



# Fact Sheet

## Relocation Incentive

The National Capital Region Medical Directorate (NCR-MD) MTFs and Centers may pay a relocation incentive to a current Federal employee who must relocate to accept a position in a different geographic area if the NCR-MD MTF/Center determines that the position is likely be difficult to fill in the absence of an incentive. A relocation incentive may be paid only when the employee's rating of record under an official performance appraisal or evaluation system is at least "Fully Successful" or equivalent.

### Relocation to Different Geographic Area

A position is considered to be in a different geographic area if the worksite of the new position is 50 or more miles from the worksite of the position held immediately before the move. If the worksite of the new position is less than 50 miles from the worksite of the position held immediately before the move, but the employee must relocate (i.e., establish a new residence) to accept the position, an authorized MTF/Center official may waive the 50-mile requirement and pay the employee a relocation incentive. In all cases, an employee must establish a residence in the new geographic area before the MTF/Center may pay the employee a relocation incentive.

### Payment

A relocation incentive may be used to pay a bonus of up to 25 percent of the annual rate of basic pay, including locality, and special rate to the employee. The bonus is paid in a lump sum at the beginning of the service period or installments throughout the service period as required by the Service Agreement. The MTF/Center may not pay a relocation incentive until the employee establishes a residence in the new geographic area.

The employee must sign a service agreement before receiving any relation incentive payments. The DoD will pay relocation incentives, as specified in the employee's service agreement. The incentives may be paid:

- (a) In a one-time payment at the beginning of the service period stated in the agreement;
- (b) In equal or variable installment payments throughout the service period required by the service agreement, or
- (c) As a final lump-sum payment at the end of the full service period required by the service agreement.

### Service Agreement

All recipients of a relocation incentive are required to sign an agreement to remain employed for a period of at least 12 months, or repay the incentive.

### References

- 5 U.S.C. 5753
- 5 CFR part 575, subpart B
- 41 CFR 302 Relocation Allowances
- DOD Instruction 1400.25, volume 575