



DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY ARMOR CENTER AND FORT KNOX
FORT KNOX, KENTUCKY 40121-5000

REPLY TO
ATTENTION OF:

ATZK-CP (690-500)

27 May 2003

MEMORANDUM FOR

Commanders, All Units Reporting Directly to this Headquarters
Directors and Chiefs, Staff Offices/Departments, This Headquarters

SUBJECT: Thunderbolt Six Policy Memo No. 40-14 – Recruitment and Relocation Bonus and Retention Allowances

1. References:

a. 5 CFR, Part 575, Recruitment and Relocation Bonuses; Retention Allowances; Supervisory Differentials.

b. DOD 1400.25-M, Department of Defense Civilian Personnel Manual, Subchapter 575, Recruitment and Relocation Bonuses; Retention Allowances; and Supervisory Differentials.

2. Recruitment and relocation bonuses and retention allowances (3Rs) are authorized pay incentives designed to provide flexibility to recruit, relocate and retain highly skilled employees. With today's dynamic job market and the demands for more high-technology skilled employees, pressure is increased to offer significant incentives to attract and retain the best candidates to meet the challenges of the future.

3. The attached document outlines the criteria for each of the bonuses and allowance. It also specifies the information/analysis that must be included in individual requests. The need to pay one of the recruitment bonuses or relocation allowance may not be known until actual discussions are held with applicants in making the job offer. Therefore, requests for approval of these incentives may be forwarded before initiating the recruitment process for the vacancy or before the actual job offer being made to a candidate. Advanced approval of one or more of the incentives may be advantageous so a timely offer can be made to commit the applicant to the vacancy. Even though a specific percentage amount may be approved, the selecting official/supervisor is expected to negotiate with the applicant/employee to arrive at the least amount necessary to recruit/retain the employee.

4. Request for approval of any of the pay incentives will be forwarded through the Directorate of Resource Management (DRM) and the Civilian Personnel Advisory Center (CPAC). The DRM will review the request for monetary impact on the organization or installation budget. The CPAC is responsible for reviewing the request to ensure it meets the criteria for the specific bonus/allowance. After completion of review by the DRM and CPAC, the requests will be submitted to me for approval.

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5. Based on projected employment needs, the use of a bonus or allowance offers greater potential to hire individuals with superior skills, knowledge, and abilities for our hard to fill and critical jobs. I expect managers and supervisors to exercise sound judgment in fulfilling their fiduciary responsibilities when requesting approval of these bonuses and allowances.

2 Encls

1. Criteria
2. Agreement



TERRY L. TUCKER
Major General, USA
Commanding

**Criteria for Approval and Procedures for Submission of Requests
for Recruitment and Relocation Bonus and Retention Allowances (3Rs)**

1. Criteria and Eligibility Requirements:

a. Recruitment Bonus. A recruitment bonus of up to 25 percent of basic pay may be offered to certain newly appointed employees. Candidates for hard-to-fill positions and/or occupations that are critical to the organization's mission are eligible for the recruitment bonus. As applicable to Fort Knox Activities, a recruitment bonus may be paid to any employee newly appointed to a position in (1) the General Schedule; (2) the Law Enforcement Pay System; and (3) the Prevailing Rate System. A newly appointed employee is defined as an individual being appointed to a position in the civil service for the first time, or who is being reappointed after a break in service of at least 1 year, and whose appointment is for a period of not less than 2 years. The approving official must certify in writing that, absent a recruitment bonus, the organization would have difficulty filling the position with a highly qualified candidate. As appropriate, the written justification must describe such things as (1) the results of recent efforts to attract quality candidates for similar positions, as evidenced by offer/acceptance rates, the number of pending vacancies, and/or the length of time required to fill similar positions; (2) recent turnover in similar positions; (3) labor-market factors that may affect the organization's ability to recruit high quality candidates for similar positions; (4) special qualifications needed for the position; or (5) the feasibility of using a superior qualifications appointment as provided by 5 CFR 531.203(b), separately or in conjunction with a recruitment bonus. The employee must sign a written agreement to serve in the position for a minimum period of 12 months. When the total cost of the recruitment bonus will exceed \$10,000, a 24-month service agreement will be required.

b. Relocation Bonus. A relocation bonus of up to 25 percent of basic pay may be offered to certain current employees who must relocate to accept a position in a different commuting area. Occupants of hard-to-fill positions and/or occupations that are critical to the organization's mission are eligible for relocation bonuses. The relocation must be without a break in service and as applicable to Armor Center Activities, to a position in (1) the General Schedule (including GM and GG positions); (2) the Law Enforcement Pay System; and (3) Prevailing Rate System. The approving official must certify in writing that, absent a relocation bonus, the organization would have difficulty filling the position with a highly qualified candidate. As appropriate, the written certification must describe such things as (1) the result of recent efforts to attract quality candidates for similar positions as evidenced by offer/acceptance rates, the number of pending vacancies, and/or the length of time required to fill similar positions; (2) recent turnover in similar positions; (3) labor-market factors that may affect the organization's ability to recruit high quality candidates for similar positions; or (4) special qualifications needed for the position. The employee must sign a written agreement to serve in the position for a minimum period of 12 months. When the total cost of the relocation bonus will exceed \$10,000, a 24-month service agreement will be required.

c. Retention Allowance. A retention allowance of up to 25 percent of basic pay may be offered to certain current employees in order to retain their services. A current employee is eligible for a retention allowance if the unusually high or unique qualifications of the employee or a special need for the employee's services make it essential to retain the employee. The employee must have completed 1 year of continuous service, or if applicable, a period of employment established under the service agreement required for the payment of a recruitment or relocation bonus, whichever occurs later, with the Department prior to payment of a retention allowance. The employee must hold a position in (1) the General Schedule (including GM and GG positions); (2) the Law Enforcement Pay System, or (3) Prevailing Rate System. The approving official must certify in writing that, absent a retention allowance, the employee would be likely to leave the Federal service for employment outside the executive, legislative, or judicial branch of the Federal Government. The retention allowance shall be paid in the same manner and at the same time as basic pay although it shall not be considered a part of basic pay. The retention allowance may be paid as long as the conditions warranting the allowance continue to exist. An annual review and recertification of necessity must be made to continue the payment of the retention allowance. The Commanding General must approve the recertification of the retention allowance. The amount of the retention allowance may be reduced or the allowance terminated when it is determined that (1) a lesser amount, or no allowance at all, would be sufficient to retain the employee, (2) labor-market conditions have changed and recruitment of employees with needed qualifications would be possible, (3) the need for the services of the employee have lessened, or (4) budgetary considerations preclude payment.

2. Organization Requests. Requests for approval of one or more of the pay incentives will be submitted in memorandum format and must include the below information. The CPAC can assist in analysis and documentation of the criteria:

- Position Title, Series, and Grade
- Organization
- The type of bonus/allowance being requested.
- The percentage of bonus being requested (including total costs) and the criteria used for determining the size of the bonus.
- Results of recent efforts to attract candidates.
- Recent turnover in similar positions.
- Labor-market factors.
- Special qualifications, if required.
- Length of service agreement (minimum of 12 months).
- Whether to use a superior qualifications appointing authority alone or in combination with a recruitment bonus. NOTE: Superior qualifications appointment is an appointment above the minimum rate when the candidate is considered to have superior qualifications. Superior qualifications appointment requires TRADOC approval.

3. If a recruitment/relocation bonus is approved by the CG, the attached service agreement must be completed and signed by the applicant/employee.

RECRUITMENT/RELOCATION BONUS SERVICE AGREEMENT

For use of this form, see DOD 1400.25-M, Subchapter 575 and 5 CFR Part 575

DATA REQUIRED BY THE PRIVACY ACT OF 1974

AUTHORITY: 5 U.S.C. 301, Departmental Regulations; 10 U.S.C.3013, Secy of the Army; AR 690-200, General Personnel Provisions; and E.O. 9397 (SSN).

PURPOSE: To document employee's service agreement with the government concerning Recruitment or Relocation Bonus.
ROUTINE USE: Used by the supervisor and CPAC to process Recruitment or Relocation Bonus as a condition of employee's employment.

DISCLOSURE: Voluntary; however, failure to provide information may result in employee not receiving Recruitment or Relocation Bonus.

1. NAME:

2. SSN:

3. POSITION TITLE/SERIES/GRADE:

4. ORGANIZATION:

5. ANNUAL RATE OF BASIC PAY (excludes locality pay):

\$

6. PERCENTAGE OF PAY TO BE PAID AS BONUS (not to exceed 25 percent):

7. LENGTH OF SERVICE AGREEMENT (not less than 12 months):

8. I understand and agree that:

a. As a condition of accepting the lump sum payment, I will serve in the above position for a period of _____ months beginning on the date of employment. If my employment in the above position is terminated during this period for the convenience of the government and not at my request or because of my poor performance or misconduct, I will be entitled to retain the bonus.

b. If my employment in the above position is terminated during above period at my request or as a result of poor performance or misconduct, I will repay the recruitment bonus on a pro rata basis. The amount to be repaid shall be determined by providing credit for each full month of completed employment under this agreement (e.g., total lump sum payment divided by number of months of the service agreement, times months remaining on service agreement, equals amount to be repaid).

c. This agreement does not in any way commit the government to continue my employment.

APPLICANTS SIGNATURE:

DATE: