

For: FSA Employees

**Group Retention Incentive and FY 2023 Student Loan Repayment Program**

Approved by: Administrator



**1 Overview**

**A Background**

Notice PM-3061, Recruitment, Relocation, and Retention Incentives and Student Loan Repayment Program, outlined the requirements and responsibilities when offering these incentives to recruit and retain FSA employees.

Notice PM-3061 also provided:

- a group retention incentive may be offered if the agency determines a group or category of employees has unusually high or unique qualifications, or when an agency has special needs that make it essential to retain the employees in that group or category, and when there is a high risk that a significant number of employees in the group would leave the federal service in the absence of a retention incentive
- an opportunity in FY 2022 for non-probationary employees to submit a request to participate in the Student Loan Repayment Program (SLRP).

**B Purpose**

This notice provides:

- notification that a 6 percent group retention incentive is available for certain GS and County Office (CO) employees up through the Grade 9 level in 1101 and 1165 series positions
- retention incentive eligibility requirements and instructions
- FY 2023 SLRP eligibility requirements and instructions.

<b>Disposal Date</b>	<b>Distribution</b>
May 1, 2024	All FSA employees; State Offices relay to County Offices

## Notice PM-3071

### 1 Overview (Continued)

#### C Contact Information

For questions or additional information about this notice:

- County Offices will contact State Offices
- State Offices will contact [Amy.Webbink@usda.gov](mailto:Amy.Webbink@usda.gov)
- National Office divisions will contact the Office of Management and Strategy (OMS) at [OMS@usda.gov](mailto:OMS@usda.gov).

### 2 Group Retention Incentive

#### A Overview

A retention incentive may be offered to a **current** employee if the agency determines that the unusually high or unique qualification of the employee or special needs of the agency make it essential to retain the employee, and the employee would likely leave the federal service in the absence of a retention incentive. Based on attrition rates from resignations in the 1101 and 1165 series positions through the Grade 9 levels, and the agency's need to retain these employees, FSA requested and received approval for a 6 percent group retention incentive.

#### B Eligibility Requirements for the Group Retention Incentive

Eligible employees must:

- occupy a 1101 or 1165 series GS or CO permanent position up to the GS-9 or CO-9 salary level
- be onboard by pay period 12, 2023
- have and maintain fully successful performance
- not have a record of disciplinary action within the past 12-month period

**Note:** Letters of reprimand and written or verbal counseling are not considered disciplinary action for purposes of this notice.

- not currently be completing a required service agreement period under a recruitment, relocation, or retention incentive.

**Note:** Employees who received a student loan repayment and are completing an associated service agreement period are still eligible for the retention incentive.

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### 2 Group Retention Incentive (Continued)

#### B Eligibility Requirements for the Group Retention Incentive (Continued)

The following individuals are not eligible for the group retention incentive:

- Presidential appointees
- SES appointees
- individuals in positions excepted from the competitive service by reason of their confidential, policy-determining, policy-making, or policy-advocating nature
- SES limited term appointees or SES limited emergency appointees when the appointment must be cleared through the White House Office of Presidential Personnel.

#### C Confirmation of Employee Eligibility for the Group Retention Incentive

State Offices must confirm the individual employee's eligibility before the retention incentive can be processed. DAFO will share a spreadsheet of employees who appear to meet basic eligibility criteria with each State Office. State Offices must complete their review and complete [AD-1073](#) no later than **June 21, 2023**. See Exhibit 1 for instructions on completing the State review and AD-1073.

#### D Payment of the Group Retention Incentive

DAFO will notify State Offices when AD-1073's are approved. The 6 percent retention incentive will be paid in biweekly installments with the employee's regular salary from July 30, 2023 (pay period 16), through July 27, 2024 (pay period 14). An executed service agreement, FPAC-HR-0009, for this group retention incentive is not needed.

Approved retention incentives for CO employees will be processed by State Offices. DAFO will provide separate instructions on processing retention incentives for CO employees.

Approved retention incentives for GS employees will be processed by the Farm Production and Conservation (FPAC) Business Center HRD Compensation Team.

**2 Group Retention Incentive (Continued)**

**E Agency Unilateral Termination of the Group Retention Incentive**

FSA may unilaterally terminate the retention incentive based solely on the management needs of the agency, in which case the employee is entitled to retain any incentive payments already received.

FSA must reduce or terminate the retention incentive when conditions change, such as when the original determination to pay the retention incentive no longer applies (for example, when the agency assigns the employee to a different position that is not within the terms of the service agreement) or when payment is no longer warranted.

Examples of conditions when FSA must reduce or terminate the retention incentive include when an individual:

- is promoted to a grade above the GS-9 or CO-9 level
- changes to a position that is not covered under the group retention incentive
- moves between the CO and GS systems, even if to a position otherwise covered under the group retention incentive
- is the subject of disciplinary action.

If a retention incentive is terminated or reduced under this paragraph, the State Office must notify the employee in writing. The employee is entitled to receive any scheduled incentive payments through the end of the pay period in which the written notice is provided, or until the date of separation, if sooner.

**F Termination of a Retention Incentive for Cause**

FSA must terminate the incentive if an employee is demoted or separated for cause (that is, for unacceptable performance or conduct) or receives a rating of record lower than “Fully Successful”. An employee is entitled to retain retention incentive payments previously paid that are attributable to completed service, but if the employee received retention incentive payments that are less than the amount that would be attributable to the completed service the agency is not obligated to pay the employee the amount attributable to completed service.

**G Grievance and Appeal Rights for Termination of a Retention Incentive**

The termination of a retention incentive is not grievable or appealable.

## Notice PM-3071

### 3 FY 2023 SLRP

#### A Overview

SLRP may be used to attract and retain highly qualified individuals. SLRP allows the repayment of eligible student loans directly to the loan servicer up to \$10,000 per year for a maximum agency payment of \$60,000. SLRP is not a student loan forgiveness program. SLRP cannot be used to retain employees who are leaving for positions in other federal agencies, or to recruit employees from other federal agencies.

The loans cannot be in a default status. FSA will not reimburse the employee for any portion of the loan repaid outside of the service agreement period and cannot add additional loans the employee has taken out after the service agreement period has begun.

The employee is responsible and liable for any loans the employee has taken out. The employee also is responsible for any income tax obligations resulting from the student loan repayment benefit.

#### B Eligible Student Loans

Eligible student loans include:

- a loan made, insured, or guaranteed under Part B of Title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.)
- a loan made under Part D or E of Title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq., 1087aa et seq.)
- a health education assistance loan made or insured under Part A of Title VII of the Public Health Service Act (42 U.S.C. 292 et seq.) or under Part E of Title VIII of the Public Health Service Act (42 U.S.C. 297a et seq.).

#### C Using SLRP for Recruitment Purposes

A position must be determined to likely be difficult to fill with a highly qualified individual in the absence of an incentive for SLRP to be offered for recruitment purposes in a job announcement. Approval to offer SLRP must be received from DAFO or OMS before a job announcement is posted. See instructions in Notice PM-3061.

3 FY 2023 SLRP (Continued)

D Current Employee Requests for SLRP

Current permanent FSA employees may submit requests to participate in SLRP.

**Note:** Employees in positions excepted from the competitive service by reason of their confidential, policy-determining, policy-making, or policy advocating nature are not eligible for SLRP.

For FY 2023, FSA will consider SLRP requests up to \$10,000. Approvals will be based upon employees meeting eligibility criteria and the supporting justification.

The employee must provide the following documentation to their State Office or National Office division to be considered for SLRP in FY 2023:

- current statement from the loan servicer that shows the borrower, current loan status, current balance, terms of repayment, and monthly payment amount

**Notes:** Sample loan statements from common loan servicers can be found at [SLRP Processing Instructions](#).

If the loan number does not appear on the statement, the employee must add the loan number to the top of the statement.

- a copy of their latest performance appraisal showing the employee had received at least a “Fully Successful” rating **or** a statement that no performance appraisal is available

**Note:** SLRP and the Department of Education’s Public Service Loan Forgiveness (PSLF) Program are separate and distinct programs. PSLF provides eligible public service employees with federal student debt forgiveness after 120 qualifying monthly payments. Employees are encouraged to explore both programs before applying for SLRP. Employees may receive both SLRP and PSLF, but an SLRP lump sum payment will count as only 1 qualifying monthly payment and may impact whether subsequent payments count toward PSLF. For more information, see:

- Department of Education PSLF website: <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service>
- June 2022 [Public Service Loan Forgiveness \(PSLF\) Presentation For The FPAC Mission Area](#).

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### 3 FY 2023 SLRP (Continued)

#### D Current Employee Requests for SLRP (Continued)

The FSA State Office or National Office must determine that the high or unique qualifications of the employee or special needs of the agency make it essential to retain the employee, and in the absence of offering student loan repayment benefits the employee would likely accept employment outside of federal service. This determination must be provided in a written justification that includes a description supporting the extent to which the departure of the employee would affect the agency's ability to carry out an essential agency mission activity or function.

For GS and CO employees:

- in 1101 and 1165 series positions, the National Office has already provided the necessary written justification covering these positions
- occupying positions in other series, the FSA State Office or National Office Deputy Area must provide a written justification addressing the high qualifications of the employee or special needs of the agency, showing the employee would likely accept employment outside of federal service, and the extent to which the departure of the employee would affect the agency's ability to carry out an essential agency mission activity or function.

The FSA State Office or National Office must complete [AD-1151](#), "Repayment of Student Loan(s)" according to the instructions in Exhibit 2.

**No later than August 1, 2023**, the completed AD-1151, supporting written determination (for employees occupying positions in series other than 1101 or 1165), and all required employee documentation must be:

- uploaded to a DAFO/State Office shared OneDrive folder for State and County Office requests according to the instructions in Exhibit 3
- e-mailed to [OMS@usda.gov](mailto:OMS@usda.gov) for National Office requests.

**Submissions received after August 1, 2023, will not be considered in FY 2023.**

## Notice PM-3071

### 3 FY 2023 SLRP (Continued)

#### D Current Employee Requests for SLRP (Continued)

FSA will review and make determinations on SLRP requests.

For GS employees, DAFO or OMS will:

- notify the respective State or National Office of initial approval
- request the completed service agreement from the employee according to subparagraph E
- forward approved SLRP requests and supporting documentation to the FPAC Business Center HRD for review, final approval, and processing in accordance with subparagraph F, after the completed service agreement is received from the employee.

For CO employees, DAFO will:

- notify State Offices of approved SLRP requests
- process an SLRP payment according to subparagraph F only after receiving DAFO approval and the employee's signed service agreement from the employee.

#### E SLRP Service Agreement

An employee will not receive an SLRP incentive until the employee enters on duty (if associated with recruitment) and into a fully executed service agreement. Before receiving any SLRP benefit, an employee must agree in writing using [AD-1152](#), "Service Agreement for a Receipt of Repayment of Student Loan(s)," (Exhibit 4) that the employee will:

- remain in the service of the agency for a period for 3 years, unless involuntarily separated
- if separated involuntarily on account of misconduct, or voluntarily before the end of the period specified in the agreement, repay the Government the amount of any benefits received by such employee from that agency under this section.

**Note:** An employee who receives a student loan repayment and moves to another federal agency, including another USDA agency, is not obligated to repay the benefit, unless the employee has agreed to make a repayment in this circumstance.

See Exhibit 4 for an example of the service agreement.



**3 FY 2023 SLRP (Continued)**

**E SLRP Service Agreement (Continued)**

FSA will determine repayment benefit amounts on an annual basis based upon budgetary considerations. A new service agreement will be required for each year's approved repayment benefits.

An SLRP service agreement in no way constitutes a promise of, or right or entitlement to, appointment, continued employment, or noncompetitive conversion to the competitive service.

**F Repayment Process for Approved SLRP Agreements**

Student loans will be repaid in a lump-sum payment to the loan servicer via an electronic funds transfer:

- FPAC Business Center HRD Compensation Section will process the lump sum payment for GS employees
- State Office Administrative Branch will process the lump sum payment for CO employees.

The total amount of taxes is first deducted from the gross loan amount and a net payment is made to the lender or note holder. A loan payment is the net payment made by an agency to the holder of a student loan, after deducting any tax withholdings that may be made from the gross student loan repayment benefit credited to the employee.

An employee may receive a recruitment, relocation, or retention incentive concurrently with student loan repayment with a separate service agreement.

**Note:** According to subparagraph 2 C, a separate service agreement is not required to receive the group 6 percent retention incentive.

Student loan repayment benefits are received in addition to basic pay and any other form of compensation otherwise payable to the employee.

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### 3 FY 2023 SLRP (Continued)

#### G FY 2023 SLRP Service Agreement Termination

The current status of each loan will be verified annually to ascertain whether the loan is in arrears or default by:

- FPAC Business Center HRD Compensation Section for GS employees
- State Office Administrative Branch for CO employees.

The repayment incentive will be terminated if the loan is in arrears or default.

An agency must also terminate a service agreement if an employee receives a rating of record lower than “Fully Successful” or equivalent during the service period or leaves federal service. An agency must notify an employee in writing when it terminates a repayment incentive service agreement. The termination of a service agreement is not grievable or appealable.

**Instructions for Completing State Review and AD-1073**

Each SED, AO, and EO will be provided access to a OneDrive folder that contains a spreadsheet listing of their State's permanent GS and CO employees who occupy 1101 or 1165 series positions up through the Grade 9 level.

**Note:** SED's, AO's, and EO's may request additional State Office employee access to this folder by e-mailing [sm.fpac.fsa.dafo@usda.gov](mailto:sm.fpac.fsa.dafo@usda.gov).

State Offices must review their State spreadsheet to ensure that:

- all eligible employees are listed who were onboard as of pay period 12
- the data entered is correct
- each employee listed on the spreadsheet meets all eligibility criteria for the incentive.

From the drop-down menu in **Column X**, choose:

- "Yes" if the employee currently has fully successful performance and no disciplinary action within the past 12 months
- "No" if this criteria is not met.

From the drop-down menu in **Column Y**, choose:

- "Yes" to confirm that the employee is not currently completing a service agreement period for a recruitment, relocation, or retention incentive
- "No" if the employee is currently completing required service for such an incentive.

From the drop-down menu in **Column Z**, choose:

- "Yes" to confirm that the data entered for the employee's series and grade is correct
- "No" if edits to the employee's series or grade are needed, and make the appropriate edits to the employee's data.

If an employee meets the eligibility criteria for the group retention incentive as of pay period 12, 2023, but is missing from the spreadsheet, add a row at the bottom of the spreadsheet with the missing information and e-mail to [sm.fpac.fsa.dafo@usda.gov](mailto:sm.fpac.fsa.dafo@usda.gov) with the added employee names.

Each State folder will contain a partially completed AD-1073 to cover all eligible CO employees in that state. SED's must sign in Box 18 as the recommending official, ensuring that the signature does not lock the AD-1073 form. Do not adjust or modify any other boxes on the form.

No State Office action is required for AD-1073's for GS employees.

**Instructions for Completing AD-1151, Repayment of Student Loan(s)**

AD-1151 can be downloaded from <https://www.usda.gov/sites/default/files/documents/ad-1151.pdf>.  
 Complete the AD-1151 according to the following instructions.

**Note:** Ensure that the form is not locked after signature, can be edited, and a digital approval signature is added. Locked forms will be returned for resubmission.

Box	Instructions
1	Enter "Farm Service Agency".
2	Enter "AG FA" for a GS employee.  Enter "XC CE" for a CO employee.
3	Leave blank.
4	Enter the employee's four-digit Personnel Office Identifier (POI).  <b>Note:</b> This can be found in the employee's EmpowHR record under the Position Tab.
5	Enter full legal name of applicant as reflected in EmpowHR.
6	Enter the employee's full social security number.
7	Enter the city and state of the employee's official duty station.
8	Enter the duty station code.  <b>Note:</b> This code can be found in the employee's EmpowHR record under the Job Tab reflected as the "Location" 9-digit code.
9	Enter the employee's official position title.
10	Enter GS or CO, as applicable.
11	Enter series/grade step.  <b>Example:</b> 1101/Grade 7/Step 10
12	Enter current salary.
13	Enter the regular line of accounting for the state and county.  <b>Note:</b> Do not use Fund 95 LOA or any other special LOAs for the applicable State and county when processing incentives.
14	Leave blank.
15-16	Enter the name, title, and signature of the SED, SED-delegated State Office official, or applicable Deputy Administrator (for National Office employees).  <b>Note:</b> Ensure that the signature does not lock the form.
17	Ensure that the amount entered does not exceed either \$10,000 <b>or</b> the employee's principal loan balance.
18-20	Leave blank.

**Instructions for Uploading SLRP Requests to DAFO/State Office Shared OneDrive Folder**

Each SED, AO, and EO will be provided access to a OneDrive folder for their State's SLRP requests.

**Note:** SED's, AO's, and EO's may request additional State Office employee access to this folder by e-mailing [sm.fpac.fsa.dafo@usda.gov](mailto:sm.fpac.fsa.dafo@usda.gov).

Within each State folder, the State Office will create an individual folder for each employee for whom SLRP is requested.

Folders must be titled in the following format: **Pay Plan\_Position Title\_Employee Last Name\_Employee First Name**.

**Example:** GS\_FLPT\_Smith\_John

**No later than August 1, 2023**, the following must be uploaded as 5 separate documents in the employee's folder:

- properly completed AD-1151
- supporting written justification under subparagraph 3D
- a copy of the latest performance appraisal showing the employee had received at least a "Fully Successful" rating or a statement that no performance appraisal is available for the employee
- current statement from the loan servicer that shows the borrower, current loan status, current balance, terms of repayment, and monthly payment amount

**Note:** If the statement does not include the applicable complete loan number, the employee must add the complete loan number to the top of the statement.

- properly completed AD-1152.

**Note:** This may be submitted by the employee after the initial documentation in this list but must be included no later than August 1, 2023. SLRP packages for GS employees cannot be submitted to HRD for final approval, and no SLRP payments may be processed for any employee, without a completed AD-1152.

As soon as all required documentation is uploaded into the employee's folder, the State Office will notify DAFO that the SLRP request is complete by e-mailing [sm.fpac.fsa.dafo@usda.gov](mailto:sm.fpac.fsa.dafo@usda.gov) with the subject line "SLRP Complete: [Employee Name]".

**Instructions for Completing AD-1152, Service Agreement for a Receipt of Repayment of Student Loan(s)**

AD-1152 can be found at <https://www.usda.gov/sites/default/files/documents/ad-1152.pdf>. The first two fields on the form must be completed as shown in the following example.

The amount of the repayment entered into the third field cannot exceed the lesser of \$10,000 or the principal balance of the loan.

Employees must sign and date the agreement manually or with a digital LincPass signature. Other forms of electronic signature are not acceptable.

<b>SERVICE AGREEMENT FOR A RECEIPT OF REPAYMENT OF STUDENT LOAN(S)</b>	
<p>In return for the repayment of my student loan(s) as described below, I hereby agree to remain an employee of the U.S. Department of Agriculture (USDA) - <u>Farm Service Agency</u> for the period beginning <u>today and ending 3 years</u> following the effective date of the student loan repayment, unless I am separated for reasons beyond my control and which are acceptable to the above named agency. The amount of the repayment of student loan I will be receiving under this agreement is _____.</p> <p>I agree that if I do not remain in the agency and maintain an acceptable level of performance for the above specified period I will repay to the agency the total amount of student loan repayment benefits I have received. I understand that this service agreement does not constitute a right, promise, or entitlement for continued employment or noncompetitive conversion to the competitive service. I understand that under such circumstances these monies are recoverable from me as a debt due the United States Government, and the agency is not responsible for making your loan payments and any late fees you are charged.</p>	
Signature	Date
Form AD-1152 (03/2002)	