

References.

5CFR, part 575

Summary. This regulation contains options approved for use by the Adjutant General to recruit and retain Oregon National Guard Technicians in critical positions. It contains procedures for using incentives to attract and retain Federal Technicians in both General Schedule and Federal Wage Schedule Title 32 positions in the Oregon National Guard. It contains the most common options and describes other, less common tools available to attract and retain quality technicians.

Applicability. This regulation applies to all Oregon National Guard Federal Technicians. It does not apply to the Title 5 employment program.

Proponent and exception authority. The proponent for this regulation is the J1, Director of Manpower and Personnel.

The J1 has the authority to approve exceptions to this regulation that are consistent with controlling law and regulation. The J1 may delegate this approval authority in writing, to a branch chief or specialist in the proponent directorate.

Suggested Improvements.

Users are invited to send comments and suggested improvements to: Oregon Military Department, ATTN: J1/HR, PO Box 14350, 1776 Militia Way, Salem, OR 97309-5047.

Distribution. This publication is available through links on several ORNG web sites or in print media, through the Human Resources Office at 503 584 397

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Section 1 General

1-1. Introduction

a. The Adjutant General has been delegated the authority by the Office of Personnel Management to use recruitment Incentives, retention incentives, superior qualification appointments and other recruiting and retention options in the Title 32, Federal Technician program. The authority does not extend to the Title 5 employment program. TAG has further delegated to the Director of Human Resources the authority to approve the use of these options whenever they are fully justified, affordable, and necessary to assure that Oregon National Guard technicians have the requisite competence to perform demanding functions in a highly competitive employment market. Documentation of this delegated authority is on file in the Human Resources Office.

b. The Director of Human Resources may further delegate this authority to selected Director of Human Resources staff personnel, but not outside the directorate. Supervisors will assist the Director of Human Resources in determining the need and the appropriate type or dollar amount of a recruitment/retention option presented in this regulation. However, individual supervisors are not authorized to offer or commit the agency to implementing any recruitment or retention option.

c. Supervisor justification for use of Technician recruiting and retention options must be based on quality research using several sources of information. Salary and optional benefit determinations present several opportunities for misunderstanding and false expectation, especially if partially completed research or initial justification information is released prematurely. The agency encourages full and open communication between supervisors, subordinates and/or prospective technicians. However, whenever supervisors discuss salary or special incentives with a technician or prospective technician, they must inform the technician that the supervisor's recommendation may be reduced or denied all together.

1-2. Purpose

The purpose of this regulation is to describe the various options available to recruit and retain quality Federal Technicians. It provides specific guidelines and procedures for requesting and approving recruitment incentives under 5 USC 5753 and 5754, 5 CFR 575, and superior qualification appointments under 5 USC 5333, 5 USC 5753, 5 USC 5754 and 5 CFR 531.203.

1-3. References

- a.* 5 Code of Federal Regulations (CFR) 575, and 531.203
- b.* 5 United States Code (USC) 5333, 5753, and 5754

1-4. Explanation of Terms

a. Recruitment Incentive. The ORNG may pay a recruitment incentive to a newly-appointed employee if the agency has determined that the position is likely to be difficult to fill in the absence of an incentive.

b. Relocation Incentive. The ORNG may pay a relocation incentive to a current employee who must relocate to accept a position in a different geographic area if the agency determines that the position is likely be difficult to fill in the absence of an incentive. A relocation incentive

may be paid only when the employee's rating of record under an official performance appraisal or evaluation system is at least "Fully Successful" or equivalent. A relocation Incentive may be used in combination with a retention incentive but not a recruitment Incentive or superior qualification appointment.

*c. **Retention incentive.*** The ORNG may pay a retention incentive to a current employee if the agency determines that the unusually high or unique qualifications of the employee or a special need of the agency for the employee's services makes it essential to retain the employee and that the employee would be likely to leave the Federal service in the absence of a retention incentive. A retention incentive may be paid only when the employee's rating of record under an official performance appraisal or evaluation system is at least "Fully Successful" or equivalent.

*d. **Superior Qualifications and Special Needs Starting Pay.*** The ORNG may set the rate of basic pay of a newly-appointed employee at a rate above the minimum rate of the appropriate General Schedule (GS) grade because of (1) the superior qualifications of the candidate, or (2) a special need of the agency for the candidate's services.

*e. **Service Agreements.*** The ORNG will require an agreement by a technician to remain in technician status for a period of time before authorizing a recruitment or relocation incentive. The ORNG may require a Service Agreement under other circumstances. For instance, the ORNG must be able to recoup its investment for lengthy or high cost training in order to protect its investment and secure a period of service from an technician who has received extensive training. Prior to the Incentive being granted to a dual-status technician, he or she must have sufficient time before their military ETS or mandatory retirement to complete the technician service commitment. This requirement may be waived by JFHQ-J1/HR.

1-5. Options Not Fully Addressed in this Regulation

Several recruiting and retention options are not fully addressed in this regulation but are summarized in Sections 6 and 7. Some are covered in other ORNG guidance documents or will be included in fully detailed in future versions of this regulation if necessary. Until then, contact HRO Employee Relations Specialist to determine their appropriate use and proposal processing.

1-6. Responsibilities

a. The Adjutant General is the highest level of authority in the State concerning the overall application of this regulation. He or she is charged by law with employing Federal technicians and with administering Federal employment including the staffing authorities described in this regulation. TAG has delegated authorities to the Director of Human Resources.

b. The Director of Human Resources is responsible to the Adjutant General for ensuring that the requirements by law, regulation, policy, and this regulation are properly applied to actions taken under these delegated authorities. In addition, the Director of Human Resources is responsible for:

(1) Providing sufficient staff resources to ensure that delegations are administered effectively and to assist managers and supervisors in the workforce analysis required justifying use of the delegations.

(2) Ensuring that each manager/supervisor has a copy of the delegations available to assist him or her.

(3) Reporting on program usage to National Guard Bureau (NGB) 20 November each year as required.

(4) Taking any corrective action necessary to ensure proper application of these delegations.

Section 2. Recruitment Incentives

2-1. Covered Positions

A recruitment incentive may be paid to an eligible individual who is appointed to a General Schedule (GS) or prevailing rate position (FWS). OPM may approve other categories for coverage upon written request from the head of the employing agency.

2-2. Excluded Positions

Recruitment incentives may not be paid to those expected to receive an appointment as the agency head (TAG).

2-3. Newly Appointed

Recruitment incentives may be paid to an employee who is newly appointed to the Federal Government. "Newly appointed" refers to the first appointment (regardless of tenure) as an employee of the Federal Government, an appointment following a break in service of at least 90 days from a previous appointment as an employee of the Federal Government, or, in certain cases, an appointment following a break in service of less than 90 days from a previous appointment as an employee of the Federal Government. (See the definition of "newly appointed" at 5 CFR 575.102.)

2-4. Approval Criteria.

a. For each determination to pay a recruitment incentive, the HRO must document in writing the basis for determining that the position is likely to be difficult to fill in the absence of a recruitment incentive, the amount and timing of the incentive payments, and the length of the service period. The determination to pay a recruitment incentive must be made before the prospective employee enters on duty in the position for which recruited.

b. The HRO may determine that a position is likely to be difficult to fill if the agency is likely to have difficulty recruiting candidates with the competencies (i.e., knowledge, skills, abilities, behaviors, and other characteristics) required for the position (or group of positions) in the absence of a recruitment incentive based on a consideration of the factors listed in 5 CFR 575.106(b).

2-5. Payment

a. A recruitment incentive may not exceed 25 percent of the employee's annual rate of basic pay in effect at the beginning of the service period multiplied by the number of years (including fractions of a year) in the service period (not to exceed 4 years). The total incentive must not exceed 100 percent of the employee's annual rate of basic pay at the beginning of the service period.

b. The incentive may be paid as an initial lump-sum payment at the beginning of the service period, in installments throughout the service period, as a final-lump sum payment upon completion of the service period, or in a combination of these methods. An incentive may be paid to an individual not yet employed who has received a written offer of employment and signed a written service agreement.

2-6. Rate of Basic Pay.

For the purpose of calculating a recruitment incentive, an employee's rate of basic pay includes a special rate under 5 CFR part 530, subpart C, a locality payment under 5 CFR part 531, subpart F, or similar payment under other legal authority, but excludes additional pay of any other kind. A recruitment incentive is not part of an employee's rate of basic pay for any purpose.

2-7. Service Agreement.

Before receiving a recruitment incentive, an employee must sign a written agreement to complete a specified period of employment with the agency. The service agreement must specify the length, commencement, and termination dates of the service period; the amount of the incentive; the method and timing of incentive payments; the conditions under which an agreement will be terminated by the ORNG; any ORNG or employee obligations if a service agreement is terminated (including the conditions under which the employee must repay an incentive or under which the agency must make additional payments for partially completed service); and any other terms and conditions for receiving and retaining a recruitment incentive.

2-8. Service Period.

a. The employee's required service period may not be less than 6 months and may not exceed 4 years. The service period must begin upon the commencement of service with the ORNG and end on the last day of a pay period. The commencement of the service period may be delayed under certain conditions described in 5 CFR 575.110(b).

b. Termination of a Service Agreement

(1) Discretionary. An agency may unilaterally terminate a recruitment incentive service agreement based solely on the management needs of the agency, in which case the employee is entitled to recruitment incentive payments attributable to completed service and to retain any incentive payments already received that are attributable to uncompleted service.

(2) Mandatory. An agency must terminate a service agreement if an employee is demoted or separated for cause (i.e., for unacceptable performance or conduct), receives a rating of record lower than "Fully Successful" or equivalent during the service period, or otherwise fails to fulfill the terms of the service agreement. In such cases, the employee may retain any recruitment incentive payments attributable to completed service, but must repay any portion of the incentive attributable to uncompleted service. The agency is not obligated to pay the employee any outstanding incentive payment attributable to completed service unless such payment was required under the terms of the recruitment incentive service agreement.

c. An agency must notify an employee in writing when it terminates a recruitment incentive service agreement. The termination of a service agreement is not grievable or appealable.

2-9. Justification and Proposal Routing

a. The written proposal to offer a recruitment Incentive must originate with the senior full-time supervisor (squadron, brigade, Military Department Director) in the organizational component of the technician and must contain the following:

(1) The specific amount requested not to exceed 25% of basic pay and the number of years the incentive would be paid.

(2) A detailed explanation of what special qualifications, possessed by the proposed recipient, are needed for the position and previous, unavailing efforts to fill the position or similar positions absent a recruitment incentive.

(3) A consideration of turnover rates in similar positions; the number of similar pending vacancies and the length of time required filling similar positions. This information can be obtained from the HRO.

(4) A description of any labor market factors known by the supervisor which may be affecting their ability to recruit candidates (for example, similar openings in the private sector with substantially higher pay).

d. The proposal for offer of a recruitment Incentive must be submitted with full justification through the appropriate chain of command to the Director of Human Resources for review. The Director of Human Resources is the final approval/ disapproval authority.

2-10. Certification

The Director of Human Resources must certify in writing that without paying an Incentive it would be difficult to fill the position with a highly qualified candidate. The Adjutant General is the final approval/disapproval authority.

2-11. Service Agreement

(see para 1-4.e.) The prospective recipient must sign a Service Agreement (AGO Form 575-1) to continue working in the position at the new duty station for at least the period specified in the agreement. The recipient must agree to repay the Incentive, on a pro rata basis, if he or she fails to fulfill the agreement.

Section 3

Superior Qualification Appointments (GS only)

3-1. Covered Positions (See para 6.3. for FWS appointments)

The HRO may use the superior qualifications and special needs pay-setting authority to set the rate of basic pay for an employee newly-appointed to any General Schedule position, including permanent and temporary positions in the competitive or excepted service. The individuals must meet one of the following criteria:

(1) Have unusually high qualifications for the position being offered and be forfeiting income that would justify a salary above the base pay for the grade, or

(2) Have a unique combination of education and experience that meets a special need of the agency.

3-2. Newly-Appointed Employees

The HRO may use the superior qualifications and special needs pay-setting authority to set the rate of basic pay for an employee upon first appointment as a civilian employee of the Federal Government or reappointment to a GS position with a 90-day break in service. (See 5 CFR 531.212(a)(3) for exceptions to the 90-day break in service requirement.)

3-3. Required Documentation

Before using the superior qualifications and special needs pay-setting authority, the HRO must establish documentation and recordkeeping procedures sufficient to allow reconstruction of the action taken in each case. Documentation must include a description of the—

- (1) superior qualifications of the individual or special agency need for the candidate's services that justifies a higher minimum rate;
- (2) factor(s) and supporting documentation under 5 CFR 531.212(c) that were used to justify the rate at which the employee's pay is set; and
- (3) reason(s) for authorizing a higher starting rate of pay instead of or in addition to a recruitment incentive under 5 CFR part 575, subpart A.

3-4. Justification and Proposal Routing

a. A written proposal to offer a superior qualification appointment must originate with the senior full-time supervisor (squadron, brigade, Military Department Director) in the organizational component of the prospective technician, and contain the following:

- (1) The specific amount of starting pay requested not to exceed 20% of the prospective technician's current pay.

- (2) Specific reasons justifying use of the authority, a statement of the candidate's income considered in determining the requested pay rate, and a list of recruiting sources used or a record of previous unsuccessful attempts to fill the vacancy.

b. When the proposal reaches the Human Resource Office, a Staffing Specialist must add a copy of each eligible candidate's application, a copy of the vacancy announcement, and a comparison of the candidate's qualifications and those of other well-qualified and available candidates. This analysis must comprise a comparison of the candidates with respect to the specific qualification standards and evaluation criteria used.

c. The proposal for offer of a superior qualification appointment will be forwarded to Director of Human Resources for final review. The Director of Human Resources is the final approval/disapproval authority.

Section 4 Relocation Incentive

4-1. Covered Positions

A relocation incentive may be paid to an eligible individual who is appointed to a General Schedule (GS) or prevailing rate (FWS) position. OPM may approve other categories for coverage upon written request from the head of the employing agency.

4-2. Excluded Positions

Relocation incentives may not be paid to those expected to receive an appointment as an agency head (TAG).

4-3. Relocation to Different Geographic Area

Relocation incentives may be paid to an employee of the Federal Government who must relocate to a different geographic area without a break in service to accept a position in an agency or to an employee of an agency who must relocate to a different geographic area (permanently or temporarily) to accept a position. A position is considered to be in a different geographic area if the worksite of the new position is 50 or more miles from the worksite of the position held immediately before the move. If the worksite of the new position is less than 50 miles from the worksite of the position held immediately before the move, but the employee

must relocate (i.e., establish a new residence) to accept the position, an authorized agency official may waive the 50-mile requirement and pay the employee a relocation incentive. In all cases, an employee must establish a residence in the new geographic area before the agency may pay the employee a relocation incentive.

4-4. Approval Criteria

a. For each relocation incentive authorized, the HRO must document in writing the basis for determining that the position is likely to be difficult to fill in the absence of a relocation incentive, the amount and timing of the incentive payments, the length of the service period, and that the worksite of the new position is in a different geographic area than the previous position. The determination to pay a relocation incentive must be made before the employee enters on duty in the position at the new duty station. HRO determinations to pay a relocation incentive must generally be made on a case-by-case basis.

b. The HRO may determine that a position is likely to be difficult to fill if the ORNG is likely to have difficulty recruiting candidates with the competencies (i.e., knowledge, skills, abilities, behaviors, and other characteristics) required for the position (or group of positions) in the absence of a relocation incentive based on a consideration of the factors listed in 5 CFR 575.206(b). The HRO may also determine that a position is likely to be difficult to fill if OPM has approved the use of a direct-hire authority applicable to the position.

4-5. Groups of Employees

An agency may waive the case-by-case approval requirement when the employee is a member of a group of employees subject to a mobility agreement or when a major organizational unit is being relocated to a new duty station. Under such a waiver, an agency must specify the group of employees covered, the conditions under which the waiver is approved, and the period of time during which the waiver may be applied. Groups of employees must be approved for relocation incentives using the same criteria that apply to individuals. (See 5 CFR 575.208(b).)

4-6. Payment

A relocation incentive may not exceed 25 percent of the employee's annual rate of basic pay in effect at the beginning of the service period multiplied by the number of years (including fractions of a year) in the service period (not to exceed 4 years). The incentive may be paid as an initial lump-sum payment at the beginning of the service period, in installments throughout the service period, as a final lump-sum payment upon completion of the service period, or in a combination of these methods. The agency may not pay a relocation incentive until the employee establishes a residence in the new geographic area.

4-7. Rate of Basic Pay

For the purpose of calculating a relocation incentive, an employee's rate of basic pay includes a special rate under 5 CFR part 530, subpart C, a locality payment under 5 CFR part 531, subpart F, or similar payment under other legal authority, but excludes additional pay of any other kind. A relocation incentive is not part of an employee's rate of basic pay for any purpose.

4-8. Service Agreement

Before receiving a relocation incentive, an employee must sign a written agreement to complete a specified period of employment with the agency at the new duty station. The service

agreement must specify the length, commencement, and termination dates of the service period; the amount of the incentive; the method and timing of incentive payments; the conditions under which an agreement will be terminated by the agency; any agency or employee obligations if a service agreement is terminated (including the conditions under which the employee must repay an incentive or under which the agency must make additional payments for partially completed service); and any other terms and conditions for receiving and retaining a relocation incentive.

4-9. Service Period

The employee's required service period may not exceed 4 years. The service period must begin upon the commencement of service at the new duty station and end on the last day of a pay period. The commencement of the service period may be delayed under certain conditions described in 5 CFR 575.210(b).

4-10. Termination of a Service Agreement

a. Discretionary. The HRO may unilaterally terminate a relocation incentive service agreement based solely on the management needs of the agency, in which case the employee is entitled to relocation incentive payments attributable to completed service and to retain any incentive payments already received that are attributable to uncompleted service.

b. Mandatory. The HRO must terminate a service agreement if an employee is demoted or separated for cause (i.e., for unacceptable performance or conduct), receives a rating of record lower than "Fully Successful" or equivalent during the service period, or otherwise fails to fulfill the terms of the service agreement. In such cases, the employee may retain any relocation incentive payments attributable to completed service, but must repay any portion of the incentive attributable to uncompleted service. The agency is not obligated to pay the employee any outstanding incentive payment attributable to completed service unless such payment was required under the terms of the relocation incentive service agreement.

c. An agency must notify an employee in writing when it terminates a relocation incentive service agreement. The termination of a service agreement is not grievable or appealable.

4-11. Justification and Proposal Routing

a. A written proposal to offer a relocation incentive must originate with the senior full-time supervisor (squadron, brigade, Military Department Director) in the organizational component of the technician, and contain the following:

(1) A detailed explanation of what special qualifications, possessed by the proposed recipient, are needed for the position and previous, unavailing efforts to fill the position or similar positions absent a relocation Incentive.

(2) A consideration of turnover rates in similar positions; the number of similar pending vacancies and the length of time required filling similar positions.

(3) A description of any labor market factors affecting the agency ability to recruit candidates (for example, similar openings in the private sector with substantially higher pay) such that it is preferable to relocate a current technician.

(4) Justification for the specific amount requested. In addition to the factors above, justification for the specific amount may also address factors such as moving expenses not reimbursed, extended family separation or other unusual expenses.

4-12. Certification

The Director of Human Resources must certify in writing that without paying a Incentive it would be difficult to fill the position with a highly qualified candidate. The Director of Human Resources is the final approval/disapproval authority.

Section 5

Retention Incentive

5-1. Covered Positions

A retention incentive may be paid to an eligible individual in a General Schedule (GS) or prevailing rate (FWS) position. OPM may approve other categories for coverage upon written request from the head of the employing agency.

5-2. Excluded Positions

Retention incentives may not be paid to those expected to receive an appointment as an agency head (TAG).

5-3. Approval Criteria

For each retention incentive authorized, the HRO must document in writing the basis for determining that the unusually high or unique qualifications of the employee or a special need of the ORNG for the employee's services makes it essential to retain the employee and that the employee would be likely to leave the Federal service in the absence of a retention incentive. The HRO may make this determination based on a consideration of the factors listed in 5 CFR 575.306(b). In addition, the HRO must document in writing the basis for determining the amount and timing of the incentive payments and the length of the service period.

5-4. Payment

a. The HRO must establish a single retention incentive rate for the employee, expressed as a percentage of the employee's rate of basic pay, not to exceed 25 percent.

b. The incentive may be paid in installments after the completion of specified periods of service within the full period of service required by the service agreement or in a single lump sum after completion of the full period of service required by the service agreement.

c. The HRO may not pay a retention incentive as an initial lump-sum payment at the start of a service period or in advance of fulfilling the service period for which the retention incentive is received. A retention incentive installment payment may be computed at the full retention incentive percentage rate or at a reduced rate with the excess deferred for payment at the end of the full service period.

d. Explanations of how to compute retention incentive installment payments may be found at 5 CFR 575.309(c) and in the guidance on Retention Incentive Payment and Termination Calculations.

e. The HRO may not offer or authorize a retention incentive for an individual prior to employment with the agency. An agency may not begin paying a retention incentive during the service period established by an employee's recruitment or relocation incentive service agreement. However, a relocation incentive may be paid to an employee who is already receiving a retention incentive.

5-5. Groups of Employees

The HRO may pay a retention incentive of up to 10 percent of basic pay to an eligible group or category of employees if the agency determines that the unusually high or unique qualifications of the group or a special need of the agency for the employees' services makes it essential to retain the employees and that there is a high risk that a significant number of employees in the group would leave the Federal service in the absence of a retention incentive.

5-6. Rate of Basic Pay

For the purpose of calculating a retention incentive, the employee's rate of basic pay includes a special rate under 5 CFR part 530, subpart C, a locality payment under 5 CFR part 531, subpart F, or similar payment under other legal authority, but excludes additional pay of any other kind. A retention incentive is not part of an employee's rate of basic pay for any purpose.

5-7. Service Agreement

a. Before receiving a retention incentive, an employee must sign a written 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. The service agreement must specify the retention incentive percentage rate established for the employee, the method and timing of incentive payments, the conditions under which an agreement will be terminated by the agency, any agency obligations if a service agreement is terminated (including the conditions under which the agency must make an additional payment for partially completed service), and any other terms and conditions for receiving and retaining retention incentives.

b. A written service agreement is not required if the agency pays the retention incentive in biweekly installments and sets the biweekly installment payment at the full retention incentive percentage rate established for the employee. (See 5 CFR 575.310(f).) This is the preferred method the HRO will use for ORNG technicians.

5-8. Continuation, Reduction, or Termination of a Retention Incentive

a. Discretionary. The HRO may unilaterally terminate a retention incentive service agreement based solely on the management needs of the agency, in which case the employee is entitled to retain any retention incentive payment attributable to completed service and to receive any portion of a retention incentive payment owed by the agency for completed service.

b. Mandatory. An agency must terminate a service agreement if the employee is demoted or separated for cause (i.e., for unacceptable performance or conduct), receives a rating of record below "Fully Successful" or equivalent during the service period, or otherwise fails to fulfill the terms of the service agreement. In such cases, the employee is entitled to retain retention incentive payments previously paid by the agency that are attributable to the completed portion of the service period. If the employee received retention incentive payments that are less than the amount that would be attributable to completed service, the agency is not obligated to pay the employee any outstanding incentive payments attributable to completed service unless such payment was required under the terms of the retention incentive service agreement.

5-9. When No Service Agreement is Required.

a. For retention incentives that are paid in biweekly installments when no service agreement is required, the HRO must review each determination to pay the incentive annually to determine

whether payment is still warranted and certify this determination in writing. The HRO must reduce or terminate the retention incentive whenever payment at the original level is no longer warranted. In addition the HRO must terminate a retention incentive authorization when no service agreement is required if the employee is demoted or separated for cause, receives a rating of record of less than "Fully Successful" or equivalent, or the agency assigns the employee to a different position. (See 5 CFR 575.311(g).)

b. The HRO must notify an employee in writing when it terminates a retention service agreement or a retention incentive when no service agreement is required. Termination or reduction of a retention incentive is not grievable or appealable.

5-11. Justification - General

a. Justifying a retention incentive is more difficult than justifying other incentives because typically, there are more variables and unknowns the supervisor and decision makers must consider.

b. A written proposal to offer a retention incentive must be evaluated by the senior full-time supervisor (squadron, brigade, Military Department Director) in the organizational component of the technician prior to the proposal being forwarded to the HRO.

5-12. Group Retention Incentive Justification and Proposal Routing

a. Group retention incentive proposals to request approval should address and validate the following:

- (1) The category of technicians has unusually high or unique qualifications or
- (2) The agency has a special need for the technicians' services that makes it essential to retain the technicians in that category, and
- (3) It is reasonable to presume that there is a high risk that a significant number of technicians in the targeted category are likely to leave Federal service in the absence of the incentive. (Evidence of extreme market conditions is necessary – high demand in the private sector for the knowledge and skills possessed by the technicians, significant disparities between Federal and private sector salaries, or similar conditions.)

b. The supervisor will write the retention incentive proposal in letter form addressed to the Director of Human Resources and routed through the supervisory/command chain.

5-13. Individual Retention Incentive Justification and Proposal Routing

a. Individual retention incentive proposals to request HRO approval should address the following:

(1) The extent to which the technician's departure would affect the organization's ability to carry out an activity or perform a mission essential function. This statement should address such issues as: the results of recent efforts to attract and retain technicians with similar qualifications and the availability in the labor market of candidates for employment with the qualifications necessary to perform the full range of duties of the position with a minimum of training or disruption.

(2) An assessment that, absent payment of a retention incentive, the technician would be likely to leave the Federal service for employment outside the Federal government. It is difficult to determine the probability that the technician will leave or the probability that the technician will actually receive a valid job offer. However, the supervisor should address these factors in as much detail as possible to support their proposal.

(3) An analysis stating the percentage of base pay (up to 25% maximum) to be offered and the rationale supporting the requested level of offer including comparison to other incentives being offered or given to similarly qualified technicians in the work center. Enclosure 3 to this regulation is a score-sheet to help the supervisor address these variables in a fair and objective manner and establish the recommended amount for the incentive.

b. The supervisor should complete AGO Form 575-2, Score Sheet for Determining Qualifications for Retention Incentive and Incentive Amount, to include with the proposal. This form helps the supervisor establish a recommendation for the incentive as a percentage of base pay but the recommendation may not be the final amount awarded. Any level of authority above the supervisor may change the calculations based on further analysis and research. Also, the form is designed to address the incentive as a percentage of the normal. The HRO will reduce the forms calculated percentage by any increase in the normal pay resulting from a special salary rate or other additional compensation.

c. Compensation Comparison. The supervisor should ensure the prospective recipient of the incentive understands the true total value of the compensation package and future they have with the agency. It is difficult for the technician to compare their current compensation package and one that may be offered outside the agency. The Human Resource Office is available to assist the supervisor and technician in comparing total compensation packages.

d. The supervisor will write the retention incentive proposal in letter form addressed to the Director of Human Resources, attach the completed AGO Form 575-2, and route the proposal through the supervisory/command chain.

5-14. Certification.

The Director of Human Resources, as delegated approving official for the Adjutant General, is responsible for ensuring the basis for any retention incentive is fully justified and documented. The Director will evaluate the need for a retention incentive upon receipt of a valid written proposal. The Director will determine whether the supervisor's justification is complete and supported by facts. The Director may ask the HRO staff to complete additional research on the justification to support the proposal's assumptions or language. The Director may accept, increase, or reduce the supervisor recommendation or deny the request altogether.

a. **Initial Certification.** When justification is sufficient, and the amount of the retention incentive has been determined, the Director must certify in writing that without paying an incentive the prospective recipient would be likely to leave the agency and it would be difficult to fill the resultant vacancy with a highly qualified candidate.

b. **Re-certification.** The Director of Human Resources will ask effected supervisors to submit justification for continuing existing retention incentives as stated below.

(1) **Annual.** The Director of Human Resources must review the award of the incentive on an annual basis to ascertain whether it continues to be justified. An annual review and re-certification of necessity must be made to continue the payment of the retention incentive.

(2) **On Change of Circumstances.** The Director of Human Resources may, at any time, review the award of a retention incentive when there is evidence of a change of labor market factors, a change in the agencies need for the specific service, a change in available funds, or a change affecting the technician's total compensation package. These changes include: a change in position, a promotion, a transfer in grade from a normal pay scale position to a special salary rate position, receipt of a new special salary rate, a clear change in the availability of applicants for similar jobs in or outside this agency, change in agency policy, etc. [5CFR, 575.306(c),

575.307]. The Director of Human Resources may increase, reduce, or eliminate a retention incentive based on data obtained during the re-certification process.

c. **Notification.** The Human Resource Office will notify the supervisor/requestor of any additional requirements, limitations, and approval/disapproval decisions within 30 days of receipt of the supervisor's request with senior supervisor's concurrence.

Section 6

Additional Recruiting and Retention Options Available with TAG Approval

6-1. General

Several other recruiting and retention options are summarized below and available with TAG approval. Supervisors should not assume HRO would support the use of any of the following options without a thorough evaluation of the surrounding circumstances. Supervisors should contact HRO to determine which may be appropriate for individual cases and what application process will be used.

6.2. Travel and Transportation Expenses (Both GS and FWS)

May be paid at HRO discretion for any candidate for a pre-employment interview or payment of travel and transportation expenses for a new appointee to the first duty station. For either payment, a decision made for one vacancy does not require a like decision for any future vacancies. Before authorizing any payments, consider factors such as availability of funds, desirability of conducting interviews, and feasibility of offering a recruiting incentive. [5 CFR 572]

6.3. Special Qualification Appointment (FWS only)

The HRO can set pay for new appointments or reappointment of individuals to FWS positions above step 1 of the grade based on special qualifications of the individual. Documentation and record keeping procedures on making special qualifications appointments must be in place to make such appointments. [5 CFR 532.403(b)]

6.4. Advance Payments (Both GS and FWS)

Up to two paychecks may be advanced so that a new technician can meet living and other expenses. [5 CFR 550, Subpart B]

6.5. Highest Previous Rate (HPR) (Both GS and FWS)

Allows consideration of a rate of basic pay previously received by a technician in another civilian Federal position. It is used at the discretion of the AG (in accordance with local pay setting policy) on re-employment, transfer, reassignment, promotion, demotion, or change in type of appointment. HPR may not exceed the maximum rate of the "target" position. [5 CFR 532.405 (b) & 531.202 & 531.203, ORARNG 690-2/ORANGI 36101]

6.6. Quality Step Increase (GS only)

The Adjutant General has discretionary authority to grant quality step increases. A quality step increase is an additional step increase that may be granted to a technician who has received the

highest rating of record under the performance appraisal system in place. [5 CFR 531, Part E/TPR 451]

6.7. Incentive Awards (Both GS and FWS)

The Adjutant General also has discretionary authority to grant technicians monetary awards. Awards can be tied to specific achievements, such as meeting milestones; in recognition of accomplishments that contribute to the efficiency, economy or improvement of operations; or based on a performance rating of “Fully Successful” or better. Awards based on rating of record can be up to 10 percent of salary or up to 20 percent for exceptional performance, not to exceed \$10,000 per technician. Cash awards do not increase basic pay, but do count towards the total aggregate pay limit. [5 CFR 530.203 / TPR 451]

6.8. Shared Training Costs

Training costs may be shared between the agency and technicians. If both agree, an agency may pay some of the costs of training while the technician pays the balance. A technician may pay the entire cost of training and attend training during duty hours with prior approval. Activities can pay for training and education to improve a technician’s performance of official duties. Under 5 U.S.C. 4109(a)(2), agencies may pay, or reimburse technicians for all or part of the necessary expenses of training, including costs of college courses. [5 CFR 410 / TPR 410].

6.9. Developmental Training

To recruit or retain technicians in occupations, which have, or are anticipated to have a shortage of qualified personnel, especially in occupations involving critical skills, the ORNG may pay for education leading to an academic degree [5 CFR 410.308 / TPR 410]

Section 7

Additional Recruiting and Retention Options with DOD or OPM Approval

7-1. General

Several additional recruiting and retention options are summarized below and are available with DOD or OPM approval. Supervisors should not assume HRO would support the use of any of the following options and forward them outside the state without a thorough evaluation of the surrounding circumstances. Supervisors should contact HRO to determine which may be appropriate for individual cases and what application process will be used.

7-2. Group Retention Incentives Above 10% of Basic Pay (GS only)

DOD has authority to approve group retention incentives of up to 10%. OPM may approve a retention incentive in excess of 10%, not to exceed 25%, of the basic rate of pay for a group or category of technicians. Retention incentives are subject to the aggregate limitation on total pay, must be paid in accordance with the established retention incentive plan, and must be reviewed and certified annually. [5 CFR 575, subpart C as amended on Dec 22, 1999]

7-3. Increased Minimum Hiring Rates (FWS only)

The Adjutant General can set pay for new appointments or reappointment of individuals to FWS positions above step 1 of the grade based on the special needs of the State, but only with prior approval by DoD. Documentation of hard-to fill positions must be submitted through NGB-HR for DoD approval. Increased Minimum Hiring Rates also have the effect of increasing the step for all on board Technicians covered by the approval authority. [5 CFR 532.403(c)]

7-4. Unrestricted Wage Rates (FWS only)

These are implemented to help activities retain technicians in occupations experiencing a staffing problem. The amount of increase in FWS Wage Rates that can be provided based on a prevailing wage survey is capped annually. In order to retain technicians in occupations experiencing staffing problems, authorization may be obtained to use the rates as determined by the wage survey (i.e.: waiver of pay cap). This is called an Unrestricted Rate. Unrestricted Rates will apply to all of a specific wage area, or a portion of that area. An Unrestricted Rate request must be submitted to OPM through Department headquarters (DoD), by National Guard Bureau and must be coordinated with other Federal agencies with employees in the same occupational group and geographic area. [5 CFR 532.801]

7-5. Special Wage Rates (FWS only)

These are implemented to help activities retain technicians in occupations experiencing a staffing problem. The FWS Special Wage Rates are normally limited to specific series and grades within the geographic definition of a specific wage area, or a portion of that area. A special rate request must be submitted to OPM through Department headquarters (DoD), by National Guard Bureau and must be coordinated with other Federal agencies with employees in the same occupational group and geographic area. [5 CFR 532.251 and 532.253]

7-6. Special Salary Rates (GS only)

These are implemented to help activities retain technicians in occupations or geographic areas experiencing a staffing problem due to higher private sector or non-Federal pay; remoteness of the area or location involved; undesirability of working conditions; or other circumstances OPM considers appropriate. The minimum rate of special rate range may exceed the maximum rate of the corresponding grade by as much as 30%. However, no special rate may exceed the rate for Executive Level V (currently \$114,500). A special rate request must be submitted to OPM through Department headquarters (DoD), by National Guard Bureau and must be coordinated with other Federal agencies with employees in the same occupational group and geographic area. [5 CFR 530, subpart C]

7-7. Critical Position Pay Authority (GS only up to the rate for Executive Level I)

Office of Management and Budget (OMB) may authorize critical position pay for a position that requires expertise of an extremely high level in a scientific, technical, professional, or administrative field or one that is critical to the successful accomplishment of an important mission. Critical pay may be granted, only to the extent necessary to recruit or retain an individual exceptionally well qualified for the position. [OMB Bulletin#91-09]

7-8. Awards Over \$10,000 (Both GS and FWS)

When exercising the discretionary awards, any award that would grant over \$10,000 up to \$25,000 to an individual must first be submitted to OPM for review and approval. Any award that would grant over \$25,000 to an individual must be reviewed by OPM for submission to the President for approval. [5 CFR 451.107]

Section 8 Record Keeping and Reporting

8-1. Record Keeping

The Human Resource Office must keep case files readily available for review and submission to DOD or NGB oversight agencies on request. If the pay or Incentive authority is exercised as a result of completing action on a Position Vacancy Announcement, all original documents relating the use of the authority will be maintained in the PVA file.

8-2. Reporting

The Human Resource Office will submit a report concerning the use of these pay authorities to the NGB-HR by 20 November. Reports will contain the following information:

- a.* The number of actions taken under each authority;
- b.* The titles, series, grade levels, and duty locations of positions on which action was authorized;
- c.* The rationale for using this authority for:
 - (1) Recruitment – Percentage of salary offered/accepted in each case and a summary statement assessing the effect of Incentive authority on the state's ability to fill key positions with high quality candidates in a timely manner.
 - (2) Relocation – Same as recruitment requirements.
 - (3) Retention – Same as recruitment to also include State's ability to retain highest quality technicians in key positions.
- d.* Significant problems, if any, encountered with the use of the authority;
- e.* Benefits, if any, derived from the use of the delegation.