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Major General Michael T. McGuire
THE ADJUTANT GENERAL

NGAZ-HRZ

30 April 2018

MEMORANDUM FOR ARIZONA NATIONAL GUARD

SUBJECT: Implementation of Recruitment, Relocation, and Retention Incentives Plan

- References:
- (a) Title 5 CFR, Part 575, subparts A and B, 01 January 2016
 - (b) Under Secretary of Defense Memorandum, "Implementation of Recruitment, Relocation, and Retention Incentives", 21 September 2006
 - (c) DoD Instruction 1400.25 Volume 575, "DoD Civilian Personnel Management System: Recruitment and Relocation Bonuses, Retention Allowances, and Supervisory Differentials", 06 April 2009
 - (d) Chief of the National Guard Bureau Memorandum, "Delegation of Authority for National Guard Employee Recruitment, Relocation, and Retention Incentives", 12 August 2016
 - (e) Director, Air National Guard Memorandum, "Designation of ANG Employee Pilots and Remotely Piloted Aircraft (RPA) Combat Systems Officers (CSO) as Employees who Fill a Critical Agency Need", 12 October 2016

1. In accordance with reference (d) of this memorandum, The Adjutant General of Arizona has the authority to approve individual Recruitment, Relocation, and individual and group Retention Incentives. The Director, Air National Guard (DANG) and Director, Army National Guard (DARNG) has delegated the authority to review the approval/disapproval process of individual and group incentives to verify compliance with law and policy. It is important to note that the DANG and the DARNG do not have a role in the approval/disapproval of Recruitment, Relocation, or Retention Incentives submitted within the Arizona National Guard.

2. This incentives plan encompasses all National Guard (NG) Title 32 (T32) Excepted Service Dual Status (DS), current on-board NG Title 5 (T5) Competitive Service (formerly known as Non-Dual Status), and T5 Excepted Service Employees not inconsistent with applicable law and statute.

3. The attached Arizona National Guard Recruitment, Relocation, and Retention Incentives (3R) plan implements references (a) and (b) of this memorandum, and outlines the processes and procedures for the use of 3R incentives within the Arizona National Guard.

4. This memorandum and 3R plan is effective immediately and supersedes Arizona National Guard Human Resources Office (HRO) Memorandum, "Arizona National Guard Recruitment, Relocation and Retention Incentives Plan", 07 December 2005 and "Arizona Air National Guard Recruitment, Relocation and Retention Incentives Plan", 01 January 2017.

5. The HRO is the point of contact for the Arizona National Guard 3R plan (attached) and may be contacted at 602-629-4800.

DENISE K. SWEENEY
Colonel, AZ ANG
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ATTACHMENTS

Attachment 1	Recruitment Incentive Request Form
Attachment 2	Recruitment Incentive Service Agreement
Attachment 3	Relocation Incentive Request Form
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A. RECRUITMENT INCENTIVES

1. Authorization of Recruitment Incentives.
 - a. Subject to compliance with applicable laws and regulations, and the availability of appropriate funding, The Adjutant General may approve Recruitment Incentives paid under this plan to “newly appointed” (see 5 CFR 575.102) employees provided the agency has determined the employee’s position is likely to be difficult to fill. Approval to pay the incentive must be received before the prospective employee has accepted an offer of employment in the particular position. **This guidance is subject to change in the event that law, NGB policy, or DoD regulations change or become more restrictive.**
 - b. The Adjutant General may approve Recruitment Incentives up to 25 percent of the employee’s annual rate of basic pay at the beginning of the service period (basic pay includes locality and any special salary pay).
 - c. The Adjutant General will determine the percentage of the Recruitment Incentive based on one or more of the criteria listed in A.2 of this plan. The approved percentage, not to exceed 25 percent, will be multiplied by the number of years in the service period, not to exceed 48 months.
 - i. OPM may waive the 25 percent limitation on Recruitment Incentives based on a critical agency need and set the limitation at up to 50 percent of an employee’s annual rate of pay at the beginning of a service period.
 - ii. In no event may the employee’s total Recruitment Incentive exceed 100 percent of the employee’s annual rate of pay at the beginning of the service period. Requests will be submitted by The Adjutant General through the Chief, National Guard Bureau, to DoD Civilian Personnel Management Service.
 - d. The Adjutant General may target groups of similar positions identified as difficult to fill, establish criteria in advance for offering Recruitment Incentives to all newly appointed employees in the targeted group, and authorize the Arizona Air Component Commander and the Arizona Army Land Component Commander to offer a Recruitment Incentive (in a previously approved specific percentage or a percentage within a pre-established range) to a candidate without further review or approval. A delegation of authority letter along with detailed, precise, approved criteria that clearly defines the target group with a pre-established percentage range (e.g., 10% incentive for current qualified F-16 FTU IP) will be established and on file with the HRO prior to the approval of Recruitment Incentives described within this paragraph.
2. In determining whether to grant a Recruitment Incentive, The Adjutant General will consider the following:
 - a. Availability and quality of candidates, including the success of recent recruitment efforts;
 - b. Recent turnover in similar positions;
 - c. Salaries paid for similar positions outside the Federal Government;
 - d. Employment trends and labor-market factors;
 - e. Special or unique competencies required for the positions;

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- f. Organization efforts to use non-pay authorities (e.g., work scheduling flexibilities);
 - g. Desirability of the duties, work or organizational environment, or geographic location of the position;
 - h. And other supporting factors (See 5 CFR 575.106(b)(1-8)).
3. Determination to pay a Recruitment Incentive must be made prior to an offer and acceptance of employment. For each determination to pay a Recruitment Incentive there must be written justification that includes:
 - i. The determination that the position is likely to be difficult to fill in the absence of the incentive;
 - ii. The supporting factors used to authorize the incentive;
 - iii. The reasons for determining the amount and timing of the payments; and
 - iv. The reasons for determining the length of the service period.
4. Payment of Recruitment Incentives: The Arizona National Guard will pay approved Recruitment Incentives as specified in the employee's Service Agreement.
 - a. The employee must sign a Service Agreement prior to receiving any Recruitment Incentive payments. Recruitment Incentives may be paid by any of the following methods.
 - i. In a lump sum at the beginning of the service period stated in the agreement;
 - ii. In equal or variable installment payments throughout the service period; or
 - iii. As a final lump-sum payment at the end of a specified service period.
 - b. Lump sum payments are subject to National Guard Bureau restrictions.
 - c. Recruitment Incentives are not part of an employee's rate of basic pay for any purpose.
5. Service Agreement:
 - a. Before a Recruitment Incentive is paid, the employee offered a Recruitment Incentive must sign a written Service Agreement to complete a specified period of fulltime employment with the Arizona National Guard. The Service Agreement must contain the following information:
 - i. Period of service (in months and years) agreed to by the employee and the total amount authorized for payment. The minimum period of service is not less than 24 months and no more than 48 months of continued employment in the position for which a Recruitment Incentive was approved.
 - ii. Actual beginning and end dates of the service period. The service period must begin on the first day of an employee's service with the Arizona National Guard and end on the last day of a pay period. There are two exceptions:
 1. If the employee begins work on a day other than the first day of the pay period, the service period will begin on the first day of the next pay period; or

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2. If the employee is required to complete a probationary period or an initial period of formal training, the employee's service period may be delayed until the beginning of the pay period following the completion of the probationary or training period. Since The Adjutant General must approve the Recruitment Incentive before the employee enters on duty, the Service Agreement must also specify that there is no obligation to pay any portion of the incentive if the employee does not successfully complete the probationary period of the training.
 - iii. The method of payment and, if paid in installments, the date and amount of each installment payment.
 - iv. The conditions under which the authorized Management Official must terminate the agreement (i.e., an employee is demoted or separated for cause, or receives a rating of record of less than "Fully Successful").
 - v. The terms or conditions that may result in termination of the Service Agreement (e.g., insufficient funds, reassignment to a different type of position).
 - vi. The extent to which period of time on detail, in a non-pay status, or in a paid leave status are creditable towards completion of the service period.
 - vii. The consequence of both voluntary and management decisions to terminate Service Agreements (e.g., conditions under which the employee must repay any unearned portion of the incentive they may already have received).
 - viii. A statement that the decision to terminate a Service Agreement may not be grieved or appealed.
- b. Service Agreements will terminate when an employee (In addition, see 5 CFR 575.111):
 - i. Is demoted for cause;
 - ii. Is separated for cause;
 - iii. Receives a less than "Fully Successful" rating of record;
 - iv. Temporary or permanent assignment to a different position other than the one for which a Recruitment Incentive was previously approved (e.g. detail, temporary promotion, management directed reassignment, change to a lower grade);
 - v. Temporary or permanent placement in a non-pay employee status (e.g., LWOP, AGR, ADOS, Title 10 Stat Tour) that exceeds 30 calendar days.
 - vi. Selection/assignment to a dual status employee Key Staff position.
 - vii. The termination of a Service Agreement is not grievable or appealable (See 5 CFR 575.111(c)).
- c. The Adjutant General may unilaterally terminate an agreement based solely on agency needs such as a reduction in force or insufficient funds. An employee who does not complete the period of service because The Adjutant General unilaterally terminates a Service Agreement, based solely on a management need, is entitled to all incentive payments already received.
- d. An employee who fails to complete the period of service specified in the Service Agreement for the reasons stated in A.5.b. or A.5.c. above, or otherwise fails to

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fulfill the terms of the Service Agreement, must reimburse the Arizona National Guard for the amount of all benefits received under the existing agreement that are in excess of the amount attributable to completed service. The respective Arizona National Guard Comptroller prorates the full amount of the authorized Recruitment Incentive across the length of the service period to determine the amount attributable to completed and uncompleted service. The recovery of an employee's debt may not be waived, in whole or in part, by The Adjutant General. The debt collection process is outlined in DoD 700.14-R.

- e. The HRO will provide written notification to the employee within 3 business days of the decision to terminate the Service Agreement.
6. Approval Process:
- a. Recruitment Incentives will be reviewed and approved on a case-by-case basis. Justification must accompany every request and clearly demonstrate, upon impartial review, that the position is difficult to fill in the absence of an incentive. Each Brigade/Directorate/Wing should adopt their own internal process for routing incentive requests; however, the Brigade Commander/Directorate/FSS Commander must ensure the following forms are completed and signed before submitting the request to the HRO for processing:
 - i. Arizona National Guard Recruitment Incentive Request Form (Attachment 1)
 - 1. Nominating Supervisor shall sign and complete Justification and Determination of the incentive (Sections II and III).
 - 2. The Comptroller will verify, by completing and signing (Section IV), availability of funds and ensure the incentive is within current year Aggregate Limitation per 5 CFR 530, Subpart B.
 - 3. Brigade/Directorate/Wing or Vice Commander signs Section V thereby approving the incentive request and certifying that:
 - a. Based on failed attempts to hire into the position, a Recruitment Incentive is required to fill the vacancy, and
 - b. Funding is available within the Arizona National Guard's Civilian Pay budget to pay the amount indicated within the Service Agreement.
 - ii. Recruitment Incentive. Complete the Employee Service Agreement, using the template in Attachment 2 with member's signature.
 - b. The HRO will review and forward the Recruitment Incentive package to The Adjutant General for consideration.
 - i. If approved, the HRO will coordinate with the respective organization to process the incentive for pay.
 - ii. If not approved, the HRO will return the incentive request package to the respective organization with an explanation detailing the reason(s) for disapproval.
7. Documentation: The HRO is responsible for maintaining written documentation of the Recruitment Incentive process. The documentation will be maintained by the HRO for a

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period of two years following the completion of the employee's service period. At a minimum, the following will be retained by the HRO.

- a. A complete signed copy of the Arizona National Guard Recruitment Incentive Request Form and Service Agreement.
- b. Documentation to support that the position is likely to be difficult to fill in the absence of an incentive. This documentation, at a minimum, shall include:
 - i. Previous Job Vacancy Announcement(s) for the position.
 - ii. List of Applicants and certificate of qualified candidate(s) considered.
 - iii. Written decision with justification for non-selection of qualified candidate(s).
 - iv. Current Job Vacancy Announcement

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B. RELOCATION INCENTIVES

1. Authorization of Relocation Incentives.
 - a. Subject to compliance with applicable laws and regulations, and the availability of appropriate funding, The Adjutant General may approve a Relocation Incentive under this plan to a currently assigned employee who must relocate, without a break in service, to accept a position in a different geographic area (as defined in 5 CFR 575.205(b)), that is difficult to fill in the absence of an incentive. **This guidance is subject to change in the event that law, NGB policy, or DoD regulations change or become more restrictive.**
 - b. The Adjutant General may approve Relocation Incentives regardless of the temporary or permanent nature of the relocation.
 - c. The Adjutant General may approve a Relocation Incentive if the employee signs a written Service Agreement to complete a service period of not less than 24 months and no more than 48 months of continued employment with the Arizona National Guard.
 - d. The Adjutant General may approve a Relocation Incentive up to 25 percent of an employee's annual rate of basic pay. Annual rate of basic pay includes locality and any special rate pay.
 - e. The Adjutant General will determine the percentage of the Relocation Incentive based on one or more of the criteria listed in B.2 of this plan. The approved percentage, not to exceed 25 percent, will be multiplied by the number of years in the service period, not to exceed four years.
 - i. OPM may waive the 25 percent limitation on Relocation Incentives based on a critical agency need and set the limitation at up to 50 percent of an employee's annual rate of pay at the beginning of a service period. In no event may the employee's total Relocation Incentive exceed 100 percent of the employee's annual rate of pay at the beginning of the service period. Requests will be submitted by The Adjutant General through the Chief, National Guard Bureau, to DoD Civilian Personnel Management Service.
 - f. Determination to pay a Relocation Incentive must be made prior to an offer and acceptance of the position for which the employee is relocating to, and the employee must establish a residence in the new geographic area before the Relocation Incentive is paid.
 - g. To be eligible for a Relocation Incentive, the employee must have a rating record of at least "Fully Successful" for the position held immediately before the move.
 - h. The Adjutant General may waive the requirement to make case-by-case determinations and approve group Relocation Incentives under the following conditions:
 - i. The employee is a member of a group of employees subject to a mobility agreement and Relocation Incentives are necessary to ensure continuation of operations; or
 - ii. A major organizational unit is relocated to a new duty station and the Relocation Incentives will ensure continued operations of that unit without undue disruption to operations or functions deemed essential to the mission of the Arizona National Guard.

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- i. Group Relocation Incentives must be supported by written determinations that specify the group of covered employees, the conditions requiring the group incentive, and the period of time during which authorization of the group incentive is valid.
2. The following must be considered when determining whether to grant a Relocation Incentive:
 - a. Availability and quality of candidates, including the success of recent recruitment efforts;
 - b. Recent turnover in similar positions;
 - c. Salaries paid for similar positions outside the Federal Government;
 - d. Employment trends and labor-market factors;
 - e. Special or unique competencies required for the positions;
 - f. Organization efforts to use non-pay authorities (e.g., work scheduling flexibilities);
 - g. Desirability of the duties, work or organizational environment, or geographic location of the position;
 - h. And other supporting factors (See 5 CFR 575.206(b)(1-8)).
3. For each determination to pay a Relocation Incentive, there must be written justification that, at a minimum, includes:
 - i. The determination that the position is likely to be difficult to fill in the absence of the incentive;
 - ii. The supporting factors used to authorize the incentive;
 - iii. The reasons for determining the amount and timing of the payments;
 - iv. The reasons for determining the length of service period;
 - v. Affirmation that the employee's new position is in a different geographic area (e.g., worksite of the new position is 50 or more miles from the worksite of the position previously held);
 - vi. Affirmation that the employee established a residence in the new geographic area.
4. Payment of Relocation Incentives:
 - a. The Arizona National Guard will pay Relocation Incentives as specified in the employee's Service Agreement. Relocation Incentives are not part of the employee's rate of basic pay for any purpose. The employee must sign a Service Agreement prior to receiving any Relocation Incentive payments. Relocation Incentives may be paid:
 - i. In a lump sum at the beginning of the service period that is specified in the employee's Service Agreement;
 - ii. In equal or variable installment payments throughout the service period; or
 - iii. As a final lump-sum payment at the end of the specified service period.
 - iv. Lump sum payments are subject to National Guard Bureau restrictions.
5. Service Agreement:

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- a. Before a Relocation Incentive is paid, the employee offered the incentive, must sign a written Service Agreement to complete a specified period of fulltime employee employment with the Arizona National Guard. The Service Agreement must contain the following information:
 - i. Service period (in months and years) agreed to by the employee and the total amount authorized for payment. The minimum period of service is not less than 24 months and no more than 48 months of continued employment in the position for which a Relocation Incentive was approved.
 - ii. Actual beginning and end dates of the service period. The service period must begin on the first day of an employee's service with the Arizona National Guard and end on the last day of a pay period. There are two exceptions:
 1. If the employee begins work on a day other than the first day of the pay period, the service period will begin on the first day of the next pay period; or
 2. If the employee is required to complete a probationary or an initial period of formal training, the employee's service period may be delayed until the beginning of the pay period following the completion of the training period. Since The Adjutant General must approve the Relocation Incentive before the employee enters on duty at the new duty station, the Service Agreement must also specify that there is no obligation to pay any portion of the incentive if the employee does not successfully complete the training.
 - iii. The method of payment and, if paid in installments, the date and amount of each installment payment.
 - iv. The conditions under which the authorized Management Official must terminate the agreement (i.e., an employee is demoted or separated for cause, or receives a rating of record of less than "Fully Successful").
 - v. The terms or conditions that may result in termination of the Service Agreement (e.g., insufficient funds, reassignment to a different type of position).
 - vi. The extent to which period of time on detail, in a non-pay status, or in a paid leave status are creditable towards completion of the service period.
 - vii. The consequence of both voluntary and management decisions to terminate Service Agreements (e.g., conditions under which the employee must repay any unearned portion of the incentive they may already have received).
 - viii. A statement that the decision to terminate a Service Agreement may not be grieved or appealed.
- b. Service Agreements will terminate when an employee (In addition, see 5 CFR 575.211):
 - i. Is demoted for cause;
 - ii. Is separated for cause;
 - iii. Receives a less than "Fully Successful" rating of record;

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- iv. Temporary or permanent assignment to a different position other than the one for which a Relocation Incentive was previously approved (e.g. detail, temporary promotion, management directed reassignment, change to a lower grade);
 - v. Temporary or permanent placement in a non-pay employee status (e.g., LWOP, AGR, ADOS, Title 10 Stat Tour) that exceeds 30 calendar days.
 - vi. Selection/assignment to a dual status employee Key Staff position.
 - vii. The termination of a Service Agreement is not grievable or appealable (See 5 CFR 575.111(c)).
- c. The Adjutant General may unilaterally terminate an agreement based solely on agency needs such as a reduction in force or insufficient funds. An employee who does not complete the period of service because The Adjutant General unilaterally terminates a Service Agreement based solely on a management need is entitled to all incentive payments already received.
 - d. An employee who fails to complete the period of service specified in the Service Agreement for the reasons stated in B.5.b. or B.5.c. above, or otherwise fails to fulfill the terms of the Service Agreement, must reimburse the Arizona National Guard for the amount of all benefits received under the existing agreement that are in excess of the amount attributable to completed service. The respective Arizona National Guard Comptroller prorates the full amount of the authorized Relocation Incentive across the length of the service period to determine the amount attributable to completed and uncompleted service. The recovery of an employee's debt may not be waived, in whole or in part, by The Adjutant General. The debt collection process is outlined in DoD 700.14-R.
 - e. The HRO will provide written notification to the employee within 3 business days of the decision to terminate the Service Agreement.
6. Approval Process:
- a. Relocation Incentives will be reviewed and approved on a case-by-case basis. Justification must accompany every request and clearly demonstrate, upon impartial review, that the position is difficult to fill in the absence of an incentive. Each Brigade/Directorate/Wing should adopt their own internal process for routing incentive requests; however, the Brigade Commander/Directorate/FSS Commander must ensure the following forms are completed and signed before submitting the request to the HRO for processing:
 - i. Arizona National Guard Relocation Incentive Request Form (Attachment 3).
 - 1. Nominating Supervisor shall sign and complete Justification and Determination of the incentive (Sections II and III).
 - 2. The Comptroller will verify, by signing Section IV, availability of funds and ensure incentive is within current year Aggregate Limitation per 5 CFR 530, Subpart B.
 - 3. Brigade/Directorate/Wing or Vice Commander signs Section 5, thereby approving the incentive request and certifying that:
 - a. Based on failed attempts to hire into the position, a Relocation Incentive is required to fill the vacancy, and

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C. RETENTION INCENTIVES

1. Authorization of Retention Incentives (See 5 CFR 575.301).
 - a. Subject to compliance with applicable laws and regulations, and the availability of appropriate funding, The Adjutant General may approve a Retention Incentive paid under this plan to an employee who has unusually high or unique qualifications, or when the organization has a special need for the employee's services that makes it essential to retain the employee, and the employee is likely to leave the Federal Service in the absence of an incentive (e.g., employee receives an offer of employment from a private company). **This guidance is subject to change in the event that law, NGB policy, or DoD regulations change or become more restrictive.**
 - b. Individual Retention Incentives may be up to 25 percent of an employee's rate of basic pay (basic pay includes locality and any special salary pay).
 - c. OPM may waive the 25 percent limitation on Retention Incentives and set the limitation at up to 50 percent of an employee's annual rate of pay based on a critical agency need. Requests must be based on determinations that the employee's (or group of employees') unusually high or unique qualifications are critical to the successful accomplishment of an important mission or project. (e.g., programs or projects related to national emergency or projects implementing new law).
 - i. Waivers must be submitted through The Adjutant General to the Chief, National Guard Bureau and on to OPM for final approval. Each waiver request will provide the information required by 5 CFR 575.309(e)(2).
 - ii. Written Service Agreements are mandatory for any employee that receives an approved waiver resulting in a retention rate greater than 10 percent.
 - d. Retention Incentives of up to 10 percent of basic pay may be approved for an eligible group or category of employees if the Arizona National Guard determines that the unusually high or unique qualifications of the group or a special need of the agency for the employee's services makes it essential to retain the group of employees, and that there is a high risk that a significant number of employees in the group would leave Federal Service in the absence of a Retention Incentive.
2. In determining whether to grant Retention Incentives, The Adjutant General will consider the following:
 - a. Individual Retention Incentive
 - i. Employment trends and labor market forces to include availability and quality of candidates, who with minimal training, could perform the duties of the position;
 - ii. Success of recent efforts to recruit and retain employees with similar competencies
 - iii. Special or unique competencies required for the position;
 - iv. Arizona National Guard efforts to use non-pay authorities to help retain the employee instead of or in addition to a Retention Incentive, such as special training and work scheduling flexibilities or improving working conditions;

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- v. Organizational environment, or geographic location of the position;
 - vi. Salaries paid for similar positions outside the Federal Government;
 - vii. The extent to which the employee's departure would affect the organization's ability to carry out mission, perform a function, or complete a project deemed mission-essential.
- b. Group Retention Incentive:
- i. Consider the factors in paragraph 2.a. of this section as they relate to determining where a group or category of employees has:
 - 1. Unusually high or unique qualifications (i.e. competencies) or that the agency has a special need for employee's services that makes it essential to retain the employees in that category; and
 - 2. That it is reasonable to presume that there is a high risk that a significant number of employees in the targeted category would be likely to leave the Federal Service in absence of a Retention Incentive.
 - ii. The requesting agency must narrowly define a targeted category of employees using factors that relate to the conditions described in paragraph 2.b.i.1 of this section. Applicable factors include the following:
 - 1. Occupational series;
 - 2. Grade level;
 - 3. Distinctive job duties;
 - 4. Unique competencies required for the position;
 - 5. Assignment to a special project;
 - 6. Minimum agency service requirements;
 - 7. Organization team designation;
 - 8. Geographic location; and
 - 9. Rating of record. NOTE: while a rating or record of "Fully Successful" is required to qualify for an incentive, a "Fully Successful" or higher rating by itself is not sufficient to justify a Retention Incentive.
3. The Adjutant General will determine the percentage of the individual or group Retention Incentive based on one or more of the criteria listed in 2.a. and 2.b., respectively, of this section. Each decision to pay a retention must be documented. The written justification should include:
- a. The determination that the unusually high or unique qualifications or the employee (or group of employees) or a special need of the agency for the employee's (or group of employees) services makes it essential to retain the employee(s);
 - b. The determination that the individual employee, or a significant number of a targeted group of employees, would be likely to leave the Federal Service in the absence of the incentive;
 - c. The reasons for determining the amount and timing of the payments; and
 - d. The reasons for determining the length of the service period, if a period of service is required.

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4. Payment of Retention Incentives.
 - a. Prior to receiving any Retention Incentive payments, the employee must sign a Service Agreement identifying the service period (i.e., specified period of employment which the employee agrees to serve in return for payment of an incentive) agreed to by the Arizona National Guard and employee. The only exception is for Retention Incentives paid in bi-weekly installments. In such cases, a Service Agreement is required; however, a service period is not.
 - b. Retention Incentives may be paid in a single lump-sum payment after the completion of the full service period or in installments after the completion of specified periods of service.
 - i. Payment of a Retention Incentive as an initial lump-sum payment at the start of a service period or as an installment paid in advance is not authorized.
 - ii. Single lump-sum payment paid upon completion of the service period are derived by multiplying the Retention Incentive percentage rate established for the employee (or group of employees) by the total basic pay earned by the employee during the full service period.
 - iii. An installment payment is derived by multiplying the rate of basic pay the employee earns in the installment period by the percentage approved for the employee.
 - iv. Installments may be paid after the completion of specified periods of service using variable percentages for each installment. If this method is used, the organization must pay the accrued but unpaid portion of the Retention Incentive as part of the final payment upon completion of the Service Agreement.
 - v. Service period is not required for Retention Incentives paid in biweekly installments unless the employee received a reduced percentage for each installment made prior to the final payment.
 - c. When a service period is not required (e.g. employee agrees to biweekly installments), The Adjutant General will certify, at a minimum annually, the continuing need for Retention Incentive payments. Incentives must be reduced or terminated whenever payment at the level originally approved is no longer warranted. When certifying the continued need for Retention Incentive payment, the following factors are considered:
 1. Amount, if any, necessary to retain the employee (or group of employees);
 2. Availability of qualified candidates;
 3. Budget conditions; and
 4. Other supporting factors as determined by Arizona National Guard leadership.
 - d. Retention Incentives are not authorized prior to employment with the Arizona National Guard, or during periods of employment established under any Service Agreement required for payment of recruitment and relocations incentives under this plan.
 - e. Retention Incentives must be terminated when an employee for whom no service period is required moves to a different position.

ARIZONA NATIONAL GUARD
EMPLOYEE RECRUITMENT RELOCATION AND RETENTION INCENTIVE PLAN

- f. The Arizona National Guard may begin payments of Relocation Incentives without affecting the payment of an existing Retention Incentive.
 - g. Retention Incentives are not part of an employee's rate of basic pay for any purpose.
5. Service Agreement Requirements:
- a. Employee Service Agreements required for Retention Incentives, at a minimum, will contain the following information:
 - i. Service period (months and years) agreed to by the Arizona National Guard and employee.
 - ii. Actual beginning and end dates of the service period. The service period must begin on the first day of a pay period and end on the last day of a pay period.
 - iii. Retention Incentive percentage rate, the method of payment, and, if paid in installments, the method of installment payments (i.e., equal percentage rates or reduced percentage rates per installment with a final lump-sum payment of the accrued but unpaid amount of the incentive).
 - iv. The conditions under which the authorized Management Official must terminate the Service Agreement (i.e., if an employee is demoted or separated for cause, or receives a rating of record of less than "fully Successful").
 - v. The terms or conditions that may result in termination of the Service Agreement (e.g., insufficient funds, reassignment to a different type of position).
 - vi. The extent to which periods of time on detail, in a non-pay status, or in a paid leave status are creditable towards completion of the service period.
 - vii. The consequence of both voluntary and management decisions to terminate Service Agreements (e.g., conditions under which the employee must repay and unearned portion of the incentive he/she may already have received).
 - viii. A statement that the decision to terminate a Service Agreement may not be grieved or appealed.
 - b. Service Agreements will terminate when an employee (In addition, see 5 CFR 575.311):
 - i. Is demoted for cause;
 - ii. Is separated for cause;
 - iii. Receives a less than "Fully Successful" rating of record;
 - iv. Temporary or permanent assignment to a different position other than the one for which a Retention Incentive was previously approved (e.g. detail, temporary promotion, management directed reassignment, change to a lower grade);
 - v. Temporary or permanent placement in a non-pay employee status (e.g., LWOP, AGR, ADOS, Title 10 Stat Tour) that exceeds 30 calendar days. Upon returning to employee employment status the employee may be considered for a Retention Incentive under the following conditions:

ARIZONA NATIONAL GUARD
RECRUITMENT RELOCATION AND RETENTION INCENTIVE PLAN

1. When returning to the same position for which a Retention Incentive was previously approved; as long as a determination has been made that the incentive is still warranted and the conditions giving rise to the original determination(s) still exist; and as long as the cumulative service period and payments received do not exceed the 48 month limit.
 2. When returning to a new position; as long as a determination has been made that a Retention Incentive is warranted; and the cumulative service period and payments received do not exceed the 48 month limit.
 - vi. Selection/assignment to a dual status employee Key Staff position.
 - vii. The termination of a Service Agreement is not grievable or appealable (See 5 CFR 575.111(c)).
 - c. The Adjutant General may unilaterally terminate an agreement based solely on agency needs such as a reduction in force or insufficient funds. An employee who does not complete the period of service because The Adjutant General unilaterally terminates a Service Agreement based solely on a management need is entitled to all incentive payments already received.
 - d. An employee who fails to complete the period of service specified in the Service Agreement for the reasons stated in C.5.b. or C.5.c. above, or otherwise fails to fulfill the terms of the Service Agreement, must reimburse the Arizona National Guard for the amount of all benefits received under the existing agreement that are in excess of the amount attributable to completed service. The respective Arizona National Guard Comptroller prorates the full amount of the authorized Recruitment Incentive across the length of the service period to determine the amount attributable to completed and uncompleted service. The recovery of an employee's debt may not be waived, in whole or in part, by The Adjutant General. The debt collection process is outlined in DoD 700.14-R.
 - e. The HRO will provide written notification to the employee within 3 business days of the decision to terminate the Service Agreement.
6. Approval Process:
- a. Retention Incentives will be reviewed and approved on a case-by-case basis. Justification must accompany every request and clearly demonstrate, upon impartial review, that the unusually high or unique qualifications, or a special need for the employee's services, makes it essential to retain the employee; and the employee is likely to leave the Federal Service in the absence of an incentive. Each Brigade/Directorate/Wing should adopt their own internal process for routing incentive requests; however, the Brigade Commander/Directorate/FSS Commander must ensure the following forms are completed and signed before submitting the request to the HRO for processing:
 - i. Arizona National Guard Retention Incentive Request Form (Attachment 5)
 1. Nominating Supervisor shall sign and complete Justification and Determination of the incentive (Sections II and III).

ARIZONA NATIONAL GUARD
RECRUITMENT RELOCATION AND RETENTION INCENTIVE PLAN

Recertification Request Form provided in Attachment 7. It must include documentation that determines that incentive payments are still warranted per C.4.c of this plan.

The proponent agency for this regulation is the Arizona National Guard Human Resources Office. Users are invited to send comments and suggested improvements to:

Arizona National Guard Human Resources Office
5636 East McDowell Road, Building M5710
Phoenix, Arizona 85008-3445
ATTN: NGAZ-HRO-S

BY ORDER OF THE GOVERNOR



MICHAEL T. MCGUIRE
Major General, AZ ANG
The Adjutant General

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NGAZ-SM – 16
HQ ANG (DOS) – 2
161st ARW – 47
162nd WG – 78
ARNG ACT 61 President – 1
ARNG ACT 71 President – 1

Attachment 1

**Arizona National Guard
Recruitment Incentive Request Form**

I. Individual Information

Name (Last, First MI)	SSN	Date Scheduled to Report to Duty	
Position Title	Pay Plan-Series-Grade/Step	PD Number	AFSC/MOS
Selected from Vacancy Number	Unit/Organization of Assignment	Duty Location	

II. Justification and Determination of the Recruitment Incentive

1. Requested percentage and criteria used to establish the percentage. Please include the following Arizona National Guard:
- i. Determination that the position is likely to be difficult to fill in the absence of an incentive;
 - ii. Supporting factors used to Authorize the incentive;
 - iii. Reasons for determining the amount and timing of the payments;
 - iv. Reasons for determining the length of the service period.

2. Availability and quality of candidates including the success of recent recruitment for this or similar positions. Describe recent employment trends and labor market factors to include salaries paid for similar positions outside of the Federal Government.

3. Recent turnover in this or similar positions.

4. Special or unique qualifications and or competencies required for this position.

III. Nominating Supervisor Certification

I certify the following:

- 1. Member has signed a Service Agreement valid through _____
- 2. Requested recruitment incentive of _____ % for a _____ month commitment.

Name / Title	Signature	Date
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IV. Comptroller Certification of Funds

I certify that funding is available for this action and will not cause the employee to exceed the aggregate pay limit allowed by 5 CFR 530.202.

- 1. Current Year Aggregate Limitation on Pay \$ _____
- 2. Annual Rate of Basic Pay used to calculate incentive \$ _____
- 3. Total cost of Recruitment Incentive \$ _____

Name/Title	Signature	Date
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V. Brigade/Directorate/Arizona National Guard or Vice Commander

I certify that based on failed attempts to hire into a position, a Recruitment Incentive is required to fill a vacancy and that funding is available within the Arizona National Guard.

Name/Title	Signature	Date
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VI. Human Resources Officer Certification

I certify that the information entered on this form is accurate and that the requested incentive complies with statutory and regulatory requirements.

Name/Title	Signature	Date
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VII. Adjutant General Certification

I **Approve/Disapprove** this incentive request.

The Adjutant General	Signature	Date
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**Arizona National Guard
Recruitment Incentive
Service Agreement Template**

NAME (First MI. Last)

Position Title

Announcement#

Duty Station

I hereby understand and agree to the following:

1. I will remain in the position for which this Recruitment Incentive is approved, for a period of _____ months from the date of appointment; hereafter, referred to as the service period. The total authorized incentive payment is approximately \$_____.

Note: If the employee is required to complete a probationary or initial period of formal training before the start of a service period, please describe in detail the timeframe and conditions of the period to be served.

2. Payment of this Recruitment Incentive will be (bi-weekly/lump sum/installment) payments payable at the beginning of this service period. Payment may be modified if it exceeds the Aggregate Limitation on Pay.

NOTE: If payments are made in installments, please indicate the date and amount of each installment payment.

3. My Recruitment Incentive will be terminated if I am demoted or separated for cause (e.g., conduct, unacceptable performance, involuntary separation, a performance rating lower than "Fully Successful"); failure to fulfill the terms of this Service Agreement; I accept temporary or permanent placement in a non-pay technician status (e.g., LWOP, AGR, ADOS, T10 Stat Tour) that exceeds 30 consecutive days; or I accept an appointment into a Key Staff position. In such cases, I may retain any Recruitment Incentive payments attributable to completed service, but must repay any portion of the incentive payment attributable to uncompleted service.

4. If I voluntarily seek and accept non-Federal employment during the service period defined within this agreement, I will repay the Arizona National Guard as described in paragraph 3 above.

5. The Adjutant General may terminate this Recruitment Incentive Service Agreement based on the needs of the agency (e.g., reduction in force or insufficient funds). In this situation, I am entitled to keep any incentive payments received for service completed.

6. A decision to terminate a Service Agreement is not grievable or appealable (See 5 CFR 575.111(c)).

Signature of Employee

Date

2. Availability and quality of candidates including the success of recent recruitment for this or similar positions. Describe recent employment trends and labor market factors to include salaries paid for similar positions outside of the Federal Government.

3. Recent turnover in this or similar positions.

4. Special or unique qualifications and or competencies required for this position.

III. Nominating Supervisor Certification

I certify the following:

- 1. Member has signed a Service Agreement valid through _____
- 2. Requested Relocation Incentive of _____ % for a _____ month commitment.

Name / Title	Signature	Date
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IV. Comptroller Certification of Funds

I certify that funding is available for this action and will not cause the employee to exceed the aggregate pay limit allowed by 5 CFR 530.202.

- 1. Current Year Aggregate Limitation on Pay \$ _____
- 2. Annual Rate of Basic Pay used to calculate incentive \$ _____
- 3. Total cost of Relocation Incentive \$ _____

Name/Title	Signature	Date
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V. Brigade/Directorate/Wing or Vice Commander

I certify that based on failed attempts to hire into a position, a Relocation Incentive is required to fill a vacancy and that funding is available within the Arizona National Guard.

Name/Title	Signature	Date
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VI. Human Resources Officer Certification

I certify that the information entered on this form is accurate and that the requested incentive complies with statutory and regulatory requirements.

Name/Title	Signature	Date
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VII. Adjutant General Certification

I **Approve/Disapprove** this incentive request.

The Adjutant General	Signature	Date
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**Arizona National Guard
Relocation Incentive
Service Agreement Template**

NAME (First MI. Last)

Position Title

Announcement#

Duty Station

I hereby understand and agree to the following:

1. I will remain in the position for which this relocation incentive is approved, for a period of _____ months from the date of appointment; hereafter, referred to as the service period. The total authorized incentive payment is approximately \$_____.

Note: If the employee is required to complete a probationary or initial period of formal training before the start of a service period, please describe in detail the timeframe and conditions of the period to be served.

2. Payment of this Relocation Incentive will be (bi-weekly/lump sum/installment) payments payable only after I have established a residence within the new geographic location and have provided the Human Resources Office with the new address. Payment may be modified if it exceeds the Aggregate Limitation on Pay.

NOTE: If payments are made in installments, please indicate the date and amount of each installment payment.

3. My Relocation Incentive will be terminated if I am demoted or separated for cause (e.g., conduct, unacceptable performance, involuntary separation, a performance rating lower than "Fully Successful"); fail to fulfill the terms of this service agreement; I accept temporary or permanent placement in a non-pay technician status (e.g., LWOP, AGR, ADOS, T10 Stat Tour) that exceeds 30 consecutive days; or I accept an appointment into a Key Staff position. In such cases, I may retain any Relocation Incentive payments attributable to completed service, but must repay any portion of the incentive payment attributable to uncompleted service.

4. If I voluntarily seek and accept non-Federal employment during the service period defined within this agreement; I will repay the Arizona National Guard as described in paragraph 3 above.

5. The Adjutant General may terminate this Relocation Incentive Service Agreement based on the needs of the agency (e.g., reduction in force or insufficient funds). In this situation, I am entitled to keep any incentive payments received for service completed.

6. A decision to terminate a Service Agreement is not grievable or appealable (See 5 CFR 575.111(c)).

Signature of Employee

Date

2. Success of recent efforts to recruit and retain employees with similar competencies. Describe special or unique competencies required to fulfil the requirements of the position.

3. Describe Arizona National Guard efforts to use non-pay authorities to help retain the employees instead of, or in addition to a retention incentive (e.g., flex schedule, special training, etc.).

4. Describe the employee's (or group of employees') unusually high or unique qualifications that make the employee's services essential to retain. Include training, special work experience, formal schools, or certifications that support this request.

5. Describe the extent to which the employee's (or group of employees') departure would effect the organization's ability to carry out mission, perform a function, or complete a project deemed mission essential.

6. Explain the determination that the employee, or a significant number of a targeted group of employees, would likely leave Federal Service in the absence of an incentive. Include salaries paid for similar positions outside of Federal Government.

7. Other supporting factors (optional).

III. Nominating Supervisor Certification

I certify the following:

1. Member has signed a Service Agreement valid through _____
2. Requested Retention Incentive of _____ % for a _____ month commitment.

Name / Title	Signature	Date

IV. Comptroller Certification of Funds

I certify that funding is available for this action and will not cause the employee to exceed the aggregate pay limit allowed by 5 CFR 530.202.

1. Current Year Aggregate Limitation on Pay \$ _____
2. Annual Rate of Basic Pay used to calculate incentive \$ _____
3. Total cost of Retention Incentive \$ _____

Name/Title	Signature	Date

V. Brigade/Directorate/Wing or Vice Commander

I certify that the unusually high or unique qualifications of this employee, and or the organization's need for the employee's services makes it essential to retain the employee; and absent an incentive, the employee is likely to leave Federal Service.

Name/Title	Signature	Date

VI. Human Resources Officer Certification

I certify that the information entered on this form is accurate and that the requested incentive complies with statutory and regulatory requirements.

Name/Title	Signature	Date

VII. Adjutant General Certification

I **Approve/Disapprove** this incentive request.

The Adjutant General	Signature	Date

Attachment 6

**Arizona National Guard Retention Incentive
Service Agreement Template**

NAME (First MI. Last)

Position Title

Announcement#

Duty Station

I hereby understand and agree to the following:

1. I will remain in the position for which this Retention Incentive is approved, for a period of _____ months from the date of appointment; hereafter, referred to as the service period. If a service period is not required, the Service Agreement will be terminated if I move to any position other than the one for which I am currently assigned at the time of this agreement. The total authorized incentive payment is approximately \$_____.

Note: If the employee is required to complete a probationary or intitial period of formal training before the start of a service period, please describe in detail the timeframe and conditions of the period to be served.

2. Payment of this Retention Incentive will be (bi-weekly/lump sum/installment) payments payable at the beggining of this service period. Payment may be modified if it exceeds the Aggregate Limitation on Pay.

NOTE: If payments are made in installments, please indicate the date and amount of each installment payment.

3. My Retention Incentive will be terminated if I am demoted or separated for cause (e.g., conduct, unacceptable performance, involuntary separation, a performance rating lower than "Fully Successful"); fail to fulfill the terms of this Service Agreement; if I accept temporary or permanent placement in a non-pay employee status (e.g., LWOP, AGR, ADOS, T10 Stat Tour) that exceeds 30 consecutive days; or I accept an appointment into a Key Staff position. In such cases, I may retain any Retention Incentive payments attributable to completed service, but must repay any portion of the incentive payment attributable to uncompleted service.

NOTE: An employee that returns from non-pay employee status may be considered for a Retention Incentive under the conditions outlined in C.5.b of the Arizona National Guard 3R plan.

4. If I voluntarily seek and accept non-Federal employment during the service period defined within this agreement; I will repay the Arizona National Guard as described in paragraph 3 above.

5. I understand that if I accept bi-weekly payments and a service period is not required, my retention incentive can be reviewed at any time (at a minimum annually) to determine that the incentive payments are still warranted. Refer to C.4.c of the AZANG 3R plan.

6. The Adjutant General may terminate this Retention Incentive Service Agreement based on the needs of the agency (e.g., reduction in force or insufficient funds). In this situation, I am entitled to keep any incentive payments received for service completed.

7. A decision to terminate a Service Agreement is not grievable or appealable (See 5 CFR 575.111(c)).

Signature of Employee

Date

Attachment 7

Arizona National Guard Annual Incentive Recertification Request Form			
I. Individual Information			
Name (Last, First MI)	SSN	Date of Appointment	
Position Title	Pay Plan-Series-Grade/Step	Assigned PD Number	AFSC/MOS
Unit/Organization of Assignment	Duty Location		
II. Incentive Recertification			
<p>The determination to pay an incentive must be reviewed, at a minimum, annually to determine if the original conditions for an incentive still apply, and the continued payment of an incentive is still warranted. As indicated, by the signatures below, the following serves to certify that the original conditions to pay an incentive, at the percentage approved, continue to exist.</p> <p>a. The technician is currently assigned to the position cited in the terms of the Service Agreement.</p> <p>b. This Retention Incentive, at the percentage approved, is required to retain this employee (or group of employees).</p> <p>c. There are sufficient funds to continue to pay this incentive at the percentage approved.</p> <p>d. Availability of qualified candidates has been considered, and in the absence of an incentive, this position will be difficult to fill.</p>			
III. Supervisor Certification			
Name / Title	Signature		Date
IV. Comptroller Certification of Funds			
I certify that funding is available for this action and will not cause the employee to exceed the aggregate pay limit allowed by 5 CFR 530.202.			
Name/Title	Signature		Date
V. Brigade/Directorate/Wing or Vice Commander Certification			
I concur with this request.			
Name/Title	Signature		Date
VI. Human Resources Officer Certification			
I certify that the information entered on this form is accurate and that the requested incentive complies with statutory and regulatory requirements.			
Name/Title	Signature		Date
VII. The Adjutant General Certification			
I Approve/Disapprove this recertification request.			
The Adjutant General	Signature		Date