



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

The Director

October 14, 2011

CPM 2011-2018

MEMORANDUM FOR: Chief Human Capital Officers

FROM: JOHN BERRY, DIRECTOR

Subject: Request for Data on Recruitment, Relocation, and Retention Incentives

The U.S. Office of Personnel Management (OPM) requests a report on your agency's payment of recruitment, relocation, and retention incentives (3Rs) under 5 U.S.C. 5753 and 5754 during calendar years 2010 and 2011 by March 31, 2012. Additional information on the 3Rs authorities is available at <http://www.opm.gov/3Rs/>.

The 3Rs data agencies submit in response to this data call will be used in OPM's ongoing efforts to review and improve the administration and oversight of the 3Rs program. On June 10, 2011, OPM and the Office of Management and Budget issued a memorandum that stated agencies are expected to ensure prospectively that spending on 3Rs in calendar year 2011 and calendar year 2012, respectively, does not exceed calendar year 2010 levels. (See CPM 2011-10 at <https://www.chcoc.gov/content/guidance-awards-fiscal-years-2011-and-2012>.) Therefore, the data agencies submit on 3Rs payments made in 2010 under 5 U.S.C. 5753 and 5754 should be the baseline agencies are using for how much can be spent on 3Rs under the same authorities in 2011 and 2012.

In addition, while OPM is no longer required to submit a 3Rs report to Congress, this request for data is consistent with OPM's authority in 5 CFR 575.113(a), 575.213(a), and 575.313(a) to review agency 3Rs determinations. Agencies also are required under 5 CFR 575.315(i) to submit an annual report to OPM on their use of retention incentives for employees likely to leave for a different position in the Federal service. OPM will continue to work with agencies on reporting such data to OPM central systems so such systems can be used for future monitoring of agency incentive use.

Instructions for completing your 2010 and 2011 report are attached. As described in the attachment, agency reports should provide data on the total amounts that were paid for each category of incentive during calendar years 2010 and 2011, not data on the total amounts that were authorized in 2010 and 2011. If your agency did not pay any recruitment, relocation, or retention incentives under 5 U.S.C. 5753 and 5754, please submit a negative report. Please include in your report the name, phone number, and email address of a point of contact who can answer questions about your report. We may follow up with agencies concerning the data that is submitted. Please submit your report to OPM by email to the attention of Tom Bustard at <mailto:mpay-leave-policy@opm.gov>. If you are unable to submit the report electronically, you may submit it by fax to the attention of Tom Bustard at (202) 606-0824 or by mail to:

U.S. Office of Personnel Management
Employee Services
Pay and Leave
Attn: Tom Bustard
1900 E Street NW., Room 7H31
Washington, DC 20415-8200

If you have any questions regarding this request, please contact Tom Bustard at (202) 606-2858.
Thank you for your assistance.

cc: Human Resources Directors

Attachment

Instructions for Completing the 2010 and 2011 Report on Recruitment, Relocation, and Retention Incentives

Please submit agency reports on the payment of recruitment, relocation, and retention incentives in calendar years 2010 and 2011 to OPM by March 31, 2012. Separate calendar year 2010 data and calendar year 2011 data. Each report must cover an entire department or independent agency. Therefore, departments must consolidate information from components or bureaus before forwarding a report to OPM. We encourage you to forward these instructions to any office that is providing data for your agency's report.

What should be included?

Positive Reports

If your agency paid recruitment, relocation, and retention incentives during calendar year 2010 or 2011, your report must include two components – a data portion and a prose portion.

Data

For recruitment incentives, relocation incentives, and retention incentives (likely to leave the Federal service): the total number and total dollar amount paid during calendar year 2010 and 2011 by year, pay plan; occupational series; occupational series title; and grade, pay or work level, or other pay classification.

For retention incentives paid under 5 CFR 575.315 (likely to leave for a different Federal position) —

- the total number and total dollar amount of retention incentives paid during calendar year 2010 and 2011 by year, pay plan; occupational series; occupational series title; and grade, pay or work level, or other pay classification;
- the agency (which may be in the executive, judicial, or legislative branch) to which each employee or group of employees would be likely to leave in the absence of a retention incentive; and
- each employee's or group of employees' official worksite and the geographic location of the agency for which each employee or group of employees would be likely to leave in the absence of a retention incentive.

Prose

A description of how each authority (i.e., recruitment, relocation, and both types of retention incentives) was used by the agency during calendar year 2010 and 2011, including explanations for any:

- significant increase or decrease in the total number or total dollar amount from the previous calendar year; or
- significant increase or decrease in the number or amount paid to certain occupations, grade levels, or pay plans

Please also explain whether (and, if so, how) your agency's use of these authorities improved your recruitment and retention efforts.

In addition, please comment on (1) any barriers your agency is facing in using the recruitment, relocation, and retention incentive authorities as human resources flexibilities and (2) whether another agency's payment of retention incentives to employees likely to leave for a different position in the Federal service adversely affected your agency's mission.

Negative Reports

If your agency did not pay recruitment, relocation, or retention incentives during calendar year 2010 or 2011, please submit a report indicating this. Please also comment on (1) whether there were any barriers to using the incentives and (2) whether another agency's payment of retention incentives to employees likely to leave for a different position in the Federal service adversely affected your agency's mission.

What should not be included?

Agency reports should contain only information on recruitment, relocation, and retention incentives paid under 5 U.S.C. 5753 and 5754 and 5 CFR part 575, subparts A, B, and C. Employees eligible for these incentives are listed in 5 CFR 575.103, 575.203, 575.303, and at http://www.opm.gov/3rs/fact/3Rs_extensions.asp. Some agencies have separate authorities for making recruitment, relocation, or retention payments, and they should not include data on payments authorized under their own authorities in their reports to OPM.

For example, the National Aeronautics and Space Administration (NASA) has the authority to pay recruitment, redesignation, relocation, and retention bonuses under 5 U.S.C. 9804 and 9805. NASA does not include data on its use of these authorities in its report. NASA reports only on its use of incentives under 5 U.S.C. 5753 and 5754.

If your agency used only its own authority to issue recruitment, relocation, and retention payments during calendar year 2010 and 2011, please submit a negative report. If you have any questions regarding about what to include prior to submitting the report, please call Tom Bustard at (202) 606-2858.

What format should be used?

Each agency report must—

- Provide, for each category of incentive (recruitment, relocation, and both types of retention separately), the total number and total dollar amount paid during calendar year 2010 and 2011 by year, pay plan; occupational series; occupational series title; and grade, pay or work level, or other pay classification;
- For retention incentives paid under 5 CFR 575.315, provide the agency to which the employee is likely to leave, the employee's official worksite, and the employee's future potential worksite (in addition to the requirements in the previous bullet);
- Consolidate, for each category of incentive, the total number and dollar amounts paid to employees in the same pay plan, occupational series, and grade or work level;

- Provide grand totals for each year showing the total number of incentives and the total amount paid for each separate category of incentive (recruitment, relocation, and both types of retention separately); and
- Separate calendar year 2010 data and calendar year 2011 data.

Note: Please use the official OPM occupational series title from the Handbook of Occupational Groups and Families at <http://www.opm.gov/fedclass/gshbkocc.pdf> when listing an occupational series title. Do not use an agency-specific title. For example, the official occupational series title for a GS-0301 should be “Miscellaneous Administration and Program” not “Project Management Officer.”

The following table shows the format which should be used to report the data portion for recruitment incentives under 575.113, relocation incentives under 5 CFR 575.213, and retention incentives under 5 CFR 575.31

Type of Incentive	Pay Plan	Occ. Series	Occupational Series Title	Grade or Work Level	Total Number Paid in CY 2010	Total Amount Paid in CY 2010
Retention (575.313)	GS	0132	Intelligence	12	7	\$49,007
Retention (575.313)	GS	0610	Nurse	10	11	\$89,226
Retention (575.313)	GS	0662	Optometrist	12	1	\$16,349
Retention (575.313)	GA	0830	Mechanical Engineering	09	2	\$12,000
Retention (575.313)	AD	1320	Chemistry	00	2	\$20,000
Retention (575.313)	ES	1320	Chemistry	00	2	\$50,000
TOTAL RETENTION INCENTIVES (575.313)					25	\$236,582

The following table shows the format which should be used to report the data portion for retention incentives under 5 CFR 575.315:

Type of Incentive	Pay Plan	Occ. Series	Occupational Series Title	Grade or Work Level	Total Number Paid in CY 2010	Total Amount Paid in CY 2010	Agency to which Employee Expected to Leave	Employee's Official Worksite Location	Future Potential Worksite Location
Retention (575.315)	GS	0132	Intelligence	12	1	\$15,000	Justice	Washington, DC	Philadelphia, PA
Retention (575.315)	GS	0610	Nurse	10	1	\$13,500	Veterans Affairs	Washington, DC	Washington, DC
Retention (575.315)	GS	06662	Optometrist	12	1	\$18,350	Health and Human Services	San Francisco, CA	San Diego, CA
Retention (575.315)	GG	0830	Mechanical Engineering	09	1	\$8,000	Defense	New York, NY	Washington, DC
Retention (575.315)	AD	1320	Chemistry	00	1	\$20,000	Energy	Cleveland, OH	Houston, TX
TOTAL RETENTION INCENTIVES (575.315)					5	\$74,850			

Please provide the data portion of your report in an Excel spreadsheet, if possible. To make it easier to complete this report, we have created an Excel spreadsheet that is pre-formatted to accept the data we are requesting. The Excel spreadsheet can be transmitted by e-mail. You may request a copy of the Excel spreadsheet by sending an e-mail to pay-leave-policy@opm.gov addressed to the attention of Tom Bustard.

What incentive amounts should be included?

Agency reports should provide data on the total amounts that were paid for each category of incentive during calendar years 2010 and 2011, not data on the total amounts that were authorized in 2010 and 2011. The current recruitment, relocation, and retention incentive authorities allow incentives to be paid in a variety of ways—e.g., an incentive may be authorized in one calendar year, but not fully paid until a subsequent calendar year. Agencies should verify that their reports provide data on the total amounts paid in calendar year 2010 and 2011. Agencies should contact their payroll providers if they need assistance extracting the data from their payroll system.

The following table shows how the amount reported for an incentive in an agency's 2010 and 2011 report might differ depending on the method of payment and the date or dates of payment:

Consider an agency that has authorized a recruitment incentive for a new hire. The recruitment incentive amount is set at \$5,000, and the service agreement length is 1 year (26 pay periods). The incentive was approved on August 27, 2010, and the employee was brought on board on September 13, 2010.

Amount authorized	Method of payment	Examples of dates & amounts of payment	Amount to be included in	
			CY 2010 Report	CY 2011 Report
\$5,000	Initial lump-sum payment	Oct. 1, 2010: \$5,000	\$5,000	\$0
\$5,000	Four quarterly installments of equal value	1. Dec. 23, 2010: \$1,250 2. March 18, 2011: \$1,250 3. June 24, 2011: \$1,250 1. 1. 4. Sept. 16, 2011: \$1,250	\$1,250 (Dec. 23, 2010, payment)	\$3,750 (March, June, and September payments)
\$5,000	Final lump-sum payment	Sept. 16, 2011: \$5,000	\$0	\$5,000
\$5,000	Three installments, not of equal value, paid at beginning, middle and end-of-service period	1. Oct. 1, 2010: \$1,250 2. March 18, 2011: \$2,500 2. 2. 3. Sept. 16, 2011: \$1,250	\$1,250 (Oct. 1, 2010, payment)	\$3,750 (March and September payments)