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# NATIONAL VETERANS AFFAIRS COUNCIL

American Federation of Government Employees, Affiliated with the AFL-CIO

## NATIONAL GRIEVANCE

NG-6/30/22

7H/00400697

**Date:** June 30, 2022

**To:** Denise Biaggi-Ayer  
Executive Director  
Office of Labor Management Relations  
U.S. Department of Veterans Affairs  
Denise.Biaggi-Ayer@va.gov  
*Sent via electronic mail only*

**From:** Sarah Hasan, Staff Counsel, National Veterans Affairs Council (#53) (“NVAC”),  
American Federation of Government Employees, AFL-CIO (“AFGE”)

**RE:** National Grievance against the Department of Veterans Affairs for Failing to  
Conduct Market Pay Surveys and Adjust Base Pay Salaries for Physicians  
Assistants and Nurses

### STATEMENT OF THE CHARGE

Pursuant to the provisions of Article 43, Section 11 of the Master Agreement Between the Department of Veterans Affairs and the American Federation of Government Employees (2011) (“MCBA”), American Federation of Government Employees/National Veterans Affairs Council (“NVAC” or “the Union”) is filing this National Grievance against you and all other associated officials and/or individuals acting as agents on behalf of the Department of Veterans Affairs (“Department”) for failing to conduct local labor market surveys and adjust base pay for Registered Nurses and Physician Assistants.

Specifically, the Department violated Articles 2 and 54 of the MCBA; 38 U.S.C. §7451; Public Law (“PL”) 115-46, 5 U.S.C. §5596 (“Back Pay Act”); VA Handbook 5007/60 and any and all other relevant articles, laws regulations, and past practices not herein specified. The Union specifically reserves the right to supplement this grievance based upon the discovery of new evidence or information of which it is not presently aware, or otherwise, as necessary.

### STATEMENT OF THE CASE

#### **Background**

*Authority for Locality Pay Surveys*

The law provides that VA healthcare facilities should “be competitive, on the basis of pay and other employee benefits, with non-Department health-care facilities in the same labor-market area in the recruitment and retention of qualified [registered nurses and physician assistants].” See 38 U.S.C. §7451(a)(1)-(2). There are mechanisms prescribed by which each VA healthcare facility can determine whether its registered nurse (“RN”) and physicians assistant (“PA”) pay is competitive with market pay:

**(A)** In the case of a Department health-care facility located in an area for which there is **current information**, based upon an industry-wage survey by the Bureau of Labor Statistics for that labor market, on compensation for corresponding health-care professionals for the BLS labor-market area of that facility, **the director of the facility concerned shall use that information as the basis for making adjustments in rates of pay under this subsection.** Whenever the Bureau of Labor Statistics releases the results of a new industry-wage survey for that labor market that includes information on compensation for corresponding health-care professionals, the director of that facility shall determine, not later than 30 days after the results of the survey are released, whether an adjustment in rates of pay for employees at that facility for any covered position is necessary in order to meet the purposes of this section. If the director determines that such an adjustment is necessary, the adjustment, based upon the information determined in the survey, shall take effect on the first day of the first pay period beginning after that determination.

**(B)** In the case of a Department health-care facility located in an area for which the Bureau of Labor Statistics **does not have current information on compensation for corresponding health-care professionals for the labor-market area of that facility for any covered position, the director of that facility shall conduct a survey in accordance with this subparagraph and shall adjust the amount of the minimum rate of basic pay for grades in that covered position at that facility based upon that survey.** To the extent practicable, the director shall use third-party industry wage surveys to meet the requirements of the preceding sentence. Any such survey shall be conducted in accordance with regulations prescribed by the Secretary. Those regulations shall be developed in consultation with the Secretary of Labor in order to ensure that the director of a facility collects information that is valid and reliable and is consistent with standards of the Bureau. The survey should be conducted using methodology comparable to that used by the Bureau in making industry-wage surveys except to the extent determined infeasible by the Secretary. To the extent practicable, all surveys conducted pursuant to this subparagraph or subparagraph (A) shall include the collection of salary midpoints, actual salaries, lowest and highest salaries, average salaries, bonuses, incentive pays, differential pays, actual beginning rates of pay, and such other information needed to meet the purpose of this section. **Upon conducting a survey under this subparagraph, the director concerned shall determine, not later than 30 days after the date on which the collection of information through the survey is completed or published, whether an adjustment in rates of pay for employees at that facility for any covered position is necessary in order to meet the purposes of this section.** If the director determines that such an adjustment is necessary, the adjustment, based upon the

information determined in the survey, shall take effect on the first day of the first pay period beginning after that determination.

38 U.S.C. §7451 (d)(3) (emphasis added).

Thus, if there is current information on market pay for RNs and PAs, the Department is obligated to use that information within 30 days of release of the Bureau of Labor Statistics survey to determine whether to increase RN and/or PA base pay accordingly. Meanwhile, if no current Bureau of Labor Statistics survey exists, each Medical Center Director is authorized to conduct a market pay survey under 38 U.S.C. §7451 (d)(3)(B) and obligated to adjust RN and PA base pay within 30 days of receiving the survey result if warranted by the data collected. These requirements are also memorialized in VA policy in VA Handbook 5007/60, Part X, Chapter 1, adding that locality pay surveys shall be conducted annually. *See* Exhibit 1. The Handbook also provides that each Facility Director should assemble an annual report concerning the staffing levels of certain Title 38 healthcare positions, to include RNs and PAs. In any case in which the Facility Director, after finding that there is, or will likely be, a significant pay-related staffing problem at that facility for any covered position, determines not to conduct a wage survey with respect to that position, they must provide a statement to the Secretary of the reasons why they did not conduct such a survey, which the Secretary must include in an annual report to Congress. *See* 38 U.S.C. §7451(e)(4)-(5).

#### *Physicians Assistants*

On August 12, 2017, the President signed PL 115-46, The VA Choice and Quality Employment Act. Section 212 of this law requires the Department to provide competitive pay for Physician Assistants. Consequently, Title 38 has been amended to add PAs to the required Title 38 locality pay surveys, and as such, are to be compensated in a similar fashion as RNs in relation to competitive market compensation. *See* 38 U.S.C. §7451.

These changes were intended to provide Medical Center Directors with more flexibility in providing adjustments to compensation by removing the requirement to provide evidence of a current or anticipated recruitment or retention issue in the occupation. However, VA facilities must routinely review rates of PA compensation to ensure they remain competitive with private-sector employers in the same local market area. Any changes to pay are in the discretion of the Medical Center and in accordance with data provided by third-party surveys, which source their data from multiple establishments in the local labor market area (“LLMA”) to determine pay for PAs based on salary data provided by surveyed establishments. *See* 38 U.S.C. §7451(d)(3)(B); *see also* Exhibit 1, VA Handbook 5007/60, Part X, Chapter 1, Sections 3 and 4. The third-party surveyor then provides data to the VA facility, which includes actual rates of pay, salary ranges, mean and median rates of pay, the number of establishments surveyed, and other relevant data factoring into local market pay. *See* Exhibit 1, VA Handbook 5007/60, Part X, Chapter 1, Section 4.

Prior to implementing the VA Choice and Quality Employment Act, a mechanism did not exist to increase PA salary to be consistent with the competitive local market. Now, PA pay must

remain competitive with the private sector, locality pay surveys are to be conducted annually if there is no current survey by the Bureau of Labor Statistics, annual staffing reports are to be provided to the Union and Congress, a Medical Center Director may not consider the absence of a current recruitment or retention problem for PAs as a reason whether to adjust base pay based on market pay, and there is no justification needed to request a pay increase for PAs based on disparity in pay in the private sector.

However, many VA medical centers are failing to follow VA Handbook 5007/60 and 38 U.S.C. §7451 by failing to conduct annual locality pay surveys and adjust PA base pay. Upon information and belief based on PA LPS compliance data from 29 different VA facilities, multiple violations of law and policy were found. Representative examples include:

- The Alexandria, LA VAMC conducted the required salary survey in 2021 and found that the PAs are earning \$20,000 less per year than in the surrounding market. The VAMC declined to act upon this information and provided no explanation. The survey included NPs as per the law. The NPs were given a 14% pay increase based on the survey, however a local union grievance was required to secure that raise.
- The Ann Arbor, MI salary survey, which also covers Toledo and Jackson, showed that PAs should get an increase of 11.3% to account for higher market pay in the surrounding localities, yet no increase was provided.
- Surveys conducted for certain cities in Ohio, including Cincinnati, Cleveland, Columbus, Chillicothe, and Northern Indiana showed that PAs should get a 6% pay increase, however no increase was provided.
- The Detroit, MI survey showed PAs should get 15.1% increase, but no increase was provided.
- The Battle Creek, MI survey showed PAs should get 14% increase, but no increase was provided.
- Of the facilities in VISN 10, including those in Ohio and Michigan named above, no PA base pay adjustments were made.
- PAs in Martinsburg, WV and Phoenix, AZ were told a pay survey was conducted but they have neither received the survey data nor seen an increase to their base pay.
- There were no PA market pay surveys or base salary adjustments conducted in the following locations where there are VA medical centers: Chicago, IL; Wichita, KS; Dallas, TX; San Antonio, TX; Los Angeles, CA; Long Beach, CA; Rochester, NY; New Jersey; North Carolina; VISN 12; and Manchester, NH.

Of the 29 VAMCs where information was available only 2 were found in compliance, Shreveport, LA and Louisville, KY. Multiple VA medical centers were found compliant in conducting nurse pay surveys but did not conduct pay surveys for PAs, despite the fact that §7451(a)(1) requires compliance for both RNs and PAs. Multiple VA medical centers stated they were not going to conduct a PA market pay survey or increase PA salaries because they did not have a PA recruitment or retention problem. VA Handbook 5007/60, Chapter 10, was last revised on October 16, 2020 to include PAs in locality pay surveys, therefore, PA locality pay surveys and accompanying adjustments to their base pay should have been made in October 2020 and once again no later than October 2021. However, as of today, numerous VA facilities lag in

compliance and continue to do so, which constitute unjustified and unwarranted personnel actions under the Back Pay Act (5 U.S.C. §5596). As a result, the VA has failed to pay and owes back pay and interest to any PA who has not been compensated, and should have been, since October 2020.

### *Registered Nurses*

Registered Nurses at several AFGE Locals, including but not limited to AFGE Locals 3669 (Minneapolis, MN), 933 (Detroit, MI), and 1224 (Las Vegas, NV), have also reported that their facilities have failed to conduct yearly market pay surveys and/or adjust the locality pay of its RNs. Upon information and belief, multiple VA facilities lag in compliance and continue to do so. Failure to pay RNs locality-based adjustments to their salaries constitutes an unjustified and unwarranted personnel action under the Back Pay Act as well (5 U.S.C. §5596). As a result, the VA has failed to pay and owes back pay and interest to any RN who has not been compensated, and should have been on a yearly basis, from the date of the last locality pay survey conducted by their facilities.

In addition to these violations of VA policy, 38 U.S.C. §7451 and 5 U.S.C. §5596, the Department violated Article 2 of the MCBA which requires that the Agency comply with applicable federal statutes and regulations in the administration of matters covered by the MCBA. The Department also violated MCBA Article 54 which reiterates many of the requirements found in 38 U.S.C. §7451, namely with respect to conducting annual pay surveys and adjustments as provided for by law.

### **Violations**

By failing to fulfill its obligations, the Department violated and continues to violate, the following:

- Article 2 of the MCBA: requiring the Department to comply with federal law and regulations;
- Article 54 of the MCBA: requiring the Department to conduct market pay surveys annually and adjust base salaries based on that survey data as codified in 38 U.S.C. §7451;
- 38 U.S.C. §7451 and PL 115-46: requiring the Department to compensate RNs and PAs, respectively, on a competitive basis by conducting annual locality pay surveys and adjusting base pay accordingly;
- 5 U.S.C. §5596 requiring the VA to pay back pay to employees who were subject to an unwarranted or unjustified personnel action, including the violation of applicable laws concerning salary adjustments on mandatory market pay surveys;
- VA Handbook 5007/60: requiring the Department to annually survey market pay of RNs and PAs, adjust their base pay in accordance with that data, and provide annual reports to Congress concerning the staffing of these positions, among other covered positions; and
- Any and all other relevant articles, laws, regulations, customs, and past practices not herein specified.

## Remedies Requested

The Union asks that, to remedy the above situation, the Department agree to the following:

- Fully comply with its statutory obligations under 38 U.S.C. §7451 and PL 115-46; its contractual obligation under Articles 2 and 54 of the MCBA; and its obligations to comply with policy under VA Handbook 5007/60 by immediately conducting locality pay surveys for RNs and PAs in all VA medical centers where no market pay survey has been conducted for the past 12 months and adjusting RN and PA base pay in accordance with survey results no later than 30 days after receipt of survey data;
- To provide back pay and interest under the Back Pay Act (5 U.S.C. § 5596) to any RNs and PAs who not provided adjustments to their base pay based on survey data or in localities where surveys were not conducted;
- To pay reasonable attorney's fees and costs under the Back Pay Act (5 U.S.C. § 5596); and
- Agree to comply with any and all other relevant articles, laws, regulations, customs, and past practices not herein specified.

## Time Frame and Contact

This is a National Grievance, and the time frame for resolution of this matter is not waived until the matter is resolved or settled. If you have any questions, please contact the undersigned at the AFGE Office of the General Counsel. The undersigned representative is designated to represent the Union in all matters related to the subject of this National Grievance.

Submitted by,



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Alma L. Lee, President, AFGE/NVAC  
William Wetmore, Chairperson, Grievance and Arbitration Committee, AFGE/NVAC  
Thomas Dargon, Jr., Supervisory Attorney, AFGE/NVAC

## PAY ADMINISTRATION

1. **REASON FOR ISSUE:** To implement the provisions of the “VA Choice and Quality Employment Act” (Public Law 115-46, dated August 12, 2017) as it relates to pay administration.
2. **SUMMARY OF CONTENTS/MAJOR CHANGES:** This handbook contains mandatory VA procedures on pay administration. The pages in this issuance replace the corresponding page number in VA Handbook 5007. Revised text is contained in [brackets]. These changes will be incorporated into the electronic version of VA Handbook 5007 that is maintained on the Office of the Chief Human Capital Officer website and the VA Publications website. Significant changes include:
  - a. Establishes the title 38 Locality Pay System for physician assistants; and
  - b. Eliminates all references to special salary rates authorized under 38 U.S.C. § 7455 for physician assistants.
3. **RESPONSIBLE OFFICE:** Compensation and Classification Service (055), Office of Chief Human Capital Officer (OCHCO).
4. **RELATED HANDBOOK:** VA Directive 5007, “Pay Administration.”
5. **RESCISSIONS:** None.

**CERTIFIED BY:**

**BY DIRECTION OF THE SECRETAR  
OF VETERANS AFFAIRS:**

/s/  
Karen L. Brazell  
Principal Executive Director, Office of  
Acquisition, Logistics, and Construction  
And Chief Acquisition Officer, and Acting  
Assistant Secretary for Enterprise Integration

/s/  
Daniel R. Sitterly  
Assistant Secretary for Human  
Resources and Operations, Security,  
and Preparedness

**DISTRIBUTION:** Electronic Only

## **PAY ADMINISTRATION**

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**PART X. [TITLE 38 LOCALITY PAY SYSTEM]**

## PART II. SETTING RATES OF PAY UPON APPOINTMENT

### CHAPTER 1. GENERAL

1. **PURPOSE.** This part provides Department of Veterans Affairs (VA) mandatory guidance and procedures for determining initial rates of basic pay for personnel appointed or designated under certain title 38 authorities, personnel occupying positions subject to 5 U.S.C., chapter 51, and personnel subject to the Federal Wage System [(FWS)]. This chapter excludes Senior Executive Service employees, members of the Board of Veterans' Appeals, Senior-Level[,], and Executive Level employees.
2. **RESPONSIBILITIES.**
  - a. The Secretary or designee shall approve rates of pay for employees under his jurisdiction upon their initial entry into a covered position, whether upon movement from within or outside the Department.
  - b. Administration Heads, Assistant Secretaries, Other Key Officials, and Deputy Assistant Secretaries[,], or their designees[,], shall approve the salary level for initial placement for employees under their jurisdiction. They will recommend the salary level for employees in positions centralized to the Secretary.
  - c. Network Directors, and equivalent in VA, may approve pay determinations for employees occupying non-centralized positions in their organizations.
  - d. Facility Directors may approve the salary level for initial placement of employees under their jurisdiction.
  - e. [ ] Human Resources Management staff shall provide technical assistance and guidance to management officials in the administration of the provisions of this part. In addition, they shall advise management officials on exercising their discretion to set pay.
3. **DEFINITIONS**
  - a. **Highest Applicable Rate Range.** The rate range applicable to an employee's position based on the position of record and official worksite that provides the highest rates of basic pay, excluding any retained rates. For example, if a rate range of special [salary] rates [(SSR)] is higher than locality rates, then the special rate range is considered the highest applicable rate range. If no [SSRs] apply, then locality rates are considered the highest applicable rate range.
  - b. **Underlying Rate of Basic Pay.** A GS base rate, a title 38 base rate (except for physicians, dentists, podiatrists, registered nurses, [nurse anesthetists, and physician assistants]) or a law enforcement officer base rate of pay. The underlying rate of basic pay does not include the locality pay supplement or special rate supplement.

**CHAPTER 2. SETTING INITIAL RATES OF BASIC PAY****1. SETTING RATES OF PAY FOR EMPLOYEES APPOINTED TO POSITIONS UNDER 38 U.S.C. § 7306 OR 7401****a. Initial Rates of Pay**

- (1) Personnel employed under 38 U.S.C. § 7306 and 7401(1) shall be compensated in accordance with salary tables established by the Secretary for each occupation and salary grade for which a range of rates is established under 38 U.S.C. § 7404. [ ] Expanded function dental auxiliaries (EFDAs) are compensated according to the grade determined in accordance with qualifications prescribed by the Under Secretary for Health and approved by the Secretary. Employees appointed under 38 U.S.C. § 7401(3) will be paid from the General Schedule [(GS)] salary system.
- (2) The initial rate of pay for personnel appointed under 38 U.S.C. § 7306 , except physicians and dentists, may be set by the Secretary, upon recommendation of the Under Secretary for Health, at any step rate considered appropriate within the range of rates provided for the grade to which appointed.
- (3) The initial rate of pay for physicians, dentists, and podiatrists appointed under 7401(1) and 7405(a)(1)(A) is determined in accordance with the procedures contained in part IX of this handbook. The initial rate of pay for physicians and dentists appointed under 38 U.S.C. § 7306 is also determined in accordance with the procedures contained in part IX of this handbook.
- (4) The initial rate of pay for chiropractors, optometrists, [ ] and EFDAs appointed under 38 U.S.C. § 7401(1) who have prior VA or other Federal civilian service will be the minimum rate of the grade unless a higher step rate is authorized under subparagraphs (5), (6), or c below.
- (5) The initial rate of pay for chiropractors, optometrists, [ ] and EFDAs appointed under 38 U.S.C. § 7401(1) who have prior VA or other Federal civilian service may be set based on the employee's highest previous rate, unless a higher step rate is determined appropriate under subparagraphs (5), (6), or c below. See chapter 4 of this part for highest previous rate determinations.
- (6) The initial rate of pay for chiropractors and optometrists appointed to Chief Grade and below, [ ] and EFDAs appointed to Senior Grade and below, may be set by the approving [official] at any step rate of the appropriate grade on the basis of the individual's personal qualifications and attainments. The pay determination will be made in accordance with such qualifications as may be prescribed by the Under Secretary for Health and approved by the Secretary.
- (7) The initial rate of pay for nurses, [ ] nurse anaesthetists[, or physician assistants] appointed at [ ] [grade] IV or [grade] V may be set by the approving [official] at any step rate of the appropriate grade. The assignment of the grade shall be based upon criteria established by the Under Secretary for Health and approved by the Secretary, to cover complexity and responsibility involved in the specific assignment.

(8) The initial rate of pay for employees in hybrid occupations listed under 38 U.S.C. § 7401(3) who have prior VA or other Federal civilian service may be set by the approving official at any step rate of the grade which does not exceed the highest previous rate (maximum payable rate rule) (see 5 C.F.R. 531.221), unless a higher rate is approved under chapter 3, paragraph 3 of this part. The specific pay rate shall be based on the recommendation of the appropriate Standards Board, unless the position is a title 38 occupation listed in VA Handbook 5005, part II, Appendix U for which the servicing Human Resources (HR) office will make a pay rate recommendation. If applicable, the appropriate Standards Board is to compare the quality of service rendered during the individual's prior employment with the quality of service expected of other persons in the same grade who have attained pay rates above the minimum rate of the grade. The provisions of this subparagraph are not to be construed as precluding reappointment at a higher grade if the person is qualified. General Schedule (GS) employees who move from a lower GS grade to a hybrid occupation at a higher GS grade must have their pay set using [the] GS promotion [guidance] outlined in VA Handbook 5007, part III, chapter 2[, paragraph 3,] unless [ ] pay is set at a higher rate using highest previous rate or a higher rate is approved under chapter 3 of this part (Authorization of Individual Appointments Above the Minimum Rate of the Grade).

(9) **Appointments, Reappointments[, ] and Transfers from Other Agencies of Nurses, [ ] Nurse Anaesthetists[, ] and Physician Assistants] Under the [Title 38] Locality Pay System (LPS)**

(a) **Employees Without Prior VA or Other Creditable Federal Civilian Service.**

The initial rate of pay shall be the applicable minimum rate of the grade and level unless the approving official authorizes a higher step on the basis of the individual's personal qualifications and attainments, superior qualifications, or special needs of [ ] VA. In addition[, for nurse and nurse anesthetist positions,] the approving official may authorize a higher step for assignment to a head nurse position [in accordance with part III, chapter 8. The approving official may also authorize a higher step to recruit nurse, nurse anesthetist, or physician assistant] candidates with specialized skills in accordance with [ ] part III, chapter 8. The specific step rate should be based on a recommendation of the [applicable] Professional Standards Board [for the occupation].

(b) **Prior VA Service Under the LPS. Former employees who served under the LPS** may have their [pay] set at any step which does not exceed their highest previous step unless the approving official authorizes a higher step as described in subparagraph (a).

(c) **Current or Prior Federal Service Which Does Not Include Service Under the LPS.** The employee may be paid at any step of the grade which does not exceed the employee's [highest previous rate or] relative position in the former rate range unless the approving official authorizes a higher step as described in subparagraph (a). Current employees converted to a covered position at their request are not eligible for pay retention under part III, chapter 6, paragraph 4.

- (d) **Restrictions on Making Highest Previous Step Determinations.** All highest previous step determinations are subject to the following restrictions:
- i. The highest previous step must have been earned in a full-time, part-time[,] or intermittent appointment, not limited to 90 days or less, or for a period of not less than 90 days under one or more appointments without a break in service.
  - ii. The highest previous step may not include higher rates of pay for being a head nurse, higher rates based on specialized skills.[,]
  - iii. The earned step on any special rate range approved under 38 U.S.C. § 7455 is to be used for the purposes of computing the highest previous step.

**CHAPTER 4. HIGHEST PREVIOUS RATE DETERMINATIONS****1. HIGHEST PREVIOUS RATE DETERMINATIONS FOR TITLE 38 PERSONNEL**

- a. A step rate above the minimum may be set as the initial rate of pay for chiropractors, optometrists, nurses, PAs, and EFDAs with prior VA or other Federal civilian service whose appointment or reappointment is made under 38 U.S.C. § 7401(1). The rate may be set by [the] approving [official] at any step rate within the appropriate grade which does not exceed the highest step rate previously attained while rendering such service, unless a higher step rate is determined appropriate under chapter 2, paragraph 1a, subparagraphs (5), (6), or paragraph 1c of this part.

**NOTE:** *The step rate for physicians, dentists, and podiatrists appointed under 38 U.S.C. § 7401(1) [and 7405(a)(1)(A)] is determined based on the individual's tenure in VHA as described in paragraph 7 of part IX, of this handbook.*

- b. For chiropractors, optometrists, nurses, PAs, and EFDAs, unless a higher step rate is authorized under chapter 2, paragraph 1a, subparagraphs (5), (6), or paragraph 1c, of this part, the specific step rate shall be based on a recommendation from the appropriate Professional Standards Board. The recommendation shall compare the quality of service rendered during such individual's prior employment with the quality of service expected of other persons in the same grade who have attained step rates above the minimum rate of the grade. This provision, however, shall not be construed as precluding reappointment of such person at a higher grade or step for which he or she is qualified. Instructions for calculating highest previous rate for chiropractors, optometrists, [ ] and EFDAs are contained in paragraph 2[c.] of this chapter.
- c. The following restrictions apply in making highest previous rate determinations for personnel listed in paragraph 1a above:
  - (1) The rate must be based on prior full-time, part-time[,] or intermittent service under an appointment or contractual agreement (38 U.S.C. § 513), not limited to 90 days or less, or for a period of not less than 90 days under one or more appointments or contractual agreements without a break in service.
  - (2) It is generally inappropriate to use above-minimum entrance rates and special rate ranges as the highest previous rate when an employee voluntarily moves to a position where lower rates of pay apply. This is because approval of such rates is the result of recruitment or retention problems at a particular VA health-care facility and higher non-Federal pay rates in a specific labor market.
  - (3) In view of subparagraph c(2) above, above-minimum entrance rates or [SSRs] may be used as the highest previous rate only with the prior approval of the Facility Director. A copy of this approval shall be filed in the employee's electronic Official Personnel Folder (e-OPF) and documented in the "Remarks" section of the Request for Personnel Action (SF-52), or its electronic equivalent.

## APPENDIX C.

### PAY CONVERSION INSTRUCTIONS FOR TITLE 38 STATUTORY RATES

Subject to the provisions of 38 U.S.C. § 7404(a) and (b), the rates of basic pay for personnel appointed under 38 U.S.C. § 7306 or 7401(1) shall be adjusted on the effective date of a general pay increase as follows:

1. Personnel receiving a rate of basic pay immediately prior to the effective date of a general pay increase at one of the step rates of a grade or position on the pay schedules applicable to appointees under section 7306 or 7401(1) of title 38, U.S.C. shall receive the rate of basic pay for the corresponding numerical step rate of that grade or position which is in effect on and after the effective date of the increase. For physicians, dentists, and 7401 or 7405(a)(1)(A) podiatrists, the general increase shall only apply to the base pay rate (i.e., longevity step) and not the market pay component. [Section] 7306 appointees who are not physicians, dentists or the Chief Nursing Officer, Officer of Nursing Services, shall be paid basic pay as if such position were a Senior Executive Service position in accordance with 38 U.S.C. § 7404(a)(3).
2. Rates of basic pay for temporary full-time, part-time[,] and intermittent physicians, dentists, podiatrists, chiropractors, optometrists, [ ] and EFDAs appointed under 7405(a)(1)(A) shall be adjusted in the same manner authorized for personnel in paragraph 1 above.
3. Rates of basic pay for VHA [GS] patient care employees receiving above-minimum entrance rates or special rate ranges shall be adjusted in accordance with part II, chapter 3 of this handbook.
4. The salary rate of an employee receiving a retained rate of pay under part III, chapter 6, paragraph [5], shall be increased as described therein, specifically, by 50 percent of the increase in the maximum rate of the highest applicable rate range for the grade. In computing the new rate, fifty cents or more shall be rounded to the next higher dollar amount.

PART III  
CHAPTER 2

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## CHAPTER 2. PROMOTIONS/ADVANCEMENTS

### 1. ADVANCEMENTS FOR PERSONNEL APPOINTED UNDER 38 U.S.C. § 7401

- a. Promotion of Chiropractors, Optometrists, [ ] and Expanded Function Dental Auxiliaries (EDFAs). Chiropractors, optometrists, [ ] and EDFAs appointed under 38 U.S.C. § 7401(1) shall receive, upon promotion, the lowest step rate within the higher grade that exceeds his or her existing step rate by not less than two-step increases of the lower grade. The same instructions regarding geographic conversion and calculating promotions using the standard and alternate methods, which are contained in paragraph 3a of this part apply when calculating promotion actions for chiropractors, optometrists, [ ] and EDFAs.

**NOTE:** Physicians, dentists, and podiatrists appointed under 38 U.S.C. § 7401(1) are not subject to promotion rules as these are single grade occupations. See paragraph 15, part IX of this handbook for changes in assignment for physicians, dentists, and podiatrists.

- b. Promotion of hybrid employees. Employees in occupations listed under 38 U.S.C. § 7401(3) who are promoted to a higher grade are entitled to have their pay set in accordance with 5 C.F.R. 531.214, unless they are entitled to a higher rate of pay under the provisions of part II, chapter 4, paragraph 2, or the grade and pay retention provisions of part III, chapter 6 of this handbook and 5 C.F.R., part 536. See paragraph 3a of this part for instructions on geographic conversion, and the alternate and standard methods for calculating promotions.

**NOTE:** Refer to paragraph 4 of chapter 7, [of] this part, for promotions involving special rates. Refer to chapter 4 of this part and part IX of this handbook for assignment changes for personnel appointed under 38 U.S.C. § 7306 and 7401.

- c. **Promotion of Nurses, [ ] Nurse Anesthetists[, and Physician Assistants].** Except as provided in subparagraphs 1c(1),(2), and (3), nurses, [ ] nurse anesthetists[, and physician assistants] promoted shall receive basic pay at the lowest rate of the higher grade which exceeds the employee's existing rate of basic pay by not less than two-step increments of the grade from which promoted, unless pay retention rules apply (see [chapter 6, paragraph 5 of] this part).

(1) **Promotion Simultaneous with Reassignment or Transfer to Another VA Facility.** Nurses, [ ] nurse anaesthetists[, and physician assistants] promoted effective the same date they are reassigned or transferred to another VA facility shall have their promotion calculated using the pay schedule of the losing [facility]. Once the new grade and step rate are determined, the employee's salary rate is determined under the provisions in [paragraph] 1c(2) of chapter 4, [of] this part.

(2) **Head Nurses.** A head nurse promoted to a non-head nurse assignment receives the lowest step in the higher grade that equals or exceeds his or her existing rate of basic pay (excluding head nurse pay) by not less than two steps of the grade from which promoted. For example, a head nurse at Nurse II, step 7 (which includes the

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two additional steps for being a head nurse) would first have the two steps removed, then receive a two-step promotion and be placed on the lowest step in Nurse III that equals or exceeds Nurse II, step 7 grade which equals or exceeds the employee's existing rate of basic pay (including the higher rate based on specialized skills) by not less than one step increment within the grade from which promoted. Example: An employee at Nurse I, step 5, based on possession of specialized skills receives the lowest step of Nurse II that equals or exceeds Nurse I, step 6.

- (3) **Promotion Simultaneous with Placement on a Specialty Schedule.** [Employees paid under title 38 Locality Pay System schedules who are] promoted effective the same date they are assigned to a specialty schedule shall have their promotion calculated using the pay schedule to which assigned immediately prior to the promotion. Once the new grade and step are determined, the employee is then placed at the same grade and step on the specialty schedule.

d. **Advancement of Nurses and Nurse Anesthetists to a Higher Level Upon Attainment of Additional Qualifications**

- (1) Nurses and Nurse Anaesthetists advanced to a higher level within Nurse I will receive two steps or be placed at the first step of the appropriate level, if that step is greater. However, except as noted for head nurses in chapter 8 of this part, no advancement may exceed the maximum authorized step of the grade. For example, an employee in Level 1 of Nurse I who is at step 1 would be advanced two steps upon attaining the qualifications for Nurse I, Level 2; however, the employee would be advanced to the beginning step of Level 2 if the beginning step of Level 2 is higher than step 3 of the grade.
- (2) Advancement based on the attainment of a higher level in Nurse I is an equivalent increase and will cause the employee to begin a new waiting period for a PSI.
- (3) Employees who are advanced to a higher level based upon attainment of additional qualifications effective the same date that they are reassigned or transferred to another VA facility shall have their advancement calculated using the pay schedule of the losing location (i.e. advanced two steps or to the first step of the next higher level, whichever is greater). Once the new grade and step rate is determined, the employee's salary rate is determined under the provisions in paragraph 1c(2) of chapter 4, [of] this part.

2. **PROMOTIONS FOR PERSONNEL APPOINTED UNDER 38 U.S.C. § 7405.** Upon promotion under 38 U.S.C. § 7405, the pay of part-time and intermittent chiropractors, optometrists, nurses, PAs, and EFDAs shall be determined by the Under Secretary for Health in a manner consistent with paragraph 1 of this chapter.

**NOTE:** Refer to subparagraph 3a below for information on calculating promotions involving special rates.

3. **PROMOTIONS FOR POSITIONS SUBJECT TO 5 U.S.C, CHAPTER 51**

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- a. Promotion. On promotion, including transfer with promotion, an employee's salary will be set in accordance with the mandatory provisions of 5 C.F.R. 531.214 or the provisions of this handbook regarding the application of the highest previous rate rule. The following pay setting methods will apply:

**CHAPTER 3. CHANGE TO LOWER GRADE**

1. **CHANGE TO LOWER GRADE FOR PERSONNEL APPOINTED UNDER 38 U.S.C. § 7401.** In any voluntary movement to a lower grade, the employee's salary rate may be set by the approving [official] at any rate within the range of rates for the new grade which does not exceed the highest previous rate (maximum payable rate rule). This shall be the employee's rate unless a higher rate is authorized under part II, chapter 2, subparagraphs 1a(5) and (6) or 1c of this handbook. Chiropractors, optometrists, [ ] and expanded function dental auxiliaries (EFDAs) are subject to geographic conversion if the employee's official worksite after demotion is in a different geographic location where different pay schedules apply. See paragraph 2 of this chapter for information regarding geographic conversion.

**NOTE:** *Physicians, dentists, and podiatrists appointed under 38 U.S.C. § 7401(1) are not subject to change to lower grade rules as these are single grade occupations. See paragraph 15, part IX of this handbook for changes in assignment for physicians and dentists.*

2. **CHANGE TO LOWER GRADE FOR POSITIONS PAID FROM THE GENERAL SCHEDULE.** The [highest previous] rate rule is for application in changes to lower grade. The [highest previous] rate rule criteria shall be considered to be met when employee is to be involuntarily changed to a lower grade for non-disciplinary reasons. This will obviate the necessity for consideration of entitlement to pay retention, except where the existing salary rate of the [highest applicable rate range for the] lower grade to which he is being reduced. [When an employee's official worksite is changed to a new location upon a change to lower grade, the facility must first apply geographic conversion to determine the employee's payable rate upon demotion. See chapter 2, paragraph 3(a)(1) of this part for information on applying geographic conversion.] See chapter 6 of this part for information on grade and pay retention. [Examples of geographic conversion may be found in Appendix III-B.]
3. **CHANGES TO LOWER GRADE FOR EMPLOYEES IN POSITIONS UNDER THE FWS**
  - a. Except as provided in paragraph b below, an employee changed to a lower grade may be paid at any rate of the grade, which does not exceed his or her highest previous rate.
  - b. An employee changed to a lower grade following an action which conveys entitlement covered by pay retention (see chapter 6 of this part) is entitled to the lowest scheduled rate of basic pay in the employee's grade after the action is taken which equals or exceeds his or her current rate of basic pay. If there is no such rate, the employee is entitled to retain his or her existing rate of basic pay or 150 percent of the maximum rate of basic pay for the grade after the action is taken, whichever is less. See chapter 6 of this part for additional guidance on grade and pay retention.

**CHAPTER 4. OTHER ASSIGNMENT CHANGES AND MOVEMENTS****1. PERSONNEL APPOINTED UNDER 38 U.S.C. § 7306 AND 7401**

- a. **Physicians, Dentists, and Podiatrists.** The salary rate of a physician, dentist, or a 7401(1) or 7405(a)(1)(A) podiatrist upon change in assignment will be determined in accordance with the provisions of paragraph 15 of part IX, of this handbook.
- b. **Associate Investigators and Career Development Award-1 (CDA-1) Recipients.** Notwithstanding part II, chapter 2, paragraph 1a(4), the approving authority, upon recommendation of the appropriate Professional Standards Board or appropriate management official for physicians, dentists, or podiatrists may restore the grade and equivalent salary rate held by an employee prior to his or her becoming an Associate Investigator or CDA-1 recipient when such training is completed. Likewise, the rate may be adjusted further to include market pay considerations, longevity step increases or periodic step increases, which the employee would have earned had the employee not become an Associate Investigator or CDA-1 recipient. The above provision shall not be construed as precluding adjustment to a higher grade or rate of pay for which the employee otherwise may qualify upon reappointment upon completion of training.
- c. **[Employees Subject to the Title 38] Locality Pay System (LPS)**
  - (1) **Pay Rates Incident to Certain Personnel Actions.** Except for promotions and advancements simultaneous with transfers and reassignments, pay rates at the gaining location will normally be used when personnel actions involve more than one facility or geographically separate elements of the same facility using different [title 38] LPS pay schedules.
  - (2) **Intra-VA Transfers and Reassignments Between Geographically Separate Elements of the Same Facility**
  - (3) **At Employee's Request.** An employee who is transferred or reassigned without a break in service from one VA facility to another or between separate elements of the same facility normally receives:
    - (a) The rate of pay applicable to the employee's grade and step at the gaining location (e.g., an employee at Nurse II, step 2 receives the rate for that grade and step at the gaining location; a Physician Assistant at PA III, step 5 receives the rate for that grade and step at the gaining location). Nurses] at Level 2 or 3 of Nurse I receive the rate for their current step or the minimum beginning step for their level at the gaining location if that step is higher;
    - (b) The maximum step of the grade at the gaining location if the employee is on pay retention at the losing location (pay retention ceases);
    - (c) The maximum step of the grade at the gaining location if, at the losing location, the employee is on a step on an extended rate range under chapter 4, Exceptions to the 133 Percent Rate Range, which is not authorized at the gaining location (e.g., an employee at step 14 will be placed at step 12 upon transfer to a facility with only twelve steps in the employee's grade); or,

- i. The lowest step rate of the grade that equals or exceeds the employee's rate of pay at the losing location. If the employee was receiving a rate of pay in excess of the maximum rate of the grade at the gaining location, the employee may be placed on pay retention under paragraph [5] of chapter 6, [of] this part; or[.]
- ii. An intervening rate of pay. If the rate to be offered will be equal to or less than the rate for the top step of the grade at the gaining location, the approving official must offer a rate equivalent to a step rate and place the employee on a step if the offer is accepted. If the employee is offered and accepts a rate above the rate for the top step of the grade at the gaining location, the employee is placed on the top step of the grade (pay retention) and retains the offered rate under the procedures in paragraph [5] of chapter 6, [of] this part.

**NOTE:** *If the employee is transferred or reassigned to a location with higher rates, the employee must receive the rate of pay for the grade, level, and step earned at the losing location. For example, an employee at Nurse III, step 8, who is transferred or reassigned under this chapter, may not be offered less than that grade and step at the gaining location.*

- (4) In determining what rate to offer under subparagraph 1c(2)(c)1., the appropriate management official must consider such factors as recruitment or retention problems specific to the assignment, non-VA rates in the local labor market area (LLMA) for comparable assignments, cost-of-living factors for the area, the rates of pay for on-board employees with similar qualifications and assignments, and the rate of pay for the employee's immediate supervisor. If the rate of an employee [subject to the title 38 LPS who is] placed in [a PA or] Nurse IV or V assignment, is set under subparagraph 1c(2)(c)1.b. or c.[.] the action will be appropriately documented on the Board Action. For placement of an employee to a [PA or] Nurse I, II, or III assignment, [documentation related to the following factors should be provided on VA Form 10-2543, Board Action, or in a separate memorandum to be filed in the Board Action Folder of the employee's e-OPF.]
- (a) **Special Recruitment Needs.** To justify a higher rate based on special recruitment needs, such needs must be supported by a memorandum from the selecting official documenting the qualifications required for the assignment; the lack or comparable lack of possession of such qualifications by other available candidates; and that the non-selection of the candidate who is earning a higher rate of pay at another facility would adversely impact upon the efficiency or effectiveness of operations or programs.
  - (b) **Solicitation of an Employee to Fill an Assignment Requiring Special Qualifications.** To justify a higher rate based on this reason, the selecting official must document in a memorandum the qualifications required for the

assignment; the candidate's possession of them; and the unlikelihood of locating other candidates with equal possession of these qualifications.

- (c) **Promotion or Advancement Simultaneous with Reassignment or Transfer to Another VA Facility.** Employees promoted or advanced to a higher level effective the same date [ ] they are reassigned or transferred to another VA facility shall have their promotion or advancement calculated using the pay schedule of the losing facility. Once the new grade and step rate is determined, the employee's salary rate is determined under the provisions of subparagraph 1c(2)(a), (b), or (c).

**CHAPTER 5. WITHIN GRADE INCREASES AND PERIODIC STEP INCREASES****1. PERIODIC STEP INCREASES FOR PERSONNEL APPOINTED UNDER 38 U.S.C. § 7401**

- a. **General.** Periodic step increases may be granted to any optometrist, chiropractor, nurse, PA, or EFDA who is receiving less than the maximum rate of his or her grade. That employee shall be advanced to the next higher step rate within such grade subject to meeting the eligibility requirements and waiting periods listed below. Step increases for hybrid employees in occupations listed under 38 U.S.C. § 7401(3) shall be made under the provisions of the [GS] salary system and the provisions of paragraph [4] of this chapter.

**NOTE:** *Longevity step increases for physicians and dentists appointed under 38 U.S.C. § 7306 and 7401, as well as 7401(1) podiatrists, shall be determined under paragraph 8, part IX of this handbook.*

- b. Conditions of Eligibility for a Periodic Step Increase (PSI). A PSI will be granted when:
- (1) An employee's work is of an acceptable level of competence;
  - (2) No "equivalent increase" in compensation was received during the period under consideration; and[,]
  - (3) The benefit of successive step increases shall be preserved for any person whose continuous service is interrupted by active military duty.
- c. **Waiting Period.** The minimum time requirement of creditable service without an equivalent increase is either 52 or 104 weeks of creditable service as indicated below:
- (1) Chiropractors, optometrists[, and physician assistants] - upon completion of a 104-week waiting period.
  - (2) [ ] EFDAs at step 1 or 2 on the *regular* rate range of Junior or Associate grade - upon completion of a 52-week waiting period.
  - (3) [ ] EFDAs (including *any* [ ] EFDA on an above-minimum entrance rate or special rate range) -upon completion of a 104-week waiting period.
  - (4) Nurses in grade Nurse I, Level 1 at steps 1 through 3 of the grade - upon completion of 52 calendar weeks of creditable service.
  - (5) Nurses in grade Nurse I, Level 1 at steps 4 and higher of the grade - upon completion of 104 calendar weeks of creditable service.
  - (6) Nurses in grade Nurse I, Level 2 at steps 1 through 3 of the level - upon completion of 52 calendar weeks of creditable service.

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- (7) Nurses in grade Nurse I, Level 2 at steps 4 and higher of the level - upon completion of 104 calendar weeks of creditable service.
  - (8) Nurses in grade Nurse I, Level 3 at steps 1 through 3 of the level - upon completion of 52 calendar weeks of creditable service.
  - (9) Nurses in grade Nurse I, Level 3 at steps 4 and higher of the level - upon completion of 104 calendar weeks of creditable service.
  - (10) Nurses and Nurse Anesthetists in grades Nurse II, III, IV, and V - upon completion of 104 calendar weeks of creditable service.
- d. **Exceptions to Waiting Periods for Nurses, [ ] Nurse Anesthetists[, and Physician Assistants]**
- (1) Facility Directors may request deviations to the above waiting periods for nurses, [ ] nurse anesthetists[, or physician assistants]. Such requests must be supported by evidence that the variations are needed to enhance recruitment and retention. Examples of such evidence include non-VA advancement and promotion patterns in the LLMA, high quits for pay or vacancy rates, and low staffing success rates (see [Appendix] X-A for definitions of these terms.) The request should also include the estimated cost of the change.
  - (2) Requests for exceptions under this paragraph will be sent to the appropriate Network Director (10N\_\_) through the Office of Chief Human Capital Office (OCHCO)[, Compensation and Classification Service] (055). OCHCO will review each request and make appropriate recommendations to the Network Director.
- e. **Creditable Service.** In computation of waiting periods for the purpose of [PSI's], the following service shall be counted as creditable:
- (1) Continuous paid full-time, part-time, or intermittent assignment on an indefinite or time limited basis, in the VHA under authority of 38 U.S.C. § 7401(1) or 7405(a)(1)(A).
- NOTE:** *The period spent in part-time service is covered as though it had been performed on the basis of a full-time service. For an intermittent employee, 1 day of credit is given for each day of service in a pay status; 260 compensable days are equivalent to a waiting period of 52 calendar weeks, and 520 such days are equivalent to a waiting period of 104 calendar weeks; this time must extend over a period of not less than 52 or 104 calendar weeks, as appropriate.*
- (2) Time elapsing on annual, sick[, or] other leave with pay, including periods for which annual or sick leave is advanced.

- (3) Leave without pay [(LWOP)] not to exceed in total [176 hours] for chiropractors[, optometrists, and EFDAs] within the period required for one periodic step increase; 80 hours for nurses when the waiting period is 52 calendar weeks and 160 hours when the waiting period is 104 weeks; 160 hours for nurse anesthetists [and physician assistants].
  - (4) Except as provided in subparagraph (7) below, paid employment on a full-time, part-time, or intermittent basis under the authority of 38 U.S.C. § 7401(1), or 7405(a)(1)(A) rendered prior to a non-pay period (including separation), provided that such non-pay period did not exceed 52 calendar weeks.
  - (5) Active military duty when otherwise creditable service is interrupted.
  - (6) Any period of 120 calendar days or less between discharge or termination of active military service and re-employment under mandatory provisions of any statute or regulation.
  - (7) Actual service rendered prior to an extended absence on [LWOP], regardless of the length of such absence, which is due to injury or illness incurred as a direct result of employment.
  - (8) Leave of absence granted to an employee who is receiving compensation for work injuries under 5 U.S.C. chapter. 81.
- f. **Equivalent Increase in Compensation.** The total of any [increase(s)] in basic compensation (except general increases in basic compensation provided by statute) which is equal to the smallest step increase in any grade in which the employee has served during a period under consideration constitutes an equivalent increase. Instructions regarding equivalent increase determinations, when above-minimum entrance rates or special rate ranges are approved, are contained in chapter 7 of this part.
- g. **Effective Date.** [PSI's] shall be made effective at the beginning of the next pay period following the completion of the required waiting period and compliance with other required conditions of eligibility. When a step increase is delayed beyond its proper effective date solely through an administrative error or oversight, the step increase shall be made retroactively effective as of the date it was properly due. When employees are promoted in grade on the date of a [PSI], they shall first be credited with the periodic step increase, then promoted.
- h. **Effect of Special Advancements on Waiting Periods.** Special advancements for performance or achievement for personnel appointed under 38 U.S.C. § 7401, except physicians, dentists, and podiatrists, are not considered equivalent increases under paragraph [4f above]. However, these increases and advancements may place an employee in a waiting period that requires an additional 52 calendar weeks of creditable service before the employee is entitled to receive his or her next within-grade increase. Physicians, dentists, and podiatrists appointed under 38 U.S.C. § 7401 are not covered under the provisions of special advancements for performance or achievement.

## 2. PERIODIC STEP INCREASES FOR PERSONNEL APPOINTED UNDER 38 U.S.C. § 7405

- a. **General.** Temporary full-time, part-time[,] and intermittent optometrists, chiropractors, nurses, PAs, and EFDAs shall be granted periodic step increases under the same provisions applicable to full-time employees appointed under 38 U.S.C. § 7401, except as provided in subparagraphs b and c. Step increases for hybrid employees in occupations listed under 38 U.S.C. § 7401(3) shall be made under the provisions of the [GS] salary system and the provisions of paragraph [4] of this chapter.

**NOTE:** *Longevity step increases for physicians, dentists, and podiatrists appointed under 38 U.S.C. § 7405 shall be determined under paragraph 8, part IX of this handbook.*

- b. Waiting Period Requirements for Intermittent Employees

(1) 260 days of creditable service in a pay status over a period of not less than 52 calendar weeks, for advancement of intermittent [ ] EFDAs to steps 2 and 3 on the regular range of Junior and Associate grades.

(2) 520 days of creditable service in a pay status over a period of not less than 104 calendar weeks, for advancement of intermittent chiropractors and optometrists to step 2 and above for all grades, and all intermittent [ ] EFDAs, except those in subparagraph (1) above. This includes any [ ] EFDA on an above-minimum entrance rate or special rate range.

- c. **Leave Without Pay Service Credit for Part-Time Employees.** In computation of the waiting periods for part-time employees, [LWOP] may be credited in an amount not to exceed [176 hours] within the period of service required for one [PSI].

- d. **Within-Grade Increases for Medical Support Personnel Serving Under 38 U.S.C. § 7405(a) (Other Than Trainees or Students).** Employees covered by this subparagraph who are appointed for a period in excess of one year are eligible for within-grade increases, i.e., if they are given a 2-year or 3-year appointment. Employees given appointments of one year or less are not eligible for within-grade increases.

- e. **Trainees and Students Serving Under 38 U.S.C. § 7405.** These employees are paid either on a per annum training rate basis or a stipend basis and are ineligible for within-grade increases.

## 3. ADMINISTRATIVE STEP INCREASES FOR PERSONNEL APPOINTED UNDER 38 U.S.C. § 7306

- a. For positions at or below [the] Service Director grade for which a range of rates is provided, an administrative pay increase to the next higher step rate available for use shall be granted upon completion of 104 weeks of service at the lower rate within the grade.

- b. Identify the maximum rate for the highest applicable rate range that applies to the employee's former position of record if the employee were stationed at the official worksite for the new position of record;
  - c. Divide the maximum rate at the new official worksite, identified in subparagraph (a)ii above, by the maximum rate of the former worksite, identified in subparagraph (a)i above[,] and round the result to the fourth decimal point;
  - d. Multiply the factor resulting in subparagraph (a)iii by the employee's former retained rate and round to the nearest whole dollar. This becomes the employee's converted retained rate at the new location.
  - e. Refer to Appendix III for examples of pay retention calculations.
  - f. Adjusting a Retained Rate. When the maximum rate of the highest applicable rate range is increased while an employee is on pay retention, the employee is entitled to 50 percent of the amount of the increase in the maximum rate in the range, not to exceed Level IV of the Executive Schedule. The 50 percent adjustment rule only applies when the maximum rate increases, such as a statutory pay increase, or when a new pay schedule that covers the employee's position of record is established or increased. If at any time the new adjusted retained rate is equal to or lower than the maximum rate of the highest applicable rate range for the grade of the employee's position, pay retention is terminated.
4. **PAY RETENTION FOR TITLE 38 (OTHER THAN NURSES, [PHYSICIAN ASSISTANTS,] PHYSICIANS, DENTISTS, AND PODIATRISTS)**

a. Coverage

- (1) Employees appointed under or moving into [ ] optometrist, chiropractor, and [EFDA] positions appointed under the provisions of title 38 U.S.C. § 7306, 7401(1) and 7405(a)(1)(A), who undergo the following actions are *entitled* to retention of their basic rate of pay:
- (a) Employees whose rates of basic pay would otherwise be reduced as a result of a reduction or termination of a special rate schedule;
  - (b) Employees whose rates of basic pay would be reduced because of a transfer or reassignment initiated by management for reasons other than cause. This includes employees who choose to accept reassignment to a lower graded position in lieu of separation as a result of a management action, such as reorganization or transfer of function.
  - (c) Pay retention *may* also be authorized for employees appointed under or moving into positions appointed under title 38 U.S.C. § 7306, 7401(1), and 7405(a)(1)(A) (other than nurses, [physician assistants,] physicians, dentists, and podiatrists), whose rates of basic pay would otherwise be reduced, when the placement of the employee is not for cause, [(i.e. [ ] performance or misconduct),] or at the

employee's request. Placement of an employee in a position initiated or directed by management is not considered to be taken at the employee's request even though the employee may have previously asked the Department to consider his or her personal situation.

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**NOTE:** All provisions listed above are subject to statutory pay limitations. See *part IX of this handbook regarding a change in assignment and applicability of pay retention for physicians and dentists appointed under 38 U.S.C. § 7306, 7401(1) and 7405(a)(1)(A), as well as podiatrists appointed under 7401(1) and 7405(a)(1)(A).*

- b. **Pay Administration.** The pay administration provisions contained in subparagraph 3d of this chapter shall also apply to employees covered under subparagraph 4(a) above and must be used when employees are entitled to pay retention, and are appointed under or moving into [ ] optometrist, chiropractor, or [ ] [EFDA] positions.

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**5. PAY RETENTION [ ] FOR EMPLOYEES SUBJECT TO THE [TITLE 38] LOCALITY PAY SYSTEM**

- a. **Conditions Conferring Eligibility for Pay Retention.** Employees undergoing the following actions are eligible for pay retention:

- (1) Employees whose pay would otherwise be reduced as a result of a reduction or termination of a pay schedule in excess of 133 percent;

[ ]

- (2) Employees placed at another facility for the good of VA, or by management-directed [action] for reasons other than cause (see [subparagraph] 1c(2)(b) of chapter 4 [of] this part and Appendix II-B[]); and[,]

- (3) Employees reassigned to another facility by management-initiated action under subparagraph 1c(2)(c)1.b. of chapter 4, [of] this part.

**NOTE:** *Employees transferred or reassigned to another location by management-initiated action are not automatically entitled to pay retention. They may be offered the rate of pay for the grade and step at the gaining facility or an intervening rate that is more than the rate for the grade and step at the gaining facility but less than pay retention (see subparagraph 1c(2)(c)1. of chapter 4 [of] this part).*

- (4) Nurse executives whose rate of basic pay would otherwise be reduced as a result of a change in the facility complexity level (see [paragraph] 2b(2) of Appendix II-B);

- (5) Employees whose pay would otherwise be reduced as a result of a termination of a specialty pay schedule (see [paragraph 7] of chapter 1, part X).

b. **Pay Administration Policies Applicable to Employees Eligible for Pay Retention**

- (1) On the date of the action, employees are to be advanced to the lowest step rate of the grade which equals or exceeds their existing rate of basic pay before the action. (If the employee is placed on a step, pay retention will not apply.) If no such rate exists, the employee is placed at the top step of the grade and retains the rate of basic pay held before the action, unless a different rate is authorized under subparagraph 1c(2)(c) of chapter 4, [of] this part.

- (2) The employee receives 50 percent of any subsequent increase in the maximum authorized rate of the grade and pay retention terminates when the maximum authorized rate of the grade equals or exceeds the employee's retained rate. When pay retention is terminated, the employee is automatically placed at the top step of the grade, regardless of the amount of pay increase.

## CHAPTER 9. LOCATION[-]BASED PAY ENTITLEMENTS

1. **DETERMINING AN EMPLOYEE'S OFFICIAL WORKSITE.** Certain pay entitlements ([GS] locality pay, special rate supplements, [title 38] Locality Pay, Federal Wage System[,], and non-foreign area cost-of-living allowances) are based on the duty location of the official worksite (reflected in the [HRSmart] system as the duty station location code) for the position of record as documented on the employee's Standard Form (SF) 50, Notification of Personnel Action. Except as provided in paragraph 2 below, the official worksite (reflected in [HRSmart] and on SF-50, block 39 as the duty station) is the location of an employee's position of record where the employee regularly performs his or her duties or, if the employee's work involves regular travel or the work location varies on a daily basis, where his or her work activities are based, as determined by the employing facility. The facility must document the official worksite on the employee's SF-50, Notification of Personnel Action [ ]. Since the rate of basic pay paid to an employee is based on the official worksite, supervisors and managers must ensure employee duty stations are appropriately documented in the [employee's e-OPF]. Any time an employee has a change in duty station (i.e., official worksite) the supervisor must document the change by submitting a SF[-]52, Request for Personnel Action, to the servicing Human Resources office.
2. **TEMPORARY WORKPLACE CHANGES**
  - a. When an employee is in a temporary duty travel status away from the official worksite, and the employee is eligible for temporary duty travel allowances such as per diem, the employee's existing location-based entitlements are not affected.
  - b. If an employee is temporarily detailed to a position in a different geographic area and is eligible for temporary duty travel allowances, the employee's existing location-based entitlements are not affected.
  - c. If an employee is authorized to receive relocation expenses under 5 U.S.C. § 5737 and 41 C.F.R., part 302-2, subpart E, in connection with a long-term assignment ([i.e.] 6 – 30 months), the work location for the long-term assignment is considered the employee's official worksite for pay purposes.
  - d. If an employee is temporarily reassigned or promoted to a position in a different geographic area, the work location for the position to which temporarily assigned is considered the employee's official worksite for pay purposes.
3. **LOCATION-BASED PAY ENTITLEMENTS FOR EMPLOYEES ON A TELEWORK AGREEMENT**
  - a. The employing facility must designate the official worksite for an employee covered by a telework agreement who works from an alternate worksite. Except as provided in 5 C.F.R. 531.605(d)(2), if the employee is scheduled to report at least twice each biweekly pay period on a regular and recurring basis to a main or reporting office, then that office must be designated as the employee's official worksite.
  - b. For a telework employee whose work location varies on a daily basis, the employee need not

**APPENDIX B.**

**COMPUTING A LUMP-SUM PAYMENT FOR  
ACCUMULATED AND ACCRUED ANNUAL LEAVE**

**PAY TO BE INCLUDED IN A LUMP-SUM PAYMENT**

**1. The greatest of:**

- a. An employee's rate of basic pay, including a special [salary] rate, a law enforcement special base rate, pay under VA's [title 38] Locality Pay System (LPS)[, special pay for nurse and pharmacy executives], or market pay for physicians, dentists, and podiatrists; or[,]
  - b. A locality rate of pay under subpart F of part 531 of the C.F.R..
2. Any statutory adjustments or any general system-wide increases in pay that become effective during the lump-sum leave period. This includes an adjustment to a special [salary] rate, locality rate, LPS, or Base and Longevity Pay Schedule from which the employee was paid immediately prior to separation.
  3. For a prevailing rate employee, the employee's scheduled rate of pay and any applicable adjustments in rates that become effective during the lump-sum leave period.
  4. A within-grade increase if the employee has met the requirements of 5 C.F.R. 531.404 or 5 C.F.R. 532.417, a periodic step increase if the employee has met the requirements of part III, chapter 5 this handbook, or a longevity step increase if the physician, dentist, or podiatrist has met the requirements of paragraph 8 of part IX of this handbook prior to the date the employee becomes eligible for a lump-sum payment.
  5. Additional steps paid to individuals under 38 U.S.C. § 7452(a)(2) and 38 U.S.C. § 7452(c), if they were in receipt of the additional payments immediately prior to the date the employee became eligible for the lump-sum payment.
  6. The following types of premium pay under title 5 and title 38, to the extent such premium pay was actually payable to the employee:
    - a. Night differential under 5 U.S.C. § 5343(f) at the percentage rate received by a prevailing rate employee for the last full workweek immediately prior to separation, death, or transfer;
    - b. Pay for standby duty or administratively uncontrollable work under 5 U.S.C. 5545(c) or availability pay under 5 U.S.C. § 5545a, if the employee was receiving this type of premium pay for the pay period immediately prior to the date the employee became eligible for a lump-sum payment;
    - c. Overtime pay under 5 U.S.C § 5545b and 5 C.F.R. 550.1304 for overtime hours in an employee's uncommon tour of duty as defined in 5 C.F.R. 630.201, e.g., firefighter. The uncommon tour must be applicable to the employee for the pay period immediately prior to the date the employee became eligible for a lump-sum payment.

**CHAPTER 3. PREMIUM PAY ON THE SAME BASIS AS REGISTERED NURSES  
FOR EMPLOYEES APPOINTED UNDER 38 U.S.C. § 7401(3) OR 7405(a)(1)(B)**

1. **GENERAL.** This chapter applies to personnel who are appointed on a full-time, part-time[,] or intermittent basis under 38 U.S.C. § 7401(3) or 7405(a)(1)(B).

2. **CRITERIA FOR APPROVAL**

- a. Facility Directors may approve premium pay on the same basis as registered nurses for any category of personnel covered by this chapter when it is necessary to obtain or retain their services. This includes premium pay for work at night, on holidays, overtime[,] and on-call duty. This authority is not to be delegated to a lower level by the Facility Director.
- b. Approval of rates under this chapter requires the existence of a recruitment or retention problem. A facility with above-minimum entrance rates or special rate ranges in effect for an occupation has, by definition, a recruitment or retention problem for that occupation.

[ ]

3. **ADMINISTRATION OF AUTHORITY**

- a. The authorized rates of premium pay [and periods of entitlement] shall be those prescribed by 38 U.S.C. § 7454(b)[(1) and (2)] unless a higher rate is authorized under chapter 4 of this part.
- b. Premium pay may be approved for any category of personnel covered by this chapter, including specializations within an occupation. However, categories shall be based on recruitment/retention needs with approved rates being applied to all personnel within that category. [Personnel that have received approval for this premium pay practice shall be referred to as “designated hybrids.”]
- c. Authorizations shall be approved so affected personnel begin receiving premium pay at the beginning of a pay period.
- d. Personnel receiving premium pay under this paragraph [receive all premium pay under 38 U.S.C. § 7454(b)(1) and (2), and as such, are not subject to the biweekly premium pay limitation under 5 C.F.R. 550.105.
- e. Designated hybrid title 38 occupations] shall have those hourly rates of premium pay based on their annual basic rate of pay divided by 2,080.

4. **FUNDING.** Rates of pay under this chapter may only be approved if local funding is available or (if local funds are not available) the appropriate Network Director has previously authorized use of centralized funds for this purpose based on a written request by the Facility Director.

**CHAPTER 4. HIGHER RATES OF ADDITIONAL PAY FOR EMPLOYEES APPOINTED UNDER 38 U.S.C. § 7401, 7405(a)(1)(A)[,] AND 7405(a)(1)(B)**

1. **GENERAL.** Higher rates of additional pay for employees appointed under 38 U.S.C. § 7401(1), 7401(3)[,] or 7405(a)(1)(A) and (B) may be authorized at individual VA health-care facilities based on the recruitment or retention needs of that facility, as well as corresponding premium pay practices in the local labor market. Rates may not be approved for personnel in occupations listed under 7401(3) or 7405(a)(1), i.e., “hybrid title 38” personnel, unless the Facility Director has authorized premium pay on the same basis as registered nurses for such personnel [(“designated hybrids”)]. Rates of premium pay under this chapter shall be based on annual rates of basic pay divided by 2,080.
2. **CRITERIA FOR APPROVAL**
  - a. Higher rates of additional pay may be approved so VA can recruit or retain well-qualified nurses, physician assistants[,], and EFDAs, or any category of these employees, where recruitment or retention problems are caused by higher non-Federal rates of premium pay in the labor market. They may also be approved for hybrid employees in occupations listed under 38 U.S.C. 7401(3) if any of these employees have been authorized to receive premium pay on the same basis as registered nurses.
  - b. Approval of rates under this chapter requires the existence of a recruitment or retention problem and a determination that the problem is being caused, in whole or part, by higher rates of premium pay in the local labor market.
  - c. Approvals under this chapter shall be made at specific VA health-care facilities in amounts competitive with, but not exceeding, the amount of the same type of pay paid to the same category of non-Federal employees in the same [local] labor market.
3. **COMPETITIVE PREMIUM PAY PRACTICES**
  - a. A determination that recruitment or retention problems are related to premium pay practices shall be based on a survey of pay practices in the local labor market. [ ] In addition, surveys are to be a coordinated effort whenever rates are being proposed for more than one VA health care facility in the [local] labor market.
  - b. Where there are a large number of establishments in the local labor market, it is only necessary to include a reasonable percentage to [ensure] the survey results are representative. However, the sample should contain information on non-Federal, including State or local employers having a major [effect] on recruitment or retention of personnel in the survey occupation. [Third party salary survey data may also be used in lieu of surveying individual healthcare establishments.] The survey shall, to the extent practicable, include the following [information:]:

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**CHAPTER 6. SPECIAL [SALARY] RATES [(SSRs)]**

1. **GENERAL.** This chapter contains mandatory procedures for approving or requesting [SSRs]for [GS] and title 38 positions.
  - a. **Exclusions.** The following personnel are excluded from the provisions of this chapter:
    - (1) Physicians, dentists, and podiatrists paid under 38 U.S.C. § 7431.
    - (2) Residents appointed under 38 U.S.C. § 7406.
    - (3) Residents and trainees appointed under 38 U.S.C. § 7405(a)(1)(D).
    - (4) Personnel employed on a per annum fee basis or lump-sum fee basis under 38 U.S.C. § 7405(a)(2).
    - (5) Personnel paid under the title 38 Locality Pay System (LPS).]
  - b. **Use of Special [Salary] Rates.** [SSRs] may be requested or approved only to:
    - (1) Provide basic pay in amounts competitive with, but not exceeding, the amount of the same type of pay paid to the same category of personnel at non-Federal facilities in the same [local] labor market; [ ]
    - (2) Enable VA to recruit or retain well-qualified employees, or categories of employees, where recruitment or retention problems are being caused by higher non-Federal rates of pay;
    - (3) Achieve adequate staffing [levels] at particular facilities; or[,]
    - (4) Recruit personnel with specialized skills, especially those skills which are difficult or demanding.
  - c. **Preconditions.** Submission of a [SSR] request or authorization presupposes all recruitment possibilities have been exhausted and full attention has been given to addressing any retention consideration such as working conditions and duty assignments. A request for [SSRs] for [GS] positions also presupposes sound and effective position management, as well as properly classified positions.
  - d. **Other Limitations**
    - (1) The authorities in this chapter are to be used as a management tool to enable VA to recruit and retain sufficient numbers of capable, well-qualified personnel. However, pay rates may not be set at levels above those necessary to meet recruitment and retention needs.
    - (2) Except in the case of [ ] pharmacists, [ ] licensed physical therapists, and licensed practical nurses, no [SSR] supplement may exceed 69 percent. The maximum rate of basic pay for any employee so increased may not exceed the rate payable for Level IV of the Executive Schedule [(EX)].

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- e. **Fixed Percentage Special Rate Supplement.** [SSRs] will be established or adjusted using fixed percentage special rate supplements. Percentage supplement amounts will be calculated using a whole number (e.g., 40 percent) or a number rounded to the second decimal (e.g., 45.25 percent).
- f. **Increases in GS and [EFDA] Pay Schedules.** Whenever there is a nationwide adjustment in the GS or [EFDA] pay schedule, the underlying [ ] rate will be increased based on the Executive Order; the percentage supplement will remain the same unless there is a simultaneous increase to the percentage supplement.

**NOTE:** *Special rates consisting of a fixed dollar amount supplement will continue to exist; however[,] all new or modified [SSR]authorizations will be established or increased using the fixed percentage special rate supplement method.*

## 2. APPROVAL OF SPECIAL [SALARY] RATES UNDER 38 U.S.C. § 7455

- a. **Coverage.** This paragraph contains mandatory procedures for establishing, adjusting, or canceling [SSRs] for [ ] health-care personnel appointed to hybrid positions listed under 38 U.S.C. § 7401(3) and 7405(a)(1)(B).
- b. **Definitions**
  - (1) **Above-Minimum Entrance Rate (AMER).** An increase in the minimum rate of basic pay for a grade with no corresponding increase in higher intermediate rates or in the maximum rate of pay for that grade.
  - (2) **Applicable Annual Rate.** The rate corresponding to the type of survey data used to establish or adjust a special rate supplement; this may include survey data reported as minimum or beginning rates of pay, mid-point, average, maximum or rates that are reported as percentiles (10<sup>th</sup>, 25<sup>th</sup>, 50<sup>th</sup>, 75<sup>th</sup> and 90<sup>th</sup>).
  - (3) **Benchmark Grade.** For each occupation, the first grade or grade interval beyond the entry or developmental grade.
  - (4) **Corresponding Position.** A non-Federal position where the basic duties and responsibilities are similar to those found in VA positions and which has the same or similar education, training, and experience requirements.
  - (5) **Entry Grade.** For each occupation, the grade at which new graduates without experience or those meeting minimum qualifications standards are typically employed.
  - (6) **General Schedule (GS) or Nurse Schedule for [ ] EFDAs.** The schedule of rates of basic pay exclusive of any geographic or locality pay.

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- (7) **Intergrade Differential.** The proper pay alignment of at least [a] 6 percent difference between the Step 1 rates for each grade when different percentage supplements are authorized.
  
- (8) **Internal Alignment.** The alignment of pay grades based on intergrade differentials. Internal alignment is intended to provide appropriate recognition of differences in levels of responsibility while assuring that the entrance rates for all grades do not exceed the highest beginning non-Federal rates in the community for corresponding positions.

f. Setting the First Step of the Entry and Benchmark Grades

- (1) [SSRs] are generally established at the entry and benchmark grades. Additional grades may be extrapolated from the entry and benchmark grades. For each occupation, the entry grade is the grade at which new graduates without experience or those meeting minimum qualifications standards are employed; the benchmark grade is the first grade or grade interval beyond the entry or developmental grade. Except for physical therapist, pharmacist[,] and licensed practical nurse authorizations, the fixed percentage supplement may not exceed 69 percent. If a higher beginning rate is needed, an AMER may be established under subparagraph h. When one or more survey sources are utilized, or when survey results include more than one category of survey data, the Facility Director should give consideration to each survey type and/or data type.
- (2) The first step of the entry and benchmark grades may be set at any rate that is greater than the community average but less than the highest rate for corresponding positions when doing so is necessary to recruit and retain well-qualified employees. Factors such as the rates paid by the facility's nearest major competitors and the severity of any recruitment and retention problems must be considered when determining whether to set the rate above the community average. Severe staffing problems are evidenced by a vacancy rate of 20 percent or more, positions that have been vacant for six months or longer, a staffing success rate of 50 percent or less, or a quit for pay rate of 25 percent or higher (see Appendix VI-J to determine these rates).
- (3) In [non-foreign areas], where Office of Personnel Management (OPM) has approved a non-foreign cost-of-living allowance (COLA) under 5 U.S.C. § 5941, Facility Directors are to set the beginning rate of a grade so that the sum of the beginning rate and the COLA meet the criteria in subparagraphs f(1) and (2) above.
- (4) In no instance may the beginning rate of a special rate range exceed the highest rate determined using the survey methodology contained in subparagraph e above.
- (5) To determine the fixed percentage special rate supplement:
- (6) Find the difference between the new beginning rate and the underlying [GS] Step 1 rate; this amount becomes the special rate supplement;
- (7) Divide the special rate supplement by the applicable underlying [GS] Step 1 rate to determine the supplement percentage; (convert to whole number, rounded two decimals; e.g., .07352 becomes 7.35 percent). For example, after evaluating all survey data, a Facility Director authorizes a new GS-3[,] step 1 rate of \$28,392. Divide the new GS-3 step[,] 1 rate of \$28,392 by the existing underlying GS-3[,] step 1 rate of \$21,840;  $\$28,392 \div \$21,840 = 1.30$ . In this example the Facility Director authorizes a 30 percent percentage supplement.
- (8) The supplement percentage is multiplied by the underlying [GS] steps 2 through 10 to create the new rate range.

**g. Internal Alignment**

- (1) Survey data may support different amounts of fixed percentage special rate supplements between grades, especially where there are indications that significant recruitment and/or retention problems exists, or are likely to exist.
- (2) If survey data is not available for a grade, Facility Directors may increase the next lower or next higher grade by applying the same percentage supplement amount as the grade below or above. The Facility Director may authorize a lower percentage supplement amount as long as adequate pay alignment exists.
- (3) When different percentage amounts are authorized there should be at least a 6 percent intergrade differential between the rates for each grade at Step 1 [ ] to ensure proper pay alignment.
- (4) In no instance shall the rate set at any grade exceed the highest applicable non-Federal rate for corresponding positions. It may be necessary to reduce the minimum rate for the benchmark grade so that none of the minimum rates at other grades exceed the highest applicable non-Federal rate for corresponding positions.

**h. Setting AMERs in Combination with Special Rate Ranges**

- (1) Except for [physical therapist], pharmacist, and licensed practical nurse authorizations, no special rate supplement may exceed 69 percent. When a higher beginning rate is necessary and when the special rate supplement is set at the 69 percent maximum, an AMER may be established in combination with a special rate range. Use the following steps to establish combined AMERs and special rate ranges:
  - (a) Develop the special rate range using a fixed percentage supplement amount of 69 percent.
  - (b) Based on salary survey data, determine the first step of the special rate range that is equal to or less than the applicable community average; this step becomes the AMER for the grade.
  - (c) An AMER may be established at a rate that is higher than the applicable community average, but less than the highest rate reported as provided in subparagraph [f](2) above.
- (2) AMERs will not be used for [physical therapist], pharmacist[,] and licensed practical nurse authorizations.

- i. **Statutory Limitation.** The maximum rate of basic pay for any authorization, including those for [physical therapists,] [ ] pharmacists[,] and licensed practical nurses, may not exceed the rate payable for Level IV of the [EX].

**j. Effective Date of Authorizations and Cancellations**

- (1) The effective date of authorizations and cancellations will be the first day of the first full pay period after the approval date.
- (2) Facilities must coordinate the effective date of their authorizations and cancellations with other affected VA facilities to meet the requirements of paragraph 3b(5) below.

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[(EFDAs)], chiropractors, optometrists, and board certified clinical or counseling psychologists.

(2) This subchapter does not apply to VHA GS administrative, clerical[,] and physical plant maintenance personnel whose [SSRs] are approved by [OPM] under 5 U.S.C. § 5305.

**APPENDIX M: SAMPLE AUTHORIZATION ALIGNED TO THE NURSE SCHEDULE FOR [ ]  
EXPANDED-FUNCTION DENTAL AUXILIARIES (EFDAS)**

**Authorization of Special [Salary] Rates Under 38 U.S.C. § 7455**

Occupation: [Expanded-Function Dental Auxiliary (Dental Hygienist), VN-0601-52]

Location: Enter Facility Name and Station Number

Type of Adjustment: Special Salary Rate Ranges [with Above-Minimum Entrance Rates]

Authority: 38 U.S.C. § 7455 and VA Handbook 5007, Part VI, Chapter 6

Rates Authorized:

<u>Grade</u>	<u>1<sup>st</sup> Step</u>	<u>10<sup>th</sup> Step</u>	<u>[Supplement</u>
Junior	\$54,526	\$70,877	69%
(Above-Minimum Entrance Rate \$67,243 step 8)			
Associate	63,781	82,915	69%
(Above-Minimum Entrance Rate \$72,285 step 5)			
Full	74,118	96,355	69%
(Above-Minimum Entrance Rate \$79,060 step 3)			
Intermediate	83,838	108,993	58%
Senior	89,040	115,752	40%
Chief	94,535	122,896	25%]

These rates are aligned to 38 U.S.C. § 7404 Salary Table effective January [7, 2018].

Approved by:

/s/ \_\_\_\_\_

\_\_\_\_\_

Name

Date

Facility Director

Effective Date: Enter date which will be the first day of the first pay period beginning on or after the date of this authorization.

Point of Contact: Enter the name, title, and telephone number of the person to contact for further information about the authorization.

**CHAPTER 3. BASIC PAY AND LOCALITY COMPARABILITY PAY LIMITS\**

The following table identifies basic pay and locality pay limitations for the pay systems/occupations listed.

<b>Pay System/Occupation</b>	<b>Basic Pay Limit</b>	<b>Locality Pay Limit</b>
General Schedule/Hybrid Title 38	Level V	Level IV
Federal Wage System	Level V	Not Applicable
Senior Executive Service	Level III*	Not Applicable
Executive Schedule	Varies	Not Applicable
Senior-Level/Scientific and Professional	Level III*	Not Applicable
Physicians/Dentists/Podiatrists	As reflected in the Executive Order each year	Not Applicable
Optometrists/Chiropractors/ [ ] EFDAs	Level V	Level IV
Board of Veterans' Appeals	Level IV	Level III
Board of Contract Appeals	Level IV	Level III
Veterans Canteen Service	None	Not Applicable
Certified Registered Nurse Anesthetists (LPS)	Level I	Not Applicable
Registered Nurses[/Physician Assistants] (LPS)	Level IV	Not Applicable

\*The maximum rate of basic pay is Level II during such times as VA's performance appraisal system is certified by the Office of Personnel Management.

**PAY ADMINISTRATION**

**PART X. [TITLE 38] LOCALITY PAY SYSTEM [ ]**

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**PART X. [TITLE 38] LOCALITY PAY SYSTEM [ ]**

**CHAPTER 1. GENERAL PROVISIONS**

1. **PURPOSE.** This chapter contains mandatory procedures for administering the [title 38] Locality Pay System (LPS) for full-time, part-time, and intermittent registered nurses (RNs)[, ] nurse anesthetists[, and physician assistants] appointed under chapter 74, Title 38, United States Code (U.S.C.). [The] LPS provides VA healthcare facilities a mechanism for adjusting salary rates in order to be competitive in the recruitment and retention of RNs[, ] nurse anesthetists[, and physician assistants.]

2. **LPS STRUCTURE**

a. **Five-Grade Pay System**

(1) Under [the] LPS there are five grades, [ ] I through [ ] V. Certain [occupations include] grades [which] contain higher levels, as follows:

(a) **Registered Nurse.** Nurse I contains three levels. Nurse II, III, IV, and V are not divided into levels.

(b) **Nurse Anesthetist.** Contains four grades, Nurse II through V.

(c) **Physician Assistant.** Contains five grades, Physician Assistant (PA) I through V.]

(2) Each grade has a maximum of 26 steps and a step rate increment of 3 percent of the beginning rate for the grade. Because of the limit on the width of the rate range in subparagraph 2b(1) below, field facilities may only use 12 steps in each grade unless a wider rate range is approved under that paragraph. The dollar value of each step increment will be the same.

b. **Basic Pay Ranges**

(1) The maximum authorized range of basic pay rates for any grade is 133 percent of the minimum rate, unless:

[ ]

[(a)] The Facility Director determines a larger rate range, not to exceed 175 percent, is necessary to recruit or retain a sufficient number of well-qualified health care personnel at [ ] [grade] I (see chapter 4 [of this part]); or[,]

[(b)] The appropriate Veterans Integrated Service Network (VISN) Director determines a larger rate range, not to exceed 175 percent, is necessary to recruit or retain a sufficient number of well-qualified health care personnel at [ ] [grade] II through [ ] [grade] V (see chapter 4 [of this part]).

- (2) Rates of basic pay for registered nurses [and physician assistants] may not exceed Level IV of the Executive Schedule [(EX)].
- (3) Rates of basic pay for certified registered nurse anesthetists may not exceed Level I of the [EX].

### 3. LPS ADJUSTMENTS

- a. **General.** Title 38 U.S.C. § 7451(d) requires Facility Directors to increase rates of basic pay coincident with [ ] GS adjustments. Facility Directors are further authorized to adjust rates of pay for covered positions to amounts comparable to corresponding non-VA positions in the local labor market area (LLMA) when deemed necessary.
- b. **Regular Adjustments.** The Director will make an adjustment:
- (1) On the effective date of any GS adjustment under 5 U.S.C. § 5303, and by not less than the same percentage as the increase in the rates of basic pay under the GS, exclusive of locality comparability payments under 5 U.S.C. § 5304;
  - (2) Not later than 30 days after the release of the results of an LLMA survey by the Bureau of Labor Statistics (BLS) that meets the requirements of paragraph 4c below;
  - (3) Not later than 30 days after the publication of an applicable third-party salary survey that meets the requirements of paragraph 4d below; and[,]
  - (4) Not later than 30 days after the completion of data collection for a VA survey conducted under chapter 2 of this part.

**NOTE:** See paragraph 5 of chapter 3 for additional guidance regarding adjustments.

- c. **Exceptions to Regular Adjustments.** If a Facility Director determines an adjustment is not necessary under subparagraphs b(2), (3)[,] or (4) above because current LPS rates are competitive, the Director may continue those rates after a VA- or BLS-conducted survey or other third-party survey.
- d. **Other Adjustments.** Without conducting or purchasing a new survey, Facility Directors may authorize general LPS adjustments based on data from the most recent survey, provided [ ] all of the following conditions apply:
- (1) The new rates authorized do not exceed the highest comparable community rate reported in the most recent survey; and
  - (2) There are continuing pay-related recruitment and retention problems which would not be more appropriately addressed by another pay-setting mechanism (e.g., establishing pay schedules for a particular specialty within an occupation, requesting [an] exception to the 133 percent rate range, or authorizing higher step rates for personnel with specialized skills).

#### 4. LPS SURVEYS

##### a. General

- (1) LPS surveys apply to employees covered by [the] LPS except certain Veterans Health Administration (VHA) Central Office and VISN office employees excluded under chapter 5, VHA Central Office and VISN Office [ ] Pay, and San Juan, Manila, and Guam employees excluded under chapter 6, Rates of Pay for [Non-foreign Areas.]
- (2) Except for mandatory pay adjustments made under the provisions of chapter 3, paragraph 5, LPS adjustments are made to achieve consistency with rates of compensation for corresponding healthcare positions in the LLMA. In determining whether to carry out a wage survey [or review third party survey data,] Facility Directors may not consider the absence of a current recruitment or retention problem.
- (3) To the extent practicable, all salary surveys purchased or conducted shall include the collection of salary midpoints, actual salaries, lowest and highest salaries, average salaries, bonuses, incentive pays, differential pays, actual beginning rates of pay, and any other information available to determine if LPS adjustments are necessary.

##### b. Mandatory Survey Requirement

- (1) If the Facility Director determines that a significant pay-related staffing problem exists or is likely to exist for any grade of a covered occupation or specialty, the Director must conduct a salary survey or use a BLS or other third-party industry salary survey to determine whether a rate adjustment is necessary to remain competitive with the rates of compensation for corresponding positions, if such a survey has not been conducted within 120 days. Nothing in the preceding sentence precludes the Director from conducting a survey at other times if deemed necessary in order to adjust the pay rates of covered positions.
- (2) Positions in the occupation or specialty meeting at least three of the following criteria are considered to be experiencing, or likely to experience, a significant pay-related staffing problem for the purpose of determining whether a salary survey must be conducted.
  - (a) A 5 percent increase in the turnover rate since June 30<sup>th</sup> of the prior year.
  - (b) A significant number of losses since June 30<sup>th</sup> of the prior year were quits for pay.
  - (c) A 10 percent increase in the vacancy rate since June 30<sup>th</sup> of the prior year.
  - (d) Positions remain vacant for six months or more despite active recruitment.

- (e) Positions have been abolished due to recruitment difficulty.
- (f) Any other criteria deemed appropriate by the Facility Director.

**NOTE:** *The increase in turnover and vacancy rates will be calculated by subtracting the previous rate from the current rate (e.g., a change from 10% to 12% is a 2% increase; a change from 8% to 13% is a 5% increase).*

**c. BLS-Conducted Surveys**

- (1) When a Facility Director determines that a [ ] BLS-conducted LLMA survey contains current information on rates of compensation for corresponding positions, [the] Director shall use that data as a basis for LPS adjustments. Surveys must meet the following conditions:
  - (a) The data reported in the survey must reflect an appropriate LLMA for the facility or geographic area covered by the pay schedule. An appropriate LLMA is one that includes the county in which the covered employees will be assigned and is representative of the location of competing establishments.
  - (b) Data is available for one or more levels described in paragraph 2 of Appendix X-E.
- (2) The only type of BLS survey that shall be used for pay-setting purposes under chapter 3, Salary Schedule Construction and Implementation, is a National Compensation Survey specific to the geographic area in which the VA facility is located. Information regarding the availability of National Compensation Surveys for specific geographic locations may be obtained from the [BLS website](#).

**NOTE:** *VA has determined that the BLS Occupational Employment Statistics Survey is not an appropriate pay-setting tool because data is reported for all workers in an occupation and is not specific to the level of work performed within the occupation.*

**d. Other Third-Party Surveys**

- (1) When BLS data [is] not available or not current, the Director shall, to the extent practicable, use other third-party [survey data] to determine if LPS adjustments are necessary. These surveys may be purchased from a compensation service or obtained on a participatory basis through local hospital associations or other organizations. Surveys must meet the following conditions:
  - (a) **Type of Salary Data.** The survey may include the following components:
    - i. **Rates Actually Paid.** The minimum and maximum rates actually paid in a given job category.
    - ii. **Salary Range.** The published minimum and maximum rates of pay for a given job category.
    - iii. **Mean Salary.** The average of all actually paid wages for a specific job category.
    - iv. **Median Salary.** The middle wage value in a group of sequential data. The actually paid wages reported are sorted from lowest to highest and the middle number is the median value. This may also be reported as “50<sup>th</sup> percentile.”
    - v. **Number of Establishments.** The number of establishments that reported data for a particular job category.

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- g. **Records.** A survey file containing the material specified in paragraph 9 of chapter 2 and paragraph 8 of chapter 3, [of] this part, will be established for each survey conducted or purchased under this part.

## 5. UNDER SECRETARY FOR HEALTH AUTHORITY TO MODIFY LOCAL DETERMINATIONS

- a. [ ] [To] ensure that rates of pay for covered positions are sufficient to be competitive, on the basis of pay and other employee benefits, with non-Department healthcare facilities in the same [local] labor market area in the recruitment and retention of qualified personnel, the Under Secretary for Health may modify any decision made by a local Facility Director with respect to adjusting rates of pay. This includes the authority to direct that a survey be conducted [and/or mandate a review of third party survey data].
  - (1) If the determination of the Director results in an increase in rates of basic pay applicable to covered positions, any action by the Under Secretary for Health under this paragraph shall be made effective the same date as the initial decision of the Director.
  - (2) Any new pay actions ordered by the Under Secretary for Health shall take effect on the first day of the first pay period beginning after such action.
- b. [OCHCO, Compensation and Classification Service] (055) officials will review pay-setting and/or survey decisions at least annually to determine if action by the Under Secretary for Health is warranted. Such reviews will normally be conducted coincident with the annual reporting requirement in paragraph 6 of this chapter but may take place at other times as requested by the Under Secretary for Health.
- c. OCHCO officials will recommend action by the Under Secretary for Health after consideration of the following criteria. Such recommendations will not be based on just one factor, but rather a combination of factors that reflect the overall pay and staffing picture:
  - (1) The facility has a documented staffing problem based on the criteria in paragraph 4b(2) of this chapter;
  - (2) A salary survey has not been conducted [and a review of third party survey data has not occurred] in the past 12 months;
  - (3) The existing or recommended pay rates are set significantly below comparable rates in the community; and[,]
  - (4) Any other evidence which suggests that the current or recommended pay rates are not sufficient to be competitive for the recruitment and retention of employees in the occupation or specialty.

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6. **ANNUAL REPORT.** Facility Directors shall complete and submit an annual report on staffing no later than July 31<sup>st</sup> each year. Separate reports will be submitted for nurses[,] nurse anesthetists[, physician assistants, and any other positions covered by 38 U.S.C. § 7451], as well as for any category of an occupation for which a specialty schedule has been established. VA facilities must provide a copy of the Annual Report on Staffing to any employee or their union representative upon request. For illustrative purposes, a copy of the report is contained in Appendix X-B.

7. **SPECIALTY SCHEDULES.** A separate salary schedule may be established for any nurse [or physician assistant] category, by conducting a survey [or reviewing third party survey data] of pay rates for the corresponding specialty in the LLMA. These specialty areas include but are not limited to operating room nurse, nurse practitioner, critical care nurse, administrative nurse, clinical nurse specialist, [ ] head nurse[, and physician assistant (orthopedics)]. An individual shall only be placed on a specialty schedule if that specialty is their primary role, [(i.e. at least 51 percent of time is spent in the specialty assignment)]. Employees will be paid as follows:

**NOTE:** *Instructions for constructing specialty schedules for head nurses are contained in chapter 3, paragraph 2a(6). All pay administration policies applicable to head nurses (see part III, chapter 8) also apply to head nurses assigned to a specialty schedule.*

- a. **Approval of [a] Specialty Schedule.** Employees reassigned to a specialty schedule must receive the corresponding rate for the grade and step held on the day before the effective date. If the employee is at a step on an extended rate range that does not exist on the specialty schedule, the employee will be placed at the maximum step of the grade on the specialty schedule and be granted pay retention under part III, chapter 6, paragraph [5] if his or her existing basic pay rate exceeds the maximum rate on the specialty schedule. If such an employee is subsequently reassigned to a schedule with a greater rate range, the employee may be placed at the corresponding rate for the grade and step held on the day before the effective date or may be adjusted up to the highest previous step held. They do not automatically get placed at the maximum step of the grade even if pay retention is terminating. Individuals newly placed in a head nurse assignment for which a specialty schedule applies will also receive a two-step adjustment for serving in the head nurse assignment.
- b. **Termination of [a] Specialty Schedule.** If the Director determines a specialty schedule is no longer necessary for recruitment and retention purposes and terminates the schedule, affected employees will be placed at the lowest step of the corresponding grade on the regular staff [LPS] schedule that equals or exceeds their existing rate of pay. If the employee was receiving a rate of pay in excess of the maximum rate of the grade on the regular staff [LPS] schedule, the employee will be placed on pay retention under part III, chapter 6, paragraph [5].
- c. **Voluntary Reassignment.** Employees receiving pay under this paragraph who are voluntarily reassigned must receive the corresponding rate for the grade and step held on the day before the effective date and are not eligible for pay retention. If the employee had been placed at a lower step or given pay retention upon assignment to the specialty schedule because their step did not exist on the specialty schedule, the employee may be adjusted up to the highest previous step held (see subparagraph a above). They do not automatically receive the maximum step of the grade even if pay retention is terminating. Head nurses who are reassigned to another position also lose the additional two steps for the head nurse assignment.
- d. **Involuntary Reassignment.** If the reassignment of an employee from an assignment covered by a specialty schedule is directed for reasons other than cause, the affected

employee will be placed at the lowest step of the corresponding grade on the applicable schedule that equals or exceeds their existing rate of pay. If the employee was receiving a rate of pay in excess of the maximum rate of the grade on the new schedule, the employee will be placed on pay retention under part III, chapter 6, paragraph [5]. Head nurses who are reassigned to another position also lose the additional two steps for the head nurse assignment.

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- e. **Promotion[s] Simultaneous with Placement on [a] Specialty Schedule.** Employees promoted effective the same date they are assigned to a specialty schedule shall have their promotion calculated using the pay schedule to which assigned immediately prior to the promotion. Once the new grade and step are determined, the employee is then placed at the same grade and step on the specialty schedule.
  - f. **Details to a Position Covered by a Specialty Schedule.** Employees detailed to a position covered by a specialty schedule will remain on the pay schedule associated with their official position of record.
  - g. **Head Nurse Specialty Schedules.** To be paid from a head nurse specialty schedule, an employee must be eligible to receive the two additional steps for serving in a head nurse assignment (see Part III, Chapter 8). Employees in a position paid from a specialty schedule (ex. Nurse Practitioners) who are promoted or reassigned to a head nurse role can no longer be paid from the specialty schedule associated with their previous position. They must be placed on either the staff registered nurse schedule, or the head nurse specialty schedule, if one exists.]
8. **COORDINATION.** Successful implementation of the LPS requires close coordination between facilities in the same or overlapping LLMAs, as well as between facilities and their outpatient clinics. This includes coordination of the following items:
- a. Higher rates of pay for specialized skills approved under part III, chapter 8;
  - b. Purchase or use of third-party salary survey data under paragraph 4c or d of this chapter, including determining applicability of such data and pay setting determinations[;]
  - c. Surveys conducted under chapter 2, VA-Conducted Surveys, including establishing LLMAs, appointing data collectors, conducting surveys, implementing locality pay adjustments, and completing these tasks for satellite outpatient clinics;
  - d. Salary schedule construction under chapter 3, Salary Schedule Construction and Implementation; and[,]
  - e. Exceptions to the 133 percent rate range under chapter 4, Exceptions to the 133 Percent Rate Range.
  - [f. In order to maintain equitable rates of pay, VA facilities within the same LLMA should coordinate rates of pay and should generally pay the same rates to the same or similar occupations within the LLMA. Medical Center Directors and other authorized officials within VHA, may request to utilize an existing pay schedule previously established by another VA facility in the same LLMA by submitting an authorization to OCHCO, Compensation and Classification Service (055).]
9. **EFFECTIVE DATES.** Authorizations (e.g., higher rates for specialized skills, expansion of the rate range, general pay adjustments) will be effective on the first day of a pay period. All reductions and terminations of authorizations will be effective on the last day of a pay period, unless they occur simultaneously with a change in beginning rates; then the effective date is the first day of the following pay period.

10. **POST-AUDIT AND CORRECTIVE ACTION.** Actions taken under this part may be post audited by VA Central Office, and corrective action may be directed to ensure compliance with the law and this Handbook's provisions.

## CHAPTER 2. VA-CONDUCTED SURVEYS

1. **GENERAL.** When BLS or other third-party salary survey data are not available (see paragraph 4 of chapter 1), the Facility Director shall conduct a survey of the local labor market area (LLMA) in accordance with the instructions in this chapter. In scheduling LPS surveys, the Facility Director will consider the dates of the following:
  - a. Scheduled salary increases at establishments in the LLMA;
  - b. Upcoming GS adjustments; and[,]
  - c. Any applicable non-foreign cost-of-living allowance (COLA) outside the continental United States or in Alaska and Hawaii, approved by the Office of Personnel Management under Title 5, United States Code (U.S.C.) 5941.
  - d. **[Ability to Collect Sufficient Salary Data Using VA-Conducted Surveys.** Based on Federal Anti-Trust rulings issued by the U.S. Attorney General, most non-Federal healthcare establishments refuse to provide salary information to competing healthcare establishments. Although the use of VA-conducted surveys is still an option provided in Title 38 statute, and therefore provided as an option in policy, it is unlikely VA facilities will collect a sufficient amount of survey data to be considered statistically valid. For this reason, the use of third-party survey data continues to be an appropriate source of survey data, and a viable alternative to performing VA-conducted surveys.]
2. **LOCAL LABOR MARKET AREAS [(LLMAs)]**
  - a. **Minimum LLMAs.** The minimum LLMA for covered occupations or specialties shall be one of the following:
    - (1) If the VA facility is in a Metropolitan Statistical Area (MSA), which is not subdivided into Metropolitan Divisions, the minimum LLMA is the MSA. If the VA facility is located in [a] MSA which is subdivided into Metropolitan Divisions, the minimum LLMA is the Metropolitan Division[;]
    - (2) If the VA facility is not in [a] MSA or Metropolitan Division, but is in a county, township, or independent city contiguous to [a] MSA or Metropolitan Division, the minimum LLMA is the MSA or Metropolitan Division (if applicable), plus the county, township, or independent city in which the facility is located;
    - (3) If neither subparagraph 2a(1) or (2) apply, but the facility is in a Federal Wage System (FWS) survey area, the minimum LLMA is the FWS survey area; or[,]

**NOTE:** *In the New England States (Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, and Connecticut) MSAs, Metropolitan Divisions, and FWS survey areas are based on [city and town areas]. In these cases, recognized [city and town areas] will be used to determine basic survey areas rather than counties.*
  - (4) If subparagraphs 2a(1) through (3) do not apply, the Facility Director shall define a minimum LLMA which is contiguous, includes the county in which the facility is located, and is based on the location of competing establishments, geographical features of the area, transportation facilities for

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employees, and commuting patterns of VA employees. The minimum LLMA defined under this subparagraph shall not exceed the commuting area of the VA facility, and shall include a minimum of three establishments with employees in the occupation or specialty being surveyed.

- (5) If a facility is not in [a] MSA or Metropolitan Division, but is contiguous to more than one MSA or Metropolitan Division, the decision on which MSA or Metropolitan Division to use will be based on the same criteria in subparagraph 2a(4).
- (6) If a satellite outpatient clinic (OPC)[, or other facility,] is not in the LLMA of the parent facility, a separate survey will be required [for the appropriate geographic location] and a separate LLMA will be established using the criteria in subparagraphs 2a(1) through (5).

**b. Expanded LLMAs**

- (1) Normally, Facility Directors may contiguously expand survey areas for one or more covered occupations or specialties to include any recognized economic area, such as township(s), city(ies), county(ies), MSA(s), and Metropolitan Division(s). Such expansion will be based on a review of the conditions in subparagraph 2a(4) and a determination by the Director that the minimum survey area does not adequately reflect the LLMA [ ]. [The] expanded area normally will not exceed the commuting area of the VA facility.
- (2) If the minimum LLMA defined under subparagraph 2a or [the expanded LLMA as determined under 2]b(1) does not adequately reflect the local labor market for the occupation or specialty, [ ] Facility Directors may further expand the LLMA for an occupation or specialty beyond the normal commuting area of the VA facility. The Facility Director must provide a written justification which clearly supports expansion of the LLMA beyond the normal commuting area.

**c. Documentation and Review**

- (1) Each Facility Director must document the applicable minimum LLMA and forward a copy of the definition to [OCHCO, Compensation and Classification Service (055) for technical review]. Supporting documentation required for locally defined or expanded LLMAs under subparagraphs 2a(4) or b will also be forwarded. The LLMA definitions and supporting documentation will be retained by Human Resources Managers and made part of [the] official survey files in accordance with paragraph 9.
- (2) If upon review, it is determined that a minimum LLMA established under subparagraph 2a(4) or any expanded LLMA exceeds the facility's commuting area and justification required under subparagraph 2b(2) does not support the expansion, appropriate corrective action may be taken (see [paragraph] 10 of chapter 1).

**3. SURVEY UNIVERSE AND SURVEY SAMPLE**

- a. **Survey Universe.** Using local, regional, and national directories which identify healthcare facilities and include estimates of their employment in the LLMA, Facility Directors shall develop and maintain a survey universe consisting of all establishments in the LLMA that have employees in covered occupations. [ ]

- b. **Establishments to be Surveyed.** To determine which establishments are to be surveyed, the following procedures will be used:
- (1) If the universe contains 15 or fewer establishments, the entire universe will be surveyed;
  - (2) If the universe contains more than 15 establishments, the survey will be based on a sample.
- (a) **Certainty Establishments.** Before sampling, Facility Directors may select in writing one or more establishments to be included in the survey. Establishments selected by this method are referred to as certainty establishments and are removed from the survey universe before sampling.
- i. Establishments will only be included with certainty if they significantly affect the facility's ability to recruit or retain employees in the occupation or specialty to be surveyed (e.g., a major employer of nurses in close proximity to the VA facility). A list of certainty establishments and the reason for their selection will be retained in the LPS survey file.
  - ii. Directors of facilities in outlying towns and suburbs of [a] MSA or a Metropolitan Division that are required to document decisions based on nearest geographic competitors under subparagraph 2a(3) of chapter 3, must list those establishments as certainty establishments for the survey.
  - iii. Selection of additional certainty establishments may also be appropriate [ ] to increase the potential for job matches.
- (b) **Sorting the Universe into Groups.** To begin the sampling process, first sort the universe, excluding any certainty establishments, using the following procedures:
- i. Rank by estimated employment, the establishments in the universe from highest to lowest employment;
  - ii. Determine the total estimated employment for the universe by summing the estimated employment for all establishments; and[,]
  - iii. Divide the universe into five groups with the total estimated employment of the establishments in each group equal to one-fifth of the total universe employment. (For example, if the total estimated employment in the universe is 50,000, create five groups of establishments each with total estimated employment of approximately 10,000.)
- (c) **Selecting Sample Establishments.** If there are five or fewer establishments in a group, all the establishments will be surveyed. If there are more than five establishments in a group, five establishments will be selected randomly to be surveyed.

**NOTE:** *This procedure will result in no more than 25 randomly selected establishments. These are combined with any certainty establishments to create the survey sample.*

- c. **Abbreviated Surveys.** If there are fewer than ten employees in the occupation or specialty to be surveyed, the Facility Director may order a full scale survey. However, normally an abbreviated survey of only the five establishments closest to the VA facility will be surveyed. In addition, the Facility Director may select one certainty establishment if the criteria in subparagraph 3b(2)(a) are met. Also, if there are only three or four establishments in the LLMA, only these will be surveyed. In the abbreviated survey, these establishments shall constitute both the survey universe and survey establishments. Abbreviated surveys may not be conducted by facilities coordinating surveys in identical or overlapping LLMA's required in paragraph 10.

#### 4. CONFIDENTIALITY OF SURVEY DATA

- a. **Information Not Subject to Disclosure Under the Freedom of Information Act.** Title 38 U.S.C. Section 7451(d)(5) provides that information collected by the Department in surveys conducted under this part is not subject to disclosure under the Freedom of Information Act (5 U.S.C. 552).
- b. **Employee Responsibilities.** Access to information collected under this part is to be restricted to employees who have a need to know. Further, employees having access to the information are required to retain it in strict confidence, and are subject to disciplinary action for violating the confidentiality of data secured from a non-VA employer. Any reported violation will also result in the employee being barred from continued participation in the survey process.
- c. **Release of Summary Information.** Upon request, Human Resources Managers may release data from the survey summary provided the information does not permit the reader to associate specific employers with specific rates of pay. Local policies may be developed for the routine release of information from the survey summary.

#### 5. AUTHORITY TO COLLECT DATA

- a. VA has obtained Office of Management and Budget (OMB) approval to conduct LPS surveys as required by the Paperwork Reduction Act of 1980 (44 U.S.C. Chapter 35).
- b. Only information necessary to complete the LPS Data Collection Form, VA Form 10-0132 (see Appendix X-C), may be requested from an establishment.

#### 6. DATA COLLECTORS

- a. **Appointments.** Facility Directors are to appoint a sufficient number of data collectors to comply with the provisions of this part. Data will be collected by data collection teams. Each team will consist of a Human Resources Management Service employee (or other employee not covered by LPS) and a nurse[,], nurse anesthetist[,], or physician assistant, as appropriate, whenever possible. Normally one team for every ten establishments to be surveyed will be sufficient. However, Facility Directors will have latitude to adjust the number of teams depending on experience of the data collectors, past difficulties in obtaining data from survey establishments, or other related factors.

**NOTE:** *Federal employees are prohibited from directly or indirectly influencing their own rate of pay. Therefore, covered employees may not independently collect salary data from non-VA health care facilities or be involved in the analysis of data for setting the rate for their own grade or for a grade which would indirectly influence the rate for that grade. After the data collection process is completed and job matches have been verified, affected employees will not participate in the development of pay schedules to avoid a conflict of interest. However, the Facility Director may consult with Nursing Service [and other healthcare] officials for anecdotal information (i.e., career patterns, non-quantifiable benefits, direct competitors, etc.) which may not have been reported during the survey process and which may assist the Director in the decision process.*

[The] public reporting burden for this collection of information is estimated to average 45 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the VA Clearance Officer (723), 810 Vermont Avenue, NW, Washington, DC 20420; and to the Office of Management and Budget, Paperwork Reduction Project (2900-0519), Washington, DC 20503. Do not send requests for benefits to these addresses.

- d. **Weighting Survey Results.** Weighting is an attempt to ensure [ ] the results of the sample accurately represent the universe. Normally, survey results are weighted based on the number of participating establishments within each of the five groups identified in subparagraph 3b. (For example, if there are ten establishments in the group and five provide data, the data from each of those five establishments will be doubled when calculating the survey results.)
- e. **Survey Summary.** Upon completion of the data collection process, the Chief, Human Resources Management Service will prepare a summary of the data and forward it, through appropriate channels, to the Facility Director. [ ]
- f. **Adequacy of Data**

(1) The following minimum survey data requirements are applicable:

- (a) There must be at least three participating establishments with job matches in the occupation or specialty being surveyed for which the same type of data (e.g., salary midpoints, actual salaries, lowest and highest salaries, average salaries, etc.) were collected.
- (b) Non-participating establishments will represent no more than 25 percent of the total weighted employment in the survey universe. An establishment willing to participate but where no job matches were found, including one that does not have employees in the occupation or specialty being surveyed, is considered a participating establishment.
- (c) If the non-participating rate is higher than 25 percent, but the minimum requirement of three participating establishments is met, the Facility Director may exercise the following options:
  - i. Using anecdotal information, the Director may determine [ ] the data collected adequately represent the rates paid in the LLMA, and use the data to establish schedules under chapter 3, Salary Schedule Construction and Implementation.
  - ii. The Facility Director may maintain the existing rates of pay.

(2) Reasonable efforts will be made to obtain three job matches of the same type of data (e.g., salary midpoints, actual salaries, lowest and highest salaries, average salaries, etc.) for each grade or level.

- (3) If discrepancies in the data collected cannot be resolved, e.g., reported data appear[s] not to be based on a job match, or do not accurately reflect pay practices in the LLMA and it cannot be validated by an on-site visit, the use of anecdotal information, or written material provided by the survey establishment, the reviewer will recommend to the Facility Director that the data not be used in the survey summary.

#### h. Invalidating Survey Data

- (1) If, after the analysis of survey data described in the preceding paragraph, the Facility Director determines that some or all of the data from a survey establishment are invalid, the Director will not use that data in the survey summary.
- (2) If a Facility Director determines that all the data collected for a particular grade are invalid, the Director may maintain the existing rates of pay.
- (3) Copies of these determinations will be included in the survey file and are subject to post-audit and verification.

**NOTE:** *Survey data may not be declared invalid simply because it is below or above current VA pay rates.*

- i. **Post-Audit Review of Data Collection.** Office of the Chief Human Capital Officer[ ] (OCHCO)[ ] officials may randomly conduct post-audit salary surveys. These audits will consist of reviews of the survey summaries and data collection forms, including attached establishment job descriptions or statements, organizational charts, and salary schedules. Where inconsistencies are found in the data collected or in the survey file documentation required under this chapter, OCHCO[ ] officials may contact survey establishment officials to validate the data. Where appropriate, corrective action will be directed to ensure compliance with the law and the provisions of this chapter.

## 8. SURVEYING NURSE ANESTHETIST CONTRACTORS

- a. **Sufficiency of Data.** Normally, adjustments in beginning rates for nurse anesthetist grades will be based on data obtained by surveying establishments, such as medical centers and outpatient clinics (see Appendix X-A for definition). However, if surveys of initial and expanded LLMA do not produce sufficient data to make salary adjustments, Facility Directors may authorize survey of organizations, such as physician practice groups, which provide nurse anesthesia services on a contract basis. Before authorizing surveys of nurse anesthetist contractors, Facility Directors must first:

- (1) Survey within a locally approved LLMA;
- (2) Expand the LLMA (see subparagraph 2b) and survey the expanded LLMA; and[,]
- (3) Determine that sufficient data were not obtained from either the initial or the expanded LLMA, that further expansion of the LLMA is unlikely to produce useful data, and that a survey which includes data from nurse anesthetist contractors is needed to establish or maintain competitive pay rates.

- (a) Any determination not to increase rates of pay as a result of a salary survey (subparagraph 3c of chapter 1); and
    - (b) Supporting documentation that addresses the geographic area represented in the survey, the periodicity of the survey, and the number of establishments represented in the survey (subparagraph 4d of chapter 1).
  - b. The records listed in subparagraph 9a above, along with those listed in paragraph 8 of chapter 3, must be forwarded to OCHCO [ , Compensation and Classification Service] (055), within 10 days after the records are requested for audit.
10. **COORDINATION.** When facilities are in the same or overlapping LLMAs, their Directors will coordinate expansion of LLMAs, use of contract data for certified registered nurse anesthetists, timing and frequency of surveys, selection of establishments to be surveyed, appointment of data collectors, collection of data, construction of pay schedules, and maintenance of records (see [paragraph] 8 of chapter 1).
- a. **Identical LLMAs.** Although it is expected that facilities in the same LLMA would establish identical pay schedules, Facility Directors may establish differing schedules after considering the location of the facilities, commuting patterns of employees and the salaries paid in the individual local communities. Facility Directors in these areas will coordinate the survey process to ensure that the schedules established under this part do not cause competition between facilities in the same LLMA.
  - b. **Overlapping LLMAs.** When facilities have overlapping LLMAs, the facilities will coordinate the surveys as provided for above. Since the schedules will be based on survey data from different establishments, identical pay schedules would not be appropriate unless supported by the survey data. The degree of coordination and similarity in pay schedules will depend on the extent of overlap in the LLMAs.

**CHAPTER 3. SALARY SCHEDULE CONSTRUCTION AND IMPLEMENTATION**

1. **GENERAL.** The [ ] [following pay-setting procedures apply to all occupations covered under the title 38 Locality Pay System].
2. **SETTING THE BEGINNING RATE FOR GRADES AND LEVELS BASED ON SALARY SURVEY RESULTS.** Instructions on setting beginning rates for mandatory adjustments coincident with a GS increase can be found in paragraph 5 of this chapter.
  - a. When Non-VA Salary Data [is] Available for a Grade or Level
    - (1) When the BLS, third-party, or VA survey results include salary data for a grade or level, the Facility Director will use the data as guidance in determining the appropriate beginning rate for the grade or level. The Director will also consider such factors as:
      - (a) The geographic relationship of the Department of Veterans Affairs (VA) facility to major non-VA health care facilities in the local labor market area (LLMA);
      - (b) Non-VA benefit packages which are not quantifiable; and[,]
      - (c) Other factors which affect the facility's ability to recruit or retain employees in covered positions.
    - (2) The Facility Director will set the beginning rate for each grade and level at an amount deemed competitive with the available salary survey data. When more than one survey source is utilized or survey results include more than one category of data, the Director shall give appropriate consideration to each survey and/or data type. Beginning rates may be extrapolated from non-beginning rate survey data (e.g., median rates, maximum rates, etc.) as follows:
      - (a) Using Mid-Point or Median Salaries
        - i. If the VA grade has 12 steps, divide the mid-point or median survey rate by 1.165 to determine an appropriate step 1 rate. If the VA grade has an approved rate range extension, divide the mid-point or median survey rate as shown in the following chart:

<b><u>Number of Steps in VA Grade</u></b>	<b><u>Divisor</u></b>	<b><u>Number of Steps in VA Grade</u></b>	<b><u>Divisor</u></b>
13	1.180	20	1.285
14	1.195	21	1.300
15	1.210	22	1.315
16	1.225	23	1.330
17	1.240	24	1.345
18	1.255	25	1.360
19	1.270	26	1.375

- ii. If the VA grade has an approved extended rate range, divide the applicable percentile amount by the divisor shown in the following chart:

<u># of Steps</u>	<u>10th</u>	<u>25<sup>th</sup></u>	<u>50th</u>	<u>75<sup>th</sup></u>	<u>90<sup>th</sup></u>
13	1.036	1.09	1.18	1.27	1.324
14	1.039	1.0975	1.195	1.2925	1.351
15	1.042	1.105	1.21	1.315	1.378
16	1.045	1.1125	1.225	1.3375	1.405
17	1.048	1.12	1.24	1.36	1.432
18	1.051	1.1275	1.255	1.3825	1.459
19	1.054	1.135	1.27	1.405	1.489
20	1.057	1.1425	1.285	1.4275	1.513
21	1.06	1.15	1.3	1.45	1.54
22	1.063	1.1575	1.315	1.4725	1.567
23	1.066	1.165	1.33	1.495	1.594
24	1.069	1.1725	1.345	1.5175	1.621
25	1.072	1.18	1.36	1.54	1.648
26	1.075	1.1875	1.375	1.5625	1.675

(g) Using Salary Survey Data that Match More Than One VA Grade

- i. When it is determined that a surveyed [job description] matches more than one VA grade equally, the available salary data may be used [to set the rate for the lowest grade the job description matches; if no additional job matches are available, rates for the higher grades may be based on options discussed in paragraph (b) below.]
- ii. Example: The descriptions of the positions(s) matched equate to both the [grade] I and [grade] II [ ] equally. Mid-point salary data are available. [ ] Nurse I is set by dividing the average mid-point salary rate paid in the community by 1.[165]. The Step 1 rate of the Nurse II grade is then set based on the minimum differential requirements contained in paragraph 3 of this chapter.

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iii. Example: The descriptions of the position(s) matched equate to both [grade] I and [ ] II equally. Only maximum salary data are available. Step 1 of [ ] grade [II] is set by dividing the average maximum salary rate paid in the community by 1.33 (add .03 to the divisor for each step in an extended rate range). The Step 1 rate of [grade] I is then set [using the option of maintaining the existing rate ratio].

- (3) Some facilities are located in outlying towns and suburbs of a Metropolitan Statistical Area (MSA) or a Metropolitan Division and are, therefore, included in the same LLMA as facilities in the more urban area of that MSA or Metropolitan Division. Directors of such outlying facilities will normally set the beginning rate for each grade at an amount deemed competitive with the available salary data of that facility's nearest (geographically) principal competitors (see subparagraph 3b(2)(a)2 of chapter 2 for survey instructions). When submitting a new schedule, the Facility Director must provide written documentation of which establishments are the nearest principal competitors and justify decisions to set the rates based on survey information from the more urban establishments.

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- (5) In Alaska and Hawaii, where [OPM] has approved a non-foreign cost-of-living allowance (COLA) under 5 U.S.C. § 5941, Facility Directors are to set the rate of a grade or level so that the sum of the rate and the COLA meet the criteria in the subparagraphs (1) through (4) above and subparagraphs (6) and (7) below.
- (6) When establishing or adjusting a specialty schedule for head nurses, Facility Directors are to set the rate of a grade or level so that the sum of the rate and the two-step head nurse differential meet the criteria in the subparagraphs (1) through (5) above and subparagraph (7) below.
- (7) In no instance shall the beginning rate of a VA grade be reduced.

b. **When Non-VA Salary Data are Not Available for a Grade or Level of the Grade.** If data are not available for a grade or level within the grade, Facility Directors shall set the beginning rate for that grade using the following options:

- (1) Set the beginning rate up to an amount that [does not exceed] the existing ratio (percent difference) between that grade and the next higher grade[, provided the beginning rates remain consistent with the minimum differential requirements in paragraph 3.]
- (a) Example: The existing Step 1 rate for Nurse II is \$35,752 and the existing Step 1 rate for Nurse III is \$43,179 (a difference/ratio of 1.21). Based on salary survey data, the Step 1 rate for Nurse II is being adjusted to \$38,943. No salary survey data are available for Nurse III. Using this option, the Step 1 rate for Nurse III may be set up to \$47,121 ( $[\$]38,943 \times 1.21$ ).
- (b) Example: The existing Step 1 rate for [PA II] is \$57,253 and the existing Step 1 rate for [PA III] is \$78,129 (a difference/ratio of 1.36). Based on salary survey data, the Step 1 rate for [PA II] is being adjusted to \$61,069. No salary survey data are available for [PA III]. Using this option, the Step 1 rate for [PA III] may be set up to \$83,054 ( $[\$]61,069 \times 1.36$ ).
- (2) Continue the existing [ ] beginning step for the grade, provided the beginning rates remain consistent with the minimum differential requirements in paragraph 3.
- (3) When necessary to recruit or retain well-qualified employees, the Facility Director may adjust the following:
- (a) For RN schedules, e]ither the beginning rate for Nurse I or the beginning rate for the levels within Nurse I to provide a three-step differential between them;
- (b) For RN schedules, t]he beginning rate of Nurse II, Nurse III, Nurse IV, and Nurse V up to the seventh step of the next lower grade; or
- (c) For RN schedules, t]he beginning rate of Nurse I so that the beginning rate for Nurse II will fall in the range [up to] the seventh step of Nurse I [(giving appropriate consideration to minimum differential requirements).
- (d) For nurse anesthetist and physician assistant schedules, the Facility Director may set the beginning step of a grade up to the seventh step of the next lower grade; or the entry grade for an occupation so that the minimum differential requirement is met between the entry grade and the next higher grade.]

- c. **Documentation.** The rationale for determining how the beginning rate for each grade and level in the grade, where appropriate, is set under this paragraph shall be submitted with approved schedules.

### 3. MINIMUM DIFFERENTIALS

- a. **[RN] Beginning Rates for Grades.** The beginning rate of a grade will be set at least equal to the rate of the step which is one above the beginning step of the highest level of the next lower grade. For example, if Nurse I, Level 3, starts at Nurse I, step 6, then Nurse II, step 1, can be no less than Nurse I, step 7. If there are no levels in the next lower grade, the beginning rate must equal or exceed the fourth step of the next lower grade.
- b. **[RN] Beginning Rates for Levels in Nurse I.** The beginning step for Level 2 of Nurse I will not be less than step 3. The beginning step for Level 3 of Nurse I will be set at an amount that provides for a minimum two-step differential between the beginning rate of that level and the beginning rate of Nurse I, Level 2.
- [c. **Nurse Anesthetists and Physician Assistants.** The beginning step of a grade must equal or exceed the fourth step of the next lower grade.]

### 4. CALCULATING THE REMAINING STEPS

- a. **Determining Step Rates Above Step 1.** After step 1 has been determined for each of the five grades, the remaining steps will be calculated as follows:
- (1) To determine the Periodic Step Increase (PSI) amount, multiply the step 1 amount by 3 percent and round down to the nearest dollar; e.g., if step 1 is \$32,123, the PSI is  $\$32,123 \times .03$  or \$963.69 rounded down to \$963.
  - (2) By adding the PSI amount to the previous step, the remaining step rates are then calculated, e.g., using the PSI of \$963 above, the step 2 rate would be  $\$32,123 + \$963$  or \$33,086. Unless a greater number of steps is authorized under chapter 4, Exceptions to the 133 Percent Rate Range, each grade on the schedule will have a total of 12 steps.

[ ]

### 5. MANDATORY PAY ADJUSTMENT[S]

- a. Facility Directors shall adjust the beginning rate of pay for each grade of a covered occupation on the same effective date and by the same percentage as any nationwide GS adjustment under 5 U.S.C. § 5303, exclusive of locality comparability payments under 5 U.S.C. §5304. The remaining steps will be calculated in accordance with paragraph 4. Further adjustments will be made if necessary to meet the minimum differential requirements of paragraph 3.
- b. Facility Directors may make additional adjustments coincident with a nationwide GS adjustment based on a VA- or BLS-conducted survey or other third-party salary survey of corresponding non-VA positions in the local labor market area (LLMA). Such additional adjustments may not exceed the highest comparable rate for corresponding non-VA positions in the LLMA.

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- a. Mandatory adjustments will be processed automatically within Central Office concurrent with GS increases. No facility action is required. Revised pay schedules will be made available on the OCHCO [.] Website.
- b. The Facility Director will approve all other rates established under this chapter by signing and dating a copy of the schedule. A copy of the approved schedule, [a copy of the referenced salary survey data], and documentation listed in paragraph 8 will be forwarded to the Network Director (10N) and OCHCO [, Compensation and Classification Service] (055) immediately after approval [for technical review].
  - (1) Pay schedules will be effective the first day of the first pay period after the Director approves the schedule unless an earlier date is necessary to meet the requirements of paragraph 3b of chapter 1.
  - (2) VA Central Office officials will conduct a technical review of the schedules for compliance with the law and policy. Schedules should not be released to covered employees until VA Central Office officials have notified facility officials that the schedules have been reviewed and may be released. This review will have no impact on the effective date of the schedule adjustment, nor on the Director's requirement to make a pay determination within 30 days of the completion or publication of a survey (see paragraph 3b of chapter 1, this part).

**7. IMPLEMENTATION OF LPS SCHEDULES**

- a. **When the Beginning Rate for a Grade Remains the Same or Increases.** Employees will receive the rate of pay authorized on the new LPS schedule for their applicable grade and step.
- b. **When the Beginning Step for a Level in Nurse I is Increased.** Current employees in the level who fall below the new entry step will be increased to the new minimum. This increase is not considered an equivalent increase in compensation. Employees in the level who are already at the new minimum step will be advanced to the next step of the grade; however, this latter increase is considered an equivalent increase in compensation. Step rates of employees above the new minimum will not be increased.
- c. **When the Beginning Step for a Level in Nurse I is Reduced.** Such a reduction does not affect the step of current employees in the level.

**8. DOCUMENTATION. Documentation regarding the above determinations will be retained and made part of the survey file. The Facility Director will sign the following determinations prior to the effective date of any schedule adjustment:**

- a. The [pay setting] rationale [used] for establishing the beginning rates of each grade and, [for Nurse I only, the] levels within the grade [ ];
- b. A copy of the schedules approved under paragraph 6; and[,]
- c. [If applicable, t]he determination that an extended rate range continues to be necessary (see subparagraph 2b of chapter 4).

## CHAPTER 4. EXCEPTIONS TO THE 133 PERCENT RATE RANGE

### 1. GENERAL

- a. Title 38, United States Code (U.S.C.), Section 7451(c)(1) provides that rate ranges for each grade under the Locality Pay System (LPS) will normally be 133 percent. It is expected that the 133 percent rate range will meet most staffing needs. However, the rate range of any grade may be increased up to 175 percent if such action is necessary to recruit or retain well-qualified employees in covered positions.
- b. The range will not be increased if there are more appropriate mechanisms to solve pay-related staffing problems, e.g., establishing pay schedules for a particular specialty within an occupation, use of special salary rates for a particular specialty, or authorizing higher step rates for personnel with specialized skills.
- c. Exceptions to the 133 percent rate range will only be approved if failure to approve the exception would significantly impair a facility's ability to recruit and retain well-qualified health care personnel and the facility has exhausted all other mechanisms to locally adjust salary rates, e.g., setting the beginning rate up to the community maximum, if appropriate.
- d. Requests to extend rate ranges may not be based solely on employees receiving pay retention, nor may they be used to circumvent normal operation of the LPS.

### 2. FACILITY DIRECTOR RESPONSIBILITIES

- a. Identifying the need for and approving exceptions for [grade] I (see paragraph 5) or requesting exceptions for all other [ ] grades (see paragraph 6);
- b. Reviewing existing rate range extensions on the date of any schedule adjustment and documenting the need to continue the extension;
- c. Reducing or canceling previously approved exceptions when they determine the exceptions are no longer warranted, and notifying the appropriate VISN Director (10N\_\_ [ ]) of the reasons for reduction or cancellation; and[,]
- d. Coordinating approvals or requests for exceptions and decisions to reduce or cancel previously approved exceptions with VA facilities located in the same or overlapping LLMA.

3. **CRITERIA FOR APPROVAL.** Each facility approving a rate range extension for [grade] I under paragraph 5, or submitting a request for a rate range extension for any other [ ] grade under paragraph 6 must exhibit some of the following staffing problems, specific to the grade for which the extension is being requested, and show that these problems are related to higher rates for corresponding non-VA positions in the LLMA. The percentages provided below are simple guidelines and not requirements. The facility should provide as much information as possible to demonstrate the overall recruitment and retention situation [ ].

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- a. **Vacancy Rate.** The facility exhibits a high vacancy rate at the end of the reporting period (e.g., 20 percent or more, or positions [remain] vacant 6 months or more);
- b. **Composition of Occupation.** The overall composition of employees within the occupation or specialty is unfavorable, i.e., there is not an acceptable mix of employees of various experience or educational levels at the facility;
- c. **Quits for Pay.** The facility has evidence of a high annual quit for pay rate (e.g., 25 percent or more), and/or a large percent of employees who quit for pay were in the upper third of the rate range;
- d. **Higher Maximum Rates in the LLMA.** There is anecdotal information that the maximum rates in the community are higher than VA, and that employees are either quitting for pay or the potential exists for an adverse impact on patient care (e.g., there are a significant number of experienced [employees] at the top of the grade or on pay retention and they are receiving firm job offers in the community);
- e. **Quality of Candidates.** Historical evidence indicates that the quality of candidates is unacceptable because higher pay rates are being offered for corresponding positions in the LLMA;
- f. **Alternative Job Offers.** There is evidence that applicants and employees are being offered higher rates of pay for corresponding positions in the LLMA;
- g. **Staffing Success Rate.** The facility has a low staffing success rate (e.g., 50 percent or less, or positions [remain] vacant 6 months or more) in a particular grade, especially in assignments at higher levels within the grades;
- h. **Job Acceptance Rate.** The facility has a low job acceptance rate (e.g., 50 percent or less, or positions [remain] vacant 6 months or more) in a particular grade, especially in assignments in higher levels of the grades;
- i. **Turnover.** The facility has a high annual turnover rate (e.g., 10 to 30 percent) in a particular grade, and/or a significant number of the employees who are leaving are in the upper third of the rate range; and[,]
- j. **Other Criteria.** The facility may submit any other evidence of pay-related staffing problems which seriously hamper or have the potential to seriously hamper its ability to recruit and retain employees in covered positions.

#### 4. DETERMINING THE RATE RANGE AND BEGINNING STEP FOR UPPER LEVELS IN THE GRADE

- a. **Rate Range.** To determine what range to approve under paragraph 5 or request under paragraph 6, Facility Directors shall consider the factors in paragraph 3 and any anecdotal information relative to rates for corresponding positions in the LLMA.

- b. **Appropriate Beginning Step for [Registered Nurses] in Upper Levels Within the Grade.** The beginning step for higher levels within the grade, where appropriate, will be set in accordance with procedures in chapter 3, Salary Schedule Construction and Implementation. The beginning step for these levels may not be adjusted simply as a result of extending a rate range.

## 5. APPROVING EXCEPTIONS [FOR GRADE] I

- a. Facility Directors may authorize extension[s] of the 133 percent rate range for [grade I] up to a step rate that is within no more than 6 percent of the maximum rate in the [grade] II rate range. For example, if the [grade] II maximum rate is \$55,766, the Director may extend the [grade] I rate range up to a step rate not exceeding [\$52,420] (\$55,766 less 6 percent). This approval authority is limited to instances where there is evidence that the existing maximum rates in the [grade] I rate range are hampering the facility's staffing abilities. Such evidence may include declinations of job offers from Associate Degree Nurses for pay reasons or any of the criteria listed in paragraph 3.
- b. Locally approved [rate range] extensions [for grade I] must be reported to the [Office of Human Resources Management, [Compensation and Classification Service] (055) for review prior to implementation. Submissions must include the revised LPS salary schedule, [documentation] containing narrative justification that addresses the criteria for approval, [and salary survey data which supports the higher maximum rates of pay]. Extensions will be effective the first day of the first pay period after the Director approves the new pay schedule. Instructions for placing on-board employees on the extended rate range are contained in paragraph 7.

## 6. REQUESTING EXCEPTIONS AT [GRADE] II THROUGH [GRADE] V.

Requests for exceptions to the rate range will be sent to the appropriate Network Director (10N\_\_) [for approval prior to submission to the OCHCO Compensation and Classification Service (055), for technical review prior to implementation. Network Directors may authorize extensions of the 133 percent rate range for a grade up to a step rate that is within no more than 6 percent of the maximum rate of the next highest grade in the range.] Requests shall include the following:

- a. The occupation or specialty within an occupation for which the exception is requested, as well as the specific grade or grades affected;
- b. A copy of the proposed locality pay schedule;
- c. The reasons for the request, including documentation specific to the applicable grade in support of the criteria in paragraph 3; and[,]
- d. Any other pertinent information.

## 7. EFFECTING EXCEPTIONS

- a. When an exception is approved, employees normally will be placed in the same step on the expanded rate range as they occupied on the former rate range. However, an employee who was at the maximum step of the former rate range for more than the required waiting period for a Periodic Step

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Increase (PSI) will be advanced to the next higher step on the extended rate range. This will be an equivalent increase and the employee will begin a new waiting period for PSI purposes.

**CHAPTER 5. VHA CENTRAL OFFICE AND VISN OFFICE [ ] PAY**

1. **COVERAGE.** Nurses, [ ] nurse anesthetists, [and physician assistants] appointed under title 38, United States Code (U.S.C.), Section 7401(1), or 7405 serving in the Veterans Health Administration (VHA) Central Office or in a Veterans Integrated Service Network (VISN) Office.
2. **ESTABLISHING PAY RATES FOR THE DIRECTOR, NURSING SERVICE[, AND THE DIRECTOR OF PHYSICIAN ASSISTANT SERVICES]**
  - a. **Grades and Pay Schedules.** The Director, Nursing Service (DNS) [and Director of Physician Assistant Services] appointed under 38 U.S.C. § 7306 will be paid rates established by the Under Secretary for Health.
  - b. **Mandatory Pay Adjustment.** The Under Secretary [for Health] shall adjust the beginning rate of pay for the DNS [and Director of Physician Assistant Services] on the same effective date and by the same percentage as any nationwide GS adjustment under 5 U.S.C. § 5303, exclusive of locality comparability payments under 5 U.S.C. §5304.
  - c. **Scheduling Pay Rate Reviews.** After the first pay period in January and before the second pay period in March, the Under Secretary [for Health] will review the rate[s] of the DNS [and Director of Physician Assistant Services,] and decide if further adjustment is warranted based on January adjustments made to other Locality Pay System (LPS) schedules. The Under Secretary [for Health] may conduct additional reviews and make schedule adjustments whenever warranted for recruitment or retention.
  - d. **Conducting Pay Rate Reviews.** To assist the Under Secretary [for Health] in making the determination whether pay rates [ ] should be adjusted at times other than coincident with a GS adjustment, the Office of the Chief Human Capital Officer (OCHCO) will prepare a summary report. OCHCO will forward the report and its recommendation for establishing rates to the Under Secretary [for Health's] approval through appropriate VHA channels. The summary report will contain the following:
    - (1) The minimum, maximum, and average beginning rates for the Nurse V grade VA-wide;
    - (2) The local beginning rate and range of survey data (minimum, maximum, average) for the Nurse V grade and Physician Assistant V grade;
    - (3) Local cost-of-living and employment cost index information; and[,]
    - (4) Staffing data.

**NOTE:** *If the existing pay rate of the DNS [and Director of Physician Assistant Services] is equivalent to the [EX] Level II, the rate review and summary report discussed in subparagraphs c and d above are not required.*

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- e. **Approval.** After reviewing the above information, the Under Secretary [for Health] will establish beginning rates of pay for each position. The Under Secretary [for Health's] decision to adjust the pay schedules for covered positions will be final. Any pay adjustments will be effective on the first day of the pay period following the Under Secretary [for Health's] approval. Pay schedule determinations will be returned to [the VHA Servicing Human Resources Office (VSHO)] for necessary processing before the effective date of the adjustment.
3. **OTHER VHA CENTRAL OFFICE NURSES [AND PHYSICIAN ASSISTANTS].** For other nurses [and physician assistants] in VHA Central Office, the Under Secretary [for Health] will establish beginning rates of pay using the procedures in chapter 3, Salary Schedule Construction and Implementation. The [VSHO] will coordinate with officials at the Washington [DC] VA Medical Center[, or other applicable VA Medical Center in the same LLMA),] the purchase or use of BLS or other third-party salary survey data under paragraph 4c or d of chapter 1, timing and frequency of VA-conducted surveys under chapter 2, selection of establishments to be surveyed, appointment of data collectors, collection of data, construction of pay schedules, and maintenance of records ([paragraph] 8 of chapter 1).
  4. **VISN OFFICE NURSES [AND PHYSICIAN ASSISTANTS].** For nurses [and physician assistants] assigned to a network office, each Network Director will establish beginning rates of pay using the procedures in chapter 3. The VISN Human Resources Coordinator will coordinate with officials at the local servicing VA Medical Center the purchase or use of BLS or other third-party salary survey data under paragraph 4c or d of chapter 1, timing and frequency of VA-conducted surveys under chapter 2, selection of establishments to be surveyed, appointment of data collectors, collection of data, construction of pay schedules, and maintenance of records ([paragraph] 8 of chapter 1).
5. **PAY ADMINISTRATION**
    - a. **Executive Differential.** In addition to the basic rate of pay authorized in this chapter, the Deputy Director for Nursing Programs will receive a two-step executive differential. The differential may not allow the nurse to exceed the maximum rate of the grade, but it is considered basic pay for premium pay, lump-sum annual leave payments, retirement, work injury compensation, life and health insurance, and severance pay.
    - b. **Subsequent Schedule Adjustments.** Covered employees will receive the rate of pay for the corresponding grade and step on the new pay schedule.
  6. **RATE RANGE EXTENSIONS.** The Under Secretary for Health and each Network Director, respectively, may extend the rate range for any grade on Central Office or VISN office schedules based on the criteria in chapter 4, Exceptions to the 133 Percent Rate Range. All exceptions to the 133 percent rate range must be submitted through OCHCO[, Compensation and Classification Service] (055) for concurrence.

**CHAPTER 6. RATES OF PAY FOR [NON-FOREIGN AREAS]**

1. **SCOPE.** This chapter contains procedures which will be used to set rates of pay under the Locality Pay System (LPS) for employees of facilities located outside of the contiguous United States, Alaska, and Hawaii. Currently, this includes nurses and nurse anesthetists employed at San Juan, Manila, and their associated outpatient clinics, and the Guam outpatient clinic.
2. **PAY SETTING PROCEDURES.** Most of the provisions of this part will apply to covered employees. However, the rates of pay for these employees will be adjusted under the provisions of this chapter rather than those contained in paragraph 4c or d of chapter 1 or chapter 2, VA-Conducted Surveys.
3. **REVIEW OF BEGINNING PAY RATES AND SCHEDULES**
  - a. **Mandatory Pay Adjustment.** Facility Directors shall adjust the beginning rate of pay for each grade of a covered occupation on the same effective date and by the same percentage as any nationwide GS adjustment under 5 U.S.C. § 5303, exclusive of locality comparability payments under 5 U.S.C. §5304. Mandatory adjustments will be processed automatically within VHA Central Office concurrent with GS increases. No facility action is required. Revised pay schedules will be made available on the [OCHCO website](#).
  - b. Other Schedule Adjustments
    - (1) Facility Directors may submit a request for an adjustment to the beginning rates of the schedules at any time that an increase is supported by documented recruitment and/or retention problems. Such adjustments will be approved by the appropriate Network Director. Requests will be submitted to the appropriate Network Director (10N\_\_ [ ]), through OCHCO [, Compensation and Classification Service (055)]. Requests shall include the following:
      - (a) A copy of the proposed schedule, including the beginning rates for levels in Nurse I; [and]
      - (b) The reasons for the adjustment. The need for, and the amount of, any increase to the beginning rates of pay for covered facilities must be supported by evidence of pay-related recruitment and retention difficulties or potential difficulties, such as increases in quits for pay, vacancy, turnover, and alternative-job-offer rates, and decreases in staffing success rates.
    - (2) Pay adjustments and revised schedules approved by the appropriate Network Director will be effective the first day of the first pay period following the Network Director's approval.
4. **RATE RANGE EXTENSIONS.** Facility Directors may approve rate range extensions at Nurse I or request rate range extensions at Nurse II through Nurse V in accordance with the criteria contained in chapter 4, Exceptions to the 133 Percent Rate Range. Requests must be submitted to the Network Director (10N\_\_ [ ]) through OCHCO [, Compensation and Classification Service (055)].

5. **SALARY SCHEDULE CONSTRUCTION AT NEW LOCATIONS OR WHEN COVERED POSITIONS ARE RE-ESTABLISHED AT EXISTING LOCATIONS.** There may be instances when covered positions, (i.e., nurses or nurse anesthetists), are authorized for the first time at a new location or reauthorized at an existing location outside of the contiguous United States. In these situations, the procedures in this paragraph are to be followed in establishing a locality pay schedule [(LPS)].
- a. **Salary Data Available.** If non-Department of Veterans Affairs (VA) salary data is available for all grades and levels in Nurse I or data exists for a grade or for a level in Nurse I, salary schedules must be established in accordance with the procedures in chapter 3, Salary Schedule Construction and Implementation.
  - b. **Salary Data Not Available.** If non-VA salary data is not available for any grade or level of the grade, the Facility Director shall use the national eight-grade nurse schedule for [ ] [EFDAs] to construct the five-grade LPS schedule as shown below. Rates may be adjusted as necessary to meet the minimum differential requirements in paragraph 3 of chapter 3.
    - (1) [ ] **[Grade I.]** Nurse I will contain three levels. The beginning rate for Nurse I, Level 1, will be the rate of Junior grade, step 1. The beginning rate for Nurse I, Level 2, will be the first step that equals or exceeds the rate of Associate grade, step 1. The beginning rate for Nurse I, Level 3, will be the first step that equals or exceeds the rate of full grade, step 1. [Physician Assistant I will not be divided into levels. The beginning rate for PA I will be the first step that equals or exceeds the rate of Intermediate grade, step 1.]
    - (2) **Nurse [and Physician Assistant] II.** Nurse II will not be divided into levels. The beginning rate will be the rate of Intermediate grade, step 1. [Physician Assistant II will not be divided into levels. The beginning rate for PA II will be the first step that equals or exceeds the rate of Senior grade, step 1.]
    - (3) **Nurse [and Physician Assistant] III.** Nurse III will not be divided into levels. The beginning rate will be the rate of Senior grade, step 1. [Physician Assistant III will not be divided into levels. The beginning rate for PA III will be the first step that equals or exceeds the rate of Chief grade, step 1.]
    - (4) **Nurse [and Physician Assistant] IV.** Nurse IV will not be divided into levels. The beginning rate for Nurse IV will be the rate of Chief grade, step 1. [Physician Assistant IV will not be divided into levels. The beginning rate for PA IV will be the first step that equals or exceeds the rate of Assistant Director grade, step 1.]
    - (5) **Nurse [and Physician Assistant] V.** Nurse V will not be divided into levels. The beginning rate for Nurse V will be the rate of Assistant Director grade, step 1. [Physician Assistant V will not be divided into levels. The beginning rate for PA V will be the first step that equals or exceeds the rate of Director grade, step 1.]
  - c. **On-going Procedures.** Once LPS schedules have been established under the provisions of this paragraph, the remaining procedures for salary adjustments in this chapter will apply and the remaining provisions of this part where appropriate.

**APPENDIX A. DEFINITIONS**

1. **Above-Minimum Entrance Rate.** [ ] An increase in the minimum rate of basic pay for a grade with no corresponding increase in higher intermediate rates or in the maximum rate of pay for that grade. Above-minimum entrance rates are authorized under 38 U.S.C. § 7455.
2. **Advancement.** The term “advancement” means periodic step increases, Special Advancements for Achievement, Special Advancements for Performance, additional steps received for being in a head nurse assignment or an assignment requiring specialized skills, and steps granted to an employee based on the employee's attaining qualifications necessary to advance to a higher level within the grade. Advancement to a higher level within the grade based on additional qualifications is applicable to nurses in Nurse I.
3. **Average On-Board.** [ ] The sum of the total full-time equivalent employees (FTE) in the occupation or specialty on the facility's rolls on the beginning and ending dates of the reporting period divided by 2.
4. **Bureau of Labor Statistics (BLS).** [ ] The United States Department of Labor bureau responsible for collecting, processing, analyzing, and disseminating data related to employment, unemployment, and other characteristics of the labor market.
5. **Ceiling.** [ ] The FTE of filled and vacant positions allocated to an occupation or specialty by local management officials as of the beginning or ending date of a reporting period.
6. **Certainty Establishment.** [ ] An establishment selected to be surveyed because it significantly affects a Department of Veterans Affairs (VA) facility's ability to recruit and retain employees in the occupation to be surveyed.
7. **Corresponding Positions.** [ ] Positions in non-Department healthcare facilities for which the education, training, and experience requirements are equivalent or similar to the education, training, and experience requirements for positions covered by this part.
8. **Commuting Area.** The geographic area that is normally considered one area for employment. It includes any population center (or two or more neighboring ones) and the surrounding localities where people live and reasonably can be expected to travel back and forth daily to work.
9. **Days.** The term “days” means calendar days.
10. **Equivalent Increase.** [ ] An increase or increases in an employee's rate of basic pay equal to or greater than the amount of a step increase in the employee's grade. Receipt of an equivalent increase causes the employee to begin a new waiting period for the next periodic step increase (PSI). The following are not considered equivalent increases:
  - a. General basic pay increases under the [title 38] Locality Pay System (LPS);

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- b. Special advancements for achievement or performance;
- c. Increases resulting from adjusting employees to the new minimum step for a higher level in Nurse I;

[ ]

[d.] Higher rates of pay received by head nurses/nurse managers or employees with specialized skills; and[,]

[e.] Cash awards.

### 11. Establishment

- a. Except as noted in the following, an establishment is a non-[VAMC], independent outpatient clinic or an independent domiciliary facility, either in the private or public sector, with 50 or more employees, whose primary function is to provide diagnostic and therapeutic medical, psychiatric, surgical, or specialty services for particular medical conditions.
- b. For the purposes of surveys for nurse anesthetists conducted under paragraph 8 of chapter 2, Surveying Nurse Anesthetist Contractors, an establishment would also include organizations that provide anesthesia services on a contract basis through registered nurse anesthetists.

12. **Federal Wage System (FWS) Survey Area[s].** [ ] Geographic areas (a group of counties, townships, and/or independent cities) in which FWS surveys are conducted. FWS survey areas are established by the Office of Personnel Management (OPM) and published in [5 C.F.R. 532, Subpart B, Appendix C].

13. **FTE.** [ ] **Full-time equivalent employees.**

14. **Gains.** [ ] The total FTE of placements in the occupation or specialty, either from internal or external sources, during the reporting period.

15. **General Schedule (GS) Adjustment.** [ ] An adjustment to the national schedule of rates of basic pay exclusive of any locality-based pay adjustments.

16. **Grade.** [For Registered Nurse or Nurse Anesthetist grades are designated as] [ ] Nurse I, Nurse II, Nurse III, Nurse IV, and Nurse V. [For Physicians Assistants, grades are designated as Physician Assistant (PA) I, PA II, PA III, PA IV, and PA V.]

17. **Head Nurse/Nurse Manager.** [ ] A registered nurse who is the first line supervisor for a designated patient care team and who is responsible for the management of direct patient care and subordinate patient care team members.

18. **Highest Previous Step.** For former employees who have served under LPS, the highest previous step is the current equivalent of the highest step formerly earned. The highest step for former employees who have not served under the LPS is determined under part II, chapter 2, paragraph 1a(9)(c). Also see part II, chapter 2, paragraph 1a(9)(d) for restrictions on making highest previous step determinations.

19. **Job Acceptance Rate.** [ ] **Gains divided by job offers.**
20. **Job Offers.** [ ] The FTE of offers of employment in the occupation or specialty during the reporting period made to internal and external candidates.
21. **Level.** For Nurse I for registered nurses, the grade recognizes employees with higher qualifications. Employees in a higher level in the grade are placed at or above the first step of the level based on the possession of these higher qualifications.
22. **Local Labor Market Area (LLMA).** [ ] **The geographic area in which LPS surveys are conducted [or for which third party survey data is reviewed.]**
23. **[Title 38] Locality Pay Schedule.** [ ] A pay schedule established based on a survey of pay rates [or review of third party survey data] for corresponding non-VA health care positions in the LLMA. Locality pay schedules will be constructed using chapter 3, Salary Schedule Construction and Implementation, and may be established for any covered occupation, or any specialty, assignment, and/or category of assignments within the covered occupation [ ].
24. **Losses.** **In an occupation or specialty, the FTE of losses during the reporting period, for any reason, which resulted in a recruitment action except reduction in ceiling is termed “losses.”**
25. **Metropolitan Statistical Area (MSA).** For a definition and list of MSAs, refer to the most current [bulletin] which is published [ ] by the [Office of Management and Budget (OMB).]
26. **Nurse.** [A] RN who meets the basic requirements for appointment under the qualification standard in VA Handbook 5005. This includes the Chief Consultant, Nursing Strategic Healthcare Group, the Director, Nursing Service, and VHA Central Office or VISN Nurses, but does not include nurse anesthetists.
27. **Nurse Anesthetist.** [ ] An individual who meets the basic requirements for appointment under the qualification standard in VA Handbook 5005.
28. **Nurse Executive.** [For the purposes of establishing rates of pay under the LPS, t]he Chief of Nursing Service or equivalent position that represents the highest-ranking nurse management position at a facility .
29. **Nursing Unit or Ward.** A geographic location or program with patient care delivery of responsibilities across the continuum of care.
30. **On-Board.** [ ] The total FTE of employees in the occupation or specialty on the facility's rolls on the beginning or ending date of the reporting period.
31. **Periodic Step Increase (PSI).** [ ] An advancement from a step of a grade to the next higher step of that grade based upon completing the required waiting period (see part III, chapter 5, paragraph 1c) and meeting the criteria for advancement in VA Handbook 5005.

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32. **Quits for Pay.** The FTE of employees in the occupation or specialty who voluntarily resigned for pay reasons during the reporting period. A quit for pay only occurs when the employee resigns to take a higher rate of pay for a corresponding non-VA position in the same LLMA.
33. **Quit for Pay Rate (Annual).** Divide quits for pay by the average on-board to determine the quit for pay rate for the reporting period. Multiplying this figure by the quotient of 12 divided by the number of months in the reporting period will provide the annual quit for pay rate.
34. **Special Salary Rate.** [ ] A step on a special salary rate range [constructed under 38 U.S.C. § 7455. A special salary rate is not a rate received on a title 38 Locality Pay System specialty schedule.]
- [ ]
35. **Staffing Success Rate.** The gains divided by tried to fill (see item 41).
36. **State. Any State, Territory[,] or Commonwealth of the United States (i.e., Puerto Rico), and the District of Columbia.**
37. **Survey Establishment.** An establishment in the LLMA that is selected to be surveyed.
38. **Survey Sample.** All establishments selected for survey in an LLMA.
39. **Survey Summary.** A report of the results of a survey.
40. **Survey Universe.** All establishments in the LLMA.
41. **Tried to Fill.** The FTE of positions in the occupation or specialty the facility tried to fill during the reporting period. It consists of the FTE of vacancies at the beginning of the reporting period, plus losses, plus or minus any ceiling changes during the reporting period.
42. **Turnover Rate (Annual).** Divide losses by the average on-board to determine turnover rate for the reporting period. Multiplying this figure by the quotient of 12 divided by the number of months in the reporting period will provide the annual turnover rate.
43. **Vacancy Rate (Beginning).** The FTE of vacancies in the occupation or specialty at the beginning of the reporting period divided by the ceiling for the occupation or specialty at the beginning of the reporting period.
44. **Vacancy Rate (Ending).** The FTE of vacancies in the occupation or specialty at the end of the reporting period divided by the ceiling for the occupation or specialty at the end of the reporting period.

**APPENDIX B. ANNUAL REPORT ON STAFFING**

In accordance with the reporting requirements established by Section 201 of P.L. 106-419, Facility Directors are required to submit an annual report on staffing for registered nurse (RN)[, nurse anesthetist, physician assistant (PA), and all other positions covered by 38 U.S.C. § 7451.] Reports must be submitted to the OCHO [, Compensation and Classification Service,](055) no later than July 31<sup>st</sup> each year. Separate reports will be submitted for RNs[, nurse anesthetists, and physician assistants], as well as for any category for which a specialty schedule has been established [(ex. Nurse Practitioners, Administrative Nurses, Emergency Department PAs, etc.).]

**FACILITY NAME:**

**FACILITY NUMBER:**

**POSITION TITLE:**

**PAY SCHEDULE NO.:**

**FACILITY POINT OF CONTACT:**

**CONTACT NUMBER:**

**VISN:**

**1. STAFFING DATA FOR PAY SCHEDULE # N \_ \_ \_**

- a. Provide turnover and vacancy rates for the occupation or specialty for the one-year period ending June 30<sup>th</sup> of the current year and the preceding three years. The turnover rate will be calculated by dividing the losses by the average number on-board. The vacancy rate will be calculated by dividing the vacancies at the end of the reporting period by the authorized ceiling.

	<b>6/30/20</b> ___	<b>6/30/20</b> ___	<b>6/30/20</b> ___	<b>6/30/20</b> ___
	(Current year)	(Last three preceding years)		
Turnover Rate:	___._%	___._%	___._%	___._%
Vacancy Rate:	___._%	___._%	___._%	___._%

- c. Provide the following information for the occupation or specialty for the one-year period ending June 30<sup>th</sup> of the current year.

Beginning Authorized Ceiling: \_\_\_.\_ Ending Authorized Ceiling: \_\_\_.\_

Beginning On-Board: \_\_\_ Ending On-Board: \_\_\_

Number of Losses:                    \_\_\_ \_ \_

Number of Vacancies:            \_\_\_ \_ \_

d. Please check all recruitment efforts used in the past year, and indicate the number of times each was used.

- |   |  |
|---|--|
| <input type="checkbox"/> Newspaper Ads     ___ _ _ times              | <input type="checkbox"/> Internal                    ___ _ _ times |
| <input type="checkbox"/> Job Fairs                    ___ _ _ times   | <input type="checkbox"/> VA Careers.com     ___ _ _ times          |
| <input type="checkbox"/> Journal Ads                    ___ _ _ times | <input type="checkbox"/> Other Internet sites ___ _ _ times        |
| <input type="checkbox"/> Posting of vacancy   ___ _ _ times           | <input type="checkbox"/> Other: _____     ___ _ _ times            |
| <input type="checkbox"/> announcement at schools of nursing           | <input type="checkbox"/> No recruitment conducted                  |

VA Form 0738

**APPENDIX D. [NURSING] SURVEY JOB STATEMENTS****1. REGISTERED NURSE****a. Nurse I**

**Level 1.** Delivers fundamental knowledge-based nursing care to assigned patients while developing technical competencies.

**Education/Experience:** Diploma or an associate degree (AD) in nursing from a school approved by the State accrediting agency. No professional nursing experience.

**Performance:**

- Basic care responsibilities
- Work with close supervision
- Works as a team member, provides care to assigned patients
- Does not supervise others

**Sample job titles:** staff nurse, team member

**Level 2.** Provides nursing care as primary care nurse or team leader providing care to patients with basic and complex needs. Directs/supervises others who provide care.

**Education/Experience:** AD or diploma plus one-year experience or Bachelor of Science in Nursing (BSN) and no experience.

**Performance:**

- Progresses from team member to primary nurse/team leader
- Provides care to patients with simple and complex needs
- Works with general supervision
- Assumes accountability for limited leadership roles
- Directs and supervises others who provide care

**Sample job titles:** staff nurse, team leader, primary care nurse, care manger

**Level 3.** Demonstrates proficiency in practice based on conscious, deliberate planning. Self-directed in goal setting for managing complex patients.

**Education/Experience:** AD or diploma and approximately 2-3 years of experience or a BSN and approximately 1-2 years of experience; or a master's degree in nursing or a related field and no experience.

**Performance:**

- Beginning leadership responsibilities; functions as a team leader/charge nurse
- Applies clinical knowledge to plan and deliver care to patients with complex needs
- Supervise team members
- Works independently with occasional direction/supervision in clinical, education, quality management research or other practice areas
- Provides feedback regulating the practice of others who provide care
- Assumes responsibility and accountability as a charge nurse

**Sample job titles:** staff nurse, team leader, charge nurse, clinical nurse, care manager, instructor, research nurse, etc.

**APPENDIX F.**

**SAMPLE [TITLE 38] LOCALITY PAY SCHEDULE [FOR REGISTERED NURSE]**

<b>Grade</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>	<b>Step 9</b>	<b>Step 10</b>	<b>Step 11</b>	<b>Step 12</b>	<b>PSI</b>
	Level 1		Level 2			Level 3							
<b>Nurse I</b>	\$24,522	\$25,257	\$25,992	\$26,727	\$27,462	\$28,197	\$28,932	\$29,667	\$30,402	\$31,137	\$31,872	\$32,607	\$735
<b>Nurse II</b>	29,455	30,338	31,221	32,104	32,987	33,870	34,753	35,636	36,519	37,402	38,285	39,168	883
<b>Nurse III</b>	40,298	41,506	42,714	43,922	45,130	46,338	47,546	48,754	49,962	51,170	52,378	53,586	1,208
<b>Nurse IV</b>	45,130	46,483	47,836	49,189	50,542	51,895	53,248	54,601	55,954	57,307	58,660	60,013	1,353
<b>Nurse V</b>	56,627	58,325	60,023	61,721	63,419	65,117	66,815	68,513	70,211	71,909	73,607	75,305	1,698