



U.S. General Services Administration (GSA)

## **GSA Order: Recruitment, Relocation and Retention Incentives**

HRM 9575.1A

Office of Human Resources Management

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### **Purpose:**

This Order provides policy and guidance for requesting and obtaining approval of recruitment, relocation, and retention incentives. These human capital flexibilities may be used in certain circumstances to address agency staffing difficulties.

### **Background:**

These human capital flexibilities are codified within 5 U.S.C. §§ 5753 and 5754. The Office of Personnel Management has issued regulations, codified within 5 C.F.R. Part 575, governing these flexibilities.

### **Applicability:**

This Order applies to individuals who are newly hired into Federal service by GSA and current GSA employees.

This Order does not apply to:

1. The Office of Inspector General (OIG) has independent hiring and personnel administration authority. See 5 U.S.C. § 406 (a)(7) (Inspector General is authorized “to select, appoint, and employ, such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office”.); GSA Order ADM 5450.39D CHGE 1, GSA Delegations of Authority Manual (Delegations Manual), Chapter 2, Part 1 (“the Inspector General has independent authority to formulate policies and make determinations concerning human capital issues within the [OIG] and GSA determinations/delegations do not limit that authority).
2. The Civilian Board of Contract Appeals, due to its independent authorities.

### **Cancellation:**

1. This Order cancels Order HRM 9575.1 CHGE (February 5, 2021).



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# 1. Introduction

This Order provides policy and guidance for requesting and obtaining approval of recruitment, relocation, and retention incentives. These human capital flexibilities are often called the “3R’s.” These discretionary incentives may strategically address the human capital needs for the agency to develop and maintain a high-performing and skilled workforce.

# 2. References

- [5 U.S.C. § 5753](#)
- [5 U.S.C. § 5754](#)
- [5 CFR Part 575](#)
- [Executive Order 14317, July 17, 2025](#)
- [Improving Performance, Accountability and Responsiveness in the Civil Service, 91 FR 5580 \(February 6, 2026\)](#)

# 3. Coverage and Exclusions

## 3.1. Covered Positions

- General Schedule (GS);
- Senior Level (SL) or Scientific and Professional (ST);
- Career Senior Executive Schedule (SES);
- Employees in prevailing rate positions (ex., WG, WL, WS); and
- Any other position in a category for which payment of an incentive has been approved by OPM.

## 3.2. Excluded Positions

- Presidential appointees;
- Excepted Service, Schedules C or F (Policy/Career);
- The GSA Administrator; and
- Non-Career SES appointees (including emergency or limited appointees cleared through the White House Office of Presidential Personnel).

## 3.3. Special Rules for Schedule F (Policy Career)

- See 91 FR 5580 (February 6, 2026) and Executive Order 14171, January 20, 2025;
- GSA may continue to pay employees in Schedule Policy/Career any outstanding recruitment, relocation, or retention incentives under the terms of an applicable service agreement established prior to the employee’s position moving into Schedule

Policy/Career. Such employees are required to fulfill their agreed-upon service period under the terms of an applicable service agreement.

- GSA may terminate a recruitment or relocation incentive service agreement for an employee whose position is moved into Schedule Policy/Career consistent with OPM regulations at 5 CFR § 575.111(a) or § 575.211(a).
- GSA may not approve new recruitment, relocation, or retention incentive authorizations or service agreements for employees appointed or moved into Schedule Policy/Career.
- GSA may continue to pay retention incentives without a service agreement to employees whose positions are moved into Schedule Policy/Career, provided that the authorized agency official determines that the payment otherwise continues to be warranted in consideration of the factors set forth in 5 C.F.R. § 575.311(f).

## 4. Definitions

### 4.1. Approving Official

The Chief Human Capital Officer (CHCO) has delegated authority from the Administrator and serves as the approving official for all 3Rs incentives. This authority may be redelegated to the Deputy Chief Human Capital Officer.

### 4.2. Competencies

The knowledge, skills, abilities, behaviors, and other characteristics an individual needs to effectively perform the duties of a position.

### 4.3. Critical Agency Need

In the context of recruitment or relocation incentives, when approved above the normal 25 percent ceiling, a “critical agency need” means that the agency requires specific and/or unique competencies for the position(s) that are critical to the successful accomplishment of an important agency mission, project, or initiative (e.g., programs or projects related to a national emergency, implementing a new law, or a critical management initiative).

### 4.4. Difficult to Fill Positions

In the context of recruitment or relocation incentives, positions are considered “difficult to fill” if past similar recruitment efforts have yielded few qualified candidates, or if recruitment is expected to be particularly difficult.

The agency must consider the following factors, which are found in 5 CFR 575.§§ 106(b) and (c) for recruitment incentives, and in 5 CFR §§ 575.206(b) and (c) for relocation incentives:

- The historical availability of qualified candidates (for example, the length and number of prior selection certificates per vacancy, or the historical rates of offer acceptance or rejection);
- The salaries typically paid outside the Federal Government for similar positions;
- Recent turnover in similar positions;
- Employment trends and labor-market factors that may affect the agency's ability to recruit candidates for similar positions (such as labor supply and/or labor demand);
- Special or unique competencies required for the position;
- Agency efforts to use non-pay authorities, such as special training or work scheduling flexibilities;
- The desirability of the duties, work or organizational environment, or geographic location of the position; and
- Other supporting factors; or
- That the Office of Personnel Management (OPM) has approved Direct Hire authority (5 U.S.C. § 3304(b)(3) for a particular job series. Direct Hire authority, on an agency-basis or Government-wide basis, requires a demonstration of a severe shortage of candidates or a critical hiring need (see also the civil service regulations at 5 CFR Part 337, subpart B).

#### 4.5. Newly Appointed

The job candidate's first Federal appointment or reappointment (which can include reinstatement) following a break in service of 90 or more calendar days. For additional information, and exceptions, see the full definition for this term at 5 CFR § 575.102.

#### 4.6. Rate of Basic Pay

A rate authorized by law or administrative action, such as the General Schedule under 5 U.S.C. § 5332. It also includes locality comparability payments under 5 U.S.C. § 5304 or special rates under 5 U.S.C. § 5305.

Recruitment, relocation and retention incentives are **not** considered rates of basic pay under the civil service regulation (by 5 CFR § 550.103) or for retirement computation purposes (under 5 U.S.C. §§ 8331 or 8401).

#### 4.7. Recruitment Incentive

A type of discretionary pay flexibility paid to a candidate new to the Federal government (or reinstated following at least a 90-day break in service) who is selected for a position that has been designated as “difficult to fill.”

#### 4.8. Relocation Incentive

A relocation incentive is a type of discretionary pay flexibility that is paid to a current employee of the Federal Government who must relocate to accept a position in a different geographic area that the agency has determined is “difficult to fill.” (See 5 CFR § 575.205(a)(2)). This incentive therefore applies to both current GSA agency employees as well as to employees of other Federal agencies eligible for appointment or transfer to GSA.

For eligible GSA employees and candidates from other agencies eligible for transfer, a relocation incentive may be paid only when the employee's rating of record under an official performance appraisal or evaluation system is at least "Fully Successful" or its equivalent.

This human capital flexibility is an alternative when the agency has decided not to authorize permanent change of station under the Federal Travel Regulations, at 41 C.F.R. Part 302.

#### 4.9. Retention Incentive

A retention incentive is a type of discretionary pay flexibility that is paid to an existing employee who is at risk of resigning or retiring from the Federal government, or transferring to a different Federal agency during a reduction in force. In order to justify a retention incentive, it must be demonstrated that the current employee has unusually high or unique qualifications or that there is a special need of the agency for the employee's services that makes it essential to retain the employee.

The “difficult to fill” standard, used for recruitment and relocation incentives, is **not used** for retention incentives.

As a result, the following factors must be considered when the agency authorizes a retention incentive (see 5 CFR § 575.306(b)):

- Employment trends and labor market factors (i.e., labor supply and demand of qualified candidates);
- The quality and availability of the potential sources of employees identified in an agency succession plan or through developmental programs;
- The success of recent efforts to recruit candidates and retain employees with similar competencies;
- Special or unique competencies required for the position (e.g. licenses or certifications);
- Agency efforts to use non-pay authorities, such as flexible work schedules;
- The desirability of the duties, work or organizational environment, or geographic location of the position;
- The extent to which the employee's departure would affect the agency's ability to carry out an activity, perform a function, or complete an essential, mission-related project;
- The salaries typically paid outside the Federal Government for similar positions; and
- Other supporting factors.

#### 4.10. Starting Salary

The annual rate under the Base General Schedule (i.e., 5 U.S.C. § 5332), plus the locality rate (under 5 U.S.C. § 5304) or special rate supplement (under 5 U.S.C. § 5305) provided by the Federal Employee Pay Comparability Act of 1990 and subsequent legislation.

## 5. Responsibilities

- 5.1. Staffing Specialist within the Office of Human Resources Management:
- Advises the supervisor and his or her organization of the types of human capital flexibilities that might be relevant given the staffing situation;
  - Helps the supervisor (i.e. the Requesting Official) prepare the appropriate request package;
  - Submits the request package to Chief Human Capital Officer for approval or denial;
  - For retention situations, forwards to the Office of Personnel Management a request that OPM waive the normal limitation (25

percent for individuals or 10 percent for groups) and permit the agency to pay an incentive of up to 50 percent of the employee's basic pay based based upon a critical agency need, and

- Participates in any internal or external audits.

#### 5.2. Requesting Official

- The Requesting Official is an official with hiring authority, usually a supervisor or other senior management official, who:
- Considers whether or not pursuing approval of an incentive is appropriate given the circumstances;
- Prepares the request, with support from OHRM staff; and
- Consults with the local Budget Officer to ensure that sufficient funds are available to pay for the incentive from either appropriated or revolving funds.

#### 5.3. Reviewing Official

- The Reviewing Official is the Head of Staff or Service Office (HSSO) or the Regional Administrator (RA);
- Considers whether or not an incentive is absolutely necessary and prudent;
- Considers whether the position should instead be reposted in different ways, including with a change in verbiage, to increase the applicant pool; and
- Considers whether or not use of budgetary funds for an incentive is the appropriate course of action.

#### 5.4. Approving Official

- The approving official is the Chief Human Capital Officer. The CHCO should consider whether or not the request is appropriate and represents a justifiable use of agency financial resources.

## 6. Policies

### 6.1. Standard for Approval

#### 6.1.1. Recruitment and Relocation Incentives

The standard for approval is that the position is “difficult to fill.” In addition, for recruitment incentives, the job candidate must be “newly appointed,” which means a first Federal appointment or reappointment following a break in service of at least 90 calendar days (see 5 CFR § 575.102 for more information).

### 6.1.2. Retention

The standard for approval is that: (1) the candidate has unusually high or unique qualifications (i.e., competencies) or the agency has a special need for the employee's services that makes it essential to retain the employee; and (2) the employee would be likely to leave the Federal service in the absence of a retention incentive or for another Federal agency during a reduction in force.

For group retention incentives, the agency must articulate a strategy of defining and delimiting the group; for example, by job series, grade, geographic location, or nature of duties in the position description. For more information, see 5 CFR § 575.306(c)(2).

### 6.2. Method of Payment

Payments are usually via increments. There are different strategies for the timing of these payments, as follows:

#### 6.2.1. Recruitment and Relocation Incentives

- Single payment at the beginning of the service period;
- Installments during the service period; or
- A single final payment at the conclusion of the service period.

#### 6.2.2. Retention Incentives

- Installments during the service period; or
- Single final payment at the end of the service period.

### 6.3. Combination of Payments

As a general rule, employees are only permitted to receive one incentive at a time. However, there is a caveat with regards to relocation incentives. The rules are as follows:

- An employee may not receive a **recruitment** incentive concurrently with a relocation and/or retention incentive. (See 5 CFR § 575.105(c));
- An employee may not receive a **retention** incentive when already receiving a recruitment or a relocation incentive; and
- An employee may not receive a **relocation** incentive when previously approved for a recruitment incentive, *however*, an employee *may receive* a relocation incentive *if already* receiving a

retention incentive. (See 5 CFR § 575.205(d) and (e)). [This regulatory flexibility helps to support agency reorganization.]

#### 6.4. Agency Payment Limitations

##### 6.4.1. Recruitment and Relocation Incentives

- Up to 25 percent of the starting salary multiplied by the years of service (for a limit of 4 years); or
- Up to 50 percent of the starting salary multiplied by the number of years in the service period (for a limit of 2 years) when there is a “critical agency need” (i.e. the candidate’s competencies are critical to the successful accomplishment of an important agency mission, project, or initiative);
- As of February 13, 2026, it is no longer necessary to have OPM approve incentives above 25 percent (times the number of years) for recruitment and relocation incentives;
- In all cases, the percentage multiplied by the number of years cannot exceed 100 percent of the starting salary;

**Note:** Recruitment and relocation incentives may also be on a group basis, often members of an identifiable group, such as a special training program or by a unique position classification job series. For recruitment and relocation group incentives, the same percentages are available as for individual incentives - there is not a separate lower ceiling, as you find for retention incentives.

##### 6.4.2. Retention Incentives

- Up to 25 percent of the existing salary (including locality pay) for individual cases;
- Up to 10 percent when there is a group retention incentive;
- OPM, upon special request, can approve up to 50 percent for individuals or groups in cases of critical agency need. The regulatory flexibility changes made on February 6, 2026, delegating OPM authority to agencies for recruitment and relocation incentives, did not apply to retention incentives.

#### 6.5. Consideration Factors for a Particular Percentage

Because there is a percentage range for these three incentives, the Requesting Official should use good judgement when determining the

most appropriate percentage for the incentive. The following factors must be considered when deciding on a particular percentage within an approvable range:

- The applicant's (or employee's) job, salary history and current salary (as documented by a wage and earnings statement) and total compensation earned, including benefits;
- The unique or high level of competencies of the employee or applicant;
- Budget constraints and limitations;
- The amount of incentive paid in similar cases (for individual incentives) or similar hiring programs (for group incentives); and
- Any other pertinent factors influencing the determination (e.g., labor market salary levels, etc.).

#### 6.6. Format and Content of Request

The request, written by the Requesting Official, should be a 1 or 2-page memorandum on agency letterhead (see **Attachment 1**). It should include a narrative that describes the agency component, the type of work or mission of that component, and the nature of the job or position that is considered for the incentive. The narrative should explain why an incentive is needed, given the particular situation, type of job or labor market. In addition:

##### 6.6.1. Recruitment and Retention Requests

Discuss how the position is "difficult to fill." This can be, for example, a discussion of prior attempts to advertise the same or similar positions, and the number and types of candidates that have usually applied.

##### 6.6.2. Retention Requests

Discuss the employee's high level of skills, a special agency need, why it is essential to retain the particular employee, and that the employee is likely to leave Federal service without the incentive.

#### 6.7. Incentive Request Attachments

Include the following along with the narrative:

##### 6.7.1. Mandatory Attachments

- The vacancy announcement, when use of a recruitment or relocation incentive is discussed as part of the initial staffing consultation and the benefit is therefore built into the vacancy announcement's language due to either this consultation process or due to prior experience attempting to fill similar positions;
- Position Description;
- Employee's Resume (only for individual, not group, incentives);
- Within the justification narrative, include a statement if the position requires, or usually benefits from, a state license or Federal or non-Federal voluntary certification.
- **For retention incentive only**, include a copy of a non-Federal job offer or a separate statement from the employee's supervisor that the employee is seeking non-Federal employment and it is likely that the employee would receive a non-Federal offer of employment

#### 6.7.2. Optional Attachments

- Table showing prior recruitment efforts and outcome of prior vacancy announcements (e.g., number of applicants, number of well qualified and best qualified applicants, number of job offers that resulted, etc.)
- Table showing the annual turnover rate for each of prior 3 calendar or fiscal years;
- Non-Federal salary surveys, data or reports addressing similar positions;
- News articles describing growing labor demand for similar positions within the industry; and
- Any other supporting documents.

#### 6.8. Consideration and Approval Process

The below steps are used for the consideration and approval process. See **Attachment 2** for a step-by-step explanation.

##### 6.8.1. Requesting Official

The requesting official writes the cover memo request, and works with his or her OHRM assigned staffing specialist to attach the mandatory and optional attachments.

##### 6.8.2. Reviewing Official

The reviewing official (i.e., the Head of Staff or Service Office or Regional Administrator) reviews the request and ensures that budgetary funds are available for payment of the incentive.

#### 6.8.3. Approving Official

The approving official is the Chief Human Capital Officer (CHCO). The preliminary approval from the Reviewing Official (the HSSO or RA) is routed by the OHRM staffing specialist, through the Deputy Chief Human Capital Officer (DCHCO) and then to the CHCO.

#### 6.8.4. Post-Approval Activities

If the incentive is approved, the job candidate or current employee must usually sign a service agreement.

However, a service agreement is **not required** for retention incentives that are paid in pay period increments at the full retention percentage. The following GSA forms are used for service agreements:

- [GSA Form 3688](#) (Recruitment Incentive)
- [GSA Form 3689](#) (Relocation Incentive)
- [GSA Form 3690](#) (Retention, when paid as a lump sum or quarterly installments rather than pay period installments).

In addition, OHRM staff must process an SF-50 personnel action to document the incentive:

- NOAC 815 for Recruitment Incentive
- NOAC 816 for Relocation Incentive
- NOAC 827 for Retention Incentive

#### 6.8.5. Required Annual Reviews

Civil service regulations require annual reviews in certain circumstances when the agency authorizes an incentive for more than one year, as follows:

##### 6.8.5.1. Group Recruitment Incentives

If a group recruitment incentive is used to promote the annual cohort hiring of a certain type of employee or under a special hiring program, the need for a group incentive for each new hiring cohort cycle must be evaluated annually

and documented in writing. This annual evaluation requirement does not pertain to existing members of such groups in a subsequent year of receiving a multi-year incentive. See 5 CFR § 575.105(b)(3).

#### 6.8.5.2. Individual or Group Retention Incentives

All retention incentives, whether or under a service agreement or not, must be reviewed annually and only continued if still warranted. This analysis, and the decision, must be documented in writing, for example, through an agency memorandum. See 5 CFR § 575.311(a)(1).

#### 6.8.6. Termination of Service Agreements

The service agreement is terminated under the following circumstances:

- The agency **may** unilaterally terminate the service agreement at any time based on the needs of the agency. The employee is entitled to all recruitment incentive payments that are attributable to completed service and to retain any portion of a recruitment incentive payment he or she received in advance that is attributable to uncompleted service;
- The agency **will** terminate the service agreement when an employee is demoted or separated for cause (i.e., for unacceptable performance or for misconduct); if the employee receives a rating of record of less than “Meets Performance Expectations” or its equivalent; or if the employee otherwise fails to fulfill the terms of the service agreement. In these situations, then employee is financially liable for any installment or lump sum payments related to uncompleted periods of service; and
- The agency **will** terminate a relocation service agreement when the employee does not maintain a residence in the new location.

The termination of an incentive is not considered grievable under agency grievance procedures.

## 7. Recordkeeping

The SF-50 personnel action that records the incentive is placed into the electronic personnel file (eOPF) as a permanent document. The GSA service agreement forms are also placed into the eOPF but are considered agency-only temporary documents. This is in compliance with Chapter 3 of the [Guide to Personnel Recordkeeping](#).

The case file, used for approval, may be needed in the future during records audit by internal or external organizations. The case file should include a copy of the Request memo and its attachments (such as routing slip), the resume, vacancy announcement, and position description. Under General Records Schedule 2.4, line 090, these packages should be retained for a period of 3 years after the incentives are paid.

# Attachment 1

Sample Incentive Request memorandum (for Recruitment).

[Date]

MEMORANDUM FOR [Name]  
CHIEF HUMAN CAPITAL OFFICER  
OFFICE OF HUMAN RESOURCES MANAGEMENT

THROUGH: [Name of Reviewing Official]  
[Title]  
[GSA Component]

FROM: [Name of Requesting Official]  
[Title]  
[GSA Component]

SUBJECT: Staffing Incentive for [Name of Candidate or GSA Employee]

The GSA Office of [name GSA function] is currently filling a position of [name of position]. We have identified a best-qualified candidate who we believe will greatly contribute to the agency. We believe that the agency should offer a recruitment incentive under 5 U.S.C. § 5753 and 5 CFR Part 575, Subpart A. This memo requests a [%] incentive for [Name of Candidate] paid [How Paid; ex. Biweekly] between [Beginning Date] and [Ending Date]. This job candidate is newly appointed and this represents his [or her] first appointment with the Federal government.

Historically, this position, that of [name job title], has been difficult to fill.

[Describe the evidence and possible reasons for the difficulty. For example, discuss how many times the vacancy has been announced, and the number of candidates for each announcement that were deemed best qualified as well as selected. It is not unusual for positions to be re-announced due to lack of qualified candidates.]

[If relevant, discuss private sector salaries, if there is a discrepancy between private sector and Government salaries. If relevant, discuss non-cash benefits in the private sector that cannot be matched. Include references or research found to benchmark these salaries to the Government.]

[If relevant, talk about job turnover or the extensive training required - for example, for lease contract officers, etc.]

[Discuss unique qualifications and competencies of this particular candidate - for example, familiarity with programming language if an information technology hire, or academic certificates, state licenses, or voluntary industry certifications.]

For these reasons, we believe that this job candidate should be approved for a recruitment

incentive. We have checked with our organization's budget officer and have confirmed that there are sufficient funds to pay for this incentive.

#### ATTACHMENTS

Position Description  
Resume

## Attachment 2

Process flowchart.

**Step 1:** OHRM staffing specialist works with the GSA line or staff office client and identifies the need for an incentive. When anticipated, the availability of a possible incentive should be listed in the vacancy announcement.

**Step 2:** When a selected candidate has been identified, the hiring official (i.e., the Requesting Official) should assemble the request memorandum, with input from the OHRM staffing specialist. (For group incentives, the memorandum, for approval of the incentive, can be written and approved before the vacancy announcement is issued because it applies to all selected candidates.)

**Step 3:** The Requesting Official obtains the concurrence of the budget official and the Reviewing Official (who is usually an HSSO or Regional Administrator (ex., for PBS)).

**Step 4:** The request package goes through the OHRM Deputy Chief Human Capital Officer to the Chief Human Capital Officer for final approval.

**Step 5:** Once the package is completely approved, the job candidate or current employee signs the service agreement (if required) [The only case where it is not required is for a retention incentive paid in biweekly increments at or below the 25 percent maximum rate (10 percent for groups). See 5 CFR § 575.309(a).]

**Step 6:** The SF-50 personnel action is processed in the staffing system (e.g., HR Links, etc.).

**Step 7:** The request package can be scanned into the employee's eOPF as an agency temporary document, and/or it can be stored on an OHRM network or cloud drive (for recordkeeping and audit purposes). The request package should include a copy of the employee's resume, vacancy announcement, service agreement, and position description.