



U.S. DEPARTMENT OF  
TRANSPORTATION

# Order

---

## Subject

Recruitment, Relocation, and Retention Incentives

---

**Federal Highway  
Administration**

**Classification Code**  
3575.1

**Date**

**OPI**  
HAHR-10

---

Par.

1. What is the purpose of this directive?
2. Does this directive cancel an existing FHWA directive?
3. What are the authorities governing this directive?
4. What are the key definitions for this directive?
5. What is FHWA's policy on using incentives?
6. What are the processes for requesting and approving recruitment, relocation, and retention incentives?
7. What are the record keeping requirements?
8. Where can I obtain additional guidance?

1. **What is the purpose of this directive?** The purpose of this directive is to establish the Federal Highway Administration (FHWA) policy for using recruitment, relocation, and retention incentives.
2. **Does this directive cancel an existing FHWA directive?** Yes. This directive cancels [FHWA Personnel Management Manual \(PMM\), Order 3000.1C, Part 1, Chapter 6, Section 4](#), and its [Transmittal 17](#), both dated August 5, 2004.
3. **What are the authorities governing this directive?**
  - a. Title 5, United States Code (U.S.C.), Sections [5753, Recruitment and Relocation Bonuses](#), and [5754, Retention Bonuses](#).
  - b. Title 5, Code of Federal Regulations (CFR), Section [575, subparts A, B, and C, Recruitment, Relocation, and Retention Incentives](#).
  - c. U.S. Department of Transportation (DOT), Departmental Personnel Manual (DPM) 575, *Recruitment, Relocation and Retention Incentives*.

4. **What are the key definitions for this directive?**

- a. **3Rs.** A collective reference to recruitment, relocation, and retention incentives.
- b. **Authorized agency official.** For the purpose of this guide, this refers to the Executive Director, Associate Administrators, Chief Counsel, Chief Financial Officer, Directors of Field Services, Director of Innovative Programs, and the Director of Technical Services who must concur on all requests for an incentive.
- c. **Recruitment incentive.** A bonus paid by FHWA to an individual generally new to the Federal Government based on the need for the specific skills or difficulty in recruiting for the position.
- d. **Relocation incentive.** A bonus paid by FHWA to a current FHWA employee who must relocate to a position in a different geographic area and to a position that is difficult to fill without the incentive.
- e. **Retention incentive.** A bonus paid by FHWA to a current FHWA employee to retain the employee.
- f. **Service agreement.** A written agreement signed by an agency official and the selectee/employee receiving the incentive outlining the terms for the authorized incentive.

5. **What is FHWA's policy on using incentives?**

- a. FHWA is committed to using the administrative flexibilities necessary to acquire and retain a high quality workforce consistent with law, regulations, and funding availability.
- b. All requests for incentives up to 25 percent of the selectee/employee's base rate of pay must have approval by the DOT Assistant Secretary for Administration.
- c. Incentive requests above 25 percent of the selectee/employee's base rate of pay require the approval of the DOT Deputy Secretary and the Office of Personnel Management (OPM).
- d. All relocation incentives and recruitment incentives must have a service agreement.
  - (1) Relocation incentives must use FHWA Form 1591, *FHWA Relocation Incentive Service Agreement*.

- (2) Recruitment incentives must use FHWA Form 1592, *FHWA Recruitment Incentive Service Agreement*.
  - (3) All service agreements must be signed by an authorized approving official and the employee.
- e. Recruitment, relocation, and retention incentives may not be paid to Presidential appointees; non-career appointees in the Senior Executive Service (SES); positions excepted from competitive service for reasons of confidential, policy determining or policy advocating nature; agency heads; or those expected to receive an appointment as an agency head.
  - f. Recruitment, relocation and retention incentives may be paid to General Schedule (GS), Senior Level/Scientific (SL/ST), Wage Grade (WG) or Career SES employees.
  - g. Incentive payments are not subject to the biweekly or annual premium pay limitations.
  - h. A recruitment incentive may only be authorized for a selectee who is new to the Federal Government or reappointed after a break in service of 90 days or more. The position may be full-time, part-time, permanent, seasonal, or temporary.
  - i. A relocation incentive may be paid to a current FHWA employee who must relocate to a position in a geographical area that has been or is deemed difficult to fill. To be eligible for a relocation incentive, the new position must be 50 miles or more from the employee's current duty location.
  - j. A retention incentive may be paid to a current FHWA employee with unusually high qualifications who is deemed essential and who would likely leave Federal service in the absence of the incentive.
  - k. All requests to grant an incentive must have a written justification that demonstrates the business-based reason for the individual and the business-based reason for offering the incentive.
6. **What are the processes for requesting and approving recruitment, relocation, and retention incentives?** The DOT DPM 575 contains the requirements governing the administration and approval of recruitment, relocation, and retention incentives for the Department, including FHWA. The [FHWA Guide to Recruitment, Retention, and Relocation Incentives](#) outlines the process for requesting recruitment, relocation, and retention incentives.

7. **What are the record keeping requirements?**
- a. Each servicing human resources (HR) office must maintain a record, electronically or hard copy, of each incentive determination sufficient to reconstruct the action.
  - b. Records must include the approved justification and supporting documentation, including a copy of the service agreement, as applicable.
  - c. All service agreements must be maintained in the employee's electronic Official Personnel Folder (eOPF), and retained in accordance with [General Records Schedule \(GRS\) 1, item 1](#).
  - d. All records must be made available for review upon request from the Headquarters Office of Human Resources (HAHR), the Departmental Office of Human Resource Management (DOHRM), or the Office of Personnel Management (OPM). Records must be maintained in accordance with [General Records Schedule \(GRS\) 1, item 1](#).
  - e. HAHR will prepare quarterly reports to DOHRM on the use of recruitment, retention, and relocation incentives during the previous quarter. Reports must be submitted no later than the 15th day of January, April, July, and October.
8. **Where can I obtain additional guidance?** For additional guidance on recruitment, retention, and relocation incentives, contact your servicing HR office.

Jeffrey F. Paniati  
Executive Director