



Retention Incentive Plan

The OIG seeks to recruit, select and retain the best-qualified individuals for our positions. The Retention Incentive Plan allows management to offer a retention incentive to a current Federal employee.

What is a retention incentive?

An incentive payment of up to 25 percent of the employee's annual basic pay, used to keep highly qualified individuals in hard to fill positions.

Who is excluded from this directive?

Presidential Appointees, SES non-career appointees; and positions excepted from the competitive service.

When is it appropriate to use a retention incentive?

When the unusually high or unique qualifications of the employee or a special need of the OIG for the employee's services make it essential to retain the employee.

How much can we pay?

Up to 25 percent of an employee's annual basic pay rate.

Who can request and approve retention incentives for OIG employees?

The Treasury Department's Retention policy delegates approval authority to the Inspector General.

Assistant Inspectors General and Counsel provide a brief written request and justification by email to the Assistant Inspector General for Management who then submits the request to the Deputy Inspector General and Inspector General for Inspector General Approval.

The request and justification should outline the work experience of the candidate; special or unique competencies required for the position; non-pay efforts used to help retain the employee; desirability of the duties; and the impact the employee's departure would have on the OIG's ability to carry out an activity, perform a function, or complete an essential mission. It should include the reasons for:

- Determining that a position is likely to be difficult to fill.
- Determining that the employee is likely to leave the OIG without this incentive.
- The amount and timing of the approved retention incentive payment and the length of the required service period in return for the payment.

When do we make the payment and how is the employee paid?

In installments after the completion of specified periods of service; or as a single lump-sum payment after the completion of the full service period.

Is there anything required of the employee in exchange for payment?

Yes, the employee will need to sign a written service agreement for up to 4 years.

When does the service period begin and end?

It begins on the first day of a pay period and ends on the last day of a pay period as specified in the service agreement.

Can we terminate a service agreement prior to its expiration?

Yes, under the following conditions:

- Unilaterally based solely on the OIG's need. The employee receives all retention incentive payments for completed service and retains any portion of the retention incentive payment he or she has already received that is attributable to uncompleted service.
- When the employee is demoted or separated for cause or when the employee receives a rating of record of less than "Fully Successful", or if the employee fails to fulfill the terms of the service agreement. The employee retains the retention incentive payments previously paid that are attributable to the completed portion of the service period.

Management must notify an employee in writing when it terminates a retention incentive agreement and the reason(s) for the termination.

What happens if an employee does not complete a service agreement?

If the employee does not fulfill the agreed-upon (non-terminated) service agreement, he or she will need to repay the portion of the incentive attributable to the uncompleted portion of the agreement.

Are there any other sources of information related to this directive?

Yes, any items not covered by this directive are addressed by Department of the Treasury Retention Directive 575, Subpart C and 5 CFR 575.

Who do I call?

For questions about this policy, please contact the Office of Management at (202) 927-5200 or OIG-OM@oig.treas.gov.