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Missouri National Guard
Office of the Adjutant General
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Missouri National Guard
Technician Personnel Regulation 335-1

COMBINED PAY INCENTIVES

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CHAPTER 1

INTRODUCTION

1-1. PURPOSE. This plan provides procedures for requesting and approving recruitment and retention incentives to employees of the Missouri National Guard. This plan is consistent with federal law, regulations and the Department of Defense regulations on Recruitment and Relocation Bonuses, Retention Allowances, and Supervisory Differentials, dated 20 November 1992. Relevant eligibility, approval, payment and record keeping criteria are incorporated into this plan.

1-2. RESPONSIBILITIES.

a. The Adjutant General is the appointing authority for the Missouri National Guard and is the highest level of authority in the state concerning the overall application of this plan.

b. Authority for implementation of this plan and approval of incentives under this plan is delegated to the Human Resources Officer (HRO). The HRO is responsible for:

(1) Administering the provisions of the staffing authorities contained in this plan.

(2) Providing initial training to managers and supervisors on the statutory and regulatory requirements of each authority, and for conducting refresher training on a continuing basis.

(3) Conducting an internal assessment to determine the effectiveness and proper application of these delegations.

(4) Reporting on program usage to National Guard Bureau.

(5) Taking any corrective action necessary to ensure proper application of these delegations.

c. As the respective manpower control officers, the ANG Air Commander or ARNG Chief of Staff must concur with payment of recruitment and retention incentives and verify the availability of funds.

d. The first line supervisor is responsible for initiating requests to offer recruitment and retention incentives.

CHAPTER 2

RECRUITMENT BONUS

2-1. AUTHORITY. 5 USC 5753 and 5 CFR 575, subpart A.

2-2. ELIGIBILITY.

a. A recruitment bonus may be paid to an employee newly appointed to a difficult to fill position. This includes an individual not yet employed who has received a written offer of employment and has signed a written service agreement. The appointment must be for a period of at least two years and be in the General Schedule (GS). The individual must be appointed to a position in the civil service for the first time; be re-appointed after a break in service of at least one year; or may be appointed to a permanent appointment within one year after termination of employment while a student during school vacations under a short term temporary appointment.

b. A recruitment bonus may be combined with a superior qualifications appointment but not with a retention allowance or a relocation bonus.

2-3. CRITERIA FOR PAYMENT.

a. Each bonus paid under this authority shall be based on a written determination that in the absence of such a bonus, the organization would encounter difficulty in filling the position. Such a determination shall be made before the employee actually enters on duty in the position which he or she was recruited.

b. In determining whether a recruitment bonus should be paid and in determining the amount of any such payment, the HRO shall consider the following factors:

- (1) The success of recent efforts to recruit candidates for similar positions.
- (2) Recent turnover in similar positions.
- (3) Labor-market factors that may affect the ability of the organization to recruit candidates for similar positions now or in the future.
- (4) Special qualifications needed for the position.
- (5) The practicality of using the superior qualifications appointment authority alone or in combination with a recruitment bonus.

2-4. REQUEST AND APPROVAL PROCEDURES.

a. All proposed offers of recruitment bonuses must be submitted with full justification to the HRO for review and approval. The proposal must be specific as to amount. It must explain in detail what special qualifications are needed for the position and must describe previous, unavailing efforts to fill the position or similar positions absent a recruitment bonus. It should consider turnover rates in similar positions, the number of similar pending vacancies and the length of time required to fill similar positions. In addition, it should describe any labor market factors affecting the organization's ability to recruit candidates (for example, similar openings in the private sector with substantially higher pay).

b. Requests for recruitment bonuses will be submitted through the chain of command to the Air Commander or Chief of Staff, as applicable, before referral to the Human Resources Officer.

c. The Human Resources Officer will only consider fully documented requests. Approval is contingent upon:

- (1) The factors listed in paragraph 2-3b above.
- (2) The impact on the organization of paying or not paying an allowance.
- (3) The availability of funds as verified by the Air Commander or Chief of Staff.

2-5. CERTIFICATION. The Human Resources Officer must certify in writing that without paying a bonus it would be difficult to fill the position with a highly qualified candidate.

2-6. SERVICE AGREEMENT. The prospective recipient must sign a service agreement to continue working in the position for a period of 12 months. The recipient must agree to repay the bonus, on a pro rata basis, if he or she fails to fulfill the agreement.

2-7. PAYMENT. The bonus will consist of a lump sum, one time payment of up to 25 percent of base pay. It will not be considered part of an employee's rate of basic pay for any purpose. It also may not exceed the statutory aggregated limitation on pay (as per 5 CFR 530.203).

2-8. DOCUMENTATION AND REPORTING. As a minimum, the following information will be maintained by the HRO on a fiscal year basis and reported to higher headquarters by November 15 of each year:

- a. The number of technicians offered/accepting a recruitment bonus.
- b. The percentage of salary offered/accepted in each case.
- c. A summary statement assessing the effect of bonus authority on the state's ability to fill key positions with high quality candidates in a timely manner.

CHAPTER 3

RELOCATION BONUS

3-1. AUTHORITY. 5 USC 5753 and 5 CFR 575, subpart B.

3-2. ELIGIBILITY.

a. Current employees who possess skills that are critical to the organization's mission may be offered a relocation bonus to accept a difficult to fill General Schedule position in a different commuting area. A prospective recipient must be reassigned (promoted/changed to lower grade) without a break in service to a position in a different commuting area, must not yet have entered on duty in the new position and must establish a residence in the new commuting area before the bonus can be paid.

b. A relocation bonus may be used in combination with a retention allowance but not a recruitment bonus or superior qualifications appointment.

3-3. DEFINITIONS. The following definitions apply to this chapter.

a. **COMMUTING AREA** means the geographic area that normally is considered one area for employment purposes. It includes any population center (or two or more neighboring ones) and the surrounding localities where people live and reasonably can be expected to travel back and forth daily to work.

b. **RATE OF BASIC PAY** means the rate of pay fixed by law or administrative action for the position to which the employee is being relocated, or in the case of an employee who is entitled to grade or pay retention, the employee's retained rate of pay.

3-4. REQUEST AND APPROVAL PROCEDURES.

a. All proposed offers of relocation bonuses must be submitted with full justification to the HRO for review and approval.

b. The proposal must be specific as to amount.

c. It must explain in detail what special qualifications possessed by the proposed recipient are needed for the position and must describe previous, unavailing efforts to fill the position or similar positions absent a relocation bonus.

d. It should consider turnover rates in similar positions, the number of similar pending vacancies and the length of time required to fill similar positions.

e. In addition, it should describe any labor market factors affecting the organization's ability to recruit candidates (for example, similar openings in the private sector with substantially higher pay) such that it is preferable to relocate a current employee.

3-5. CERTIFICATION. The Human Resources Officer must certify in writing that without paying a bonus it would be difficult to fill the position with a highly qualified candidate.

3-6. SERVICE AGREEMENT. The prospective recipient must sign a service agreement to continue working in the position at the new duty station for at least 12 months. In the case of a temporary change in duty station for less than 12 months, the service agreement will not exceed the period of the temporary duty station change. The recipient must agree to repay the bonus, on a pro rata basis, if he or she fails to fulfill the agreement.

3-7. PAYMENT. The bonus will consist of a lump sum, one time payment of up to 25 percent of base pay. It will not be considered part of an employee's rate of basic pay for any purpose. It also may not exceed the statutory aggregated limitation on pay (as per 5 CFR 530.203).

3-8. DOCUMENTATION AND REPORTING. As a minimum, the following information will be maintained by the HRO on a fiscal year basis and reported to higher headquarters by November 15 of each year:

- a. The number of technicians offered/accepting a relocation bonus.
- b. The percentage of salary offered/accepted in each case.
- c. A summary statement assessing the effect of bonus authority on the state's ability to fill key positions with high quality candidates in a timely manner.

CHAPTER 4

RETENTION ALLOWANCE

4-1. AUTHORITY. 5 USC 5754 and 5 CFR 575, subpart C.

4-2. ELIGIBILITY.

a. A current General Schedule employee serving under an appointment of no less than two years may be eligible for a retention allowance of up to 25 percent of basic pay in order to retain his/her services. The employee must have completed one year of continuous service.

b. A retention allowance may not be initiated during any period of employment established under a service agreement required for payment of a recruitment bonus or relocation bonus. After retention allowance payments have commenced, a relocation bonus may be paid without affecting the payment of the retention allowance.

4-3. CRITERIA FOR PAYMENT.

a. Each allowance paid under this plan shall be based on a written determination that 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 and in the absence of such an allowance, the employee would be likely to leave the Federal Service.

b. This determination shall be based on a written description of the extent to which the employee's departure would affect the organization's ability to carry out an activity or perform a function that is deemed essential to the organization's mission.

c. In determining whether a retention allowance should be paid and in determining the amount of any such payment, the HRO shall consider the following factors, as applicable in the case at hand:

(1) The success of recent efforts to recruit and retain employees with qualifications similar to those possessed by the employee for positions similar to that held by the employee.

(2) The availability in the labor market of candidates for employment who, with minimal training or disruption of service to the public, could perform the full range of duties and responsibilities assigned to the position held by the employee.

4-4. REQUEST AND APPROVAL PROCEDURES.

a. A proposal to pay a retention allowance must originate with the employee's supervisor. The proposal must be specific as to the amount. It must explain in detail what unusually high or unique qualifications, possessed by the proposed recipient, exceed those normally expected in

the individual's position. It must rule out the possibility that other employees could, with minimal training or disruption of the organization's operations, perform the full range of duties of the position. It must also describe difficulties encountered recently in recruiting or retaining employees with similar qualifications to fill similar positions. It should describe any labor market factors affecting the organization's ability to recruit candidates (for example, similar openings in the private sector with substantially higher pay). It must describe why the employee's services are therefore especially important to the organization and how the employee's departure would affect the organization's ability to carry out an essential function.

b. Requests for retention allowances will be submitted through the chain of command to the Air Commander or Chief of Staff, as applicable, before referral to the Human Resources Officer.

c. The Human Resources Officer will only consider fully documented requests. Approval is contingent upon:

- (1) The factors listed in paragraph 4-3 above.
- (2) The impact on the organization of paying or not paying an allowance.
- (3) The availability of funds as verified by the Air Commander or Chief of Staff.

4-5. APPROVAL OF RETENTION ALLOWANCES FOR GROUPS OR CATEGORIES OF EMPLOYEES.

a. A retention allowance of up to 25 percent of an employee's rate of basic pay may be approved for a group or category of employees based on a written determination that the category of employees has unusually high or unique qualifications, or the organization has a special need for the employees' services that makes it essential to retain the employees in that category, and that it is reasonable to presume that there is a high risk that a significant number of employees in the targeted category are likely to leave Federal service in the absence of the allowance. The determination that there is a high risk that a significant number of employees in the targeted category are likely to leave may be based on evidence of extreme labor market conditions, high demand in the private sector for the knowledge and skills possessed by the employees, significant disparities between Federal and private sector salaries, or other similar conditions.

b. Requests for allowances up to 10 percent of basic pay will be sent to National Guard Bureau for review before approval by the Deputy Assistant Secretary of Defense (Civilian Personnel Policy). In addition, the U.S. Office of Personnel Management must also approve requests for allowances in excess of 10 percent.

c. Group retention allowance requests must include:

(1) A description of the group or category and number of employees to be covered by the proposed retention allowance.

(2) A written determination that the group or category of employees meets the criteria specified in paragraph 4-5a above.

(3) The proposed percentage retention allowance payment and a justification for that percentage.

(4) The expected duration of retention allowance payments.

(5) Any other information pertinent to the case at hand.

d. All other criteria and requirements for payment must be met before a retention allowance may be paid to any employee under this paragraph.

4-6. PAYMENT.

a. A retention allowance shall be calculated as a percentage of the employee's rate of basic pay (not to exceed 25 percent) and paid in the same manner and at the same time as basic pay. The allowance shall be paid at an hourly rate for each hour during which the employee receives basic pay. It shall not be considered part of a employee's rate of basic pay for any purpose (i.e., promotion, severance, lump sum payment for annual leave, locality pay adjustment, retirement, etc.).

b. The retention allowance may be paid for as long as the conditions giving rise to the original determination for the allowance still exist. However, at least annually, first line supervisors will submit justification for continuation of payment through channels to the HRO. Each determination to pay an allowance shall be reviewed to determine whether the payment is still warranted and the HRO shall certify this determination in writing.

4-7. REDUCTION OR TERMINATION. The amount of the retention allowance may be reduced or terminated by the HRO when it is determined that:

a. A lesser amount, or no allowance at all, would be sufficient to retain the employee.

b. Labor market conditions have changed and recruitment of employees with needed qualifications would be possible.

c. Need for the services of the employee have lessened.

d. Budget considerations preclude continued payment.

e. The employee is likely to leave for another position within the federal government, or the employee indicates intent to resign.

4-8. DOCUMENTATION AND REPORTING. As a minimum, the following information will be maintained by the HRO on a fiscal year basis and reported to higher headquarters by November 15 of each year:

- a. The number of employees offered/accepting a retention allowance.
- b. The percentage of base pay offered/accepted in each individual case.
- c. A summary statement assessing the effect of the allowance authority on the organization's ability to retain quality employees in key positions.

CHAPTER 5

ADVANCED IN-HIRING RATES BASED ON SUPERIOR QUALIFICATIONS

5-1. AUTHORITY. 5 USC 5333 and 5 CFR 531.203.

5-2. ELIGIBILITY. Individuals hired at advanced rates under this authority must either have unusually high qualifications for the particular position and be forfeiting income that would justify a salary above the base pay for the grade or have a unique combination of education and experience that meets a special need of the organization. Individuals hired at advanced rates must be entering Federal service for the first time or must be returning to Federal employment after a break in service of 90 days or more.

5-3. REQUEST AND APPROVAL PROCEDURES. All proposed superior qualification appointments must be submitted with full justification to the HRO for review and approval. The request must include:

a. The superior qualifications of the individual or special need of the organization that justified use of this authority.

b. The factors considered in determining the individual's existing pay and the reason for setting pay at a rate higher than that needed to match existing pay.

c. Rationale for advanced in-hire rate verses a recruitment bonus.

d. A comparison of the individual's qualifications and those of other well-qualified and available candidates with respect to the specific qualification standards and criteria used to evaluate the candidates.

5-4. PAYMENT. Individual's basic rate of pay will be set at a rate no more than 20 percent greater than the individual's current rate of pay.

5-5. DOCUMENTATION AND REPORTING. All documents relating to an appointment using this pay authority will be maintained in the technician vacancy announcement file. The following information will be reported to higher headquarters by November 15 of each year:

a. The number of actions taken under this authority.

b. Significant problems, if any, encountered with use of the authority.

c. Benefits, if any, derived from the use of the authority.

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6 March 2001

/S/
JOHN D. HAVENS
Major General, MOARNG
The Adjutant General

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