SEC. __. AUTHORITY FOR ADVANCEMENT OF PAY FOR CERTAIN EMPLOYEES RELOCATING WITHIN THE UNITED STATES AND ITS TERRITORIES.

(a) COVERAGE.—Subsection (a) of section 5524a of title 5, United States Code, is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following new paragraph:

"(2) The head of each agency may provide for the advance payment of basic pay, covering not more than 6 pay periods, to an employee who is assigned to a position in the agency that is located—

"(A) outside of the employee's current commuting area; and

"(B) in an area not covered by section 5927.".

(b) CONFORMING AMENDMENTS.—Subsection (b) of such section is amended—

(1) in paragraph (1), by inserting "or assigned" after "appointed"; and

(2) in paragraph (2)(B)—

(A) by inserting "or assignment" after "appointment"; and

(B) by inserting "or assigned" after "appointed".

(c) CLERICAL AMENDMENTS.—

(1) SECTION HEADING.—The heading of such section is amended to read as follows:

"§ 5524a. Advance payments for new appointees and for certain current employees relocating within the United States and its territories".

(2) TABLE OF SECTIONS.—The item relating to such section in the table of sections at the beginning of chapter 55 of such title is amended to read as follows:

"5524a. Advance payments for new appointees and for certain current employees relocating within the United States and its territories.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is one year after the date of the enactment of this Act.

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

The objective of advanced pay for relocation is to help defray up-front, out-of-pocket expenses for current employees who are moving between duty stations (i.e., making a geographical move). This proposal would modify section 5524a of title 5, United States Code (U.S.C.), which currently authorizes the use of advance payment of basic pay for new hires, to also authorize advance payment of basic pay for current employees who relocate within the United States and its territories to a location outside the employee's current commuting area. Similar provisions exist that authorize the use of advance pay for relocating military members (37 U.S.C. 1006), and for civilians relocating to a foreign area (5 U.S.C. 5927).

The National Defense Authorization Act for Fiscal Year (FY) 2010 required the Department to develop a new performance appraisal system, redesign procedures for use within DoD to make appointments to positions within the competitive service, and authorized the Secretary of Defense, at his discretion, to establish a Civilian Workforce Incentive Fund. In accordance with Executive Order (E.O.) 13522, DoD involved bargaining unit employees through their union representatives in the design and implementation of the new personnel authorities. This collaborative labor-management initiative came to be known as "New Beginnings", and involved the creation of three joint labor-management design teams. The Civilian Workforce Incentive Fund Design Team recommended that DoD authorize advance pay for current employees with particular or superior qualifications or skills who are relocating within the United States or its territories.

Advancement of pay is fiscally responsible because the agency recoups the advanced pay from the employee. The program would be administered like the existing program for civilians assigned to foreign areas – repayment of the advanced pay will occur over 26 pay periods by automatic payroll deduction. This option would likely encourage employees faced with a decision to accept an offer that requires the employee to relocate. It is most beneficial for moves to high cost-of-living locations and is of low cost to the government since it only involves the cost of administration, loss of interest income on the pay advanced to employees, and unlikely waiver of overpayment for failure to repay the advance. The use of such an authority may be

used to entice candidates to relocate when restricted budgets inhibit the use of relocation incentives, or it can supplement a relocation incentive.

DoD may establish written policy and criteria to implement this provision. As an example, policy may include that advanced pay can be used to facilitate strategic workforce plans that rely on the movement of employees who possess certain knowledge and/or particular skills, such as those required to perform highly specialized work or are within a specific set of competencies required by officially identified DoD Mission Critical Occupations (MCO).

Budget Implications: Since procedures are already in place for advanced pay to civilians relocating to foreign areas and for new appointees, those procedures can be easily extended to employees covered by this proposal. Advanced pay is not additional pay. Rather, it is future pay provided at an earlier date. The employee receiving advanced pay would have a reduced salary over the course of the 26 pay periods following the entered-on-duty date as the advance is repaid. Nevertheless, resource requirements for the advanced pay are provided in the table below. The resources reflected in the table below are funded within the FY 2017 President's Budget.

RESOURCE REQUIREMENTS ($M)								
	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Air Force	1.2	1.2	1.2	1.2	1.2	Operation and Maintenance, Air Force	01	011Z
Air Force	.26	.26	.26	.26	.26	Operation and Maintenance, Air Force	02	021Z
Air Force	.43	.43	.43	.43	.43	Operation and Maintenance, Air Force	03	031Z
Air Force	1.42	1.42	1.42	1.42	1.42	Operation and Maintenance, Air Force	04	041B
Army	2.6	3.1	3.7	4.2	4.9	Operation and Maintenance, Army	01	115, 121, 122, 131, 132, 133
Army	0.8	0.9	1.0	1.2	1.4	Operation and Maintenance, Army	03	314, 321, 324, 331, 332, 334
Army	1.1	1.3	1.5	1.7	2.0	Operation and Maintenance, Army	04	411, 422, 423, 424, 431, 432, 433, 434, 435
Navy does not intend to use the authority, which was to be funded in the following account: Operation and Maintenance, Navy. Marine Corps does not intend to use the authority, which was to be funded in the following account: Operation and Maintenance, Marine Corps.								
Total	7.81	8.61	9.51	10.41	11.61			

NUMBER OF PERSONNEL AFFECTED								
	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Air Force	40	40	40	40	40	Operation and Maintenance, Air Force	01	011Z
Air Force	9	9	9	9	9	Operation and Maintenance, Air Force	02	021Z
Air Force	14	14	14	14	14	Operation and Maintenance, Air Force	03	031Z
Air Force	47	47	47	47	47	Operation and Maintenance, Air Force	04	041B
Army	81	83	84	84	84	Operation and Maintenance, Army	01	115, 121, 122, 131, 132, 133
Army	24	24	24	24	24	Operation and Maintenance, Army	03	314, 321, 324, 331, 332, 334
Army	34	34	34	33	34	Operation and Maintenance, Army	04	411, 422, 423, 424, 431, 432, 433, 434, 435
Navy does not intend to use the authority, which was to be funded in the following account: Operation and Maintenance, Navy. Marine Corps does not intend to use the authority, which was to be funded in the following account: Operation and Maintenance, Marine Corps.								
Total	200	202	203	202	203			

Changes to Existing Law: This proposal would make the following changes to section 5524a of title 5 United States Code:

§ 5524a. Advance payments for new appointees <u>or current employees relocating within the United States and its territories</u>

(a)<u>(1)</u> The head of each agency may provide for the advance payment of basic pay, covering not more than 2 pay periods, to any individual who is newly appointed to a position in the agency.

<u>(2) The head of each agency may provide for the advance payment of basic pay, covering not more than 6 pay periods, to an employee who is assigned to a position in the agency that is located—</u>

<u>(A) outside of the employee's current commuting area; and</u>

<u>(B) in an area not covered by section 5927.</u>

(b)(1) Subject to adjustment of the account of an employee under paragraph (2) and other applicable statutes, the advance payment of basic pay shall be made, under agency procedures governing advance payments under this section, at the initial rate of basic pay to be payable to the employee upon the commencement of service in the position to which appointed <u>or assigned</u>.

(2) The head of each agency shall provide for—

(A) the review of the account of each employee of the agency in receipt of any payment under this section; and

(B) the adjustment of the amount of any such payment on the basis of the rate of basic pay to which the employee would have been entitled under applicable statute other than this section for the respective periods covered by the payments, if the employee had performed active service under the terms of such employee's appointment <u>or assignment</u> during each period in the position to which appointed <u>or assigned</u>.

(c) An advance payment under this section is recoverable by the Government of the United States or the government of the District of Columbia, as the case may be, from the employee or such employee's estate by—

(1) setoff against accrued pay, amount of retirement credit, or other amount due to the employee from the Government of the United States or the government of the District of Columbia; and

(2) such other method as is provided by law.

The head of the agency concerned may waive in whole or in part a right of recovery of an advance payment under this section if it is shown that the recovery would be against equity and good conscience or against the public interest.