



HIRING INCENTIVES GUIDE



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OVERVIEW

Hiring incentives allow hiring managers to entice high-quality candidates where they are having trouble hiring or keeping current employees. Each of these hiring incentives has specific requirements and procedures that need to be followed. Your HR professional will help you determine what the requirements are and which are appropriate for your situation.

The three categories include Compensation, Paid Travel and Other Incentives.





RECRUITMENT INCENTIVE

This incentive allows a manager to request a payment of up to 100% of the annual rate of pay (including locality pay) to a newly appointed or reappointed employee, depending on the length of service agreement (25% per year for up to 4 years).* This may be used for positions that are hard to fill, when the candidate is well qualified and the candidate may not be a current federal employee. Under the General Schedule (GS) and Federal Wage Schedule (FWS), a recruitment incentive may be used by itself or with a superior qualifications appointment. However, a recruitment incentive must be considered by itself first. An employee must remain employed with your DoD Component or Service Agency for at least 6 months. A service agreement will generally be used to state the conditions under which this incentive is being offered.

FOR MORE INFORMATION ON THIS TOPIC, CLICK HERE

**RECRUITMENT INCENTIVE
FACT SHEET**



RELOCATION INCENTIVE

A relocation incentive is a payment of up to 100% of the annual rate of pay (including locality) to a current federal employee accepting a position in a different commuting area, depending on the length of the service agreement (25% per year for up to 4 years).* This may be used for positions that are hard to fill when the candidate is well qualified and a current federal employee, to entice an employee to accept a hard-to-fill position in a different geographic area. To receive a relocation incentive, an employee must remain employed with your DoD Component for at least 12 months. In addition, the employee may only receive this incentive once he or she has established residence (for not less than six months or not more than four years) in the new location.

FOR MORE INFORMATION ON THIS TOPIC, CLICK HERE

**RELOCATION INCENTIVE
FACT SHEET**



*Please note this requires both funding and approval authority; consult with your HR Professional on this.



RETENTION INCENTIVE

A retention incentive is a payment of up to 25% of the employee's pay (including locality or local market supplement) to a current employee to stay in federal employment. This may be used for an employee with unusually high or unique qualifications or if there is a special need of the staff agency to make it essential to retain the employee. No service agreement is required for a retention incentive. The retention incentive is only applicable for the period actually worked (including paid leave).

FOR MORE INFORMATION ON THIS TOPIC, CLICK HERE

**RETENTION INCENTIVE
FACT SHEET**



SUPERIOR QUALIFICATIONS APPOINTMENTS

This applies to GS and FWS positions. Under this provision, a superior qualifications appointment involves setting pay higher than the Step 1 of the grade of an employee newly appointed or reappointed to the federal government. This is based on his or her superior qualifications or because the employee meets a special need of the agency. The possibility of using a recruitment incentive must be considered before using this appointment.

ADVANCED PAY FOR NEW HIRES

Agencies may advance a new hire up to 2 pay periods of basic pay so a new employee can pay immediate expenses that are normally incurred as a result of starting a new job and/or relocating to a new geographic area. An advance in pay may be made no earlier than the date of appointment and no later than 60 days after the date of appointment (Title 5 United States Code 5524a, Title 5 Code of Federal Regulations 550.201).

HIGHEST PREVIOUS RATE

This provision applies to GS and FWS positions. It allows the employee's pay to be set above Step 1 of the grade based on a higher rate of pay the employee previously received in another federal job. Highest Previous Rate is subject to an agency's local pay setting policy.



Paid Travel either for First Duty Station Travel Expenses or Permanent Change of Station differ for moves within the Continental United States (CONUS) and outside the Continental United States (OCONUS). Consult with your HR professional and refer to specific guidance in the Joint Travel Regulations for more information.

FIRST DUTY STATION TRAVEL EXPENSES

Following specific guidance in the Joint Travel Regulations, a manager may request authorization for payment of a candidate's travel expenses to a pre-employment interview, or payment of travel and transportation expenses for a new employee's move to his/her first federal position. For first duty station travel, the selected individual must sign a service agreement for a minimum of 12 months, unless the employee is separated for reasons beyond the employee's control. The organization must agree that this criterion has been met. Authorized expenses may be paid even though the individual concerned has not been appointed at the time of his or her travel to the first duty station. Authorized expenses include travel and transportation for the selectee and dependent(s), permanent change of station mileage if a personally owned vehicle is used, household goods transportation and storage in transfer and, when authorized, shipment of personally owned vehicle.

PERMANENT CHANGE OF STATION (PCS)

PCS is the payment for a current federal employee and his or her dependents' travel, transportation and relocation costs. Under the Priority Placement Program (PPP), this is mandatory and is a shared responsibility between the losing and gaining activities. A new hire is not eligible for PCS entitlements for the first duty station move, but may be eligible for First Station Duty Travel. Similar to First Duty Station Travel Expenses, a written and signed service agreement is required between the selected individual and the gaining agency for paid PCS.





STUDENT LOAN REPAYMENT

Used to repay federally insured student loans. May be used as a recruitment or retention incentive for candidates or current employees. Authorized payments must be based upon the authorized management official's written determination that student loan repayments for the employee would enhance the command's ability to carry out its mission, and may be based on funding availability and performance. There is a maximum of \$10,000 for an employee in a calendar year and a lifetime total of not more than \$60,000 for any one employee. To receive a student loan repayment, the employee must sign a service agreement of at least three years. The service agreement will state the amount of the loan repayment authorized for each year of the recipient's service requirement.

PUBLIC SERVICE LOAN FORGIVENESS (PSLF) PROGRAM

The PSLF Program, which is administered by the Department of Education, forgives the remaining balance on an individual's qualifying nondefaulted federal student loan under the William D. Ford Federal Direct Loan (Direct Loan) Program. To qualify under this program, an individual must have made 120 qualifying monthly payments under a qualifying repayment plan while working full-time for a qualifying employer. Any nondefaulted Direct Loan such as: Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans, or Direct Consolidation Loans, are eligible for loan forgiveness. The individual's 120 qualifying monthly payments must be made on an eligible Direct Loan after October 1, 2007, before they can qualify for loan forgiveness. The first forgiveness of loan balances will not be granted until October 2017.

QUALIFYING EMPLOYMENT

Qualifying employment for the PSLF Program must be a full-time position with a public service organization, or must be serving in a full-time AmeriCorps or Peace Corps position. Employment with the following types of organizations qualifies for PSLF:

- Government organizations at any level (federal, state, local, or tribal)
- Not-for-profit organizations that are tax-exempt under Section 501(c)(3) of the Internal Revenue Code
- Other types of not-for-profit organizations that provide certain types of qualifying public services, as defined by the US. Department of Education, Office of Federal Student Aid, at: https://studentaid.ed.gov/sa/glossary#Qualifying_Public_Services

Additional information for HR professionals and compensation specialists on the PSLF Program can be found at the Federal Student Aid website: <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service>.



CREDIT FOR NON-FEDERAL & UNIFORMED SERVICE

Applies to newly appointed or reappointed civilian employees. This allows employees to earn service credit for prior work experience that otherwise would not be creditable for the purpose of determining the employee's annual leave accrual rate. This credit may be given when the skills and experience of the selectee are essential to the new position and were acquired through performing duties in a non-federal position or Active Duty with the uniformed Services.

TELEWORK

Telework involves performing assigned official duties at an alternative worksite on either a regular and recurring basis or on an ad hoc basis (not including while on official travel).

ALTERNATIVE WORK SCHEDULES

Alternative work schedules are those other than a normal fixed work schedule (e.g., 8 hours per day, 40 hours per week) that afford employees flexibility to accommodate personal activities while maintaining full-time hours. Employees use them in a variety of ways; from avoiding peak rush hour traffic, to being able to see children off to school, to having non-weekend time to accomplish errands and other personal business. Organizations benefit by having more dedicated employees who are able to maximize their productive time and minimize the effects of outside responsibilities. In some cases, alternative work schedules can enable an organization to better serve customers, who may be in other time zones or have non-traditional schedules.

Additional information for HR professionals and compensation specialists on alternative work schedules can be found at OPM's website: www.opm.gov/oca/aws/.

PHYSICIANS COMPARABILITY ALLOWANCE (PCA)

This is available only for GS physicians and dentists and may be used for recruitment and retention problems. Up to \$14,000 per year may be authorized if the employee has served as a government physician for 24 months or fewer, and up to \$30,000 per year may be authorized if the employee has served as a government physician for more than 24 months.

HEAD NURSE PAY

Provides higher salary for registered nurses and nurse anesthetists in head nurse positions. Allows for pay to be set two steps higher than would otherwise be authorized.

