



DEPARTMENT OF THE NAVY
NAVAL SUPPLY SYSTEMS COMMAND
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NAVSUPINST 12575.1
SUP 33
18 November 2002

NAVSUP INSTRUCTION 12575.1

Subj: RECRUITMENT BONUSES, SUPERIOR QUALIFICATIONS
APPOINTMENTS, RELOCATION BONUSES, REFERRAL BONUSES,
RETENTION ALLOWANCES, AND STUDENT LOAN REPAYMENTS

Ref: (a) Title 5 United States Code, Section 5333
(b) Title 5 United States Code, Section 5379
(c) Title 5 Code of Federal Regulations, Part 531
(d) Title 5 Code of Federal Regulations, Part 537
(e) Title 5 Code of Federal Regulations, Part 575
(f) DON Repayment of Student Loan Benefit Plan of
1 Nov 01

Encl: (1) Recruitment Bonus, Superior Qualifications
Appointment, Relocation Bonus, Referral Bonus and
Student Loan Repayment Program Policy Guide

1. Purpose. To establish policy and procedures governing the use of recruitment bonuses, superior qualifications appointments, relocation bonuses, referral bonuses, retention allowances and student loan repayments (collectively referred to as "bonuses" in this instruction) for General Schedule (GS), Senior Executive Service (SES) and Federal Wage System (FWS) employees within the Naval Supply Systems Command (NAVSUP) and its subordinate commands.

2. Scope. This instruction is applicable to all NAVSUP competitive and excepted service positions. Eligible employees include temporary employees on appointments leading to conversion to term or permanent appointments; term employees with at least 3 years remaining on their appointments; or permanent employees and employees serving on excepted appointments with conversion to term, career or career conditional.

3. Cancellation. NAVSUPINST 12575.1, 12575.2 and 12575.3.

4. Policy

a. NAVSUP and its subordinate commands will make every effort to select only the most talented and best-qualified people. To this end, we must seek and attract the best candidates and then successfully compete against Government and private sector employers. We compete with a variety of incentives such as alternative work schedules, career

NAVSUPINST 12575.1
18 November 2002

progression appointments, tuition assistance and other career development opportunities. In addition, and as established in references (a) through (g), bonuses may be paid to employees when difficulty is encountered in filling a position or a group of positions.

b. General criteria for paying bonuses are established in references (a) through (f). Specific criteria, thresholds and amounts for bonuses, allowances and loan repayments for this command are contained in enclosure (1).

5. Responsibilities

a. NAVSUP Headquarters will:

(1) Provide policy, procedures and overall program management to ensure uniformity and consistency within the enterprise.

(2) Ensure compliance with all governing laws and regulations.

(3) Review requests for authorization of group retention allowances prior to submission to Office of the Deputy Assistant Secretary of the Navy, Civilian Personnel/Equal Employment Opportunity (ODASN (CP/EEO)) and Deputy Assistant Secretary of Defense, Civilian Personnel Policy (DASD (CPP)).

(4) Forward consolidated reports on use of the Student Loan Repayment Program to ODASN (CP/EEO).

b. Commanding officers (or person to whom the commanding officer has delegated in writing) will approve or disapprove the use of all bonuses. They will report to COMNAVSUP annually, on 1 November, using Attachment (9) to enclosure (1), the totals, types and amounts of bonuses paid during the previous fiscal year. They will maintain copies of each determination submitted for bonus covered by this instruction. Per Department of Defense (DOD) Civilian Personnel Manual (CPM), Chapter 575, documentation shall be available for review and submission upon request. As a minimum, the following information shall be maintained on a fiscal year basis:

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

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

(3) The number of employees paid a referral bonus and the amounts paid;

(4) A summary statement assessing the effect of this authority on the activity's ability to fill key positions with qualified candidates in a timely fashion and to retain quality employees in key positions; and

(5) Initiate a Request for Personnel Action (RPA) for payment of bonuses.

c. Activity comptrollers will:

(1) Ensure funds for bonuses are provided in the command's budget;

(2) Keep the commanding officer appraised as to the availability of funds for bonuses; and

(3) Review all bonus recommendations and make an endorsement concerning availability of funds.

d. Servicing Human Resource Offices (HRO) will:

(1) Review requests for bonuses to ensure they meet all statutory and regulatory requirements and recommend approval or disapproval to the commanding officer (or his/her designee);

(2) Negotiate and make bonus offers to employees and delegate that responsibility within the servicing HRO as appropriate;

(3) Process the Request for Personnel Action (RPA) for payment of bonuses within 7 days prior to new employee's appointment;

(4) Ensure service agreements, as required by this instruction, are forwarded to appropriate HRSC for inclusion in the employee's Official Personnel Folder (OPF);

(5) Maintain a system of records to collect bonus, hiring process and attrition information;

(6) Make bonus records available for review by any agency authorized to do such;

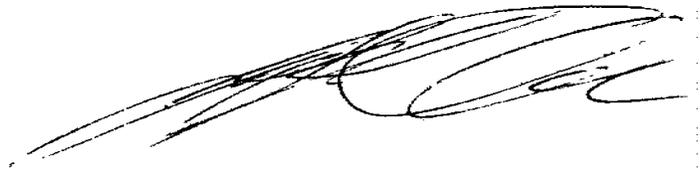
(7) Coordinate semiannual bonus program reviews. These reviews will be conducted in January and July of each year and will focus on program effectiveness and bonus applicability, and

(8) Submit annual reports on use of the Student Loan Repayment Program to the Director of Civilian Personnel Programs (SUP 33).

NAVSUPINST 12575.1
18 November 2002

e. The Inspector General will review these programs during Command Assessments to ensure the plans and payments conform to established requirements.

f. Appropriate management officials (as designated by the activity commanding officer) will prepare written requests for bonuses when they deem the bonus is necessary to successfully fill a particular job vacancy. Funds needed for the payment of recruitment bonuses, relocation bonuses, referral bonuses, retention allowances and student loan repayment are the responsibility of the appropriate management official requesting the bonus.



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Recruitment Bonus
Superior Qualifications Appointment
Relocation Bonus
Referral Bonus
and
Student Loan Repayment Program
Policy Guide

TABLE OF CONTENTS

<u>SECTION</u>	<u>SUBJECT</u>	<u>PAGE</u>
A.	RECRUITMENT BONUS.....	2
B.	SUPERIOR QUALIFICATIONS APPOINTMENT.....	4
C.	RELOCATION BONUS.....	6
D.	REFERRAL BONUS.....	8
E.	RETENTION ALLOWANCE.....	10
F.	STUDENT LOAN REPAYMENT.....	13
G.	QUESTIONS AND ANSWERS.....	17

ATTACHMENTS/FORMS

1. Recruitment Bonus Recommendation
2. Recruitment Bonus Service Agreement
3. Superior Qualifications Appointment Recommendation
4. Relocation Bonus Recommendation
5. Relocation Bonus Service Agreement
6. Referral Bonus Recommendation
7. Retention Allowance Recommendation
8. NAVSUP Student Loan Repayment Program Application
9. Student Loan Repayment Service Agreement
10. NAVSUP Student Loan Repayment Program FY Report
11. OPM Student Loan Repayment Program Questions and Answers
12. OPM Student Loan Repayment Program Tax Liability Questions on Tax Liability

SECTION A

RECRUITMENT BONUS

Recruitment bonuses may be used when the position is a shortage category or otherwise hard to fill. Without the use of a recruitment bonus difficulty would be encountered in filling the position. As appropriate to staffing requirements, the following criteria should be considered in determining whether a recruitment bonus should be paid and in determining the amount:

1. Success of recent efforts to recruit candidates for similar positions;
2. Recent turnover in similar positions;
3. Labor market factors that may affect ability to recruit;
4. Special qualifications for the position;
5. The practicality of using the superior qualifications appointment alone or in combination with a recruitment bonus; and
6. Use of the Student Loan Repayment Program as a recruitment incentive.

Definitions

Employee. An individual who has received a written offer to be newly appointed and has signed a written service agreement.

Newly appointed employee means:

1. The first appointment, regardless of tenure, as an employee of the Federal Government, or
2. An employee who is being reappointed after a break in service of at least 90 days from the candidate's last period of Federal employment; other than:
 - a. Employment under the Student Educational Employment Program;
 - b. Employment as a law clerk trainee;
 - c. Employment while a student during school vacations under a short-term temporary appointment authority;
 - d. Employment under a provisional appointment if the new appointment is permanent and immediately follows the provisional appointment; or

e. Employment under a temporary appointment that is neither full-time nor the principle employment of the candidate.

In both 1. and 2. above, the appointment must be scheduled to last at least 2 years.

Rate of Basic Pay. The rate of pay fixed by law or administrative action for the position before deductions and exclusive of additional pay of any kind, such as locality-based comparability payments.

Service Agreement. A written agreement between a NAVSUP activity and a newly appointed employee under which the employee agrees to a specified period of employment.

Procedure. All recruitment bonus decisions must be based on a written determination (Attachment 1) that, without the bonus, a command would encounter difficulty in filling the position. Such a determination shall be made before the employee enters duty in the position for which recruited. The appropriate management official will make the initial recommendation for the payment of a recruitment bonus.

Service Agreement and Conditions for Payment. Before a recruitment bonus can be paid, the newly appointed employee must sign a written service agreement. The name and signature of the management official making the offer and the approving official must be on the service agreement. The employee must agree to work for the command for a minimum of 12 months (may be extended as appropriate). This service period will be in addition to any other service agreement to which the newly appointed employee is bound. Attachment (2) is to be used for the service agreement for recruitment bonuses.

Payment of Bonuses. A recruitment bonus shall be calculated as a percentage of the newly appointed employee's rate of basic pay. The bonus shall be the minimum necessary to meet the activity's requirement and shall in no event exceed 25 percent. Bonuses will be paid in a lump sum and shall not be considered as part of an employee's rate of basic pay for any purpose.

Repayment of Recruitment Bonus. An employee who fails to complete the required service requirement shall be indebted to the Government and shall repay the recruitment bonus on a pro-rata basis. Credit will be given for each full month of employment completed under the agreement. Repayment will not be required if the employee is involuntarily separated other than for cause. Approving officials may waive repayment in whole, or in part, if he or she determines that recovery would be against equity and good conscience or against the public interest.

SECTION B

Superior Qualifications Appointment

General. New appointments will be made at the first step of the applicable GS or FWS pay scale for a new employee. However, when necessary to set a new employee's pay higher than the minimum rate because of his/her superior qualifications or because the employee meets a special need of the agency, a superior qualifications appointment may be used. Before this authority may be used, the possibility of using a recruitment bonus must be considered. In addition, the following criteria should be considered in determining whether superior qualifications appointment should be made:

1. Success of recent efforts to recruit candidates for similar positions;
2. Recent turnover in similar positions;
3. Labor market factors that may affect our ability to recruit;
4. Special qualifications for the position;
5. Use of the Student Loan Repayment Program as a recruitment incentive.

Definitions

New appointment

1. The first appointment, regardless of tenure, as an employee of the Federal Government, or
2. An employee who is being reappointed after a break in service of at least 90 days from the candidate's last period of Federal employment or employment with the Government of the District of Columbia (D.C.), other than:
 - a. Employment with the Government of the D.C. when the candidate was first appointed by the D.C. Government on or after 1 October 1987;
 - b. Employment under an appointment as an expert or consultant under section 3109 of title 5, United States Code;
 - c. Employment under a temporary appointment effected primarily in furtherance of a postdoctoral research program, or effected as part of a predoctoral or postdoctoral training program during which the employee receives a stipend, or employment under a temporary appointment of a graduate student

NAVSUPINST 12575.1
18 November 2002

when the work performed by the student is the basis for completing certain academic requirements for an advanced degree;

d. Employment in a cooperative work-study program under a Schedule B appointment made per section 213.3202 of reference (c);

e. Employment as a member of the Commissioned Corps of the National Oceanic and Atmospheric Administration or the Commissioned Corps of the Public Health Service;

f. Employment which is neither full-time employment nor the principal employment of the candidate; or

g. Employment under the Intergovernmental Personnel Act.

Procedure. All superior qualifications appointment decisions must be based on a written determination (Attachment 3) that, without the advanced rate of pay, a command would encounter difficulty in filling the position. Such a determination shall be made before the employee enters on duty in the position for which recruited. The appropriate management official will make the initial recommendation for a superior qualifications appointment.

SECTION C

Relocation Bonus

A relocation bonus may be used when relocating an employee to a different commuting area where, in the absence of a relocation bonus, difficulty would be encountered in filling the position. As appropriate to staffing requirements, the following criteria should be considered in determining whether a relocation bonus should be paid and in determining the amount:

1. Success of recent efforts to recruit candidates for similar positions;
2. Recent turnover in similar positions;
3. Labor-market factors that may affect our ability to recruit; and
4. Special qualifications for the position.

Definitions

Employee. An employee who is relocated without a break in service to a position in a different commuting area, or whose duty station is changed permanently or temporarily to a different commuting area.

Commuting Area. The geographic area that normally is considered one area for 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 to work.

Rate of Basic Pay. The rate of pay fixed by law or administrative action for the position to which the employee is being relocated or, in the case of an employee who is entitled to grade or pay retention, the employee's retained pay before deductions and exclusive of additional pay of any kind, such as locality-based comparability payments.

Service Agreement. A written agreement between a command and an employee under which the employee agrees to a specified period of employment at the new duty station to which relocated.

Procedure. All relocation bonus decisions must be based on a written determination (Attachment 4) that, without the bonus, the command would encounter difficulty in filling the position. Such a determination shall be made before the employee enters on duty in the position for which recruited or before the employee relocates to the new duty station. An appropriate management official will make the initial recommendation for the payment of a relocation bonus.

Before a relocation bonus may be paid, the employee must establish a residence in the new commuting area.

Service Agreement and Conditions for Payment. Before a relocation bonus can be paid, the newly appointed employee must sign a written service agreement. The names and signatures of the management official making the offer and the Approving Official must be on the service agreement. The employee must agree to work for the command for a minimum of 12 months (may be extended as appropriate). This service period will be in addition to any other service agreement to which the newly appointed employee is bound. Attachment (4) is to be used for the service agreement for relocation bonuses. For a relocation bonus, in the case of a temporary change in duty station for less than 12 months, the service agreement may provide for a shorter minimum period of employment.

Payment of Bonuses. A relocation bonus shall be calculated as a percentage of the employee's rate of basic pay. The bonus shall be the minimum necessary to meet the activity's requirement and shall in no event exceed 25 percent of basic pay. It will be paid in the same manner and at the same time as basic pay (biweekly). The total amount of compensation for the calendar year, including the allowance, cannot exceed the aggregate limitation on pay. The aggregate limitation on pay is the combination of regular salaries plus any overtime pay, bonus pay, cost of living pay, etc., which cannot exceed level 1 of the Executive Schedule. Allowances shall not be considered as part of an employee's rate of basic pay for any purpose.

Repayment of Relocation Bonus. An employee who fails to complete the required service requirement shall be indebted to the Government and shall repay the relocation bonus on a pro-rata basis. Credit will be given for each full month of employment completed under the agreement. Repayment will not be required if the employee is involuntarily separated other than for cause. Approving Officials may waive repayment in whole, or in part, if he or she determines that recovery would be against equity and good conscience or against the public interest.

Repayment of relocation bonus will not be required if it becomes necessary to relocate the employee to a position in a different commuting area.

SECTION D

Referral Bonus

A referral bonus may be paid to a current employee to support recruitment and hiring practices by providing incentives to bring new talent to work in the command. As appropriate to staffing requirements, the following criteria should be considered in determining whether a referral bonus should be paid and in determining the amount:

1. Either a cash award or a time-off award for this recognition may be used.
2. Eligibility is limited to only employees who are eligible for cash awards or time-off awards and whose regular job does not include recruitment. Contractors, NAF employees, indirect-hire foreign nationals, military personnel and private citizens are not eligible for referral bonus.
3. Positions covered will be determined by the command as positions determined as hard to fill and/or positions of a certain series and/or grade.

Definition

Referral. The furnishing of a prospective employee's name to the command by a current employee. The prospective employee must be hired for the current employee to collect the bonus.

Procedure. All referral bonus decisions for payment to current employees must be based on a written determination (Attachment 6) that, without the bonus, the command would encounter difficulty in filling the position. Such a determination shall be made before the new (referred) employee enters on duty in the position for which recruited.

The referral bonus program will be activated only during periods in which there is an established need to enhance recruitment prospects.

Payment of Bonuses. A referral bonus shall be paid at an amount not to exceed \$500.00 or in a time-off award not to exceed 40 hours. Cash bonuses will be paid in a lump sum and shall not be considered as part of an employee's rate of basic pay for any purpose. Time-off awards are prorated for temporary/part-time. Bonuses shall be paid (or time-off awarded) after the new employee has worked for the command for 90 calendar days. No award will be made if the new employee is employed for less than 90 days for whatever reason.

NAVSUPINST 12575.1
18 November 2002

Claimancy-wide Coverage. Referral bonuses may be paid to an employee of one NAVSUP activity who refers a prospective employee to another NAVSUP activity that is offering a referral bonus. In this situation, the activity gaining the new employee is the approval authority and responsible for funding the bonus. Furthermore, only cash awards (versus time-off awards) may be used in this situation.

SECTION E

Retention Allowance

A retention allowance may be paid to a current employee if the unusually high or unique qualifications of the employee, or a special need of the activity for the employee's services, make it essential to retain the employee and the activity determines the employee would be likely to leave Federal service in the absence of a retention allowance. A retention allowance may not be paid to an employee who is likely to leave for another position in the Federal Government whether in the same or a different agency. As appropriate to staffing requirements, the following criteria should be considered in determining whether a retention allowance should be paid and in determining the amount:

1. The success of recent efforts to recruit and retain employees with qualifications similar to those possessed by the employee for positions which are similar to the position held by the employee;

2. The availability in the labor market of candidates for employment who, with minimum training or disruption of service, could perform the full range of duties and responsibilities assigned to the position held by the employee;

3. Evidence that the employee will likely leave Federal service, such as a bona fide job offer or the employee filing to retire or resign from Federal service; and

4. The use of the Student Loan Repayment Program in lieu of (or in addition to) the retention allowance.

Definitions

Eligible Employee. A current employee who is serving under an appointment without time limitation or for a minimum period of 2 years.

Rate of Basic Pay is the rate of pay fixed by law or administrative action for the position held by the employee, or in the case of an employee who is entitled to grade or pay retention, the employee's retained rate of pay, before deductions and exclusive of additional pay of any kind, such as locality-based comparability payments.

Procedure. All retention allowance decisions must be based on a written determination (Attachment 7) that the unusually high or unique qualifications of the employee, or special need of the activity for the employee's services, makes the retention of the

employee essential and, in the absence of such an allowance, the employee would be likely to leave the Federal service.

The retention allowance determination shall be based on a written description of the extent to which the employee's departure would affect the activity's ability to carry out an activity/function that is deemed essential to the command's mission. Appropriate management officials will make the initial recommendation for the payment of a retention allowance.

Group Retention Allowances

1. Requests for the authorization of group retention allowances up to 10 percent of basic pay must be coordinated with all other Department of Defense (DOD) components with similarly situated employees, (i.e., within the commuting area) prior to submission through NAVSUP and ODASN (CP/EEO) to the Deputy Assistant Secretary of Defense (Civilian Personnel Policy) (DASD(CPP)) for approval.

2. Requests for Office of Personnel Management (OPM) approval of group retention allowances in excess of 10 percent, but not more than 25 percent of basic pay must be coordinated with all other DOD components with similarly situated employees (i.e., within the commuting area) and include the material listed in reference (a) (5 CFR 575.305(d)(2)(i) through (v)) before submission through NAVSUP and ODASN (CP/EEO) to DASD (CPP).

3. A group retention bonus is not to be used for SES employees.

Service Agreement and Conditions for Payment. A command may not begin payment of a retention allowance during a period of employment established under any service agreement for payment of a recruitment or relocation bonus. A retention allowance may be paid if the employee is likely to leave the Federal service for any reason; however, an employee who has reached an agreement with a NAVSUP activity to accept a voluntary separation incentive may not be considered for or continue to receive a retention allowance.

Payment of Allowance. A retention allowance shall be calculated as a percentage of the employee's rate of basic pay. The calculated amount will be the minimum necessary to achieve retention of the employee, but in no case will it exceed 25 percent of basic pay. It will be paid in the same manner and at the same time as basic pay (biweekly). The total amount of compensation for the calendar year, including the allowance, cannot exceed the aggregate limitation on pay. The aggregate limitation on pay is the combination of regular salaries plus any overtime pay, bonus pay, cost of living pay, etc., which

cannot exceed level 1 of the Executive Schedule. Allowances shall not be considered as part of an employee's rate of basic pay for any purpose. The activity may continue payment of a retention allowance as long as the conditions giving rise to the original determination to pay an allowance still exists.

An annual review and recertification of necessity must be made by the appropriate management official to continue the payment of the retention allowance. The recertification should be submitted to the commanding officer for approval and maintained with the original approval.

Reduction or Termination of Retention Allowance

A retention allowance may be reduced or terminated if any of the following conditions exist:

1. At the time an increase in one or more nondiscretionary payments to an employee causes the employee's compensation to exceed the aggregate limitation on pay, the commanding officer shall reduce the authorization for the retention allowance to the extent necessary to ensure the total compensation does not exceed the aggregate limitation on pay; or
2. When it is determined that a lesser amount (or none at all) would be sufficient to retain the employee; or
3. Labor market factors make it more likely (or reasonably likely) to recruit a candidate with qualifications similar to those possessed by the employee; or
4. The activity's need for the services of the employee has been reduced to a level that makes it unnecessary to continue payment at the level originally approved (or at all); or
5. Budgetary considerations make it difficult to continue payment at the level originally approved (or at all).
6. All reduction of retention allowances, the RPA must be forwarded to the HRSC.

SECTION F

Student Loan Repayment Program Policy

Purpose. Title 5, United States Code, section 5379 and the Code of Federal Regulations, Part 537, establish statutory and regulatory authority for the use of student loan repayment as a recruitment or a retention tool. (Note: This program is not for routine use and is separate from the tuition assistance program.) This policy provides parameters for implementing the Student Loan Repayment Program within the Naval Supply Systems Command (NAVSUP). Repayment is limited to outstanding federally insured loans made by educational institutions or banks and other private lenders as authorized by the Higher Education Act of 1965 and the Public Health Service Act. This program can be used in combination with other recruitment and retention incentives.

Approving Official. The authority to approve repayment of student loans is the commanding officer of each activity or his/her designee.

Employee Eligibility. Eligible employees include competitive and excepted service permanent employees and term employees with at least 3 years remaining on their appointments. Temporary employees, intermittent employees and Cooperative Education Program employees are not eligible for this program.

Written Determination. Activity management officials will identify in writing (Attachment 8) the basis for the repayment of any student loan. All written documentation must accompany the student loan repayment package for approval prior to submission to the servicing HRO for processing.

When used as a recruitment tool

1. The justification is to include a statement that:
 - a. In the absence of offering this incentive, the agency would encounter difficulty in filling the position with a highly qualified employee,
 - b. Provides details on difficulties faced in previous recruitment efforts, and
 - c. Describes the effect on the impact of the accomplishments on the mission of the organization.
2. A statement may be added to job announcements when student loan repayments are authorized as a recruitment incentive, but it is not required. When it is included it must

be made clear to each applicant that this incentive may or may not be paid based on individual determinations. Each determination (including the amount to be paid) must be made before the employee actually enters on duty in the position for which recruited.

When used as a retention tool

1. The justification will address the special skills, unique qualifications of the employee or the special needs of the agency and how the employee's departure or potential departure would affect the impact on the activity's mission.

2. Planning to offer the loan repayment plan must begin as soon as possible. Therefore, the agreement of the repayment of the student loan and all documentation must be forwarded to the commanding officer, or designee, for approval as soon as practical.

3. The approving official determines that in the absence of offering to repay a student loan, the employee would be likely to leave for employment outside the Federal service.

Selecting Employees. In selecting employees for repayment of their student loans, the approving official shall consider both equitable treatment and diversity of the workforce.

Dollar Value of Repayments. The approving official will determine the amount of the loan repayment based on the employee's value to the activity and budgetary considerations. The maximum payment allowable per employee is \$6,000.00 per year and \$40,000.00 lifetime.

Procedures for Making Loan Repayments. The amount of repayment of student loans will be based on the outstanding debt at the time the employee and the activity enter into an agreement. Payments cannot be made prior to the employee entering on duty.

The servicing HRO will verify the existence of and the balance remaining on qualified outstanding loans as required by 5 CFR 537.105. This shall be accomplished by having the candidate/employee complete the NAVSUP Student Loan Repayment Application (Attachment 8) and forward it to the loan holder for verification.

Activities can repay more than one loan as long as the loan repayments do not exceed the \$6,000.00 per year/\$40,000.00 lifetime limit. Activities cannot reimburse late fees assessed by the loan holder if the student loan repayment is not received in time.

The authorized annual amount of the loan repayment is divided by 26 (pay periods) and that amount will be remitted to the loan holder each pay period. To accommodate this into the payroll system, the Defense Finance and Accounting Service (DFAS) has developed a pay system work-around to enable it to effect the student loan repayments immediately.

For authorized individuals, the biweekly student loan payments will be reflected in their leave and earnings statement as "Foreign Language Proficiency Pay" in the Current Earnings block. This is the authorized pay period amount. The same amount is remitted to the loan holder and will be reflected as "Non-DOD Voluntary Indebtedness" in the Deductions block. The loan payment benefit will be added to their regular wages and taxed at their normal withholding rate. As a result, an employee's current total take-home pay may be reduced by the amount of the additional tax liability.

The employee is responsible for continuing to make all loan payments for which he/she is responsible and for any income tax obligation resulting from the student loan benefit.

Service Agreement. Prior to any repayment of a student loan, the employee is required to sign a service agreement (Attachment 9). All service agreements require a minimum 3 year commitment which begins on the date DFAS makes the first payment to the loan holder as stated in the service agreement. The activity may extend or renew loan repayments after the initial service agreement was satisfied. A new service agreement will be issued for extensions or renewals. However, activities must mention this option in the original service agreement. A copy of the signed service agreement will be transmitted to DFAS who will utilize this document to begin making payments to the lender on a biweekly basis.

Loss of Eligibility for Loan Repayment Benefits. An employee loses entitlement to continued benefits if he/she:

1. Separates from the agency, or
2. Does not maintain an acceptable level of competence (employee's most recent rating must be at least successful), or
3. Violates the conditions of the service agreement.

Within the criteria addressed in this plan, the service agreement can specify other employment conditions for continued authorization. These can include a requirement that the employee perform specific duties, meet all conditions of employment for the position, or retain employment within the organization. These conditions must be defined on the first page of the service agreement under "Conditions of Employment."

Employee Reimbursement. An employee who is separated from DOD for reasons of misconduct or performance, or leaves DOD voluntarily before completing the period of service specified in the agreement will reimburse DOD for the entire amount of any student loan repayment the employee received.

The approving official may waive all or part of a recovery if he or she feels the recovery would be against equity and good conscience or against the public interest.

Records and Reports. The servicing HRO will submit annual reports to the Director of Workforce Policy and Planning Division for NAVSUP, SUP 33, for consolidation each fiscal year. The report will then be forwarded to the Office of the Deputy Assistant Secretary of the Navy (Civilian Personnel/Equal Employment Opportunity). The report (Attachment 10) will identify the number of employees receiving the loan repayment incentive, the job classification of each recipient and the total cost of the student loan repayment incentive.

Documentation, Approval and Record Keeping. Approving officials are responsible for ensuring the basis for repaying a student loan is fully justified. After the student loan application package has been approved/disapproved it will be returned to the activity's program coordinator. HRO will maintain documentation for each student loan repayment to include verification of the employee's outstanding student loan (typically the Student Loan Application/Verification), the manager's justification for authorizing the loan repayment and a copy of the service agreement. A copy of the service agreement will be forwarded to the HRSC and will be filed on the left-hand side of the employee's official personnel folder. Use of this authority will be evaluated during periodic HR programs and Inspector General Assessments.

NAVSUPINST 12575.1
18 November 2002

SECTION G

Frequently Asked Questions About Recruitment Bonus, Relocation Bonus, Retention Allowance and Student Loan Repayment Program

Updated "Frequently Asked Questions" about Recruitment or Relocation Bonuses and Retention Allowances can be found at the following OPM website:
<http://www.opm.gov/oca/pay/HTML/Q&ARRR.htm>

OPM has also provided answers to a significant number of "Frequently Asked Questions" about the Student Loan Repayment Program. Updated frequently asked questions about Student Loan Repayment Program can be found at the following OPM website:
<http://www.opm.gov/oca/pay/studentloan/HTML/QandAs.htm>

RECRUITMENT BONUS RECOMMENDATION

POSITION TO BE FILLED (Title, Pay Plan, Series, Grade, Code)	
APPLICANT INFORMATION (Name, qualifications, experience, etc.)	
MISSION IMPACT IF BONUS NOT AUTHORIZED:	
AMOUNT OF BONUS TO BE OFFERED (maximum 25%) _____ RATIONALE:	
Are any other incentives used in addition to this bonus, e.g. Student Loan Repayment. If so, explain:	
I certify that without payment of this recruitment bonus the filling of this position will be unacceptably delayed.	
_____ Appropriate Management Official	_____ Date
_____ Servicing HRO Concur: Yes No	
_____ Activity Comptroller Concur	_____ Approving Official Approval Date

RECRUITMENT BONUS SERVICE AGREEMENT

APPLICANT'S NAME AND ADDRESS

POSITION FOR WHICH HIRED (Title, Pay Plan, Series, Grade)

ORGANIZATIONAL LOCATION

1. 5 CFR Part 575, Subpart A, provides for the payment of a recruitment bonus incident to employment with the Federal Government. Under the law, a recruitment bonus shall not be authorized unless the employee agrees in writing to complete a specified period of employment with the activity. To establish eligibility for the authorized bonus, the following agreement must be executed.

2. I understand and agree that:

a. I will receive a recruitment bonus of ____% to be paid in a lump sum, which will not be considered as a part of my basic pay.

b. I will complete a period of employment of ____ months at my new duty station with the Naval Supply Systems Command (NAVSUP). This requirement is in addition to any other service agreement for which I am bound.

c. If I fail to serve the required period of service or if I am removed for cause before the expiration of the required period of service, I will, upon demand, repay the Federal Government a sum of money equivalent to that expended by the Government for the recruitment bonus. Credit will be given for each full month of employment completed under the agreement.

d. I understand that repayment will not be required if I am involuntarily separated, other than for cause.

e. I authorize the employing agency to withhold any final pay due me to apply against or liquidate any indebtedness rising from a violation of this agreement

3. I understand that the period of service specified above is for the purpose of establishing my eligibility for the recruitment bonus authorized.

Signature of Employee

Date Signed

Management Official

Date Signed

Approving Official

Date Signed

SUPERIOR QUALIFICATIONS APPOINTMENT RECOMMENDATION

POSITION TO BE FILLED (Title, Pay Plan, Series, Grade, Code)		
SUPERIOR QUALIFICATION OF INDIVIDUAL OR SPECIAL NEED THAT JUSTIFIED USE OF THIS AUTHORITY		
MISSION IMPACT IF REQUEST NOT AUTHORIZED:		
FACTORS CONSIDERED IN DETERMINING THE INDIVIDUAL'S EXISTING PAY AND THE REASON FOR SETTING PAY AT A RATE HIGHER THAN THAT NEEDED TO MATCH EXISTING PAY:		
THE REASONS FOR AUTHORIZING AN ADVANCED RATE INSTEAD OF OR IN ADDITION TO A RECRUITMENT BONUS OR OTHER STUDENT LOAN REPAYMENT		
I certify that without use of superior qualifications appointment the filling of this position will be unacceptably delayed.		
_____ Appropriate Management Official		_____ Date
_____ Servicing HRO Concur: Yes No		
_____ Activity Comptroller Concur	_____ Approving Official	_____ Approval Date

RELOCATION BONUS RECOMMENDATION

POSITION OCCUPIED (Title, Pay Plan, Series, Grade, Code)		
EMPLOYEE INFORMATION (Name, qualifications, experience, etc.)		
MISSION IMPACT IF BONUS NOT AUTHORIZED:		
AMOUNT OF BONUS TO BE OFFERED (maximum 25%) _____ RATIONALE:		
Are any other incentives used in addition to this bonus, e.g. Student Loan Repayment. If so, explain:		
I certify that without payment of this relocation bonus, the filling of this position will be unnecessarily delayed		
_____ Appropriate Management Official		_____ Date
_____ Servicing HRO	Concur	
_____ Activity Comptroller	_____ Approving Official	_____ Approval Date
Concur		

RELOCATION BONUS SERVICE AGREEMENT

APPLICANT'S NAME AND ADDRESS:	
POSITION OCCUPIED (Title, Pay Plan, Series, Grade)	
ORGANIZATIONAL LOCATION	
<p>1. 5 CFR Part 575, Subpart B, provides for the payment of relocation bonus incident to employment with the Federal Government. Under the law, a relocation bonus shall not be authorized unless the employee agrees in writing to complete a specified period of employment with the activity. To establish eligibility for the authorized bonus, the following agreement must be executed.</p> <p>2. I understand and agree that:</p> <p>a. I will receive a relocation bonus of ____% to be paid in a lump sum which will not be considered as a part of my basic pay.</p> <p>b. I will complete a period of employment of ____ months at my new duty station with the Naval Supply Systems Command (NAVSUP). This requirement is in addition to any other service agreement for which I am bound.</p> <p>c. If I fail to serve the required period of service or if I am removed for cause before the expiration of the required period of service, I will, upon demand, repay the Federal Government a sum of money equivalent to that expended by the Government for the relocation bonus. Credit will be given for each full month of employment completed under the agreement.</p> <p>d. I understand that repayment will not be required if I am involuntarily separated other than for cause.</p> <p>e. I authorize the employing agency to withhold any final pay due me to apply against, or liquidate, any indebtedness rising from a violation of this agreement.</p> <p>3. I understand that the period of service specified above is for the purpose of establishing my eligibility for the relocation bonus authorized.</p>	
_____ Signature of Employee	_____ Date Signed
_____ Management Official	_____ Date Signed
_____ Approving Official	_____ Date Signed

REFERRAL BONUS RECOMMENDATION

EMPLOYEE TO RECEIVE REFERRAL BONUS		
POSITION TO BE FILLED (Title, Pay Plan, Series, Grade, Code)		
APPLICANT INFORMATION (Name, qualifications, experience, etc.)		
MISSION IMPACT IF BONUS NOT AUTHORIZED:		
BONUS TO BE OFFERED (maximum \$500.00 or 40 hours time-off) RATIONALE:		
I certify that without payment of this referral bonus, the filling of this position will be unacceptably delayed.		
_____	_____	
Appropriate Management Official	Date	
_____	_____	
Servicing HRO	Concur	
_____	_____	_____
Activity Comptroller	Approving Official	Approval Date
Concur		

RETENTION ALLOWANCE RECOMMENDATION

POSITION OCCUPIED (Title, Pay Plan, Series, Grade, Code)	
EMPLOYEE INFORMATION (Name, qualifications, experience, etc.)	
MISSION IMPACT IF ALLOWANCE NOT AUTHORIZED:	
AMOUNT OF ALLOWANCE TO BE OFFERED (maximum 25%) _____ RATIONALE:	
Are any other incentives used in addition to this bonus, e.g. Student Loan Repayment. If so, explain:	
I certify that without payment of this retention allowance the mission of the organization could not be completed.	
_____	_____
Appropriate Management Official	Date
_____	_____
Servicing HRO	Concur
_____	_____
Activity Comptroller	Date
Concur	Approving Official
	Date

NAVSUP STUDENT LOAN REPAYMENT PROGRAM APPLICATION

SECTION 1: (To be Completed by Applicant)		
a). EMPLOYEE NAME	b). POSITION, TITLE, GRADE	c). For multiple loans: Loan _____ of _____
d). Social Security Number	e). TELEPHONE	f). AGENCY
g). UNPAID BALANCE OF on LOAN(S) (Approx.)	h). AMOUNT REQUESTED TO BE REPAID BY AGENCY	i). LOAN ACCOUNT NUMBER
j). NAME OF LOANHOLDER (LENDER):		k). ADDRESS
l). TELEPHONE		
I authorize the release of my financial data by lender/holder to complete the entries in SECTION 2. (A copy of this form should be deemed as the original for authorization purposes.)		m). SIGNATURE
		DATE

SECTION 2: (To be Completed by Loans Status Confirmation Loan Holder)			
Please verify the information below and provide correct information, where missing.			
Please return form to:			
(1). STATUS: ___ IN DEFAULT ___ PAYMENTS BEING MADE ___ DEFERRED	(2). TYPE OF LOAN: ___ HEA OF 1965 ___ PUBLIC HEALTH SERVICES ACT	(3). OUTSTANDING BALANCE	(4). DATA SHOWS CONSOLIDATION (when multiple loans are involved) _____ Yes _____ No Date _____
INSTITUTION WHERE PAYMENT IS TO BE SENT			
(5). NAME		(6) ADDRESS	
(7) TELEPHONE		(8). Routing Number	(9). Account Number
(10). ADDITIONAL INFORMATION			
CERTIFICATION: As an official of the holding institution, I verify that the information in SECTION 2 is correct and current. Copy of the promissory note(s) is/are enclosed.			
(11). NAME AND TITLE		SIGNATURE AND DATE	

SECTION 3: (To be Completed by Human Resources Office)—O.K. for Processing			
Effective Date	Annual Amount	Number of Years	Total Repayment Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
PERSONNEL OFFICER OR DESIGNEE	DATE	SIGNATURE	
<input type="text"/>	<input type="text"/>	<input type="text"/>	

Privacy Act Statement: The collection of this information is authorized by 5 U.S.C. 5379 in order to facilitate the repayment of student loans, where authorized. Providing this information is voluntary, but choosing not to provide the requested information will preclude the payments by the Naval Supply Systems Command .

STUDENT LOAN REPAYMENT SERVICE AGREEMENT

Title 5 USC 5379 allows repayment of outstanding federally insured student loans made by educational institutions or banks and other private lenders as authorized by the Higher Education Act of 1965 and the Public Health Service Act. Student loan repayments are made directly to the lender subject to the conditions stated in this agreement. Use of this authority in no way constitutes a right, promise, or entitlement for continued employment or noncompetitive conversion to the competitive service.

CONDITIONS OF EMPLOYMENT

The Naval Supply Systems Command agrees to provide a student loan repayment benefit to:

Subject to the conditions of employment stated in this document.

(STATE CONDITIONS OF EMPLOYMENT SPECIFIC TO EACH AGREEMENT AS DESCRIBED IN 5 CFR 537.107(A) HERE OR ATTACH AS SEPARATE PAGE).

CONDITIONS OF LOAN REPAYMENT

I agree to complete ___ Years (MINIMUM OF 3 YEARS) Service. My period of service begins on the date DFAS makes the first payment to the holder of my loan. In return, the Naval Supply Systems Command will make payments on my outstanding federally insured loan to:
(LENDERS NAME AND ADDRESS)

REPAYMENT AMOUNT \$ _____ YEARS ___ TOTAL \$ _____

Increases or renewals under this part not to exceed \$6,000 each calendar year up to a lifetime total of \$40,000 (may/may not) be made without requiring a new period of service. If increase or renewals are made, Defense Finance and Accounting Service (DFAS) will be provided a new, revised copy of this service agreement reflecting the amendments.

LOAN REPAYMENT PROCEDURES

DFAS will make payments to the lender on a biweekly basis. It will determine the amount to be paid by dividing the annual repayment amount by the number of pay periods in the year for which payments are made. This usually will be 26 payments per year, except for years having 27 pay periods. In those cases, 27 biweekly payments will be made. The loan repayment amount will be considered as taxable wages and tax withholding will be made on a bi-weekly basis as appropriate. The Department of Defense (DOD) is not responsible for any late fees or penalties assessed by the loan holder(s) prior to, during, or subsequent to this agreement.

The authorized annual amount of the Loan repayment will be divided by 26 or 27 (pay periods) and that amount will be remitted to the Loan Holder each pay period. To accommodate this into the payroll system, DFAS has developed a system work-around to enable it to effect the student loan repayments immediately. For authorized individuals, the biweekly student loan payments will be reflected in their leave and earnings statement as "Foreign Language Proficiency Pay" in the Current Earnings Block. This is the authorized pay period amount. The same amount is remitted to the loan holder and will be reflected as "Non-DOD Voluntary Indebtedness" in the Deductions Block. The loan payment benefit will be added to their regular wages and taxed at their normal withholding rate. As a result, an employee's current total take-home pay may be reduced by the amount of the additional tax liability.

LOSS OF ELIGIBILITY FOR LOAN REPAYMENT BENEFIT

I understand I will no longer be eligible for the loan repayment incentive if I voluntarily end my employment with the Naval Supply Systems Command, am separated for reasons of misconduct or performance, fail to maintain an acceptable level of performance (as defined by each DOD Component), or in any way violate the terms of this agreement.

REIMBURSEMENT OF LOAN REPAYMENT BENEFIT

If I am separated from the Naval Supply Systems Command for reasons of misconduct or performance, or if I leave the Naval Supply Systems Command voluntarily before I complete the period of service specified in this agreement, I will reimburse DOD for the entire amount of all loan repayments considered as taxable wages that the Naval Supply Systems Command has made in my behalf.

EMPLOYEE SIGNATURE

DATE

I CERTIFY THAT I HAVE DISCUSSED THE CONDITIONS OF THE STUDENT LOAN REPAYMENT PROGRAM WITH THE EMPLOYEE.

HRO REPRESENTATIVE SIGNATURE

DATE

"THIS INFORMATION IS SUBJECT TO THE PRIVACY ACT OF 1974, AS AMENDED."

