

timely implementation of the law as intended by Congress.

### Regulatory Flexibility Act

I certify that these regulations will not have a significant economic impact on a substantial number of small entities because they will affect only Federal agencies and employees.

### E.O. 12866, Regulatory Review

This rule has been reviewed by the Office of Management and Budget in accordance with Executive Order 12866.

### List of Subjects in 5 CFR Part 575

Government employees, Wages.

Office of Personnel Management.

**Kay Coles James,**

*Director.*

■ Accordingly, OPM is amending part 575 of title 5 of the Code of Federal Regulations as follows:

### PART 575—RECRUITMENT AND RELOCATION BONUSES, RETENTION ALLOWANCES, SUPERVISORY DIFFERENTIALS, AND EXTENDED ASSIGNMENT INCENTIVES

■ 1. The authority citation for part 575 is revised to read as follows:

**Authority:** 5 U.S.C. 1104(a)(2), 5753, 5754, 5755, and 5757; Pub. L. 107–273, 116 stat. 1780; secs. 302 and 404 of the Federal Employees Pay Comparability Act of 1990 (FEPCA), Pub. L. 101–509, 104 Stat. 1462 and 1466, respectively; E.O. 12748, 3 CFR, 1992 Comp., p. 316.

■ 2. A new subpart E is added to read as follows:

#### Subpart E—Extended Assignment Incentives

Sec.

575.501 Purpose.

575.502 Definitions.

575.503 Who may approve the payment of an extended assignment incentive?

575.504 What requirements must an agency satisfy before authorizing the payment of an extended assignment incentive?

575.505 What criteria must an agency use to determine who will receive an extended assignment incentive?

575.506 When is an agency prohibited from paying an extended assignment incentive?

575.507 What is the maximum extended assignment incentive that may be paid for a period of service?

575.508 What is the maximum amount of service that may be covered by an extended assignment incentive?

575.509 Is an extended assignment incentive considered basic pay for any purpose?

575.510 What requirements are associated with service agreements?

575.511 What happens when an employee is involuntarily separated or

involuntarily reassigned prior to completion of the service period?

575.512 When may an agency terminate a service agreement?

575.513 What are the agency's and the employee's obligations when an employee fails to fulfill the terms of a service agreement?

575.514 What are an agency's monitoring responsibilities?

575.515 What records and reports are required?

### Subpart E—Extended Assignment Incentives

#### § 575.501 Purpose.

This subpart contains OPM regulations implementing 5 U.S.C. 5757, which authorizes the payment of extended assignment incentives. Subject to the requirements of this subpart, an agency may pay an extended assignment incentive to eligible Federal employees assigned to positions located in a territory or possession of the United States, the Commonwealth of Puerto Rico, or the Commonwealth of the Northern Mariana Islands who agree to complete a specified additional period of employment with the agency in that location.

#### § 575.502 Definitions.

In this subpart:

*Agency* means an "Executive agency," as defined in 5 U.S.C. 105.

*Authorized agency official* means the head of an agency or an official who is authorized to act for the head of the agency in the matter concerned.

*Employee* means an employee of an agency who satisfies the definition of that term in 5 U.S.C. 2105.

*Involuntarily reassigned* refers to a reassignment initiated by an agency against an employee's will and without the employee's consent for reasons other than cause on charges of misconduct, delinquency, or inefficiency.

*Involuntarily separated* refers to a separation initiated by an agency against an employee's will and without the employee's consent for reasons other than cause on charges of misconduct, delinquency, or inefficiency. In addition, when an employee is separated because he or she declines to accept reassignment to another geographic area outside one of the covered locations, the separation is involuntary if the employee's position description or other written agreement does not provide for such reassignment. However, an employee's separation is not involuntary if, after such a written mobility agreement is added, the employee accepts one reassignment outside his or her particular territory, possession, or commonwealth, but

subsequently declines another reassignment. An employee's separation as a result of disability retirement, a disability that prevents an employee from continuing Federal service or is the basis for separation by the agency as determined by acceptable medical evidence, or the death of an employee is considered to be an involuntary separation.

*Rate of basic pay* means the rate of pay fixed by law or administrative action for the position held by an employee before deductions and exclusive of additional pay of any kind. For example, a rate of basic pay may not include nonforeign area cost-of-living allowances under 5 U.S.C. 5941, night shift differentials under 5 U.S.C. 5343(f), or environmental differentials under 5 U.S.C. 5343(c)(4).

*Service agreement* means a written agreement between an agency and an employee under which the employee agrees to a specified period of employment with the agency in a particular territory, possession, or commonwealth in return for payment of an extended assignment incentive.

*Service period* means an agreed-upon period of employment an employee is obligated to complete under a service agreement.

*Territory, possession, or commonwealth* means a territory or a possession of the United States, the Commonwealth of Puerto Rico, or the Commonwealth of the Northern Mariana Islands.

#### § 575.503 Who may approve the payment of an extended assignment incentive?

An authorized agency official must review and approve the offer of an extended assignment incentive for an employee, including the amount of such incentive. The authorized agency official must be at a higher level than the official who made the initial decision to offer an extended assignment incentive, unless there is no official at a higher level in the agency.

#### § 575.504 What requirements must an agency satisfy before authorizing the payment of an extended assignment incentive?

Before paying an extended assignment incentive under this subpart, an agency must establish an extended assignment incentive plan. This plan must include the following elements:

(a) The designation of authorized agency officials who must review and approve the payment of extended assignment incentives;

(b) The categories of employees which are prohibited from receiving an extended assignment incentive;