



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

The Director

December 3, 2007

**MEMORANDUM FOR CHIEF HUMAN CAPITAL OFFICERS**

**FROM: LINDA M. SPRINGER**  
**Director**

A handwritten signature in black ink, appearing to read "LMS", with a long horizontal flourish extending to the right.

**SUBJECT: Request for Data on Recruitment, Relocation, and Retention Incentives**

Section 101(c) of the Federal Workforce Flexibility Act of 2004 (Public Law 108-411, October 30, 2004) requires the U.S. Office of Personnel Management (OPM) to submit an annual report to Congress on agencies' use of the recruitment, relocation, and retention incentive authorities in 5 U.S.C. 5753 and 5754 during calendar years 2005-2009. (See 5 CFR 575.113(b), 575.213(b), and 575.313(b).) We request your agency's report for calendar year 2007 by **March 31, 2008**. (For your information, OPM's 2006 report is available at <https://www.opm.gov/oca/pay/html/3RsReportToCongressCY06.pdf>.)

Agencies may use the recruitment and relocation incentive authorities under 5 U.S.C. 5753 and 5 CFR part 575, subparts A and B, to help recruit new employees and relocate current employees to positions that would be difficult to fill in the absence of an incentive. Agencies may use the retention incentive authority under 5 U.S.C. 5754 and 5 CFR part 575, subpart C, to help retain employees with unusually high or unique qualifications or who are fulfilling a special agency need making it essential to retain the employee when the employee would be likely to leave the Federal service in the absence of an incentive. As of December 17, 2007, agencies also may use the retention incentive authority to retain an employee in his or her current position during a period of time before the closure or relocation of the employee's office, facility, activity, or organization, when the employee would be likely to leave for a different position in the Federal service in the absence of an incentive.

Instructions for completing your 2007 report are attached. You may submit your report to OPM in one of three ways: By email to the attention of Tom Bustard at [pay-performance-policy@opm.gov](mailto:pay-performance-policy@opm.gov); by fax to the attention of Tom Bustard at (202) 606-0824; or by mail to:

U.S. Office of Personnel Management  
Division for Strategic Human Resources Policy  
Center for Pay and Leave Administration  
Attn: Tom Bustard  
1900 E Street NW., Room 7H31  
Washington, DC 20415-8200

Please include in your report the name, phone number, and email address of a point of contact who can answer questions on your report. If you have any questions regarding this request, please contact Tom Bustard of OPM's Pay Administration Group at (202) 606-2858. Thank you for your assistance.

cc: Human Resources Directors

## **Instructions for Completing the 2007 Report On Use Of Recruitment, Relocation, And Retention Incentives**

Section 101(c) of the Federal Workforce Flexibility Act of 2004 (Public Law 108-411, October 30, 2004), requires OPM to submit an annual report to Congress on agencies' use of the recruitment, relocation, and retention incentive authorities in 5 U.S.C. 5753 and 5754 during calendar years 2005-2009. Agency reports on the use of recruitment, relocation, and retention incentives in calendar year 2007 must be submitted to OPM by **March 31, 2008**. 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 made use of the recruitment, relocation, and retention incentive authorities during calendar year 2007, your report must include two components – a data portion and a prose portion.

#### *Data*

The total number and total dollar amount of each category of incentive (recruitment, relocation, and retention) paid during calendar year 2007 by pay plan; occupational series; occupational series title; and grade, pay or work level, or other pay classification.

#### *Prose*

A description of how each authority (i.e., recruitment, relocation, and retention incentives) was used by the agency during calendar year 2007, including information on whether (and, if so, how) your agency's use of these authorities improved your recruitment and retention efforts.

In addition, you may wish to comment on any barriers your agency is facing in using the recruitment, relocation, and retention incentive authorities as human capital management flexibilities.

#### *Negative Reports*

If your agency has not made use of the recruitment, relocation, or retention incentive authorities during calendar year 2007, please submit a report indicating this.

*New Retention Incentive Flexibility*

On November 16, 2007, OPM issued final regulations (72 FR 64523) that permit an agency to pay a retention incentive to an employee who would be likely to leave for a different position in the Federal service before the closure or relocation of the employee's office, facility, activity, or organization. The regulations became effective on December 17, 2007. If your agency paid a retention incentive under this new authority in calendar year 2007, please contact Tom Bustard of OPM's Pay Administration Group at (202) 606-2858 for special reporting procedures.

**What should not be included?**

Agency reports should only contain information on recruitment, relocation, and retention incentives authorized under 5 U.S.C. 5753 and 5754 and 5 CFR part 575, subparts A, B, and C. (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.)

**What format should be used?**

Each agency report must—

- Provide, for each category of incentive, the total number and total dollar amount paid during calendar year 2007 by pay plan; occupational series; occupational series title; and grade, pay or work level, or other pay classification;
- 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; and
- Provide grand totals showing the total number of incentives and the total amount paid for each separate category of incentive (recruitment, relocation, and retention).

The following table shows the format which should be used for the data elements of the report:

Type of Incentive	Pay Plan	Occ. Series	Occupational Series Title	Grade or Work Level	Total Number Paid	Total Amount Paid
Recruitment	GS	0132	Intelligence	12	7	\$49,007
Recruitment	GS	0610	Nurse	10	11	\$89,226
Recruitment	GS	0662	Optometrist	12	1	\$16,349
Recruitment	GG	0830	Mechanical Engineering	09	2	\$12,000
Recruitment	AD	1320	Chemistry	00	2	\$20,000
Recruitment	ES	1320	Chemistry	00	2	\$50,000
<b>TOTAL RECRUITMENT INCENTIVES</b>					<b>23</b>	<b>\$236,582</b>

Please provide the data portion of your report in an Excel spreadsheet if at all 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 only by e-mail. You may request a copy of the Excel spreadsheet by sending an e-mail to [pay-performance-policy@opm.gov](mailto:pay-performance-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 year 2007, not data on the total amounts that were *authorized* in 2007. 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 2007.

The following table shows how the amount reported for an incentive in an agency’s 2007 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 31, 2007, and the employee was brought on board on September 17, 2007.

Amount authorized	Method of payment	Examples of dates & amounts of payment	Amount to be included in CY 2007 report
\$5,000	Initial lump sum payment	Sept. 17, 2007: \$5,000	\$5,000
\$5,000	4 quarterly installments of equal value	1. Sept. 17, 2007: \$1,250 2. Dec. 17, 2007: \$1,250 3. March 17, 2008: \$1,250 4. June 16, 2008: \$1,250	\$2,500  (Sept. 17, 2007 & Dec. 17, 2007 payments)
\$5,000	Final lump-sum payment	June 16, 2008: \$5,000	\$0 (no payments in 2007)
\$5,000	3 installments, not of equal value, paid at beginning, middle and end of service period	1. Sept. 17, 2007: \$1,250 2. March 17, 2008: \$2,500 3. June 16, 2008: \$1,250	\$1,250  (Sept. 17, 2007 payment)