



DCMA Manual 4201-06

Compensation and Incentives

Office of Primary Responsibility

Talent Management Capability

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Purpose: This Manual, in accordance with the authority in DoD Directive 5105.64, implements policy and assigns responsibility for:

- Implementing pay setting that is fair, equitable, and within established guidelines
- The execution of Recruitment, Relocation and Retention Incentives, Student Loan Repayment, and service credit for non-federal service and military service credit
- The process outlined will be followed by all DCMA employees, and comply with Office of Personnel Management (OPM) and DoD regulatory guidance

SUMMARY OF CHANGES

The following identifies the most notable changes that have been incorporated into this Manual:

- Updated Paragraph 4.5.b.(3).
- Updated Paragraph 4.13.a., by adding reference to individual employee when referring to obtaining retention incentive and removing Paragraph 4.13.a.(4).
- Rewrote Paragraphs 4.10.b., and 4.14.a.
- Established and clarified requirement for annual review of individual/group retention incentive by Components through the Total Force Director for decision
- Updated Human Capital references to Total Force and the Field Support Center references to the Total Force Field Support Center

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This Manual applies to all DCMA activities unless higher-level regulations, policy, guidance, or agreements take precedence. This Manual applies to DCMA organizational elements.

1.2. POLICY. It is DCMA policy that:

a. The Agency will pay employees equitably and in accordance with (IAW) applicable Federal law, regulation, Office of Personnel Management (OPM) and DoD regulatory guidance. New appointments into General Schedule (GS) or equivalent positions will be made at the minimum rate of the appropriate grade, unless the Director, DCMA has granted a superior qualification appointment based on the selected candidate's superior qualifications, or special need of the Agency for the individual's services. New appointments into the Federal Wage System (FWS) (i.e., Wage Grade (WG), Wage Leader, and Wage Supervisor positions), will be made at the minimum rate of the appropriate grade.

b. Incentives are not an entitlement but a tool available to attract and/or retain a high quality, skilled, and productive civilian workforce. These incentives include the use of recruitment incentives, relocation incentives, retention allowances, repayment of student loans, superior qualification appointments (Advanced In-Hire Rates (AHR)), and credit for prior non-Federal related experience or relevant military service. The total compensation package will be assessed before offering incentives to include, intangible benefits of Federal civilian service. For recruitment type incentives, the decision to offer an incentive must be made prior to the effective date of the action placing the selectee into the position for which the incentive is being requested.

c. The DoD Direct Hire Authorities (DHA) and Expedited Hiring Authorities (EHA) meet the intent and critical "special needs of the Agency:" DCMA must attract a highly qualified applicant pool for our critical and emerging vacancy needs. DoD established, via the DHAs and EHAs, the criteria to consider emerging hiring requirements as "critical hiring needs" as defined by OPM to be "severe shortage candidates" and "critical hiring needs," IAW Subpart 575.106(b) of Title 5, Code of Federal Regulations (CFR), "Factors for determining when a position is likely to be difficult to fill." For DCMA to attract and retain highly qualified applicants/employees, managers are encouraged to use these incentives as appropriate for recruitment and retention for the Cyber Workforce known as Cyberspace Workforce, Financial Management, and the Acquisition Workforce as identified in the respective DCMA guides for the duration of the DHA and EHA authorities respectively, or until superseded.

d. The approving authority for individual and/or group incentives will be Component Heads. Group incentive will not exceed 10 percent of the employees' total salary. These incentives will be reviewed annually to certify if the need still exists.

e. This Manual is executed in a safe, efficient, effective, and ethical manner.

SECTION 2: RESPONSIBILITIES

2.1. DIRECTOR, DCMA. The DCMA Director will:

- a. Provide overall executive oversight of the DCMA pay setting; ensure that all managers, supervisors, and employees properly adhere to the policies contained in this Manual and exercise their responsibilities appropriately.
- b. Retain approval authority for retention incentives, repayment of student loans, superior qualification appointments (also referred to as AHR, endorsement of Recruitment, Relocation, and Retention Limitation waiver requests for OPM approval, and service credit for leave accrual.
- c. Delegate approval authority for recruitment and relocation incentives to the Component Heads. This authority may be further delegated in writing to the Deputy Component Heads. If there is no official at a higher level, the approval rests with the Deputy Director, DCMA.

2.2. EXECUTIVE DIRECTOR, TOTAL FORCE (TF). The Executive Director, TF will:

- a. Define processes, develop accountability plans to ensure TF human capital processes and operations comply with Federal merit system principles, and all other regulatory requirements.
- b. Review incentive approval requests and make recommendation prior to submission to the Director, DCMA to ensure that subject request complies with the OPM, DoD, and DCMA policy and guidance.

2.3. SUPERVISORS AND MANAGERS. Supervisors and managers will:

- a. Be responsible for ensuring that all policies and procedures contained in this Manual are adhered to in their organizational units. Recruitment and relocation incentives, including the amount of such incentives, will be reviewed and approved by a supervisor or manager who is at a higher level than the supervisor or manager making the incentive request. When no official at a higher level exists, the deciding authority rests with the Deputy Director, DCMA.
- b. Ensure the basis for all incentive requests are documented and maintained IAW the procedures specified throughout this Manual, maintain records, and supporting documentation to allow for tracking, review, and reconstruction of approved incentives for a period of 3 years from date of approved incentive or from dispute resolution date, as applicable.

2.4. TF FIELD SUPPORT CENTER (TFS) BUSINESS PARTNER. The TFS Business Partner will review incentive approval requests to validate that the submitted requests are in compliance with the OPM, DoD, and DCMA policy and guidance, and provide advice and recommendation on the soundness of the request. These incentives will be reviewed annually to ensure timely termination of incentive payments, as applicable.

2.5. SERVICING HUMAN RESOURCES OFFICE (HRO). The servicing HRO will:

a. Set the pay of all employees who are newly appointed in the Federal government at the minimum rate of the grade for which selected or as authorized.

b. Process all approved incentive actions IAW Title 5, CFR, OPM governing regulatory guidance, DoD, and DCMA policy guidance, and will maintain the signed service agreement in the employee's electronic official personnel file

SECTION 3: PAY SETTING

3.1. PROCEDURES.

a. Determining Rate of Basic Pay for Newly Appointed Employees to the Federal Government. The servicing HRO will set the pay of all GS or equivalent and FWS employees who are newly appointed in the Federal government at the minimum rate of the grade for which selected; or with the written approval of the Director, DCMA, the pay for newly appointed Federal employees may be set at a higher rate of pay based on:

(1) The GS candidate's superior qualifications.

(2) A special needs pay-setting authority IAW Section 5333 of Title 5, United States Code (U.S.C.). The selecting official will obtain written approval following the processes outlined in Section 4, Paragraphs 4.17., and 4.18., accordingly.

b. Superior Qualifications/AHR. Requests for AHR for superior qualification appointments and special needs pay will be approved by the Director, DCMA. The selecting official will obtain written approval from the Director, DCMA through the Component Head to offer pay above the minimum rate of pay IAW Part 531 of Title 5, CFR, DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)," and DoD Instruction (DoDI) 1400.25-V531, "Pay under General Schedule."

(1) The selecting official must articulate the candidate's demonstrated superior qualifications on the level, type, or quality of the candidate's skills or competencies demonstrated or obtained through experience and/or education compared to others in the field, and other referred applicants. The endorsed packet, IAW DoD Directive 5105.64, will be routed through Region or Operating Unit, to the respective TFS Business Partner. The TFS Business Partner will review and prepare the TF recommendation for the Director, DCMA decision. Upon receipt of the Director, DCMA decision, the TFS Business Partner will return the completed package to the selecting official.

(2) The selecting official is responsible for providing the signed approval document to the servicing HRO, and maintaining a copy of the approved package for audit purposes.

c. Determining Rate of Pay for Current Federal Employees.

(1) Highest Previous Rate (HPR) is used to set an employee's basic pay on the higher rate of pay the employee previously received in another Federal position. The use of HPR will be determined using the maximum payable rate rule as described in Part 531 of Title 5, CFR, and DoDI 1400.25-V531.

(2) HPR will be used when setting pay upon reinstatement, reappointment, change of appointment, transfer, reassignment, promotion, or change to lower grade action.

(3) HPR pay determinations must be based on pay earned while the employee held a higher grade and step on that graded position, and served on a regular tour of duty. The determining criteria are as follows:

- A permanent appointment
- An appointment **not** limited to 90 days or less
- Continuous temporary appointments of not less than 90 days without a break in service, or
- A temporary promotion (the employee must have served at the promoted level for at least one year, or held a temporary promotion for less than one year before being permanently promoted to the same or to a higher grade level)

(4) When an employee exercises return rights from an overseas assignment where the performance was at least fully successful, the employee is entitled to a rate of basic pay not less than the rate to which he/she would have been entitled had the employee not been assigned to duty outside the U.S., to include any applicable within-grade increases. Pay will be calculated IAW DoDI 1400.25, Volume 531, "DoD Civilian Personnel Management System: Pay Under the General Schedule," and Volume 536, "DoD Civilian Personnel Management System: Grade and Pay Retention," accordingly; however, the employee's pay will be set in a manner that is most advantageous to the returning employee.

(5) When an employee is demoted for disciplinary reasons, the pay must be set no higher than the employee's rate of pay held immediately before the action that prompted the reduction in grade.

(6) Grade retention is provided to an employee who is placed into a lower graded position as a result of Reduction in Force (RIF) procedures or reclassification of the position to a lower grade level, and will be administered as follows:

(a) The position is reduced in grade as a result of reclassification of the position, and the position classification at the higher grade level was in effect for at least one year.

(b) The employee must have at least 52 consecutive weeks in one or more positions under a covered pay system at one or more grades higher than the grade of the position in which the employee is placed.

(7) Mandatory grade retention is authorized for an employee who moves from a position under a covered pay system to a lower-graded position under a covered pay system as a result of one of more of the following circumstances:

(a) When executing:

- A RIF
- An employee movement into a lower-graded position is considered to be the result of a RIF, when an employee has received an specific RIF notice
- An employee placement in the position offered in the notice

- An employee is placed in a position other than the offered position in the notice, but in the same agency, and if the position was offered in writing and initiated by management

(b) Movement into a lower-graded position is considered to be the result of a reclassification process when the employee remains in his/her position after it is reclassified.

(c) An employee is placed in a different position in the same organization before the effective date of the reclassification action, if the position was offered in writing and was initiated by management but after the employee received a specific written notice that the position would be reclassified to a lower grade level.

(8) An employee is entitled to mandatory pay retention when:

- An employee's two year mandatory grade retention period expires
- A RIF or reclassification action places the employee in a lower graded position when the employee does not meet the eligibility requirements for grade retention
- A management action places an employee in a non-special rate position or in a lower special rate position when the employee held a higher special rate or higher-paid position
- Management places an employee in a different pay schedule when employee's departing pay schedule exceeds the receiving pay scale
- An action places the employee in a formal developmental program, such as Pathways, Keystone, etc.
- A reduction or elimination occurs to scheduled rates, special schedules, or special rate schedules

(9) Pay retention may also be provided to eligible employees, who do not have specific entitlement by law or regulation to pay retention, when their rate of basic pay is reduced as the result of a management action. Pay retention will be granted under the circumstances prescribed in DoDI 1400.25-V536, "DoD Civilian Personnel Management System: Grade and Pay Retention," when:

- An employee would otherwise be granted grade retention pursuant to DoDI 1400.25-V536, but does not meet the time requirements specified in Subpart 536.301(a)(2) of Title 5, CFR
- An employee accepts a lower-graded position designated in advance by the activity as being difficult to fill under criteria similar to those used for extending special salary rates pursuant to Subparts 530.304(a) and (b) of Title 5, CFR
- An employee is reduced in grade upon return from an overseas assignment under the terms of a pre-established agreement, including when the employee is released from a period of service specified in his or her current transportation agreement due to an involuntary management initiated action for other than cause
- Employee who has completed more than 52 consecutive weeks of service under a current service agreement, is released from a transportation agreement for compelling humanitarian or compassionate reasons, or

- A non-displaced overseas employee under no obligation to return to the U.S. is otherwise eligible for Priority Placement Program registration IAW Part 536 of Title 5, CFR

(a) An employee declines an offer to transfer with his or her function to a location outside the commuting area or is identified with such function, but does not receive an offer at the gaining activity, and is placed in a lower-graded position at the losing activity or any other DoD activity.

(b) An employee accepts a lower-graded position offered by an activity to accommodate a disabling medical condition similar to the circumstances described in Part 831, Section 831.1203(a)(4) of Title 5, CFR.

(c) An employee occupying a position under a Schedule C appointment is placed, other than for cause or at the employee's request, in a position at a lower grade in the competitive service or in another Schedule C position provided that such action is not solely the result of a change in agency leadership (change in administration).

(d) An employee occupying an Army or Air Force dual-status reserve technician position loses or is scheduled to lose eligibility through no fault of his or her own, and accepts placement without a break in service in a lower-graded, non-dual-status technician position.

(e) An employee occupying a National Guard Technician position loses military status through no fault of his or her own, and accepts placement without a break in service in a lower graded competitive service position.

(f) An employee whose job is abolished and declines an offer within the competitive area, but outside the commuting area, and is placed in a lower-graded position in the commuting area provided the employee is not serving under a mobility agreement.

(g) An employee applies through a formal recruitment program and is selected for a position at an overseas location. In such cases, all potential applicants must be advised in writing that pay retention will be offered to selectees whose pay would otherwise be reduced if selected for the position.

(h) An employee eligible pursuant to Subpart 536.302(a) of Title 5, CFR is involuntarily moved from a DoD non-appropriated fund position to a DoD civil service position without a break in service of more than 3 days.

(i) Pay retention will be extended when an employee applies through a formal recruitment program and is selected for a position at an overseas location. In such cases, all potential applicants must be advised in writing that pay retention will be offered to selectees whose pay would otherwise be reduced, if selected for the position.

(j) Requests to grant discretionary grade or pay retention as a result of management initiated personnel actions not covered in Part 534 of Title 5, CFR and DoDI 1400.25-V536, must

be submitted in writing through the Component Head to TFS for review and recommendation through the Executive, Director TF for the Director, DCMA decision. The proposed action must further the Agency's mission and be consistent with the intent of law, regulation, and pertinent DoD guidance.

(k) Pay for employees returning from outside of the continental United States will be calculated IAW DoDI 1400.25-V 531, and V536. IAW this guidance, all returning employees are entitled to pay setting that is most advantageous to the employee.

d. Within Grade Increase (WGI). Employees serving on a scheduled tour of duty with a current performance rating of fully successful or better will advance automatically to the next higher step within their current grade level after serving the required waiting periods, as follows:

- For step 2 through 4, 52 calendar weeks of creditable service
- For step 5 through 7, 104 calendar weeks of creditable service
- For step 8 through 10, 156 calendar weeks of creditable service

(1) The waiting period for GS employees without a set scheduled tour of duty with a current performance rating of fully successful or better is as follows:

- For step 2 through 4, 260 days of creditable service in a pay status over a period of not less than 52 calendar weeks
- For steps 5 through 7, 520 days of creditable service in a pay status over a period of not less than 104 calendar weeks
- For step 8 through 10, 780 days of creditable service in a pay status over a period of not less than 156 calendar weeks

(2) Federal WG employees with a current performance rating of fully successful or better will automatically move to the next step of the grade on the first pay period following completion of:

- 26 calendar weeks of creditable service in step 1
- 78 calendar weeks of creditable service in step 2
- 104 calendar weeks of creditable service in each step, 3 and 4

(3) The minimum period for employees to demonstrate an acceptable level of competence is 90 days.

(4) Where an employee's current performance rating is below fully successful, a rating official should withhold the scheduled WGI. The rating official's decision to deny a WGI must be coordinated through TF, Labor Employee Relations Division, at least three pay periods prior to the WGI's scheduled effective date, and prior to submission to the servicing HRO.

(5) A notice of determination regarding the employee's level of non-satisfactory competency determination will be communicated to the employee in writing by the supervisor, at least one pay period prior to the scheduled WGI due date. The employee or an employee's

personal representative may submit a written request for reconsideration of a negative determination within 15 calendar days of receiving the notice of determination IAW Part 531 of Title 5, CFR.

e. Hazard Pay Differential (HPD). Payment of HPD to GS/DoD Civilian Acquisition Workforce Personnel Demonstration (AcqDemo) employees, as established under Part 550, Subpart I, 550.901-55.907 of Title 5, CFR, will be approved by the Executive Director, Technical Directorate. The Executive Director, Technical Directorate or HPD Manager must ensure situations for which hazard pay differential under the provisions of Part 550, Subpart I Appendix A of Title 5 CFR, potentially authorized are reviewed and the results are documented. The HPD Manager must also ensure situations where HPD have been approved are reappraised annually to confirm the conditions on which approval was based still exist and the results of the analysis are documented.

f. Environmental Differential Pay. Payment of environmental differentials to:

(1) DCMA FWS Region employees as established under Subpart 532.511 of Title 5, CFR will be approved by the Component Heads.

(2) DCMA FWS Headquarters and Center employees, the DCMA Deputy Director will be the approval authority for such payments.

(3) The Executive Director, Technical Directorate or HPD Manager must ensure that situations for which environmental differential pay would be authorized (under Subpart 532.511 Appendix A of Title 5, CFR), are reviewed and documented, maintained for review and audit purposes, and must also ensure that basis for the approved environmental differential pay still exist, and steps to minimize the working condition or hazard duty are considered. The results of the analysis must be maintained and be readily available for audit purposes.

SECTION 4: RECRUITMENT, RELOCATION AND RETENTION INCENTIVES, SUPERIOR QUALIFICATIONS APPOINTMENTS, STUDENT LOAN REPAYMENTS, AND ANNUAL LEAVE ACCRUAL CREDIT FOR PRIOR NON-FEDERAL OR RECENT MILITARY SERVICE

4.1. PROGRAM.

a. Overview. Recruitment, relocation, retention, student loan repayment, superior qualifications appointments, and credit for prior non-federal civilian service are incentives available to assist in the recruitment and/or retention of a highly qualify, skilled, and dynamic workforce. While these recruitment tools help attract and retain employees, incentives must be considered as part of the total compensation package offered such as tangible and intangible federal civilian benefits. The incentives are not entitlements.

b. Eligibility. All DCMA career or career conditional employees are eligible for incentives; however, each incentive type has specific criteria and timelines that must be taken into consideration prior to offering such incentive as outline throughout this section. All incentives must comply with OPM, DoD, and DCMA policies and guidelines. Employees ineligible for recruitment, retention and relocation incentives are:

- Presidential Appointees
- Non-career appointees in the Senior Executive Service, and
- Employees in positions exempted from the competitive service because of its' confidential, policy determining, policy-making, or policy advocating nature

4.2. PROCEDURES.

a. Recruitment Incentives. To consider a position likely to be difficult to fill, supervisors/managers must consider the eight specific criteria under Paragraph 4.3., when making their determinations, and may also make determination that a position is likely to be difficult to fill when using the DoD DHA and EHA applicable to the position(s).

(1) Recruitment incentives may be approved for employees appointed to their first Federal job, or reappointed after a break in service of 90-days or more, into a position that has been identified as likely to be difficult to fill in the absence of an incentive. Such incentive must be approved prior to the employee's Entrance on Duty (EOD) date. Exceptions to the 90-day break in service requirement can be found in Part 575 of Title 5, CFR, "Recruitment, Relocation, and Retention Incentives; Supervisory Differentials; and Extended Assignment Incentives."

(2) When necessary to make a timely offer of employment (i.e., in preparation for a hiring event), an approving official may establish criteria in advance for offering recruitment incentives to newly appointed employees and may authorize an official who is the selectee's supervisor or higher, to use these criteria to offer a recruitment incentive (in any amount within a pre-established range) to a selectee without further review or approval.

b. Group Recruitment Incentives. Group recruitment incentives may be approved to target a group of similar positions (e.g., same occupational series, interdisciplinary positions, titles, or duties) identified as difficult to fill based on established criteria and applied to all newly appointed employees in the targeted group. Group incentives may not exceed 10 percent of the employee's total salary and must be approved prior to entrance of duty date of the targeted group.

(1) The targeted category of positions must be defined using the factors described in Paragraph 4.3. Factors that may be appropriate include the following: occupational series, grade level, distinctive job duties, unique competencies required for the positions, geographic location, or positions designated to be likely difficult to fill per DoD approved DHAs and EHA under Sections 3327 and 3330 of Title 5, U.S.C.

(2) Review of approved group recruitment incentive decisions for similar positions must be reviewed annually to determine the likelihood of the positions to continue to be difficult to fill; such determination decision must be made in writing.

c. Relocation Incentive. A relocation incentive may be offered to an employee in the Federal Service who relocates to accept a position in a different geographic area on a permanent or temporary basis. A determination was made that the position is likely to be difficult to fill in the absence of the incentive, and the relocation is deemed to be in the best interest of the Government. The employee's rating of record in the position held prior to the proposed geographical move must be at least fully successful or equivalent.

(1) The new duty location must be 50 miles or more from the worksite of the position held immediately prior the move. If the new duty location is less than 50 miles from the duty station held immediately before the move, but the employee must relocate to accept the position, the approving official may waive the 50 mile requirement. Determination will be made on a case-by-case basis.

(2) The relocation incentive must be approved prior to the employee entering on duty at the new duty location. The EOD date reflected on Standard Form (SF) 50, "Notification of Personnel Action," will be used as the official date the employee enters on duty at new duty location.

d. Group Relocation Incentives. An approving official may waive the requirement to make a case-by-case determination and approve group relocation incentives when employees are members of a group of employees subject to a mobility agreement; the incentive is necessary to ensure continuation of operations; or when a major organizational unit is relocated to a new duty station and the relocation incentives will ensure continued operations of that unit without undue disruption to operations or functions, deemed to be essential to DCMA's mission.

(1) Group relocation decisions must be supported with a written determination that specify the group of covered employees, the conditions requiring the group incentive, and the period of time the group relocation agreement is in effect.

(2) Approved group relocation incentive for similar positions will be reviewed annually to determine the likelihood of the positions to continue to be difficult to fill; such determination decision must be made in writing.

4.3. RECRUITMENT AND RELOCATION INCENTIVE DETERMINATION. The determination that a recruitment, relocation, group recruitment, and group relocation incentive is appropriate and the percentage of that incentive will be based on one or more of the following criteria:

a. The availability and quality of candidates possessing the competencies required for the position, including the success of recent efforts to recruit candidates for similar positions using indicators such as offer acceptance rates, the proportion of positions filled, and the length of time required to fill similar positions.

b. The salaries typically paid outside the Federal Government for similar positions.

c. The recent turnover in similar positions.

d. Employment trends and labor market factors that may affect the agency's ability to recruit/retain candidates for similar positions.

e. Special or unique competencies required for the position.

f. Efforts to use non-pay authorities, such as special training, worksite alternatives, and work scheduling flexibilities, to resolve difficulties alone or in combination with a recruitment incentive.

g. The desirability of the duties, work or organizational environment, or geographic location of the position.

h. Other supporting factors.

4.4. HOW TO CALCULATE RECRUITMENT AND/OR RELOCATION INCENTIVE.

a. An individual recruitment and/or relocation incentive may be approved for up to 25 percent of an employee's annual basic pay, which includes either locality pay or special rate supplement at the beginning of the service period. The approved percentage, not to exceed 25 percent, will be multiplied by the number of years (including fractions of a year) in the service period not to exceed 4 years. To determine the number of years in a service period, divide the total number of calendar days in the service period by 365 and round the result to 2 decimal places. For example, a service period covering 39 biweekly pay periods equals 546 days; 546 days divided by 365 days equals 1.50 years. The total dollar amount of the incentive will not exceed the authorized amount, which is up to 100 percent of the employee's salary at the beginning of the service period. For example,

to calculate a recruitment incentive based on a salary of GS-12 step 4 with a salary of \$76, 446, including locality pay, with an approved percentage of 10 percent will be multiplied by the service period.

Table 1. How to Calculate Recruitment and/or Relocation Incentive

Length of Service Agreement	Formula	Incentive Amount
6 months	$\$76,446 \times 10\% = 7644.60 \times .5 \text{ years}$	\$3,822
1 year	$\$76,446 \times 10\% = 7644.60 \times 1 \text{ year}$	\$7,645
1 ½ years	$\$76,446 \times 10\% = 7644.60 \times 1.5 \text{ years}$	\$11,467
2 years	$\$76,446 \times 10\% = 7644.60 \times 2 \text{ years}$	\$15,289
2 ½ years	$\$76,446 \times 10\% = 7644.60 \times 2.5 \text{ years}$	\$19,112
3 years	$\$76,446 \times 10\% = 7644.60 \times 3 \text{ years}$	\$22,934
4 years	$\$76,446 \times 10\% = 7644.60 \times 4 \text{ years}$	\$30,578

b. Before receiving a recruitment and/or a relocation incentive, the employee is required to sign a service agreement. The service agreement may not be for less than 6 months and may not exceed 4 years of employment with DCMA.

4.5. RECRUITMENT/RELOCATION INCENTIVE REQUEST.

a. Recruitment/Relocation incentive requests will be forwarded through the chain of command to the TFS Business Partner for review and recommendation prior to submitting to the Component Head for a decision.

b. The following documentation must be submitted when requesting approval to grant a recruitment incentive:

(1) Memorandum to the Component Head requesting approval to offer the recruitment incentive. The memorandum must state that the position is likely to be difficult to fill and provide a justification to support the determination (i.e., previous recruitment efforts for similar positions yielded no qualified candidates, high turnover in this or similar position over the past 24 months, etc.). Detail the reasons for determining the amount and timing of the payments, and include the reasons for determining the length of the service period.

(2) The request packages must also include copies of the vacancy announcement, referral list, position description, the selectee's resume, and any other document(s) that management deems essential in supporting the incentive request. Access to other supporting documentation may be requested by the TFS Business Partner during the review process.

(3) If the TFS non-concurs, an Action Memo will be drafted for the TF Executive Director's determination. If the Executive Director concurs with the TFS Business Partner's position, a copy of the Action Memo reflecting the non-concurrence with justification will be provided to the Component Head informing them the incentive request is denied.

4.6. RECRUITMENT AND RELOCATION INCENTIVE PAYMENT.

a. A service agreement must be signed and approved before the EOD date.

b. A recruitment incentive will not be paid prior to the employee's EOD. Authorized payments will be made in lump sum at the beginning of the service period, in equal or variable installments, or as a final lump sum payment as agreed upon in the signed agreement. Should the employee fail to fulfill the terms of the agreement, the agency will require repayment of the incentive on a pro-rated basis. Except when the employee is separated for cause such as: material false, inaccurate statements, deception, fraud examination or appointment, or as a result of failing to meet employment qualifications, the employee must repay the entire incentive received under the service agreement.

c. A relocation incentive will be paid upon employee establishing a residence in the new geographic area and provide proof of new residence. Example of acceptable proof of establishing residence for a permanent move would be a rental agreement or lease agreement. For locations Outside Continental United States Overseas and Non-Foreign areas, rental or lease agreements in a foreign language is acceptable, home purchase documentation, utility bills, driver's license, or temporary lodging receipts. For employees on temporary assignments occupying government provided living arrangements (i.e., deployments), the Foreign Allowances Application, Grant and Report, will be used as proof of having established and maintaining residence. Employees may be required to provide proof of residence periodically throughout the service agreement. The Request for Personnel Action submitted for the incentive must include affirmation that the employee established a residence in the new geographic area.

d. For employees to remain eligible for a relocation incentive, employees must maintain a residence in the new geographic location for the duration of the service agreement. The agency may request proof of residency periodically throughout the service agreement. Failure to maintain residence in the new geographical location for the duration of the service agreement will terminate the relocation incentive.

e. Authorized payments will be made in lump sum at the beginning of the service period, in equal or variable installments, or as a final lump sum payment as stated in the signed agreement. Should the employee fail to fulfill the terms of the agreement or be removed for cause, the agency will require repayment of the incentive on a pro-rated basis.

4.7. RECRUITMENT AND RELOCATION INCENTIVE SERVICE AGREEMENT.

Employees are required to have a signed service agreements on file prior to receiving any incentive payment which must be signed prior to the EOD date. The criteria required on the service agreement is as follows:

a. The service period of the agreement (in months and years) and the total amount authorized for payment. For incentives approved for a position with an overseas duty location, the service agreement length may not exceed the initial tour of duty for the assignment. The agreement may provide language in the service agreement to continue the incentive for a specified time upon a tour extension; however, it may not exceed four years from start date on the position for which the incentive was authorized.

b. The actual beginning and ending dates of the service period. The service must begin on the first day of an employee's service with the organization and end on the last day of a pay period, except when:

(1) The employee does not begin work on the first day of a pay period, the service period will begin in the first day of the following pay period; and

(2) The employee is required to complete a probationary period or an initial period of formal training, the employee's service period may be delayed until the beginning of the pay period following the completion of the probationary or training period. Since the authorized management official must approve the incentive before the employee enters on duty, the service agreement must specify that there is no agency obligation to pay any portion of the incentive, if the employee does not successfully complete the probationary period or the training requirement.

c. Disbursement schedule for installments must indicate the date and amount of each installment payment.

d. The new geographic area limits must be defined in the service agreement for determining whether an employee maintains residency in the new geographic area IAW relocation requirements.

e. Specify the extent of time on detail, in a nonpaid status (Leave Without Pay (LWOP)), or in a paid leave status will be creditable towards completion of the service period (e.g., 6 months in LWOP status may result in a 30-day service credit toward the agreement).

4.8. RECRUITMENT AND RELOCATION SERVICE AGREEMENT VIOLATIONS.

Failure to comply with the agreed upon service agreement may have financial consequences. Relocation Service Agreement violations constitute when:

a. An employee fails to fulfill the requirements of the service agreement based on demotion or separation for cause (i.e., for unacceptable performance or conduct), or receives a rating of record (or an official performance appraisal or evaluation) of less than fully successful or an equivalent rating, or fails to fulfill the terms of the service agreement, he/she must reimburse to the DCMA, on a prorated basis, all monies paid under the incentive that was in excess of the amount attributable to the completed service.

b. An employee fails to fulfill the terms of the service agreement.

c. An employee fails to maintain a residence at the new geographical location for the duration of the service agreement.

4.9. RECRUITMENT AND RELOCATION REVIEW AND TERMINATION OF SERVICE AGREEMENTS. DCMA may terminate a service agreement when:

a. The authorizing official unilaterally terminates a service agreement based on a management need and determines that the employee is entitled to all incentive payments already received.

b. The need of the employee's/group of employees' services is reduced to a level that makes it unnecessary to continue payment at the level originally agreed upon or at all.

c. Employee is assigned to a different position that is not within the terms of the signed service agreement.

d. The employee must be notified in writing when the service agreement is terminated. The employee is entitled to receive any scheduled incentive payments through the end of the pay period in which the written notice is provided or until the date of separation, whichever is later.

e. Employees may not grieve or appeal decisions to terminate the service agreement.

f. Employees who fail to fulfill the service agreement due to cause, are subject to the debt collection process outlined in DoD 7000.14-R, Volume 8, "DoD Financial Management Regulation." The process for individuals no longer in Government service is found in DoD 7000.14-R, Volume 5.

4.10. INDIVIDUAL RETENTION INCENTIVE. A retention incentive may be offered to retain a current employee when it is determined that the unusually high or unique qualifications of the employee, or the special need of the DCMA for the employee's services, makes it essential to retain the employee, and the employee would be likely to leave the Federal service in the absence of such incentive.

a. An individual retention incentive may be approved for up to 25 percent of an employee's total salary (includes either locality pay or special rate supplement). The total dollar amount of the incentive will not exceed the authorized amount up to 25 percent of the employee's basic rate of pay at the time of approval.

b. Retention incentives will be paid on a bi-weekly installment basis at the full retention incentive percentage rate as approved by the Director, DCMA. Therefore, a written service agreement is not required IAW 5 CFR 575.310 (f).

c. The percentage of the retention incentive will be determined IAW one or more of the criteria outlined in Paragraph 4.3.

4.11. GROUP RETENTION INCENTIVE. Group retention incentives may be approved to target a group of current employees when it is determined that the unusually high or unique qualifications of the group or the special need of the DCMA for the group's services makes it essential to retain the employees. There is a high risk that a significant number of the employees in the group would likely leave the Federal service in the absence of an incentive.

a. The approving official will narrowly define the group and consider one or more of the following: occupational series, grade level, distinctive job duties, unique competencies required for the positions, assignment to a special project, minimum service requirements, organization or team designation, geographic location, or other factors deemed essential by the organization.

b. Group retention incentives may be approved up to 10 percent of an employee's rate of basic pay. The percentage of the incentive will be determined based on one or more of the criteria outlined in Paragraph 4.12.

4.12. INDIVIDUAL AND GROUP RETENTION INCENTIVE CONSIDERATION. The following must be followed when considering granting a retention incentive:

a. The availability and quality of candidates, who with minimal training could perform the duties of the position.

b. The availability and quality of candidates identified in any DCMA succession plan, who possess the competencies required for the position and with minimal training could perform the duties of the position.

c. The success of recent efforts to recruit and retain employees with similar competencies.

d. The high and unique qualifications of an employee or special need of the agency, and special or unique competencies required by the position.

e. The use of on-pay authorities that may help retain the employee(s) (i.e., worksite alternatives, and work-schedule flexibilities.)

f. The desirability of the work, organizational environment, or geographic location of the position.

g. Compensation for similar in nature positions outside of the Federal Government.

h. The extent to which the employee's departure would affect the organization's ability to carry out an activity, perform the function, or complete a project deemed mission critical.

i. Any other the DCMA specific supporting factors.

j. Retention incentives will be paid on a bi-weekly installment basis at the retention incentive percentage rate specified in the service agreement.

k. The requirement to obtain higher-level approval does not apply when approving coverage of individual employees under a previously approved group retention incentive.

4.13. RETENTION INCENTIVE REQUEST. The Sponsoring Organizational Unit will forward retention incentive request to the TFS Business Partner for review and recommendation to the TF, Executive Director. The Executive Director, TF recommendation will be forwarded to the Director, DCMA along with the submitted request. The following documentation must be submitted when requesting approval to offer a retention incentive:

a. A memorandum forwarded through the appropriate Component Head addressed to the

Director, DCMA requesting approval to offer a group retention incentive. The memorandum must address:

(1) The unusually high or unique qualifications of the employee (or group of employees), or the special need of the organization for the employee's (or group of employees) services that make it essential to retain the employee(s).

(2) The basis for determining that in the absence of such incentive the employee, or a significant number of a targeted group of employees, would likely leave the Federal service to include the employee's future potential worksite.

(3) The criteria used to make the determination for the incentive being offered and the basis for the percentage requested.

b. The request package must include copies of the position description, documentation supporting unique qualifications or special need, latest appraisal(s), or basis for determining the likelihood of a significant number of a targeted group of employees may leave the Federal service; any other document that management deems essential in supporting their request for this incentive.

4.14. RETENTION INCENTIVE REVIEW AND TERMINATION.

a. The Component Head will conduct annual reviews of all approved retention incentives, adjust payment amounts as warranted, and document the results of the review. A memorandum requesting approval of the annual review including any proposed changes in the incentive amount (addressed to the Director, DCMA) must be forwarded from the appropriate Component Head, through the TFS Business Partner for review and recommendation, to the Executive Director, TF. The Executive Director, TF recommendation will be forwarded to the Director, DCMA for final decision. The annual review must include the initial date each retention incentive was approved, as well as the information outlined in Paragraph 4.13.a. The servicing HRO will upload the signed incentive agreement form in the employee's electronic official personnel folder.

b. Retention incentives must be terminated when an employee moves to a different position, is demoted, separated for cause, or receives a rating of record of less than fully successful or equivalent.

c. Retention incentives must be reduced or terminated whenever the payment at the level originally approved is no longer warranted. Factors to consider include the following:

(1) Amount, if any, necessary to retain the employee.

(2) Availability of qualified candidates.

(3) The need for the employee's skills and/or services is sufficiently reduced.

(4) Budget conditions; and

(5) Other supporting factors.

d. The Component Head may terminate a retention incentive authorization based solely on the DCMA management need; even if the conditions giving rise to the original, determination to the incentive still exists.

e. When a retention incentive is reduced or terminated, the employee must be notified in writing.

4.15. INDIVIDUAL RETENTION INCENTIVES DURING A CLOSURE OR

RELOCATION. Retention incentives may be offered in a closure or relocation situation when it is determined that:

a. Given the organization's mission requirements and the employee's competencies, the organization has a special need for the employee's services that make it essential to retain the employee in his/her current position during a period of time before the closure or relocation of the employee's office, facility, activity, or organization; and

b. In absence of a retention incentive, the employee would be likely to leave for a different position in the Federal service (including a position in another Federal agency, a position in another DoD Component, or a different position in the DCMA) as evidenced by the employee's affirmation or any additional supporting documentation.

c. Incentives may be authorized only when the employee has received a general or specific written notice from the organization that his or her position may or would be affected by the closure or relocation of the office, facility, activity, or organization.

d. Incentives may be up to 25 percent of an employee's annual rate of basic pay. The written determination must include:

(1) The reasons for determining the amount of the incentive and length of service period.

(2) The extent to which the employee's departure to a different position in the Federal service would affect the organization's ability to carry out an activity, perform a function, or complete a project the organization deems essential to its mission before and during the closure period. For example, the need to ensure minimal disruption in the performance of mission-critical functions or provide an essential service to the public, the need for continuity in key operations, the need to train employees who will move with the organization, or the need to assist with the actual closure or relocation.

(3) The competencies possessed by the employee that are essential to retain; and

(4) Identification of the Agency, DoD Component and Agency, or Corporation for which the employee would be likely to leave in the absence of the retention incentive. Documentation of the DoD Agency for which the employee would be likely to leave must also address the gaining agency's geographic location.

e. A retention incentive may only be approved when the employee's rating of record for the position is at least fully successful or equivalent.

f. The service agreement and payment of retention incentive approved due to closure or relocation must follow the payment of retention incentives and service agreement requirements IAW the February 5, 2008 DoD Memorandum, "Implementation of Enhanced Retention Incentives Authorities."

4.16. GROUP RETENTION INCENTIVES DURING A CLOSURE OR RELOCATION.

Retention incentives can be offered in a closure or relocation situation when it is determined that:

a. Given the organization's mission requirements and the employees' competencies, the organization has a special need for a group of employees' services that makes it essential to retain the employees in their current positions during a period of time before the closure or relocation of the group of employees' office, facility, activity, or organization; and

b. In the absence of a retention incentive, the employees would be likely to leave for different positions in the Federal service (including a position in another Federal agency, positions in another DoD Component, or a different positions in the DCMA) as evidenced by the employees' affirmation or any additional supporting documentation.

c. Incentives may be authorized only when the employees have received a general or specific written notice from the organization that their position may or would be affected by the closure or relocation of the office, facility, activity, or organization. For an employee to be considered in the group, the employee's rating of record for the position is at least fully successful or equivalent.

d. Incentives may be up to 10 percent of an employees' annual rate of basic pay. The written determination must include criteria as specified in Paragraph 4.15.d.(1).

The service agreement and payment of retention incentive approved due to closure or relocation must follow the payment of retention incentives and service agreement requirements IAW the February 5, 2008, DoD memorandum.

4.17. RECRUITMENT, RELOCATION, AND RETENTION LIMITATION WAIVER REQUEST.

a. OPM may waive the 25 percent limitation on recruitment and relocation incentives based on criteria specified in Paragraph 4.7. Up to 50 percent of the employee's annual rate of pay at the beginning of the employee's annual rate of pay. A complete packet will be submitted through the appropriate Component Head to TF, through the TFS Business Partner for review and recommendation for the Director, DCMA decision. The request must substantiate the Agency's mission shortage that would endanger the successful accomplishment of an important mission, project, or initiative as outlined in Paragraph 4.4. Under no circumstances should the total recruitment or relocation incentive exceed 100 percent of the employee's annual rate of pay at the beginning of the service period.

b. Retention incentives limitations may be waived by OPM up to 50 percent of the employee's annual rate of basis pay at the beginning of the service agreement. Waiver limitation requests will include the justification requirements as outlined in Paragraph 4.13. substantiating the Agency's mission requirement for the skill and competence of the employee, or group of employees. Complete packets must be routed through the Component Head to TF, through the TFS Business Partner for review and recommendation for the Director, DCMA decision.

4.18. SUPERIOR QUALIFICATIONS. When filling vacant positions, AHR may be used to set the pay for an individual who is accepting his/her first appointment as a civilian employee of the Federal Government; is a previous employee being reappointed after a break in service of 90 days or longer; or for a reappointment without requiring a 90-day break in service. Exception to the 90-day break in service requirement apply when the selectee's civilian employment with the Federal Government during the 90 day period immediately preceding the appointment was limited to the conditions in Part 531.212(a)(3) of Title 5, CFR, "Superior Qualification and Special Needs Pay-Setting Authority."

a. The possibility of authorizing non-tangible benefit such as, credit for relevant work experience outside the Federal Government or credit for military service for annual leave accrual. A recruitment incentive must be considered prior to determining the use of the AHR.

b. The criteria for granting this incentive are as follows:

(1) The candidate has superior qualifications based on the level, type, or quality of the candidate's skills or competencies demonstrated or obtained through experience and/or education, the quality of the candidate's accomplishments when compared to others in the field, or other relevant factors that support a superior qualifications determination.

(2) The agency has a special need and the candidate possesses the level, or quality of skills, and competencies, or other qualities and experiences, that are relevant to the requirements of the position that are essential to the accomplishment of an important agency mission, goal, or program activity. An individual may also meet the special needs criteria by meeting agency workforce needs as documented in the DCMA Strategic Plan.

c. The employee's salary may be set up to the step 10 of the grade level of the position being recruited. One or more of the following factors will be considered and documented when determining the AHR.

(1) The level, type, or quality of the candidate's skills and competencies.

(2) The candidate's existing salary, recent salary history, or salary documented in a competing job offer (taking into account the location where the salary was or would be earned, and comparing the salary to payable rates of basic pay in the same location.)

(3) Significant disparities between Federal and Non-Federal salaries for the skills and competencies required in the position being filled.

(4) Existing labor market conditions and employment trends, including the availability and quality of candidates for the same or similar positions.

(5) The success of recent recruitment efforts for the same or similar positions.

(6) Recent turnover rate for same or similar positions;

(7) The importance/criticality of the position being filled, and the effect on the agency if it is not successfully filled or if there is a delay in filling the vacancy.

(8) The desirability of the geographic location, duties, and/or work environment associated with the position.

(9) Agency workforce needs as documented in DCMA's Strategic Plan.

(10) Other factors relevant to the position.

4.19. SUPERIOR QUALIFICATIONS REQUEST. The sponsoring activity will forward the superior qualifications request through their Component Head to the TFS Business Partner for review and recommendation. The TFS Business Partner will route the packet, including recommendation, to the Executive Director, TF for recommendation. The Executive Director, TF recommendation will be forwarded to the Director, DCMA with the originally request packet for decision.

a. The superior qualification request memorandum must address:

(1) The superior qualifications of the individual by providing a clear nexus of how the selectee's skills, competencies, experience, education, and/or accomplishments are significantly higher than that needed to be minimally required for the position; are significantly higher quality compared to other candidates, and are relevant to the requirements of the position to be filled.

(2) The specific justification for the rate of pay requested.

(3) The reason for authorizing a higher than minimum rate instead of, or in addition to a recruitment incentive or non-tangible benefit such as, annual leave accrual credit of non-federal work experience or military service in a relevant position.

b. A request based on the Agency's special need for the candidate's services, the memorandum must identify the special requirement, and articulate how or why the type, level, or quality of skills and competencies, or other qualities and experiences the candidate possesses, are relevant to the requirements of the position and are essential to accomplishing an important agency mission, goal or program activity; the reason for authorizing a higher minimum rate instead of or in addition to a recruitment incentive.

c. The memorandum of approval, if requested rate is changed, must include an explanation of

the factor(s) under Paragraph 4.18., and supporting documentation used to justify the rate at which the employee's pay is set, as well as how the factors relate to the rate approved.

d. Copies of the position description, the selectee's resume, documentation supporting the employee's unique qualifications, and any other document(s) that management deems essential to support the incentive request. The request package must also include copies of the vacancy announcement, referral list, selectee's last pay stub or military leave and earnings statement, and any other documentation that management deems essential in supporting their request. Access to the referral list and other supporting documentation may be requested by the TFS Business Partner during the review to substantiate the recommendation.

4.20. STUDENT LOAN REPAYMENT. An offer of student loan repayment may be used to recruit or retain highly qualified candidates. When the incentive is used as a recruitment incentive, the service agreement must be executed prior to the employee's EOD date. The criteria for granting this incentive is as follows:

a. In cases where the authorization for recruitment exists, the manager must determine that the agency would encounter difficulty in filling the position with a highly qualified candidate, and the selectee is highly qualified. This incentive may not be used to recruit current Federal employees from other agencies. The incentive must be approved before the employee enters on duty in the position, reflected by the effective date identified on the SF 50.

b. When using this incentive for retention purposes, the current employee is determined to be highly qualified, would likely leave for employment outside the Federal service, and it is essential to retain the employee based on the employee's high or unique qualifications, or there is a special need in the Agency.

c. The requesting official must verify the amount of previous student loan repayments, if any, made by the DoD on the recipient's behalf prior to submitting a student loan agreement request for approval.

d. The incentive may be approved for up to \$10,000 per calendar year, and is subject to a cumulative maximum of \$60,000 per employee.

e. Student loan repayment may be paid in conjunction with a recruitment, relocation, and retention incentives. Student loan repayments are made directly to the loan holder. DCMA will not make a loan repayment or reimburse a student for a loan that was previously paid by the employee.

f. As a condition to receiving this incentive, the employee must sign a service agreement stating that he/she will remain in service with the DCMA for a period of at least 3 years.

g. An employee must reimburse the Agency for all payments received if he/she is separated voluntarily or involuntarily for misconduct, unacceptable performance, or a negative suitability determination under Part 731 of Title 5, CFR, "Suitability." An employee must maintain at least a fully successful level of performance in order to continue receiving repayment benefits. In addition, an employee must reimburse the agency when voluntarily entering into service outside the

DoD.

h. The employee's debt may be waived, in whole or in part, if the approving official determines that recovery would be against equity and good conscience, or against the public interest.

4.21. STUDENT LOAN REPAYMENT REQUEST. The Component Head will forward the student loan repayment request to the TFS Business Partner for review and recommendation. The TFS Business Partner will submit to the Executive Director, TF for review and recommendation. The Executive Director, TF recommendation will be forwarded to the Director, DCMA with the original submitted request packet. The following documentation must be submitted when requesting approval to grant a student loan incentive:

a. A memorandum of recommendation from the selecting official, through the appropriate chain to the Director, DCMA documenting that in the absence of offering a loan repayment benefit, DCMA would encounter difficulty in either filling the position with a highly qualified candidate or retaining a highly qualified employee in identified position. The memorandum must demonstrate the selectee/employee highly qualified skills.

b. The request packet must also include copies of the applicant/employee's resume, position description, employee's latest appraisal, and any other document(s) that management deems essential in supporting the incentive request.

4.22. ANNUAL LEAVE ACCRUAL CREDIT FOR PRIOR NON-FEDERAL OR CERTAIN MILITARY SERVICE. Service credit may be granted as a recruitment incentive to employees being appointed to their first job in the Federal Government or reappointed after a break in service of 90 days or more, for a prior of non-federal service and/or active duty uniformed service that otherwise would not be creditable for the purpose of establishing the annual leave accrual rate. Crediting of such service must be agreed upon prior to the newly appointed employee's EOD date. Annual leave accrual credit is a non-tangible hiring enticement that may be offered as a recruitment incentive. The amount of service credit that may be granted to the prospective employee must be determined at the sole and exclusive discretion of the Director, DCMA, or his designee. This incentive may be used to attract highly qualified candidates into difficult to fill or mission critical positions.

a. Factors that must be considered before submitting a request are:

(1) The currency and relevancy of the experience to be credited to the position being filled.

(2) The criticality of the position to the organization's mission.

(3) The difficulty in filling the position.

(4) The existing capabilities to attract candidates to the position.

b. The evaluating criteria required for granting this incentive are as follows:

(1) The skills and experience of the selectee are essential to the new position and was acquired through performance of duties in a non-Federal position or in an active duty uniformed services position that directly relate to the duties of the position for which the individual has been selected.

(2) The skills and experience of the prospective employee are necessary to achieve an important mission or performance goal.

(3) To credit active duty military uniformed service work experience, discharge conditions must be under honorable conditions.

c. Non-Federal or active duty military service credit must be approved before the employee enters on duty to the position as reflected by the effective date documented on the SF 50.

4.23. SERVICE CREDIT DETERMINATION. When approved, service credit will be computed in terms of years and months on a one-for-one (month-for-month) basis for all service deemed creditable. The amount of service credited may not exceed the actual amount of service during which the current expertise was attained, and is directly related the duties of the position being recruited.

a. The service credit granted remains creditable for annual leave purposes after the employee completes one full year of continuous service with the DoD. Service credited under this provision is not creditable for retirement or reduction in force procedures.

b. Service credited will be part of the Service Computation Date (SCD)-Leave calculation and will be noted on the SF 144A, "Statement of Prior Service-Worksheet," or equivalent form. The documentation relied upon as proof or verification of creditable service, must be attached to the SF 144A or equivalent form.

c. An employee who separates from Federal service or transfers to another Federal agency (outside the DoD) before completing one full year of continuous service with the DoD, is not entitled to retain the service credit for the Non-Federal or Military Service experience.

d. When an employee fails to complete 1-year of service requirement, prior to processing the personnel action that separates the employee from Federal service or transfers the employee to another non-DoD Federal agency, the servicing HRO will adjust the SCD-Leave by subtracting the credit that was granted for the non-Federal and/or Military Service experience and document the change in service credit on the SF 50.

e. All unused annual leave accrued and accumulated by an employee prior completing the 1-year of continuous service requirement remains credited to the employee after the adjustment to the SCD-Leave. The remaining annual leave balance must either be transferred to the new Federal agency, if the employee is transferring to a position to which annual leave may be transferred to, or paid in a lump-sum payment if the employee is separating from Federal service or moving into a position to which annual leave cannot be transferred.

f. If an employee is placed in a LWOP status during the required one year period of continuous service, the continuous service requirement is extended by the amount of time the employee is in a LWOP status. However, if the employee's absence is due to active duty Military Service or a compensable injury, the period of LWOP is credited as though the employee remained in a pay and duty status.

4.24. INCENTIVE REQUEST FOR CREDITABLE ANNUAL LEAVE ACCRUAL RATE.

The sponsoring component will forward the request through their chain of command to the TFS Business Partner for review and recommendation. The TFS Business Partner will submit to the Executive Director, TF, who will make a recommendation, and will forward the complete packet request to the Director, DCMA for decision. The following documentation must be submitted when requesting approval for service credit:

a. A memorandum of recommendation from the selecting official addressing the amount of service credit requested; how the duties in the selectee's experience directly relates to the position being filled for each period of service that credit is been requested, and explain how the duties are at a level of complexity directly related to the position being filled.

b. The request packet must also include the position description of the position being filled, vacancy announcement, selectee's resume which must clearly document the length (specific beginning and ending dates), and nature of the service to be credited. The service being credited must demonstrate that the duties performed directly relate to those of the position being filled. For creditable Military Service Credit, a copy of the employee's DD Form 214, "Certificate of Release or Discharge from Active Service," or, if the DD 214 cannot be obtained, other official documentation from the Military Service confirming of the employee's honorable active duty service; and/or any other document(s) that management deems essential in supporting the incentive request.

4.25. ACCOUNTABILITY. Approving officials will retain copies of the approved request packets, supporting documentation, and the service agreement of all approved incentives for a period of 3-years from date of service agreement expiration date unless, an inquiry and/or dispute raised regarding such agreement. When disputes arise, packages will be retained for 3 years from the date of the dispute resolution. Approved and processed incentive packets will be uploaded to the Agency's 360 collaboration platform with review and retrieve access given to the originating organization/Mission Support Office and TF.

GLOSSARY

G.1. DEFINITIONS.

AcqDemo. Department of Defense (DoD) Civilian Acquisition Workforce Personnel Demonstration Project transforms civilian personnel management policies and procedures to better support DoD's acquisition mission.

Change to Lower Grade. A change in the position of an employee who, while continuously employed:

Moves from a position in one grade of a prevailing rate schedule established under Part 532 of Title 5, CFR to a position in a lower grade of the same type of prevailing rate schedule, whether in the same or different wage area

Moves from a position under a prevailing rate schedule established under Part 532 of Title 5, CFR to a position under a different prevailing rate schedule (e.g., Wage Leader to WG) with a lower representative rate

Moves from a position not under a prevailing rate schedule to a position with a lower representative rate under a prevailing rate schedule

Component Head. The leader of a DCMA organization that reports directly to the Director.

Dispute. Gap regarding the terms and conditions of employment, benefits, hours or work, tenure, wages being negotiated during collective bargaining between the Agency and its employees.

Employee. An employee covered by the GS (i.e., covered by Chapter 51 of Title 5 U.S.C., and Chapter 53, Subchapter III of Title 5, U.S.C.) or by the FWS (i.e., covered by Chapter 53, Subchapter IV, Section 5342 of Title 5, U.S.C., and Part 532 of Title 5, CFR.), or AcqDemo employee covered by DoD AcqDemo Operating Guide Version 2.3.

FWS. The job-grading and pay system that applies to most trade, craft, and labor positions in agencies subject to Chapter 53, Subchapter IV, Section 5342 of Title 5, U.S.C. Under this system, pay is adjusted according to the rates paid by private industry for similar jobs in the same area. Included are Federal employees in recognized trade or craft, skilled mechanical crafts, unskilled, semiskilled, skilled manual labor occupations, and other persons, including foremen or supervisors, in positions where trade, craft, or labor experience or knowledge is the main requirement, Chapter 53, Subchapter IV, Section 5342 of Title 5, U.S.C. and Part 532 of Title 5, CFR.

GS. The basic pay schedule established under Chapter 43, Subchapter III, Section 5332 of Title 5, U.S.C., adjusted to the provisions of Chapter 53, Subchapter I, Section 5303 of Title 5, U.S.C., and Part 531 of Title 5, CFR.

Grade Retention Entitlement. The right of an employee to retain for 2 years, for pay and benefits purposes, the grade of the position from which he or she was reduced, Chapter 53, Subchapter V, Section 5362 of Title 5, U.S.C., and Part 536 Title 5, CFR.

Hazardous Duty. Is duty performed under circumstances in which an accident could result in serious injury or death. Duty involving a physical hardship is duty that may not in itself be hazardous, but causes extreme physical discomfort or distress and is not adequately alleviated by protective or mechanical devices

Head of an Agency. The head of an agency or an official who has been delegated the authority to act for the head of the agency in the matter concerned.

Highest Previous Rate (HPR). (1) The highest rate of basic pay previously received by an individual while employed in a civilian position in any part of the Federal Government or the Government of the District of Columbia (for employees first employed by that government before October 1, 1987), without regard to whether the position was in the GS pay system; or (2) the highest rate of basic pay in effect when a GS employee held his or her highest grade (Part 531.222 of Title 5, CFR.)

HPD. Is additional pay for the performance of hazardous duty or duty involving physical hardship. HPD is payable to GS employees covered by Chapter 51 and Subchapter III of Chapter 53 of Title 5, U.S.C.

Newly–Appointed Employee. Employee entering on his or her first appointment as a civilian employee of the Federal Government or re-appointment to a GS position with a 90-day break in service (See Part 531.212(a) (3) of Title 5, CFR for exceptions to the 90-day break in service requirement.)

Promotion. A change of an employee while continuously employed, from: (1) a GS grade to a higher GS grade; or (2) a lower rate paid under authority other than Chapter 33, Subchapter V, Section 3361 of Title 5, U.S.C., to a higher rate with a GS grade (Part 531.203 of Title 5, CFR).

Rate of Basic Pay. The rate of pay fixed by law or administrative action for the position held by an employee before any deductions, including a GS rate, a Law Enforcement Officer special base rate, a locality rate, a special rate under Chapter 53, Subchapter I, Section 5305 of Title 5, U.S.C., or a retained rate under part 536 of Title 5, CFR, but exclusive of additional pay of any kind (Part 531.203 of Title 5, CFR).

Rate of Basic Pay for employees under the FWS. The scheduled rate of pay plus any night or environmental differential (Part 532.401 of Title 5, CFR).

RIF. Separation of employee from his or her competitive level, required by the agency because of lack of work or funds, abolition of position or agency, or cuts in personnel authorization (Chapter 35, Subchapter V, Section 3595 of Title 5, U.S.C., and Part 351 of Title 5, CFR).

Reemployment. An employee who has previous civilian service in the Federal Government, and rejoins the federal service after a break in service of 90 or more days.

Scheduled Tour of Duty. Any work schedule established for an employee IAW the regular procedures for the establishment of workweeks in Part 610.111 of Title 5, CFR. For a full-time employee, this includes the basic 40-hour workweek or a Maxi Flex schedule under the Flexible Work Schedule. For a part-time employee, this is any regularly scheduled work of less than 40 hours during the administrative workweek.

Special Needs of the Agency. When a candidate possesses the type, level, or quality of skills and competencies or other qualities and experiences that are relevant to the requirements of the position and are essential to accomplishing an important agency mission, goal, or program activity.

Superior Qualifications. Are based on the level, type, or quality of a candidate's skills or competencies demonstrated or obtained through experience and/or education, the quality of the candidate's accomplishments compared to others in the field, or other factors that support a superior qualifications determination. This definition also applies to advance-in-hire rates which is another name used to refer to Superior Qualifications.

TFS. The TFS cultivates business partnerships with Regions, Contract Management Offices, Headquarters Directorates, Centers, and the servicing HRO to define and design implementation strategies consistent with Agency mission, goals, and objectives that support TF. Provides streamlined, integrated customer support specializing in TF program integration and supporting policies/programs in the areas of recruitment and staffing, position classification, pay administration, incentives, onboarding and workforce shaping.

Waiting Period. The minimum creditable service time requirement to become eligible for consideration for a WGI.

WGI. Synonymous with the term "step increase" used in Chapter 53, Subchapter III, Section 5335 of Title 5, U.S.C.; periodic step-increase, in an employee's rate of basic pay from one step of the grade of his or her position to the next higher step of that grade.

GLOSSARY

G.2. ACRONYMS.

AHR	Advance-In-Hire Rate
CFR	Code of Federal Regulations
DD Form 214	Certificate of Release or Discharge From Active Duty
DHA	Direct Hire Authorities
DoDD	DoD Directive
DoDI	DoD Instruction
EOD	Entrance on Duty
EHA	Expedited Hiring Authority
FWS	Federal Wage System
GS	General Schedule
HPD	Hazardous Pay Differential
HPR	Highest Previous Rate
HRO	Human Resources Office
IAW	in accordance with
LWOP	Leave Without Pay
OPM	Office of Personnel Management
RIF	Reduction in Force
SCD	Service Computation Date
SF	Standard Form
SF 50	Notification of Personnel Action
SF 144A	Statement of Prior Service Worksheet
TF	Total Force
TFS	Total Force Field Support Center
U.S.C.	United States Code
WG	Wage Grade
WGI	Within Grade Increase

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