

U.S. NUCLEAR REGULATORY COMMISSION MANAGEMENT DIRECTIVE (MD)

MD 10.45	ADVANCES IN PAY	DT-16-18
<i>Volume 10,</i>	Personnel Management	
<i>Part 2:</i>	Position Evaluation and Management, Pay Administration, and Leave	
<i>Approved by:</i>	Miriam L. Cohen Chief Human Capital Officer	
<i>Date Approved:</i>	May 24, 2016	
<i>Expiration Date:</i>	May 24, 2021	
<i>Issuing Office:</i>	Office of the Chief Human Capital Officer Policy, Labor and Employee Relations Branch	
<i>Contact Name:</i>	Bi Smith 301-287-0553	Servicing Human Resources Specialist (names and phone numbers are listed here)

EXECUTIVE SUMMARY

Management Directive 10.45, “Advances in Pay,” is revised to—

- Update procedures for initiating and processing requests for advances in pay;
- Update the delegation of authority for the Office of the Inspector General relating to recommending advances in pay and waivers;
- Update organizational information and titles; and
- Eliminate Exhibit 2, “Request to Use Recruitment or Relocation Bonus, Retention Allowance, or Advances-in-Pay Authority,” and Exhibit 3, “Sample Employee Notification of Advance-in-Pay Requirements.” These exhibits are available as templates on the Office of the Chief Human Capital Officer Web site.

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For updates or revisions to policies contained in this MD that were issued after the MD was signed, please see the Yellow Announcement to Management Directive index ([YA-to-MD index](#)).

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I. POLICY

It is the policy of the U.S. Nuclear Regulatory Commission to make advance payments of basic pay of not more than two pay periods to newly appointed individuals when it will assist in recruiting highly qualified individuals who might otherwise encounter financial difficulties in accepting a position.

II. OBJECTIVES

- Adopt and implement the advances-in-pay provisions according to the, “Advance Payments for New Appointees” (5 U.S.C. 5524a), the Federal Employees Pay Comparability Act of 1990, and the applicable implementing regulations from the Office of Personnel Management.
- Ensure agencywide equity in the application of criteria to NRC employees.
- Encourage and promote recruitment of individuals by providing appropriate advances in pay when an individual needs financial assistance in order to accept an initial appointment.

III. ORGANIZATIONAL RESPONSIBILITIES AND DELEGATIONS OF AUTHORITY

A. Chairman and Commissioners

Recommend advances in pay and, where appropriate, waivers of repayment of advances in pay for individuals who are being newly appointed to their immediate staff as indicated in Exhibit 1, “Approval Authorities for Advances in Pay,” of this handbook.

B. Chairman

Approves waivers of repayment of advances in pay for Commission staff members and employees in Commission-level offices as indicated in Exhibit 1 of this handbook.

C. Executive Director for Operations (EDO)

1. Recommends advances in pay for individuals who are being newly appointed to the Executive Director for Operations (EDO) immediate staff as indicated in Exhibit 1 of this handbook.
2. Approves all requests for waivers of repayment of advances in pay for employees in EDO staff offices as indicated in Exhibit 1 of this handbook.

D. Chief Financial Officer (CFO)

1. Certifies the availability of funds before payments are made.
2. Implements payroll and accounting procedures governing payments and recovery of debts incurred.
3. Provides the specific payment or repayment information to the Office of Chief Human Capital Officer (OCHCO) for completion of individual requests for advances.
4. Provides technical review for requests for waiver of repayment of advances in pay, including the amount to be waived as indicated in Exhibit 1 of this handbook.

E. Inspector General (IG)

1. Approves all requests for advances in pay for employees in Office of the Inspector General (OIG) as indicated in Exhibit 1 of this handbook.
2. Approves all requests for waivers of repayment of advances in pay for employees in OIG as indicated in Exhibit 1 of this handbook.

F. Chief Human Capital Officer (CHCO)

1. Approves all requests for advances in pay except for employees in OIG as indicated in Exhibit 1 of this handbook.
2. Administers the advances in pay program.
3. Provides a technical review of individual requests for advances in pay and requests for waiver of repayment to ensure that regulatory requirements are met as indicated in Exhibit 1 of this handbook.
4. Coordinates payment actions with the Chief Financial Officer (CFO).
5. Advises the CFO of any personnel actions that would cause the employee to be unable to meet the agreed-upon repayment schedule.

G. Office Directors and Regional Administrators

Recommend payment of advances in pay for individuals being newly appointed to their organizations and recommend requests for waiver of repayment, when appropriate, including the amount to be waived in accordance with the criteria specified in this handbook and as indicated in Exhibit 1 of this handbook.

IV. APPLICABILITY

This directive is applicable to all newly appointed NRC employees except:

- The Chairman and the Commissioners;
- Individuals appointed to positions with the expectation of receiving appointments as the Chairman or as a Commissioner; or
- An individual appointed to a foreign post of duty.

V. DEFINITIONS**Employee**

An individual appointed to a position with a scheduled tour of duty.

Pay period

The period established by an agency for payment of employees under 5 U.S.C. 5504.

VI. DIRECTIVE HANDBOOK

Handbook 10.45 contains the criteria and procedures for the payment of advances and any requests for waiver of repayment of these advances.

VII. REFERENCES***Code of Federal Regulations***

5 CFR Part 550, Subpart B, "Advances in Pay."

5 CFR Part 550, Subpart K, "Collection by Offset from Indebted Government Employees."

Nuclear Regulatory Commission Documents

NRC Management Directive 10.13, "Special Employment Programs."

OCHCO Incentive Programs Web Site:

<http://www.internal.nrc.gov/HR/incentive-programs.html>.

United States Code

Advance Payments for New Appointees (5 U.S.C. 5524a)

Atomic Energy Act of 1954, as amended (42 U.S.C. 2011 et seq.).

Biweekly Pay Periods; Computation of Pay (5 U.S.C. 5504).

Federal Employees Pay Comparability Act of 1990 (5 U.S.C. 5301 note).

Installment Deduction for Indebtedness to the United States (5 U.S.C. 5514).

U.S. NUCLEAR REGULATORY COMMISSION DIRECTIVE HANDBOOK (DH)

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I. PURPOSE AND CRITERIA FOR THE ADVANCES-IN-PAY PROGRAM

A. Purpose

The purpose of the advances-in-pay authority is to provide NRC managers with the option of offering an individual an advance in pay of not more than two pay periods, when circumstances warrant the payment, to enable the individual to accept a position with the NRC.

B. Criteria

1. To be eligible for this program, the appointment must be:
 - (a) The individual's first Federal appointment with a scheduled tour of duty;
 - (b) A new appointment following a 90-day break in service; or
 - (c) A permanent appointment in the NRC following termination of an appointment in a cooperative work-study program under an NRC Noncareer (Excepted) Appointment made in accordance with the provisions of MD 10.13, "Special Employment Programs," provided the employee—
 - (i) Was separated from the service, in a nonpay status, or a combination of both during the entire 90-day period immediately before the permanent appointment; and
 - (ii) Has fully repaid any advance in pay received under MD 10.13.
2. There must be a written determination that in the absence of the advance in pay, NRC may encounter difficulty in filling the position with the best qualified candidate. Early notification of the advance in pay option is not required in the vacancy announcement.

3. The request's narrative must be specific as to the impact the failure to provide an advance in pay would have on the individual's acceptance of the appointment.
4. The request's narrative must identify the specific use of the advance that could not be satisfied through regular pay practices.

C. Determining the Amount of the Advance and the Type of Payment

1. The advance may be for one or two pay periods, but not more than two pay periods.
2. Payment will usually be made in one installment.
3. Payment may not be made before the day of appointment or later than 60 days after the date of appointment.
4. The maximum amount of the advance is based on the rate of basic pay the employee is entitled to on the date of his or her new appointment, reduced by the amount of any allotments or deductions that would normally be deducted from the employee's first regular paycheck.

II. PROCESSING A REQUEST FOR AN ADVANCE IN PAY

A. Initiating a Request for an Advance in Pay

1. Approval authorities for recommending, reviewing, and deciding requests for advances in pay are described in Exhibit 1.
2. Once the selectee is identified and found to meet the coverage criteria, the option of using an advance in pay may be considered, if necessary.
 - (a) When making the formal offer, if the Office of the Chief Human Capital Officer (OCHCO) representative or Director of Resource Management and Operations Support (RMOS) for OIG determines the selectee may have difficulty accepting the offer because of an immediate financial difficulty, the OCHCO representative or the Director of RMOS for OIG, will discuss available options with the selecting official.
 - (b) If the selecting official agrees to consider an advance in pay, the OCHCO representative or the Director of RMOS for OIG will consult with the selectee to determine if an advance in pay would resolve the situation sufficiently for the selectee to accept the position. If an advance is advisable, the OCHCO representative or the Director of RMOS for OIG, will notify the selecting official, who will then notify the office director, the regional administrator, or the Deputy Inspector General (IG), as appropriate.

- (c) The office director, the regional administrator, or the Deputy IG, as appropriate, will initiate the request for an advance in pay and submit it to the Chief Human Capital Officer (CHCO), or to the Director RMOS for an OIG selectee, using the template provided on the OCHCO's Incentive Programs Web site available at <http://www.internal.nrc.gov/HR/incentive-programs.html>.
- 3. All requests, except for OIG employees, must be forwarded to the CHCO for technical review and final approval and must be submitted on a case-by-case basis.

B. Providing Prepayment Information to the Employee

- 1. Before making an advance payment, the OCHCO representative, together with the Chief Financial Officer (CFO) or the Director of RMOS for OIG employees, shall advise the employee in writing and have the employee sign an agreement to repay the Federal Government, unless repayment has been waived, using the template provided on OCHCO's Incentive Programs Web site available at <http://www.internal.nrc.gov/HR/incentive-programs.html>. The notification or agreement to repay must contain the following information—
 - (a) How the advance in pay will be recovered in installments under NRC procedures for payroll deduction, by salary offset procedures, or by other methods provided by law.
 - (b) The total amount of the advance in pay, the total number of pay periods scheduled for repayment, and the amount that must be deducted from pay by payroll deduction or salary offset for each pay period.
 - (c) A statement indicating that the employee may prepay all or part of the balance not yet repaid at any time before the money is due, including instructions as to where and how such prepayments may be made.
 - (d) The amount of the advance not yet repaid or waived that must be repaid if the employee transfers to another agency or if employment is terminated for any reason.
 - (e) A statement indicating that any balance not repaid or waived upon transfer or termination must be recovered by salary offset or other method provided by law.
- 2. The CFO shall establish a recovery period for each employee who receives an advance in pay.
 - (a) This period may be no longer than 14 pay periods, beginning on the date the advance in pay is made to the employee, unless recovery is accomplished under salary offset procedures and a longer recovery period is necessary to avoid exceeding the maximum amount that may be offset under applicable law or regulation.

- (b) A recovery period shorter than 14 pay periods may be established if requested in writing by the employee.

C. Implementing the Advance in Pay

1. The OCHCO representative or the Director of RMOS for OIG employees shall advise the CFO once the employee has been notified in writing so that payment procedures can be initiated.
2. The OCHCO representative or the Director of RMOS for OIG shall forward a copy of the documentation, including the advance notification letter, to the CFO for processing and initiation of payment procedures.
3. The OCHCO representative or the Director of RMOS for OIG shall immediately notify the CFO of any personnel action relating to the employee that could make the employee unable to fulfill the terms of the repayment requirements.

III. PAYMENTS, REPAYMENTS, AND OVERSIGHT

A. Payment and Repayment Procedures

1. The advance will be made in one installment and will cover no more than two pay periods.
2. The CFO shall determine procedures for the actual payment and repayment of the advance.
3. An employee who transfers to another agency or whose employment with the NRC is terminated for any reason is indebted to the Federal Government and shall repay the remaining advance balance, unless repayment is waived in whole or in part by the Chairman, the Executive Director for Operations (EDO), or the IG, as appropriate.
4. Amounts must be recovered under NRC's regulations for collection by offset from an indebted Government employee under 5 U.S.C. 5514 and Subpart K of 5 CFR Part 550.

B. Waiver of the Right of Recovery

1. All right of recovery may be waived by the Chairman, the EDO, or the IG, as appropriate, in whole or in part, if the Chairman, the EDO, or the IG determines that recovery would be against equity and good conscience, or against the public interest as stated in 5 CFR 550.206.
2. An office director, a regional administrator, or the Deputy IG may recommend the waiver and shall submit substantial justification in support of the request that explains the circumstances of the overpayment and why collection would be against equity and good conscience. The request must state whether the entire balance or only a portion of the balance owed is to be waived.

3. All requests, except those from the IG, will be forwarded to the Chairman or the EDO, as appropriate, through the CHCO. The CHCO and CFO will review the request for sound personnel and debt collection practices. Waivers in OIG are forwarded to the IG through the CFO (see Exhibit 1).
4. Once the waiver is approved by the Chairman, the EDO, or the IG, the request must be forwarded to the CFO for implementation.

C. Oversight

1. Documentation justifying an advance in pay will be maintained in appropriate personnel and payroll files.
2. The CHCO will oversee and evaluate advance in pay activities to ensure that usage conforms to applicable laws and appropriate regulations.

EXHIBIT**Exhibit 1 Approval Authorities for Advances in Pay**

	Recommending Official	Reviewing Official	Deciding Official
For all eligible employees as indicated:			
• Immediate staff of the Chairman or Commissioners	Chairman or Commissioners		CHCO
• Commission-level offices	OD		CHCO
• Immediate staff reporting to the EDO	EDO		CHCO
• EDO staff offices	OD or RA		CHCO
• OIG	Deputy IG		IG
For approval of waiver (including amount to be waived) to right of recovery of employee's debt incurred with an advance in pay:			
• Immediate staff of the Chairman or Commissioners	Chairman or Commissioners	CHCO CFO	Chairman
• Commission-level offices	OD	CHCO CFO	Chairman
• Immediate staff reporting to the EDO	EDO	CHCO CFO	Chairman
• EDO staff offices	OD or RA	CHCO CFO	EDO
• OIG	Deputy IG	CFO	IG

CFO - Chief Financial Officer
 CHCO - Chief Human Capital Officer
 EDO - Executive Director for Operations
 IG - Inspector General

OCFO - Office of the Chief Financial Officer
 OCHCO - Office of the Chief Human Capital Officer
 OD - Office Director
 OIG - Office of the Inspector General
 RA - Regional Administrator