



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

The Director

Friday, July 27, 2001
msg 2001-056

MEMORANDUM FOR: Heads Of Executive Departments And Agencies

Subject: Recruitment and Relocation Bonuses and Retention Allowances

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OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 575 RIN 3206-AJ08

Recruitment and Relocation Bonuses and Retention Allowances

AGENCY: Office of Personnel Management.

ACTION: Final rule.

SUMMARY: The Office of Personnel Management is issuing final regulations to provide agencies with greater flexibility to use recruitment and relocation bonuses and retention allowances. These regulations will allow agencies to pay recruitment and relocation bonuses and retention allowances to prevailing rate (wage) employees.

DATES: These final regulations will become effective on July 20, 2001.

FOR FURTHER INFORMATION CONTACT: Jeanne Jacobson, (202) 606-2858; FAX: (202) 606-0824; email: payleave@opm.gov.

SUPPLEMENTARY INFORMATION: On January 19, 2001, the Office of Personnel Management (OPM) published proposed regulations to amend the recruitment and relocation bonus and retention allowance regulations in 5 CFR part 575, subparts A, B, and C, to provide agencies with additional flexibility to use these incentives (66 FR 5491). The proposed regulations would allow agencies to grant a retention allowance to a current employee likely to leave for other Federal employment under certain limited circumstances. The proposed regulations also would allow agencies to pay recruitment and relocation bonuses and retention allowances to an employee in a prevailing rate (wage) position, as defined in 5 U.S.C. 5342(a)(3).

These final regulations contain only those provisions from the proposed regulations that allow agencies to pay recruitment and relocation bonuses and retention allowances to prevailing rate (wage) employees.

Comments received from Federal agencies strongly support the proposal to allow the payment of recruitment and relocation bonuses and retention allowances to wage employees. One agency asked that OPM issue the final regulations implementing this authority as quickly as possible so that it may use these incentives immediately to help address critical recruitment and retention problems. In response to these concerns, we are issuing final regulations to allow agencies to use recruitment, relocation, and retention payments immediately for prevailing rate (wage) positions. We received many comments on our proposal to allow agencies to grant a retention allowance to a current employee likely to leave for other Federal employment under certain circumstances. The commenters raised various issues concerning the criteria for paying a retention allowance in these circumstances, and additional time is needed to consider these issues.

Executive Order 12866, Regulatory Review This rule has been reviewed by the Office of Management and Budget in accordance with Executive Order 12866. Regulatory Flexibility Act I certify that these regulations will not have a significant economic impact on a substantial number of small entities because they will apply only to Federal agencies and employees. Waiver of Delay in Effective Date Pursuant to 5 U.S.C. 553(d)(3), I find that good cause exists to make these regulations effective in less than 30 days. In their comments to OPM, agencies expressed an urgent need to use the recruitment and relocation bonus and retention allowance authorities as soon as possible to help address serious problems in recruiting and retaining prevailing rate (wage) employees. Since use of the recruitment and relocation bonus and retention allowance authorities is discretionary, waiving the 30-day delay in the effective date of these regulations will not place an administrative burden on any Federal agency.

List of Subjects in 5 CFR Part 575 Government employees, Wages. Office of Personnel Management Steven R. Cohen, Acting Director.

Accordingly, OPM is amending part 575 of title 5, Code of Federal Regulations, as follows:

PART 575—RECRUITMENT AND RELOCATION BONUSES; RETENTION ALLOWANCES; SUPERVISORY DIFFERENTIALS

1. The authority citation for part 575 continues to read as follows: Authority: 5 U.S.C. 1104(a)(2), 5753, 5754, and 5755; secs. 302 and 404 of the Federal Employees Pay Comparability Act of 1990 (FEPCA) (Pub. L. 101-509), 104 Stat. 1462 and 1466, respectively; E.O. 12748, 3 CFR, 199 Comp., p. 316.

Subpart A—Recruitment Bonuses

2. In § 575.102, paragraph (a)(5) is amended by removing “or”; paragraph (a)(6) is amended by removing “.” and inserting in its place “; or”; and a new paragraph (a)(7) is added to read as follows: § 575.102 Delegation of authority.

(a) * * * (7) A prevailing rate position, as defined in 5 U.S.C. 5342(a)(3). * * * * * Subpart B—Relocation Bonuses 3. In § 575.202, paragraph (a)(5) is amended by removing “or”; paragraph (a)(6) is amended by removing “.” and inserting in its place “; or”; and a new paragraph (a)(7) is added to read as follows:

§ 575.202 Delegation of authority. (a) * * * (7) A prevailing rate position, as defined in 5 U.S.C. 5342(a)(3).

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Subpart C—Retention Allowances

4. In § 575.302, paragraph (a)(5) is amended by removing “or”; paragraph (a)(6) is amended by removing “.” and inserting in its place “; or”; and a new paragraph (a)(7) is added to read as follows: § 575.302 Delegation of authority. (a) * * *

(7) A prevailing rate position, as defined in 5 U.S.C. 5342(a)(3).

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