



INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
400 ARMY NAVY DRIVE  
ARLINGTON, VIRGINIA 22202-4704

April 20, 2011

## **INSPECTOR GENERAL INSTRUCTION 1400.575**

### **RECRUITMENT, RELOCATION, AND RETENTION INCENTIVES**

#### **FOREWORD**

This Instruction provides policy and procedures for granting recruitment, relocation, and retention incentives for the Department of Defense Office of Inspector General.

The office of primary responsibility for this Instruction is the Human Capital Advisory Services Directorate. This Instruction is effective immediately.

FOR THE INSPECTOR GENERAL:

A handwritten signature in black ink, appearing to read "SD Wilson".

Stephen D. Wilson  
Assistant Inspector General  
for Administration and Management

3 Appendices

**RECRUITMENT, RELOCATION, AND RETENTION INCENTIVES**

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## CHAPTER 1 GENERAL

**A. Purpose.** This Instruction provides policy and procedures for granting recruitment, relocation, and retention incentives for the Department of Defense Office of Inspector General (DoD OIG) in accordance with (IAW) references (a) through (l). Additionally, all incentives identified in this Instruction are subject to the availability of funding

**B. References.** See Appendix A.

**C. Cancellation.** This Instruction supersedes IGDINST 1400.575, *Recruitment Bonuses, Relocation Bonuses, and Retention Allowances*, August 28, 2002, and cancels IGDINST 1400.537, *Repayment of Student Loan Program*, October 2, 2002 and IGDPM 2007-17, *Recruitment, Relocation, and Retention Incentives*, December 13, 2007.

**D Applicability.** This Instruction applies to the Office of Inspector General.

**E. Policy.**

1. Recruitment, relocation, and retention incentives are compensation flexibilities available to help Federal Agencies recruit and retain a world class workforce. The recruitment, relocation, and retention incentives are administered under references (d), (e), and (i).

2. Recruitment incentives enhance the efforts of the OIG to recruit for hard to fill positions. Relocation and retention incentives enable the OIG to retain already trained and valued employees. These incentives should only be used when necessary to support mission and program needs, as consistent with the applicable law, regulations, and DoD policy, and only when supported by a legitimate written justification as outlined in this Instruction.

**F. Responsibilities.**

1. The **Principal Deputy Inspector General (PDIG)** shall:

- a. Approve recruitment, relocation, and retention incentives.
- b. Make incentive determinations on a case-by-case basis.

2. The **Director, Human Capital Advisory Services** shall:

- a. Establish the criteria for determining the recruitment incentive amount and the service period length.
- b. Establish the criteria for terminating a service agreement.
- c. Notify employees of recruitment, relocation, and retention incentive cancellations.

d. Keep records of each determination to pay a recruitment, relocation, and retention incentive and make records available for review upon Office of Personnel Management (OPM) request.

e. Monitor the use of incentives to ensure that their uses are consistent with the requirements and criteria established under references (a), (d), and (i).

**3. Component Heads shall:**

a. Document in writing the justification for offering an incentive (e.g., a position is likely to be difficult to fill).

b. Determine the basis for the amount and timing of the approved incentive payment.

**CHAPTER 2  
ELIGIBILITY**

**A. Eligible Positions.**

1. A General Schedule position.
2. A Senior Level or scientific or professional position paid under reference (c).
3. A position as a law enforcement officer.
4. A position under the Executive Schedule paid under reference (a) or a position with a pay rate fixed by law at a rate equal to a rate for the Executive Schedule.
5. A prevailing rate position paid under reference (b).
6. Any other position in a category which incentive payments have been approved by OPM at the request of the DoD IG.

**B. Ineligible Positions.**

1. Presidential appointees.
2. Non-career appointees in the Senior Executive Service.
3. Employees in positions excepted from the competitive service by reason of its confidential, policy determining, policy making, or policy advocating character.
4. DoD IG.
5. Employees expected to receive an appointment as the DoD IG.

### CHAPTER 3 PROVISIONS

#### A. Recruitment Incentives.

1. The PDIG may approve recruitment incentives for prospective employees to a position that is likely to be difficult to fill. Determinations to pay the incentive shall be made before the prospective employee enters on duty.

2. Approval of recruitment incentives shall be made on a case-by-case basis, IAW criteria listed in reference (i).

3. Employees shall sign a service agreement, IAW criteria listed in reference (i).

#### B. Relocation Incentives.

1. The PDIG may approve relocation incentives paid under this policy to a current Federal employee who shall relocate, without a break in service, to accept an OIG position in a different geographic area that is likely to be difficult to fill.

2. Approval of relocation incentives shall be made on a case-by-case basis, IAW criteria listed in reference (i).

3. The PDIG shall make the determination to pay a relocation incentive before the employee enters on duty in the position to which relocated. However, the employee shall establish a residence in the new geographic area before the relocation is paid.

4. To be eligible for a relocation incentive, the employee shall have a rating of record of at least "Fully Successful" or equivalent for the position held immediately before the move.

5. Employees shall sign a service agreement, IAW criteria listed in reference (i).

#### C. Retention Incentives.

1. The PDIG may approve retention incentives paid under this policy to a current employee who has unusually high or unique qualifications, or when the OIG has a special need for the employee's services that makes it essential to retain the employee, and the employee would be likely to leave the Federal Government in the absence of an incentive.

2. Approval of retention incentives shall be made on a case-by-case basis, IAW criteria listed in reference (i).

3. The PDIG may not approve a retention incentive prior to an individual's employment with the OIG.

4. Employees shall sign a service agreement IAW criteria listed in reference (i).

**D. Termination of Recruitment and Relocation Incentive Service Agreements.**

1. The PDIG may unilaterally terminate recruitment and relocation incentive service agreements based solely on management needs (e.g., reduction-in-force, insufficient funds). Further, the PDIG shall terminate service agreements in writing, if an employee is demoted or separated for cause, or if the employee receives a rating of record of less than “Fully Successful.”
2. The service agreement termination is not grievable or appealable.

**E. Termination of Retention Incentive Service Agreement.**

1. The PDIG may terminate a retention incentive service agreement when payment is no longer warranted after considering factors such as:
  - a. Whether a retention incentive is needed to retain the employee, or
  - b. Whether the OIG’s need for the employee’s services are reduced to a level that makes it unnecessary to continue paying a retention incentive.
2. Additionally, the PDIG may terminate a retention incentive service agreement based solely on management needs (e.g., reduction-in-force, insufficient funds). Further, the PDIG shall terminate service agreements if an employee is demoted or separated for cause, or if the employee receives a rating of record of less than “Fully Successful.”
3. The service agreement termination is not grievable or appealable.

**F. Base Realignment and Closure Retention Incentive.** The PDIG has the discretion to approve a retention incentive for an employee in a closure or relocation situation when he/she determines that:

1. Given the OIG mission requirements and the employee’s competencies, the OIG has a special need for the employee's services that makes 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
2. The employee would be likely to leave for a different position in the Federal service in the absence of a retention incentive as evidenced by the employee’s affirmation or any additional supporting documentation the PDIG determines is appropriate.

**G. Relocation Incentives for Central Command Area of Responsibility Tours of Duty.** The PDIG has the discretion to approve relocation incentives for employees deployed to the Central Command Area of Responsibility (CENTCOM AOR).

1. Employees deployed to CENTCOM AOR for 180 consecutive days are authorized a 12.5 percent relocation incentive based on the employee's basic pay (including local market supplement). The incentive shall be paid as a lump sum payment at completion.

2. Employees deployed for 365 consecutive days are authorized a 25 percent relocation incentive. **Note:** 2 x 180 day tours equal 360 days and is less than a 12 month (365 day) tour.

**H. Credit for Prior Work Experience in a Uniformed Service for Determining Annual Leave Accrual Rate.**

1. The PDIG may provide credit for service that otherwise would not be creditable under reference (g). The purpose of this is to determine the annual leave accrual rate of an individual receiving his/her first appointment (regardless of tenure) as a civilian employee of the Federal Government or who is a retired service member as defined by reference (f).

2. In making the determination, the PDIG shall consider the need for an incentive and determine the skills and experience the employee possesses are:

a. Essential to the new position and were acquired through performance in a prior position having duties that directly relate to the duties of the position to which he/she is being appointed, and

b. Necessary to achieve an important OIG mission or performance goal.

**I. Student Loan Repayment Program.**

1. The PDIG may approve student loan repayments for certain candidates to whom an employment offer is made, a current employee with unique qualifications, or an employee who meets a special OIG need.

2. Student loan repayment approval shall be made on a case-by-case basis, not limited to the factors described below:

a. The employee is highly qualified,

b. Hard to fill positions, and

c. If a current employee is likely to leave the OIG for employment outside the Federal service and it is essential to retain the employee based on the employee's high or unique qualifications.

3. The PDIG may also authorize the use of the student loan repayment program for specific occupations or employee groups as needed.



4. To be eligible the following shall be met:
  - a. The employee shall have a rating of record of at least “Fully Successful” or equivalent, and
  - b. The employee shall have loan debts that are outstanding at the time the OIG and the employee enter into a service agreement.
5. The amount paid may be less than, but shall not exceed:
  - a. \$6,000 for each employee in any 1 calendar year, or
  - b. An overall total of \$40,000 for each employee.
6. The incentive is in addition to basic pay and any other form of compensation payable to the employee. The loan repayment amount shall be considered as taxable wages to the employee (repayment is included in the employee’s gross income) and tax withholding shall be made on a biweekly basis as appropriate.
7. The employee agrees to complete no less than 3 years of service and each loan requires a service agreement.

**J. Department of Defense National Relocation and Guaranteed Home Buyback Program.**

1. The PDIG has the discretion to approve the use of the DoD National Relocation Program and Guaranteed Home Buyback Program. Approval of this incentive shall be made only when supported by an OIG approved workforce plan that documents the need for the program. Examples include career progression in the program where geographic movement is required to acquire the skills needed for replacement or succession planning.
2. Approval of the Guaranteed Home Buyback Program shall be made on a case-by-case basis, IAW criteria listed in reference (k).

**APPENDIX A  
REFERENCES**

- a. Sections 5311 through 5317 of title 5, United States Code, *Executive Schedule Pay Rates*
- b. Section 5342 of title 5, United States Code, *Definition, application*
- c. Section 5376 of title 5, United States Code, *Pay for Certain Senior-Level Positions*
- d. Section 5753 of title 5, United States Code, *Recruitment and Relocation Bonuses*
- e. Section 5754 of title 5, United States Code, *Retention Bonuses*
- f. Section 4303 of title 38, United States Code, *Definitions*
- g. Section 6303(a) of title 5, United States Code, *Annual Leave; Accrual*
- h. Part 537 of title 5, Code of Federal Regulations, *Repayment of Student Loans*
- i. Part 575 of title 5, Code of Federal Regulations, *Recruitment, Relocation, and Retention Incentives; Supervisory Differentials; and Extended Assignment Incentives*
- j. Under Secretary of Defense for Personnel and Readiness Memorandum, *Implementation of Enhanced Retention Incentives Authorities*, February 5, 2008
- k. Joint Travel Regulations, Volume 2, Chapter 5, *Permanent Duty Travel*, July 1, 2007
- l. DoD OIG *Deployment Guide for Southwest Asia*, September 2010

**APPENDIX B**

**OFFICE OF INSPECTOR GENERAL  
RECRUITMENT, RELOCATION, OR RETENTION INCENTIVES  
SERVICE AGREEMENT**

1. This Service Agreement is entered into between \_\_\_\_\_ and the Department of Defense Office of Inspector General (DoD OIG) pursuant to section 575, of title 5, Code of Federal Regulations.
2. Employee agrees to continue working for the DoD OIG for \_\_\_\_\_ months.
3. The service period commences on \_\_\_\_\_ and terminates on \_\_\_\_\_.
4. Total dollar amount of incentive \$ \_\_\_\_\_ or \_\_\_\_\_ % of basic pay (as applicable).
5. This incentive shall be paid as (check one):
  - An initial lump sum bonus at the commencement of the service period. (Applies only to Recruitment and Relocation Incentives)
  - \_\_\_\_\_ Number of installments throughout the service period.
  - As a final lump sum payment upon completion of the full service period.
6. This Service Agreement shall be terminated if Employee is demoted, separated for cause, or receives a rating of record of less than "Fully Successful" or equivalent.
7. This Service Agreement may be terminated if the Employee is reassigned to a different position within the DoD OIG.
8. For the purposes of this Service Agreement, all time spent on temporary detail or in a paid leave status shall be creditable towards completion of the service period. Any time in a non-pay status shall not be creditable towards completion of the service period and shall be automatically amended to the termination date.
9. This Service Agreement may be voluntarily terminated by the Employee. If Employee voluntarily terminates this Service Agreement or otherwise fails to fulfill the terms of this Service Agreement, the Employee shall reimburse the DoD OIG for the amount of all incentives received under the existing Service Agreement that are in excess of the amount attributable to the completed service on a prorated basis.

Employee's Initials \_\_\_\_\_

**APPENDIX B (cont'd)**

10. The DoD OIG may unilaterally terminate this Service Agreement based solely on management needs such as reduction in force or insufficient funds. If Employee is unable to complete the period of service due to the authorizing official unilaterally terminating the Service Agreement based on a management need, the Employee is entitled to all incentive payments already received. The Human Capital Advisory Services Directorate shall notify the Employee in writing when the Service Agreement is terminated. 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, if sooner.

11. Employee is not entitled to any accrued, unpaid amount attributable to completed service unless required by the terms of the Service Agreement.

12. Employee may not grieve or appeal the Service Agreement termination.

Agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Employee's Printed Name

\_\_\_\_\_  
Principal Deputy Inspector General  
Printed Name

\_\_\_\_\_  
Employee's Signature and Date

\_\_\_\_\_  
Principal Deputy Inspector General  
Signature and Date

Title of Employee's Position: \_\_\_\_\_

Employee's Grade: \_\_\_\_\_

Employee's Series: \_\_\_\_\_

**APPENDIX C  
OFFICE OF INSPECTOR GENERAL  
RELOCATION INCENTIVE SERVICE AGREEMENT  
FOR CENTRAL COMMAND AREA OF RESPONSIBILITY**

1. This Service Agreement is entered into between \_\_\_\_\_ and the Department of Defense Office of Inspector General pursuant to section 5753 of title 5, United States Code and section 575, subpart B of title 5, Code of Federal Regulations.

2. Employee has accepted a temporary assignment with the DoD OIG that is located in the Central Command Area of Responsibility (CENTCOM AOR). The assignment shall begin when the Employee arrives in the CENTCOM AOR and shall conclude when the Employee departs from the CENTCOM AOR.

For these purposes, the scheduled arrival date to the CENTCOM AOR is: \_\_\_\_\_ and the scheduled departure date is \_\_\_\_\_. The scheduled departure date may be extended up to an additional 185 days, which is \_\_\_\_\_.

Employee is required to complete a new Service Agreement if he/she extends their service period beyond 185 days.

Employee may be authorized up to 14 calendar days, including travel time, outside the CENTCOM AOR to perform mission related work without incurring an extension for tours of 180 days and up to 28 calendar days for tours of 365 days. Any leave approved and taken in conjunction with the approved official business travel, may not be counted as part of the service time required to qualify for a relocation incentive and shall be worked prior to Employee's permanent return to his/her permanent duty station prior to payment of the relocation incentive.

Employee who enjoys the rest and recuperation (R&R) benefits shall not be required to extend their respective tour of duty to the CENTCOM AOR by the corresponding number of days taken under the R&R program. Any leave taken beyond the approved R&R benefits may not be counted as part of the service time required qualifying for a relocation incentive and shall be worked prior to Employee's permanent return to his/her permanent duty station prior to payment of the relocation incentive.

3. Employee agrees to remain in the service of the DoD OIG for the duration of this assignment and further agrees that the service agreement will terminate if he/she is demoted, is separated for cause or receives a less than a "Fully Successful" rating of record as defined within IGDINST 1400.430, *Performance Management*, or otherwise fails to fulfill the terms of the Service Agreement.

If Employee successfully completes the initial 180 days of the assignment, Employee is entitled to retain the amount of the relocation incentive paid out and attributable to the completed service.

Employee's Initials \_\_\_\_\_

APPENDIX C (cont'd)

Employee agrees that he/she shall not be entitled to a relocation incentive for periods after the initial 180 days of the assignment if he/she fails to complete the assignment for reasons unacceptable to the DoD OIG or for misconduct or failure to perform at Level 3 or higher.

4. The incentive amount shall be 12.5 percent of Employee's basic pay on the date of this Service Agreement (including locality pay) for completion of the initial 180 days. The relocation incentive shall be paid as a lump sum payment in the amount of \_\_\_\_\_ (upon completion of the initial 180 days). If the employee agrees to an extension of the assignment for an additional 185 days, the relocation incentive shall be paid as a lump sum in the amount of \_\_\_\_\_ (after completion of the 185 days).

5. The DoD OIG may also unilaterally terminate the Service Agreement based solely on management needs such as reduction-in-force or insufficient funds, or reassignment to a different position (if the position is not within the terms of the service agreement). If this Service Agreement is terminated at the discretion of the DoD OIG, Employee is entitled to retain any amounts attributable to successfully completed service.

6. The DoD OIG may delay a service agreement commencement date until after the employee completes an initial period of formal training when continued employment in the position is contingent on successful completion of the formal training. The DoD OIG must make the determination to pay a relocation incentive before the employee enters on duty in the position. If the employee does not successfully complete the training before the service period commences, the DoD OIG is not obligated to pay any portion of the relocation incentive to the employee.

7. Employee shall be notified in writing if this Service Agreement is terminated before the end of the assignment. The decision to terminate this Service Agreement may not be grieved or appealed.

8. The Employee shall sign a Service Agreement prior to receiving any relocation incentive payments.

Agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

\_\_\_\_\_  
Employee's Printed Name

\_\_\_\_\_  
Principal Deputy Inspector General  
Printed Name

\_\_\_\_\_  
Employee's Signature and Date

\_\_\_\_\_  
Principal Deputy Inspector General  
Signature and Date

\_\_\_\_\_  
Title/Series/Grade:

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