

October 11, 2001

Chief Counsel's Recruitment Bonus Program **Cancellation Date:** Until Incorporation into the CCDM

## PURPOSE

The purpose of this notice is to provide the policies and procedures for making determinations concerning the payment of recruitment bonuses within the Office of Chief Counsel.

### 30.5.1.1.4

#### Recruitment Bonuses

1. A lump-sum recruitment bonus of up to 25 percent of the annual rate of basic pay (excluding locality pay) may be paid to a newly appointed attorney or law clerk within the Office of Chief Counsel. A recruitment bonus may be offered to an individual or group based on a written determination that absent the bonus difficulty would be encountered in filling the position with a highly qualified candidate.
2. References.
  - A. Public Law 101-509, Stat. 1462 and 1466
  - B. 5 U.S.C. 5753
  - C. 5 CFR part 575, subpart A
  - D. TPPM, HRDM 575.1

3. Delegation of Authority.

Authority to pay recruitment bonuses is vested in the Chief Counsel, IRS, per delegations from the General Counsel, Treasury. The Chief Counsel, IRS has redelegated the exercise of such personnel authorities to the Associate Chief Counsel (Finance and Management). For payment of recruitment bonuses to attorneys or law clerks hired under the Chief Counsel Honors Program, the Director, Personnel Policy and Operations (PPO) Division is redelegated the authority to approve the payments, in accordance with pre-established percentages.

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4. Definitions.

A. "Employee" for the purposes of paying a recruitment bonus means

1. An individual who has received a written offer to be newly appointed as an attorney or law clerk; and
2. An individual who has signed a written agreement prior to payment of the recruitment bonus.

B. "Newly appointed" refers to

1. The first appointment, regardless of tenure, as an employee of the Federal government; or
2. An appointment as an employee of the Federal government following a break in service of at least 90 days from the candidate's last period of Federal employment, other than
  - a. Employment under the Student Educational Employment Program;
  - b. Employment as a law clerk trainee;
  - c. Employment while a student during school vacations under a short-term temporary appointing authority;
  - d. Employment under a provisional appointment if the new appointment is permanent and immediately follows the provisional appointment; or
  - e. Employment under a temporary appointment that is neither full-time nor the principal employment of the candidate.

C. Basic Pay means

The rate of pay fixed by law or administrative action for the position to which the employee is or will be newly appointed before deductions and exclusive of additional pay of any kind, such as locality-based comparability payments under 5 U.S.C. 5304.

D. *Service Agreement means*

A written agreement between the Office of Chief Counsel and a newly appointed employee under which the employee agrees to a specified period of employment with the appointing agency in return for payment of a recruitment bonus.

5. Coverage.

A recruitment bonus may be paid to an eligible employee who is newly appointed to an attorney or law clerk position at any grade level up to and including the Senior Executive Service.

6. Criteria for Payment.

- A. A recruitment bonus will be based on a written determination that, in the absence of such a bonus, difficulty would be encountered in filling the position. The determination for attorneys or law clerks newly appointed under the Chief Counsel Honors Program will be on a group basis.
- B. The amount of recruitment bonuses for appointments of attorneys and law clerks under the Chief Counsel Honors Program will be established by the Chief Counsel in the annual budget, not to exceed 25 percent of the annual rate of pay in accordance with 5 CFR 575, subpart A, 575.105.
- C. In determining whether a recruitment bonus should be paid and in determining the amount of any such payment, the following factors will be considered:
  - 1. The success of recent efforts to recruit highly qualified candidates for similar positions, including indicators such as offer acceptance rates, the proportion of positions, and the length of time required to fill similar positions;
  - 2. Recent turnover in similar positions;
  - 3. Labor-market factors that may affect the ability to recruit highly qualified candidates for similar positions now or in the future; and
  - 4. The practicality of using the superior qualifications appointment authority provided by 5 U.S.C. 5333 and 5 CFR §531.203(b) alone or in combination with a recruitment bonus.

7. Payment.

- A. A recruitment bonus will be paid as a lump sum, and it shall not be considered part of an employee's rate of basic pay for any purpose. The bonus will be paid on the effective date of the employee's appointment.
- B. A recruitment bonus will be calculated as a percentage of the employee's rate of basic pay (not to exceed 25 percent). For example, if a Honors Program attorney is appointed at the GS-11/8 with an annual basic salary (excluding locality pay) of \$49,623, a 10 percent recruitment bonus equates to \$4,962.

8. Service Agreement.

A written service agreement to complete a specified period of employment with Chief Counsel must be signed before a recruitment bonus will be paid. The minimum period of employment is 11 months.

Service agreements are required for employees who receive recruitment bonuses. A Recruitment Bonus Service Agreement must be completed within the PPO and signed by the Director, PPO or the Associate Chief



Exhibit A

DEPARTMENT OF TREASURY  
Office Of Chief Counsel, Internal Revenue Service  
RECRUITMENT BONUS SERVICE AGREEMENT  
(Justification Must Be Attached)

NAME (Print or Type)	FIRST	MIDDLE	LAST	SOCIAL SECURITY NUMBER	BONUS TYPE
					<input type="checkbox"/> Individual
					<input type="checkbox"/> Group

In return for the payment of the bonus, I agree to accept the position and the terms of employment specified below.

- To serve in the Office of Chief Counsel, \_\_\_\_\_ for 11 months in the position of \_\_\_\_\_  
*(Office)*  
\_\_\_\_\_  
*(Specify Position Title, Series, and Grade)*
- That the amount of bonus payable to me shall be determined by the Associate Chief Counsel (Finance and Management) or his/her designee as prescribed by the Chief Counsel recruitment plan for payment of such bonuses. The bonus payable under this agreement is \$ \_\_\_\_\_ ( \_\_\_\_\_ % of basic pay).
- That acceptance of this agreement does not alter the conditions or terms of my employment.
- That payment of this bonus is based solely on the position to which I am assigned and is not associated with my performance and/or conduct. Accordingly, this agreement will not preclude nor limit the Office of Chief Counsel from effecting personnel actions as may be appropriate.
- That in the event I voluntarily, or because of misconduct, fail to complete the period of service in the position for which I am receiving the bonus, I will refund a pro-rated amount of the bonus I have received unless the Associate Chief Counsel (Finance and Management) or his/her designee, in accordance with prescribed regulations, determines that my failure to complete my agreed period of service is due to circumstances which are beyond my control.
  - It is further agreed that any amount which I am obligated to refund will be a debt due to the United States which I hereby agree to pay in full as directed by the Department of Treasury's regulation for debt collection.
- That the effective date of this agreement and bonus payment pursuant to this agreement will normally be made on the first day of the pay period after the agreement is signed and approved, but not earlier than the date of the appointment. This agreement is effective on \_\_\_\_\_  
*(Month/Day/Year)*

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**I AGREE TO THE TERMS OF THIS CONTRACT**

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

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**REVIEWS AND APPROVALS**

\_\_\_\_\_  
Recommending Official Signature and Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approving Official Signature and Title

\_\_\_\_\_  
Date