To enhance mission performance, TSA is committed to promoting a culture founded on its values of Integrity, Innovation and Team Spirit.

NOTE: Pursuant to Section 101 of the Aviation and Transportation Security Act (49 U.S.C. 114 (n)), this Management Directive (MD) establishes Transportation Security Administration (TSA) policy and supersedes the Federal Aviation Administration (FAA) orders, policies, guidance, and bulletins regarding Recruitment, Referral, Relocation, or Retention Incentives issued under the FAA Personnel Management System. This directive is TSA policy and must be applied accordingly.

REVISION: This revised directive supersedes TSA MD 1100.57-3, *Recruitment, Relocation, and Retention Incentives,* dated June 28, 2007.

SUMMARY OF CHANGES: This directive adds a new feature called a referral incentive that may be paid to a TSA employee who successfully recruits a candidate to work at TSA. Section 4, Definitions, updates information relative to rate of basic pay. Section 7, Procedures, deletes procedures that are now incorporated into a new TSA handbook format.

1. **PURPOSE:** This directive provides TSA policy and procedures for the payment of recruitment, referral, relocation, and retention incentives.

2. **SCOPE:** This directive applies to all TSA employees.

3. **AUTHORITIES:** Sections 101 and 111(d) of the Aviation and Transportation Security Act, Public Law 107-71 (ATSA), November 19, 2001, (49 U.S.C., §114(n), 40122, and 44935 note)

4. **DEFINITIONS:**

   A. Commuting Area: The geographic area surrounding a work site that encompasses the localities where people live and reasonably can be expected to travel back and forth daily to work.

   B. Core Compensation System: TSA's compensation management program covering all non-TSES employees, which outlines the policies, procedures, and guidelines that TSA will use to determine the compensation of employees in those positions. Positions in the Core Compensation System are in pay plan SV.

   C. Involuntary Separation: For purposes of this directive, a separation initiated by TSA against the employee's will and without his or her consent. A separation for cause (e.g., for reasons of misconduct or unacceptable performance, including a separation resulting from the employee's inability to do the work following efforts to perform the work) is considered involuntary for purposes of this directive. In addition, a separation is involuntary when an employee, not subject to a mobility or reassignment requirement, is separated because he or she declines to accept an assignment outside his or her commuting area. However, an employee's separation is considered voluntary if the employee is subject to a mobility or reassignment requirement and the employee subsequently declines the reassignment outside his/her commuting area.

D. New Appointment:

(1) The first appointment as an employee of the Federal Government;

(2) An appointment to a Federal Government position following a break in service of at least 90 days from the candidate's last period of Federal employment; or,

(3) An appointment as an employee of the Federal Government when the employee's Federal service during the 90-day period immediately preceding the appointment was limited to one or more of the following:

(a) employment on a time-limited or non-permanent basis;

(b) employment with the government of the District of Columbia (DC) when the candidate was first appointed by the DC government on or after October 1, 1987;

(c) employment as an expert or consultant; and/or,

(d) employment under a provisional appointment.

(4) An annual leave recruitment incentive may only be offered to an employee who received his or her first Federal appointment, or returned to Federal service after a break in service of at least 90 calendar days, after June 16, 2006.

E. Program Office: A TSA office, or subcomponent, which is typically managed by an Assistant Administrator, or equivalent, or higher level TSA executive.

F. Rate of Adjusted Pay: The rate of basic pay and locality pay before any deductions.

G. Rate of Basic Pay: The rate of pay in the Core Compensation or TSES system for the position to which the employee is or will be newly appointed. An employee's rate of basic pay includes a retained rate, but excludes additional pay of any other kind. A recruitment, referral, relocation, or retention incentive is not part of an employee's basic pay for any purpose such as calculation of retirement benefits. All incentives are considered income for tax purposes. Recruitment, relocation, and retention incentives will be paid based on an employee's rate of adjusted pay.

H. Recommending Official: Any TSA supervisor that recommends the award of an incentive based on the criteria in this MD.

I. Referral Incentive Request: A form completed by an eligible TSA employee referring a candidate for TSA employment. (See TSA Form 1190, *Referral Incentive (Bonus) Request*.)

J. Reviewing Official: The manager in the supervisory chain of the recommending official responsible for reviewing and either rejecting recommendations for incentives or forwarding recommendations to the Office of Human Capital (OHC) for approval. Reviewing officials include the Assistant Secretary, Deputy Assistant Secretary, Assistant Administrators, Chief

Counsel, Special Counselor, Area Directors, Senior Field Executives, Federal Security Directors, Deputy Federal Security Directors, and Special Agents in Charge.

K. Service Agreement: A written agreement between TSA and an employee under which the employee agrees to a pre-defined period of employment within TSA, ranging from 12 months (one year) to 48 months (four years), in return for payment of a recruitment, relocation, or retention incentive. Under certain conditions, a service agreement may be for a period of employment of less than 12 months. A service agreement for an annual leave recruitment incentive must be 12 months in duration. The agreement will also state that the employee is liable for repayment of a pro-rated portion of the incentive if the employee fails to complete the entire agreed period of service or that the employee loses service credit granted for an annual leave recruitment incentive if the terms of the service agreement are not fulfilled. (See TSA Form 1130, *Recruitment, Relocation, or Retention Incentive Service Agreement*.)

5. RESPONSIBILITIES:

A. OHC is responsible for:

(1) Modifying, revising, supplementing, or canceling this MD, as required;

(2) Approving or disapproving requests for the payment of recruitment, relocation, and retention incentives and for service credit enhancements related to annual leave recruitment incentives;

(3) Monitoring, tracking, and recertifying incentives; and,

(4) Coordinating with the Office of Finance and Administration (OFA) to ensure sufficient funding is available to cover the cost of the incentives and to ensure requests for waivers of repayment of debt are approved or disapproved.

B. OFA is responsible for:

(1) Approving or disapproving monetary incentives, based on the availability of funds (annual leave recruitment incentives are approved by OHC only);

(2) Monitoring expenditure of resources for large groups of workers authorized to receive incentives;

(3) Participating in the recertification process; and,

(4) Ensuring that any debts owed to the Federal Government are collected.

C. Managers are responsible for applying the provisions of this directive when approving, considering and monitoring recruitment, referral, relocation, and retention incentives and when recommending such incentives, including providing appropriate justification for such payments or annual leave enhancements.

D. Local Human Resources (HR) Specialists, or other designated staff members, are responsible for:

(1) Ensuring that appropriate service agreements and/or referral incentive request forms have been completed and are maintained in accordance with this directive and the accompanying handbook; and,

(2) Ensuring that SF-52s, *Requests for Personnel Actions*, have been completed and timely submitted to OHC to initiate, modify, and/or discontinue incentives, as necessary.

6. POLICY:

A. Recruitment, referral, relocation, and retention incentives will be used by TSA to help build and maintain a viable and responsive workforce.

B. These incentives will be approved only when the criteria specified in accompanying handbook, are met

C. Employees have no entitlement to any form of incentives.

D. Recruitment incentives (including annual leave recruitment incentives) will only be approved for employees receiving new appointments within TSA as defined in this directive.

E. Members of the Transportation Security Executive Service (TSES) receive the maximum annual leave accrual upon appointment and, therefore, are not eligible for annual leave recruitment incentives. In addition, all members of the TSES and employees involved in any aspect of the recruitment or selection process for vacant positions for which candidates are referred are not eligible for referral incentives.

F. Referral incentives may not be paid to TSA employees who are directly involved in the recruitment or hiring process for the position to which the candidate is being referred.

G. Incentives are to be recertified, modified, terminated, and/or recovered, under conditions discussed in the handbook.

7. PROCEDURES: See TSA Handbook on *Recruitment, Referral, Relocation, and Retention Incentives*.

8. EFFECTIVE DATE AND IMPLEMENTATION: This policy is effective immediately upon signature.

APPROVAL

5-27-08

Richard A. Whitford, Assistant Administrator
for Human Capital

Date

Filing Instructions:	File 200.1.1
Effective Date:	5-27-08
Review Date:	5-27-10
Distribution:	Assistant Secretary, Deputy Assistant Secretary, Assistant Administrators, Area Directors, Senior Field Executives, Federal Security Directors, Special Agents in Charge, Administrative Officers, and TSA Affiliated HR Offices
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