



USAID
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ADS Chapter 467

Federal Employees Pay Authorities and Flexibilities

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ADS 467 – Federal Employees Pay Authorities and Flexibilities
POC for ADS 467: Monika Rosier, hr-helpdesk@usaid.gov

****This chapter has been revised in its entirety.***

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ADS 467 – Federal Employees Pay Authorities and Flexibilities

467.1 OVERVIEW

Effective Date: 12/17/2007

The Federal Employees Pay Comparability Act of 1990 (FEPCA) contained a variety of pay authorities to assist managers and supervisors in recruiting, relocating, and retaining highly qualified employees. Section 101(a) of the Federal Workforce Flexibility Act of 2004 provides Agency managers and supervisors with additional flexibility to help recruit and retain highly qualified employees to help better meet USAID’s strategic human capital needs.

The new authorities replace the former recruitment and relocation bonus and retention allowance authorities, contained in FEPCA, which applied to General Schedule and other categories of Federal employees. To differentiate these kinds of payments – which are designed to provide a monetary incentive for an individual or group to accept a new position or to remain employed in the current position(s), as opposed to rewarding an individual or group for quality of performance (the typical context within which the term “bonus” is used) — these regulations use the term “incentives” instead of “bonuses” when discussing those areas of pay.

Detailed guidelines on the criteria, responsibilities, and policies and procedures for all pay authorities used in USAID are provided in the Internal Mandatory References for this chapter, as follows:

- Recruitment and Relocation Incentives;
- Retention Incentives;
- Superior Qualifications and Special Needs Appointments (also known as Appointments Above the Minimum Rate); and
- Payment of Pre-employment Interview Travel Expenses for Candidates and Travel and Transportation Expenses for New Appointees.

467.2 PRIMARY RESPONSIBILITIES

Effective Date: 12/17/2007

- a. The **Office of Human Resources (OHR)** has primary responsibility for
- Developing Agency policy directives and required procedures relating to recruitment, relocation, retention incentives, and other pay authorities;
 - Reviewing and processing requests for use of pay incentives and obtaining the necessary Agency approvals;

- Maintaining records on use of pay authorities as listed in this chapter; and
- Evaluating the use of incentives under all pay authorities as listed in this chapter to ensure actions taken conform to all regulatory requirements and Agency guidelines.

b. USAID/Washington (USAID/W) Bureaus and Independent Offices (B/IOs) are responsible for initiating requests for use of **incentives** to assist in recruiting, relocating, and retaining highly qualified employees for positions that are difficult to fill in their organizations.

(See section **467.4.2** for responsibilities that are specific to use of each authority.)

467.3 POLICY DIRECTIVES AND REQUIRED PROCEDURES

Effective Date: 12/17/2007

USAID uses the pay authorities described in this chapter only when there is a demonstrable need for such an incentive to recruit, relocate, or retain highly qualified employees.

USAID authorizes payment of incentives under this chapter subject to available funds.

USAID uses the least costly incentive, or combination of incentives, in each case.

USAID authorizes use of an incentive under this chapter based on written justification documenting the rationale for why the incentive is needed.

USAID authorizes use of pay authorities described in this chapter without regard to such factors as race, color, national origin, age, sex, religion, political or labor organization affiliation, marital status, sexual orientation, or physical disability.

(See section **467.4.2** for policy directives and required procedures that are specific to use of each pay authority described in this chapter.)

467.4 MANDATORY REFERENCES

467.4.1 External Mandatory References

Effective Date: 12/17/2007

- [5 CFR Part 530, subpart B. Aggregate Limitation on Pay](#)
- [5 CFR Part 531, subpart B. Determining Rate of Basic Pay](#)
- [5 CFR Part 572, Travel and Transportation Expenses: New Appointees and Interviews](#)

- d. [5 CFR Part 575, subparts A, B, and C, Recruitment, Relocation and Retention Incentives](#)
 - [Subpart A—Recruitment Incentives](#)
 - [Subpart B—Relocation Incentives](#)
 - [Subpart C—Retention Incentives](#)
- e. [5 U.S.C. 2302\(d\) Prohibited personnel practices](#)
- f. [5 U.S. C. 5333, Minimum rate for new appointees](#)
- g. [5 U.S.C. 5706b, Interview expenses](#)
- h. [5 U.S.C. 5723, Travel and transportation expenses of new appointees and student trainees](#)
- i. [5 U.S.C. 5753, Recruitment and Relocation Incentives](#)
- j. [5 U.S.C 5754, Retention incentives](#)
- k. [5 U.S.C Chapter 12, Merit Systems Protection Board, Office of Special Counsel and Employee Right of Action](#)
- l. [Federal Travel Regulations \(41 CFR Subtitle F, chapters 301 and 302\)](#)

467.4.2 Internal Mandatory References

Effective Date: 12/17/2007

- a. [ADS 467maa, Implementation Guidelines for Authorizing Recruitment and Relocation Incentives](#)
- b. [ADS 467mab, Implementation Guidelines for Authorizing Retention Incentives](#)
- c. [ADS 467mac, Superior Qualifications and Special Needs Pay-Setting Authority](#)
- d. [ADS 467mad, Implementation Guidelines for Authorizing Payment of Travel and Transportation Expenses; Pre-Employment Interviews and New Appointees](#)
- e. [ADS 467mae, Information Technology \(IT\) Professional Skills Incentive Program Standard Operating Procedures Manual](#)

467.4.3 Mandatory Forms

Effective Date: 12/17/2007

- a. [Appointments based on Superior Qualifications and/or Special Needs Approval Form \(AID Form 400-17\)](#)
- b. [Recruitment/Relocation Incentive Approval Form \(AID Form 400-14\)](#)
- c. [Recruitment Incentive Service Agreement \(AID Form 400-15\)](#)
- d. [Relocation Incentive Service Agreement \(AID Form 400-16\)](#)
- e. [Retention Incentive Recommendation and Approval Form \(AID Form 400-13\)](#)
- f. [Retention Incentive Service Agreement \(AID Form 400-28\)](#)
- g. [Service Agreement for Payment of Travel and Transportation Expenses \(AID Form 400-18\)](#)

467.5 ADDITIONAL HELP

Effective Date: 12/17/2007

There are no additional help documents for this chapter.

467.6 DEFINITIONS

Effective Date: 12/17/2007

The terms and definitions listed below have been incorporated into the ADS Glossary. See the [ADS Glossary](#) for all ADS terms and definitions.

appointment above the minimum rate (also known as a superior qualifications appointment)

An appointment made at a rate above the minimum rate of the appropriate GS grade under authority of 5 U.S.C. 5333, because of the superior qualifications of the candidate or a special need of the Agency for the candidate's services. (Chapter 467)

bona fide job offer

A bona fide offer of employment at a higher rate than the candidate's existing salary must be in writing and must clearly offer current employment, be no more than six months old, and signed by an official with the authority to make the offer. Usually the offer will include job title, salary or salary range, location, and reporting date. (Chapter 467)

candidate or interviewee

An individual who has applied for (or is being considered for) a position in the Agency who

- Has never worked for the Federal Government;
- Has worked for the Federal Government in the past; or

Is currently employed by the Federal Government in a Federal agency outside of the Washington, D.C., commuting area, regardless of the type of appointment.
(Chapter 467)

commuting area

Commuting area is the geographic area that is normally considered one area for recruitment and employment purposes. It includes any population center (or two or more neighboring ones) and the surrounding localities where people live and reasonably can be expected to travel back and forth daily to their usual employment.
(Chapter 467)

employee

Employee for the purpose of payment of a relocation bonus means a current employee of the Federal Government in a different agency and in a commuting area outside of metropolitan Washington, D.C., who will be appointed or assigned without a break in service of any length to the Agency. Relocation bonuses do not apply to overseas assignments. (Chapter 467)

involuntarily separated

A separation initiated by the Agency against the employee's will and without the employee's consent for reasons other than cause or charges of misconduct or delinquency. An involuntary separation includes a separation resulting from the employee's actual inability to do the work following genuine efforts to do so, but does not include a separation under 5 CFR Part 752 or an equivalent procedure for reasons that involve culpable wrongdoing on the part of the employee. (Chapter 467)

new appointees

Includes not only individuals when first appointed to Government service but also individuals appointed after a break in service except that employees separated as a result of reduction-in-force or transfer of function may be treated as transferees instead of new appointees. New appointees do not include individuals who transfer from one Federal Government personnel system to another Federal Government personnel system where there is no break in service. (6 FAM-111.3) (Chapters 467, [522](#), [523](#), [524](#), [525](#))

rate of basic pay [recruitment and relocation bonuses]

The rate of pay fixed by law or administrative action for the position to which the employee is being newly appointed, or to which the employee is being relocated, before deductions and exclusive of additional pay of any kind, such as locality payments under 5 U.S.C. 5304. (Chapter 467)

rate of basic pay [retention allowances]

The rate of pay fixed by law or administrative action for the position held by an employee, before deductions and exclusive of additional pay of any kind, such as locality pay. (Chapter 467)

recruitment bonus

The dollar amount paid only to newly appointed employees as an inducement to accept an offer of employment from the Agency. (Chapter 467)

relocation bonus

The dollar amount paid only to current Federal employees as an inducement to relocate from a different agency in a different commuting area to USAID (without a break in service). (Chapter 467)

service agreement [recruitment and relocation bonuses]

In conjunction with a recruitment bonus means a written agreement between USAID and a newly appointed employee under which the employee agrees to complete a one-year period of employment with the Agency in return for payment of a recruitment bonus. In conjunction with a relocation bonus means a written agreement between USAID and an employee under which the employee agrees to complete a one-year period of employment with the Agency at the new duty station to which relocated in return for payment of a relocation bonus. (Chapter 467)

service agreement [Travel Expenses for Candidates' Pre-Employment Interviews and New Appointees]

A written agreement initiated by USAID and signed by a newly appointed employee under which the employee agrees to remain employed with the Federal Government for twelve months in return for payment of travel and transportation expenses. (Chapter 467)

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