

STATE OF HAWAII
DEPARTMENT OF DEFENSE
OFFICE OF THE ADJUTANT GENERAL
3949 DIAMOND HEAD ROAD, HONOLULU, HAWAII 96816-4495

FULL-TIME SUPPORT PERSONNEL
REGULATION NUMBER 335-1

21 June 2001

RECRUITMENT AND RELOCATION BONUSES:
RETENTION ALLOWANCES

1. GENERAL.

a. Purpose. This regulation provides guidelines and procedures for requesting and approving recruitment bonuses and retention allowances under 5 USC 5753/5754 and 5 CFR 575 and superior qualification appointments under 5 USC 5333 and 5 CFR 531.203.

b. Policy. The Adjutant General supports the use of recruitment bonuses, retention allowances and superior qualification appointments whenever these are affordable, justifiable and necessary to assure that Hawaii National Guard technicians have the requisite competence to perform demanding functions in a highly competitive employment market.

c. Definitions. The terms used in this regulation are defined as follows:

(1) Recruitment Bonus. A one-time payment to entice a candidate to accept an offer of Federal employment.

(2) Relocation Bonus. A one-time payment to entice a current Federal employee to accept a position in a different commuting area.

(3) Retention Allowance. An ongoing payment to entice a current employee to remain in Federal employment.

(4) Advanced In-hiring Rates Based on Superior Qualifications. An appointment to a General Schedule Federal position at an initial rate of pay above the minimum due to the superior qualifications of the candidate or the special need of the agency for the candidate's services.

d. Responsibility.

(1) The Adjutant General is the highest level of authority in the State concerning the overall application of this regulation. He is charged by law with employing Federal technicians and with administering Federal employment including the staffing authorities described in this regulation. He has delegated these authorities to the Human Resources Officer (HRO).

(2) The HRO is responsible to the Adjutant General for ensuring that the requirements of law, Technician Personnel Regulations and NGB guidelines are properly applied to actions taken under these delegated authorities. In addition, the HRO is responsible for:

(a) Providing staff resources to ensure that delegations are administered effectively and to assist managers and supervisors in the workforce analysis required to justify use of the delegations.

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

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

(d) Reporting on program usage to NGB as required.

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

2. Bonuses and Allowances.

a. Recruitment Bonus. Authority: 5 USC 5753 and 5 CFR 575, sub A.

b. Eligibility Criteria. A recruitment bonus may be used to recruit for hard-to-fill positions and/or occupations that are critical to the organization's mission. A recruitment bonus may be paid to any technician newly appointed to a General Schedule position. This includes an individual being appointed to a position in the civil service for the first time or who is being re-appointed after a break in service of at least one year, and whose appointment is permanent, temporary indefinite or temporary for a period of not less than two years. A recruitment bonus may be combined with a superior qualifications appointment, but not with a retention allowance or a relocation bonus.

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

d. Service Agreement. The prospective recipient must sign a service agreement to continue working in the position for a specified period of 12 months or more. The recipient must agree to repay the bonus if he or she fails to fulfill the agreement.

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

f. **Payment.** The bonus will consist of a lump sum, one-time payment of up to 25 percent of base pay. It will not be considered part of an employee's rate of basic pay for any purpose. It also may not exceed the statutory aggregated limitation pay (as per 5 CFR 530.202).

g. **Documentation and Reporting.** As a minimum, the following information will be maintained by the HRO on a fiscal year basis and reported to National Guard Bureau (NGB) by November 15 of each year:

(1) The number of technicians offered/accepting a recruitment bonus;

(2) The percentage of salary offered/accepted in each case;

(3) A summary statement assessing the effect of bonus authority on the State's ability to fill key positions with high quality candidates in a timely manner.

3. Retention Allowance.

a. **Authority.** 5 USC 5754 and 5 CFR 575, sub C.

b. **Eligibility Criteria.** A current General Schedule technician is eligible for a retention allowance if the unusually high or unique qualifications of the technician or a special need for the technician's services make it essential to retain him/her. Award of a retention bonus is especially appropriate where demand for a technician's qualifications is so high that he/she is likely to leave Federal service if the allowance is not provided. The technician must have completed a minimum of one year of continuous service and have at least a two year appointment. A retention allowance may not be combined with a superior qualifications appointment. Any prior service agreements deriving from retention or relocation bonuses must have expired before a technician is eligible for a retention allowance.

c. **Approval Procedures.** All proposed offers of retention allowances must be submitted with full justification to the HRO for review and approval. The proposal must be specific as to amount. It must explain in detail what unusually high or unique qualifications, possessed by the proposed recipient, exceed those normally expected in the individual's position. It must rule out the possibility that other employees could, with minimal training or disruption of the agency's operations, perform the full range of duties of the position. It must also describe difficulties encountered recently in recruiting or retaining employees with similar qualifications to fill similar positions. It should describe any labor market factors affecting the agency's ability to recruit candidates (for example, similar openings in the private sector with substantially higher pay). It must describe why the employee's services are therefore especially important to the agency and how the employee's departure would affect the agency's ability to carry out an essential function.

d. **Service Agreement.** At the agency's discretion, the prospective recipient may be required to sign a service agreement to continue working for the agency for a specific period of time. The recipient may be required to agree to repay the bonus if he or she fails to fulfill the agreement.

e. **Certification.** The Human Resources Officer must certify in writing that without paying an allowance the prospective recipient would be likely to leave the agency and it would be difficult

to fill the resultant vacancy with a highly qualified candidate. He or she must review the award of the allowance on an annual basis to ascertain whether it continues to be justified.

f. **Payment.** The allowance consist of a percentage of base pay up to 25 percent. It is paid at the same time and in the same manner as basic pay but it is not part of base pay. It is not considered to be pay for purposes of lump-sum payment for annual leave and may not exceed the statutory aggregated limitation of pay (as per 5 CFR 530.202).

g. **Documentation and Reporting.** As a minimum, the following information will be maintained by the HRO on a fiscal year basis and reported to NGB by November 15 of each year:

4. Advanced In-Hiring Rates Based on Superior Qualifications.

a. **Authority.** 5 USC 5333 and 5 CFR 531.203.

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

c. **Approval Procedures.** All proposed superior qualification appointments must be submitted with full justification to the HRO for review and approval. The proposal must be specific as to the rate requested, (not to exceed 20 percent of current actual pay). As a minimum, it must include specific reasons justifying use of the authority, a statement of the candidate's income considered in determining the requested pay rate, and a list of recruiting sources used or a record of previous unsuccessful attempts to fill the vacancy. To complete the package, the HRO must add a copy of each eligible candidate's application, a copy of the vacancy announcement, and comparison of the candidate's qualifications and those of other well-qualified and available candidates. This analysis must comprise a comparison of the candidates with respect to the specific qualification standards and evaluation criteria used.

d. **Payment.** The allowance consists of a percentage of current actual pay up to 20 percent.

e. **Documentation and Reporting.** As a minimum, the following information will be maintained by the HRO on a fiscal year basis and reported to NGB by November 15 of each year:

- (1) The number of actions taken under this authority;
- (2) The titles, series, grade levels and duty locations of positions on which actions was authorized;
- (3) The rational for using this authority and not a recruitment bonus;
- (4) Significant problems, if any, encountered with use of the authority;

FTSPR 335-1

(5) Benefits, if any, derived from the use of delegation.

BY ORDER OF THE GOVERNOR:

OFFICIAL:

A handwritten signature in black ink, appearing to read "Edward L. Correa, Jr.", followed by a large, stylized initial "JC".

EDWARD L. CORREA, JR.
Major General, HIARNG
Adjutant General

JOSEPH J. CHAVES
Colonel, GS, HIARNG
Personnel Officer

DISTRIBUTION:

A