



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

The Director

Friday, January 15, 2016  
CPM 2016-01

**MEMORANDUM FOR: Chief Human Capital Officers**

FROM: BETH F. COBERT  
ACTING DIRECTOR

Subject: Guidance on Recruitment, Relocation, and Retention Incentives.

The U.S. Office of Personnel Management (OPM) is issuing this guidance on the use of recruitment, relocation, and retention incentives (3Rs) during calendar year 2016. This guidance will continue to remain in effect until further notice.

**The 3Rs Spending Limitation**

On June 10, 2011, OPM and the Office of Management and Budget (OMB) placed a limit on agencies' spending on the 3Rs. OPM and OMB asked agencies to ensure that spending on the 3Rs during the calendar year did not exceed calendar year 2010 levels. See [CPM 2011-10](#). Further issuances extended this spending limit through the end of calendar year 2015.

**Exceptions to the 3Rs Spending Limitation**

Agencies may now approve exceptions to the calendar year 2010 spending limit on the 3Rs for certain employees based on a critical agency need. Agencies, through their Chief Human Capital Officer (CHCO) or Human Resources Director, should clearly document the critical agency need justifying each exception to their 3Rs spending limit and be prepared to provide information to OPM or OMB on approved exceptions upon request.

OPM recognizes the 3Rs are essential pay flexibilities for agencies facing serious staffing challenges. Agencies may need to resort to more expensive solutions or may have difficulties accomplishing their missions if the 3Rs are not available for use. For example, OMB indicated in its [October 30, 2015, memorandum](#) that strengthening Federal cybersecurity is not possible without the appropriate talent. The flexibility to grant exceptions to the 3Rs spending limit may assist agencies in recruiting and retaining the most highly-qualified cybersecurity employees to meet the Government's important challenges of strengthening Federal networks, systems, and data. In the past, agencies have reported using the 3Rs to meet other mission-critical needs, such as paying the 3Rs to employees in health care occupations who treat our nation's military members and veterans.

## **Ensuring Oversight and Accountability of the 3Rs**

While the 3Rs are important human resources tools that help agencies attract and retain employees, these incentives must be used consistent with the law and OPM's regulations. OPM and agencies, through their CHCO and/or HR Director, have specific approval, oversight, and accountability responsibilities in administering the 3Rs program. This includes the requirement for agencies to establish a plan prescribing payment approval criteria and requirements, document thoroughly the basis for paying each incentive, and review all retention incentives and group recruitment incentives at least annually to determine whether they should be revised or discontinued. This plan must, at a minimum, be approved by the CHCO and/or HR Director to ensure appropriate oversight, consistency, and compliance. Please see <https://www.opm.gov/policy-data-oversight/pay-leave/recruitment-relocation-retention-incentives/fact-sheets/oversight-and-accountability/> and the fact sheets at <https://www.opm.gov/policy-data-oversight/pay-leave/recruitment-relocation-retention-incentives/#url=Fact-Sheets> for additional guidance.

### **Additional Information**

Agency headquarters-level human resources offices may contact OPM's Pay and Leave office at [pay-leave-policy@opm.gov](mailto:pay-leave-policy@opm.gov). Employees should contact their agency human resources office for further information on this memo.

cc: HR Directors, Deputy Chief Human Capital Officers