



**Tips and Tidbits
Issue #: 10-2008**



15 October 2008

Question: Under what circumstances can a recruitment or relocation incentive be paid?

For positions deemed “hard to fill” an activity may opt to employ the use of recruitment or relocation incentives. Recruitment incentives are paid to newly-appointed* employees; whereas, relocation incentives are offered to current employees who must relocate to accept a position [in the same or a different geographic area]. Since a determination of the position being hard to fill must be substantiated in order to utilize either of these incentives, management should closely coordinate with Civilian Personnel Advisory Center (CPAC) staff to ensure past recruitment attempts support that claim.

Both the recruitment and relocation incentives, paid in lump-sum at the beginning of the service period, may be authorized for up to 25% of an employee’s annual rate of basic pay (to include either locality pay, local market supplement, or special rate supplement) at the beginning of the service period multiplied by the number of years (including fractions of a year) in the service period. In determining the amount to be paid, a number of factors should be considered. These factors include employment trends and labor-market factors, non-Federal salaries paid for similar positions, special or unique competencies required for the position, agency efforts to use non-pay authorities, and the desirability of the duties, work or organizational environment, or location of the position.

An activity may not arbitrarily give approval for or issue pay against these incentives. Prior to their use, an Agency must establish a plan that designates among other things, the required documentation for determining that a position is likely to be difficult to fill; requirements for determining the amount of the incentive; criteria for determining the length of the service period; and, the obligations of the agency and the employee if the service agreement is terminated.

Employees who accept these incentives must sign a written service agreement stating the terms, limitations, and conditions of service prior to receiving payment. In the case of relocation bonuses, the employee must actually establish and provide proof of residence at the new location in order to receive payment. Even though each Agency may decide the terms of the service

agreement, the minimum period of service may not be less than 6 months, the maximum may not be more than 4 years.

Employees failing to complete the specified period of service must reimburse the activity for the amount of all benefits received under the existing agreement on a pro rata basis. This includes instances where an employee is demoted or separated for cause (i.e. for unacceptable performance or conduct); receives a rating of record lower than “fully successful” or equivalent during the service period; or, otherwise fails to fulfill the terms of the service agreement**. Conversely, an employee who fails to complete the period of service because the authorizing official unilaterally terminates the agreement based on management need (i.e. Reduction-in-Force, insufficient funds) is entitled to all incentive payments already received. Under either circumstance, whether the termination is precipitated by the employee or management, decisions to terminate the agreement may not be grieved nor may they be appealed.

For additional information, please contact your servicing HR Specialist.

* Newly appointed means a first appointment as an employee of the Federal government, or an appointment following a break in service of at least 90 days from a previous appointment with the Federal Government.

** Please see your HR Specialist for exceptions.

BLANCHE D. ROBINSON
Human Resources Officer
Fort Benning CPAC
Phone: 545-1203 (Coml.); 835-1203 (DSN)
E-Mail:
blanche.robinson@benning.army.mil