

A spiral-bound notebook with a light beige, textured cover. The metal spiral binding is visible on the left side. The text is centered on the cover.

Recruitment, Relocation and Retention Incentives

AKA the 3Rs

Basic Facts About the 3Rs

- Qualifying Positions
- Qualifying Appointments
- Service Agreement
- Criteria for Approving Bonus
- Payment
- Basic Pay
- Repayment

Qualifying Positions

- General Schedule
- Senior Level/Scientific and Professional (SL/ST)
- Senior Executive Service (SES)
- Executive Level (except Agency Heads)
- Federal Wage System (FWS)

Qualifying Appointments Recruitment Bonuses

- Newly Appointed or Reappointed after a 90-day break
- Temporary Appointments – Qualifying Conditions

Qualifying Appointments Relocation Bonuses

- Current Employees, not Newly Appointed Employees

Service Agreements

- Associated with Recruitment and Relocation Bonuses only
- Employees must fulfill a service agreement of at least 6 months with repayment penalties if agreement is not fulfilled.

Criteria for Approving Bonuses

- Written determination that agency would encounter difficulty in filling the position in the absence of a bonus
- Must consider success of recent recruiting efforts, turnover, labor market factors, special qualifications needed for the position

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- Recruitment Bonus – can be used in combination with superior qualifications appointments, special salary rates, and advances in pay.
- Relocation Bonus – Contingent upon employing change place of residence in conjunction with accepting a position in a different commuting area.

Criteria for Retention Allowances

- Must document usually high or unique qualifications of the employee, OR a special need for his/her services
- Can give Retention Allowances to groups, as well as individuals
 - Limited to 10% without OPM approval
 - Up to 25% with OPM approval
- Employee would be likely to leave Federal service in the absence of the allowance

Payment

- Up to 25% of annual rate of basic pay
- Locality Pay is **EXCLUDED** from the above calculation
- Subject to the aggregate pay limit (level I of the Executive Schedule), currently \$171,900, as of 2003.
- Recruitment Bonus – paid in lump sum, after written offer is tendered, but prior to appointment

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- Relocation Bonus – paid AFTER employee establishes residence in new area
- Retention Allowance – paid biweekly, BUT NOT during service agreement period from recruitment or relocation bonus

Basic Pay

- Neither Recruitment or Relocation Bonuses, nor Retention Allowances are basic pay

Repayment

- If employee leaves prior to end of service period, **UNLESS** separation is involuntary

Findings of OPM Study on 3Rs 1999 Report

- Slow growth in use
- Retention Allowances were most popular due to retention of ITs in FY 98
- GS-334*, 600 and 800 series positions dominate 3R recipients

*IT jobs now classified in GS-2210 series

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- Once approved, retention allowances tended to last more than one year (i.e., are recertified)
- 3R Amounts were significantly lower than maximum authorized by law
- Growing trend to standardize amounts regardless of individual differences

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- Approximately 60% of recruitment and retention incentives were 10% or less
- Relocation Bonuses higher – 56% were 16% or higher
- In FY 98, 25% of all 3R incentives were used by occupations covered by special salary rates

Current Developments

- Departmental Manual on the 3Rs is going through final clearance stages.
- S. 129, the Federal Workforce Flexibility Act of 2003, was introduced in the Senate in January. Section 201 details additional flexibilities for recruitment, relocation, and retention payments.

Other Tools for Recruiting and Retaining Highly Qualified Employees

- Special Salary Rates
- Advanced In-Hire Rates (aka Superior Qualifications Appointments)
- Advances in Pay
- First post of duty expenses (travel and transportation)
- Quality Step Increases and monetary awards
- Non Monetary Family-Friendly Programs
- Repayment of Student Loans

Superior Qualifications Appointment

- Set pay above the minimum rate of the grade based on superior qualifications of the candidate or a special need of the agency
- First Federal appointment OR, a 90-day break in service (some exceptions)

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- Factors to consider
 - Overall quality of available candidates
 - Particular requirements of job being filled
 - Conditions of the labor market
 - Existing compensation of the candidate and quality of his/her qualifications for the position

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- Forfeiting Compensation
 - Cannot consider outside employment candidate would be able to continue after accepting Federal position
 - If unemployed, can consider confirmed job offers from others
 - Value of fringe benefits only to the extent they are superior to Federal benefits

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- Special Need – another option for making Superior Qualifications Appointments

e.g., VA hospital essential patient care activity would be curtailed if candidate not appointed; component of NIH needs to hire scientist to conduct the research on a specific drug

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- Must consider a recruitment bonus prior to effecting a superior qualifications appointment
- DPM 338 <http://www.usda.gov/da/employ/apsd/PL338-9.htm>
- OPM Fact Sheet on Superior Qualifications Appointments
<http://www.opm.gov/oca/pay/HTML/SQAfacts.asp>

Web Sites

- Federal Register documents back to 1995
www.opm.gov/fedregis/index.htm
- OPM Fact Sheets
<http://www.opm.gov/oca/pay/HTML/factindx.asp>
- USDA Personnel Policy Guidance
www.usda.gov/da/employ/apsd/bul.htm and
<http://www.usda.gov/directives/>
- To track bills through the legislative process:
<http://thomas.loc.gov>