

PAY ADMINISTRATION

- 1. REASON FOR ISSUE:** To revise Department of Veterans Affairs (VA) procedures regarding 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 numbers in VA Handbook 5007. These changes will be incorporated into the electronic version of VA Handbook 5007 that is maintained on the [Office of Human Resources Management & Labor Relations Web site](#). Significant changes include:
 - a. Specifies the restrictions that apply when making highest previous rate determinations for General Schedule health care personnel appointed above the minimum rate of the grade.
 - b. Adds information on fee-basis appointments that was previously contained in VHA Directive 10-95-077.
 - c. Clarifies that title 38 employees are not eligible for 2 hours minimum callback overtime if that overtime merges with their regular tour of duty.
 - d. Clarifies that student nurse technicians will be treated as if they are covered under title 5 for premium pay purposes.
 - e. Clarifies that the Recruitment Service Agreement applies to both recruitment bonuses and relocation bonuses.
- 3. RESPONSIBLE OFFICE:** The Compensation and Classification Service (055), Office of the Deputy Assistant Secretary for Human Resources Management and Relations.
- 4. RELATED DIRECTIVE:** VA Directive 5007, "Pay Administration."
- 5. RESCISSIONS:** VHA Directive 10-95-077, dated August 10, 1995.

CERTIFIED BY:

/s/Robert N. McFarland
Assistant Secretary for
Information and Technology

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

/s/Tim S. McClain
Acting Assistant Secretary for
Human Resources and Administration

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3. The earned step on any special salary rate range approved under 38 U.S.C. 7455 is to be used for the purposes of computing the highest previous step.

b. **Retroactive Adjustment of Salary Rates.** If sufficient data concerning prior Federal employment is not available to make a salary determination concerning the highest previous rate, the rate shall be established initially at the lowest clearly appropriate dollar amount within the grade. The following statement will be placed in the “Remarks” section of the Standard Form (SF) 50-B: “Pay rate subject to retroactive adjustment upon verification of prior Federal service.”

c. **Special Basic Pay Adjustments for Personnel Serving Under 38 U.S.C. 7306, 7401 [] or 7405(A)(1)(A)**

(1) In unusual circumstances that are not otherwise covered by this chapter, the Secretary or designee may initially or subsequently adjust the salary of any person serving under 38 U.S.C. 7306, and any employee above Executive grade on the Physician and Dentist Pay Schedule, to any one of the approved step rates of the grade held. Similar action may be taken by the Under Secretary for Health on the pay of any physician or dentist in Executive grade, and by the Under Secretary for Health, or designee, for any other employee covered by 38 U.S.C. 7306, 7401 [] or 7405(a)(1).

(2) Upon change in assignment without change in grade of an employee who has been granted a special basic rate adjustment authorized in accordance with subparagraph c(1) above, the appropriate appointing official may readjust the rate by fixing it at any step of the grade which is no lower than the step rate the employee otherwise would normally have earned under part III, chapter 5 of this handbook. This authority is available for use when a change in assignment is made:

(a) To a locality or type of duty where circumstances would not be considered sufficiently unusual to warrant continuation of the special basic pay rate;

(b) At the employee’s request and primarily for his or her benefit and convenience; or

(c) For personal cause.

d. **Rates of Pay for VHA Facility Directors and Chiefs of Staff.** See appendix II-A of this handbook for pay setting guidance for facility directors and chiefs of staff.

2. SETTING INITIAL RATES OF PAY FOR PERSONNEL SERVING IN TEMPORARY AND PART-TIME POSITIONS UNDER 38 U.S.C. 7405

a. Part-time and intermittent physicians, dentists, podiatrists, chiropractors, optometrists, nurses, PAs, and EFDAs shall receive, dependent upon the number of hours worked each week, the proportionate amount of the approved per annum rate appropriate to the grade appointed. The standard VA workweek of 40 hours shall serve as the basis for computation of the salary. The Under Secretary for Health will establish a standard limitation on the number of hours of employment. The Under

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(3) A pay rate approved under this paragraph is considered an "earned rate" and may subsequently be used in applying the highest previous rate rule. The highest previous rate is not an entitlement, however, and should be judiciously used in situations where employees move to positions which might not qualify for an appointment above the minimum rate of the grade. In addition, [the following] restrictions [] apply when making highest previous rate determinations [:

(a) 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.

(b) It is generally inappropriate to use above-minimum entrance rates and special salary 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.

(c) In view of subparagraph a(3)(b) above, above-minimum entrance rates or special salary rates 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 on the right hand side of the employee's personnel folder and documented in the "Remarks" section of the Request for Personnel Action, or its electronic equivalent.]

(4) A pay rate approved under this paragraph shall be used when determining an employee's pay upon promotion to a higher grade position.

(5) When setting rates under this paragraph, consideration shall be given to the locality comparability payment authorized for the geographic area and the fact that the employee will receive the locality comparability payment in addition to the basic rate of pay selected from the General Schedule.

b. Criteria for Pay Determinations

(1) Pay determinations under this paragraph may be made after considering a candidate's existing pay, higher or unique qualifications or special needs of VA. If an individual's pay rate is based on the recommendation of a professional or similar standards board, the approving official's action shall consider the recommendation of that board.

(2) Before using this authority, approving officials should consider such things as the number of on-duty personnel in the category under consideration and their pay rates, the number of vacancies and the availability of well-qualified candidates, as well as possible employee and/or community relations problems which may result from using this authority. Alternatives include a (non-recurring) recruitment bonus, a more comprehensive recruitment effort, job redesign, internal training, use of part-time employees, etc.

(3) This authority is intended to enhance VA's ability to meet its recruitment needs. Thus, it shall typically be used for new appointments (i.e., first appointment as an employee of the Federal Government). To be used for reinstatements, the candidate must have had a break in service of at least 90 calendar days since the last period of Federal employment (other than part-time or temporary

employment as a student or part-time employment which is not the principal employment of the candidate). This authority may be used with full-time, part-time, temporary, term or intermittent appointments provided its use is consistent with the criteria contained herein.

c. On-Duty Employees

(1) A higher step rate may be approved for on-duty employees in the situations shown below if the appropriate standards board or recommending official (if a standards board is not appropriate) has recommended a higher step rate than otherwise applicable. The recommendation may be based on higher or unique qualifications of an individual or special needs of VA.

(a) On-duty employees converted to occupations listed under 38 U.S.C. 7401(3); and

(b) On-duty employees reassigned to a new position or changed to a new lower grade position under 38 U.S.C. 7401(3). For the purpose of this paragraph, a new position means a position subject to different qualification standards and in a different occupational series.

(2) On-duty employees in the same occupation as an individual newly appointed under 38 U.S.C. 7401(3) are not entitled to have their pay rate adjusted.

d. Limitations on Pay Rates. Approving officials shall not authorize a rate above the maximum rate of the grade. In addition, pay rates approved under this paragraph are limited by the payable rate for Level V of the Executive Schedule.

e. Retroactive Administrative Determination. The authority contained in this paragraph is a discretionary administrative determination, which shall not be made on a retroactive basis.

f. Superior Qualifications Appointments. Employees covered by this paragraph may not be considered for superior qualifications appointments under 5 U.S.C. 5333 and paragraph 4 below.

4. APPOINTMENT ABOVE THE MINIMUM RATE OF THE GRADE FOR PERSONNEL SUBJECT TO CHAPTER 51

a. Under the provisions of 5 U.S.C. 5333(a) and 5 CFR 531.203(b), appointment at a rate above the minimum of a General Schedule (GS) grade may be made based on the superior qualifications of a candidate or a special VA need for the candidate's services. **NOTE:** *VHA GS employees who provide direct patient care services or services incident to direct patient services are covered by paragraph 3 above, and are not covered by this paragraph.*

b. Appointments at above-minimum rates under this paragraph will be fully justified in accordance with criteria outlined in 5 CFR 531.203(b) and meet all legal and regulatory requirements.

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c. Office of Personnel Management regulations require that consideration must be given to a recruitment bonus before approval of an above-minimum rate under this authority (5 CFR, part 575). This requirement is predicated on the fact that an appointment with an above-minimum rate will be significantly more costly because it has a lasting effect on future pay entitlements and increases retirement, life insurance, and premium pay entitlements. A recruitment bonus is a one-time payment that does not affect future pay entitlements.

d. The authority in this paragraph is to be used in individual cases of superior qualifications or special VA need. It is not to be used for occupational pay comparability or substituted for above-minimum entrance rates for an occupation or special salary rates for an occupation. Consideration is to be given to the effect approval may have on the morale of current employees and/or community relations.

e. Above-minimum rates are authorized only for individuals entering Federal civilian service for the first time or those returning after a break in service of 90 days or more. However, this authority may be used for appointment or conversion of certain cooperative work study employees, District of Columbia employees, members of Public Health Service Commissioned Corps, Intergovernmental Personnel Act participants, and experts or consultants as provided by 5 U.S.C. 531.203(b). An above-minimum rate must be approved before the candidate enters on duty; retroactive adjustment is not permitted.

f. An above-minimum rate may not exceed the rate for the tenth step of the grade.

g. See appendix II-D for information on requesting above-minimum entrance rates under this paragraph.

5. APPOINTMENT ABOVE THE MINIMUM RATE OF THE GRADE FOR FEDERAL WAGE SYSTEM PERSONNEL. Appointing officials may make a new appointment at any step rate of the appropriate grade in recognition of skills and experience of an exceptional or highly specialized nature in a particular trade or craft. Such appointments, however, may be made only when it is not possible to recruit an applicant at the minimum rate and VA has a specific need for the applicant's special qualifications. When an appointment above the minimum rate is made, the following statement will be placed in the "Remarks" section of the 50-B, Notification of Personnel Action: "Salary rate approved under FWS Operating Manual, section S8-3b(1)." Reasons for the determination will be recorded on the Request for Personnel Action, or its electronic equivalent.

**APPENDIX F.
COMPENSATION OF CONSULTANTS, ATTENDING,
AND OTHERS EMPLOYED ON A FEE BASIS UNDER 38 U.S.C. 7405**

1. GENERAL

[a.] The instructions in this appendix apply to the payment of physicians, dentists, optometrists, podiatrists, nurses, other health care, and non-medical consultants employed on a fee basis and appointed under 38 U.S.C. 7405(a)(2). These individuals provide services on a facility's premises. Individuals providing services off-station are not considered employees and are reimbursed for their services through the DHCP Fee System.

[b. Fee basis appointments are to be used when health services are not otherwise readily available, when it is cost effective (e.g., there is a limited need for specialized services) and when the utilization is focused on the service to be provided rather than on a specified tour of duty. Fee basis appointments shall not be used when other types of appointments (i.e., full-time, part-time or intermittent) are appropriate.

c. Individuals appointed on a fee basis shall be subject to income tax withholding. This includes Federal withholdings plus state and/or local income taxes, if applicable. It also includes Old Age and Survivor's Disability Insurance (OASDI) and Medicare taxes, including applicable VHA contributions to these programs.

d. Civil service annuitants appointed on a fee basis are not subject to any reduction of their fees.

e. Individuals appointed on a fee basis may be defended by the United States against allegations of malpractice or negligence arising from the exercise of their duties (38 U.S.C. 7316). They are also covered by the Federal Employees' Compensation Act (5 U.S.C., ch. 81) and unemployment compensation (5 U.S.C., ch. 85).

f. Fees paid to individuals covered by this appendix are subject to garnishment under 5 CFR, parts 581 and 582.

g. Individuals appointed on a fee basis are to have their fee paid to them through Direct Deposit/Electronic Funds Transfer (DD/EFT).]

2. COMPENSATION OF CONSULTANTS AND ATTENDING

a. **General.** Compensation will be on a lump sum fee per visit or per annum salary, depending on the type of appointment. Physicians, dentists, optometrists, podiatrists, and nurses may be appointed as consultants; these same professions, and nurse anesthetists, may be appointed as attendings. See paragraph 4 for information on annual limitations on compensation.

b. **Lump Sum Fee.** Compensation will be made on a lump sum basis for each visit. Only a single visit per day will be compensated. The fee will be determined on the basis of the actual service rendered, plus the cost of transportation, if required, including per diem at the applicable rate if travel is required.

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When setting the fee, consideration should be given to the level prevailing in the community. Consideration should also be given to the fact that VA provides office space, supplies, malpractice insurance coverage, and other support; thus, the amount of the fee will be normally be less than if the services were performed in the practitioner's own office. The service portion of the fee (exclusive of travel and per diem expenses) may not exceed \$75 (for consultants) or \$40 (for attendings) for a day or any portion thereof. Any additional payment for travel or per diem may not exceed the amount permitted under VA travel regulations, and must be fully documented.

c. **Per Annum Salary.** Consultants and attendings paid on a per annum basis are expected to be available for recurring and regularly scheduled duty to meet the needs of VA. Compensation will be based on fees determined in the same manner as above (including the service fee limitation), multiplied by the number of visited projected for the coming year. That amount is divided by 26 (or 27, as appropriate) and paid to the per annum consultant or attending on a biweekly basis, with the following provisions:

(1) When a consultant or attending is available for duty but there is no need for the individual's services in a particular day or scheduled period, no recovery of fees will be made.

(2) When a consultant or attending is unavailable for duty for a specified period, their salary will be reduced on a prorata basis for the number of projected visits missed.

(3) When a consultant or attending is frequently unavailable for call, a change to the fee basis arrangement should be considered.

d. **Exceptions to Service Fee Limitations**

(1) The maximum service fees for consultants and attendings (exclusive of travel and per diem allowances) are \$75 and \$40, respectively, unless exceptions are approved by the facility director.

(2) Exceptions will be made on an individual or category basis.

(3) Exceptions for individual service providers will specify the new fee limit, and will be based on the community level of fees for comparable services, distance of facility or sites served from provider's business office, length of normal visit, and availability of the service in the community from other providers.

(4) When facilities find it necessary to approve individual exceptions on a regular basis, exceptions on a category- or facility-wide basis may be approved. These exceptions will be based on the same criteria as in subparagraph (3), above, and will specify the new limit on the fee or fees. Exceptions will be funded within the facility's target allowance.

3. COMPENSATION FOR ALL OTHER FEE BASIS APPOINTMENTS

a. **Covered Positions.** By law, fee basis appointments are limited to the following categories of personnel:

(1) Categories appointed under 38 U.S.C. 7401(1), i.e., physicians, dentists, optometrists, podiatrists, nurses, physician assistants, and expanded-function dental auxiliaries.

(2) Categories listed under 38 U.S.C. 7401(3), e.g., licensed physical therapists, certified or registered respiratory therapists, licensed practical or vocational nurses, audiologists, and dietitians.

(3) Other professional and technical health care personnel, defined as:

(a) Health care occupations that require knowledge in a field of science or learning characteristically acquired through education or training equivalent to a bachelor degree or higher, with major study in, or pertinent to, the specialized field, as distinguished from general education. Work requires the exercise of discretion, judgment, and personal responsibility for the application of an organized body of knowledge.

(b) Work associated with and supportive of a health care professional category. It involves extensive practical knowledge gained through experience or specific training less than that represented by graduation from college. Work involves substantial elements of a professional field. Administrative, clerical, and manual trades are specifically excluded from the technical category.

b. **Setting Fees**

[(1) Employees appointed on a fee basis are to be compensated by the task or service (i.e., by piecework) and are not to be paid on a time basis. Examples of appropriate fee basis appointments include: physicians paid by the compensation and pension examination, members of clergy paid by religious service, or health care practitioners paid by specifically identified medical or surgical procedures. Employees compensated on a time basis are to be appointed on a full-time, part-time, or intermittent basis, depending on the needs of the facility.

(2)] Except as provided below in subparagraphs c through e below, fees shall be based on fees or similar services in the community. The fee shall also be based on the actual service or procedure, plus the cost of transportation, if required, including per diem at the applicable rate if travel is required. Consideration should be given to the fact that VA provides office space, supplies, malpractice insurance coverage, and other support; thus, the amount of the fee will be normally be less than if the services were performed in the practitioner's own office. Fees for dentists will be set in accordance with the instructions in paragraphs 6m and 6n of VHA Handbook 1130.1. See paragraph 4 for information on annual limits on compensation.

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c. **Special Duty Nurses.** These individuals will be compensated on a fee basis according to the specific service or procedure performed. Fees will not exceed those charged in the community for similar work.

d. **Physicians Performing Medical Officer of the Day or Admitting Physician Duties**

(1) Facility directors will establish and approve fees for periods of coverage for Medical Officers of the Day (MODs) providing medical supervision on wards, and for Admitting Physicians providing medical supervision in admitting areas during nights, evenings, weekends, and holidays, when VA staff physicians do not perform these assignments as part of their assigned patient care duties. Periods of coverage will be determined according to need, with fees set according to the average locality rate for similar coverage, not to exceed the hourly equivalent of step 6 rate of Senior grade on the VA Physician and Dentist Pay Schedule. The following factors will be considered in setting these fees:

(a) Fees paid in community health care facilities, particularly as they relate to the level of activity and number of patients seen and the complexity of patient care.

(b) Benefits provided, particularly the value of VA's malpractice coverage.

(c) Variations in qualifications requirements.

(2) If the fees determined under subparagraph (1) above exceed the step 6 of Senior grade and it is not possible to obtain MOD and admitting coverage, the facility director may approve an exception to the fee limitation.

(3) In no case will part-time or intermittent appointments be used to obtain MOD or Admitting Physician services. However, individuals with part-time or intermittent appointments may also receive fee basis compensation under this paragraph for a separate portion of time, subject to the annual limitation in paragraph 4. See also chapter 5 of part VIII for information about dual employment restrictions.

(4) In no case may non-career residents be used for MOD service or for a combination of MOD and Admitting Physician duties.

e. **Use of Non-Career Residents as Admitting Physicians**

(1) Facility directors may appoint non-career residents as fee-basis Admitting Physicians during nights, weekends, and holidays only when the following conditions have been met, as certified by the Director in the approval document:

(a) The Deans Committee has determined that admitting physician duty is not a valid part of the residents' training experience.

(b) No other means of obtaining admitting coverage is available.

(2) Fees will be established in the same manner as outlined in subparagraph d(1), above, and paid to

non-career residents in addition to their stipends.

(3) An exemption to the dual compensation restrictions has been granted for non-career residents performing Admitting Physician duties only; they may not be used for any other purpose.

4. ANNUAL LIMITATIONS ON PAY

a. The total of payments to the following fee basis categories may not exceed \$15,000 in a fiscal year:

(1) Consultants and attendings (excluding nurse anesthetist), whether paid on a lump sum or per annum basis.

(2) On-station fee basis (excluding special duty nurses).

b. The total of payments to the following fee basis categories may not exceed \$5,000 in a fiscal year:

(1) Nurse anesthetist attendings.

(2) Special duty nurses.

c. Exceptions to the annual limitations in the above paragraphs may be approved by the facility director. However, in no case may the total of fee payments exceed the rate for EL-V.

d. For employees who hold both fee basis and part-time and intermittent appointments, the combination of their basic pay and fees may not exceed the basic salary of a seven-eighths part-time individual at the same grade and step in a fiscal year. For example, a part-time physician who is also appointed on a fee basis may receive in base pay and fees not more than the annual basic salary (prorated at 7/8ths) for the same grade and step. Facilities needing to pay more to dual appointees may submit requests for exceptions to the Assistant Deputy Under Secretary for Health (10N/051).

e. Nothing in this paragraph or appendix shall obligate VA to use the services of fee basis personnel to the maximum extent permitted.

CHAPTER 5. ON-CALL PAY AND STANDBY PAY**1. ON-CALL PAY FOR NURSES, PAs, AND EFDAs APPOINTED UNDER 38 U.S.C. 7401(1) OR 7405(a)(1)(A)**

a. A nurse, PA or EFDA officially scheduled to be on-call outside of his or her regular duty hours shall receive 10 percent of his or her applicable overtime rate for each hour of on-call duty. When called back to perform overtime work, such personnel shall receive overtime pay in accordance with chapter 2 or chapter 4 of this part, as appropriate. On-call pay shall be suspended during the period of actual overtime duty; when released from overtime duty, such personnel shall return to the remaining scheduled on-call duty, if any, and receive on-call pay accordingly. [When the period of callback overtime merges with the employee's regular tour of duty, 2 hours minimum overtime pay does not apply (45 Comp. Gen. 53).]

b. While in an on-call status, such personnel shall be available for prompt response to perform service. In the event of incapacitation or unavailability during the period for which scheduled to be on-call, such unavailability shall be promptly reported by the employee to the authorizing official or other responsible official. An employee who is relieved from scheduled on-call duty as a result thereof shall not receive on-call pay during the period from which relieved.

c. An employee who is excused from duty on a holiday may receive on-call duty during such hours of excusal. Authorizing officials for on-call duty shall be the same officials authorized to order and approve overtime, as indicated in chapter 1 of this part.

2. ON-CALL PAY UNDER 38 U.S.C. 7457 AND STANDBY PAY UNDER 5 U.S.C. 5545(c)(1) FOR VETERANS HEALTH ADMINISTRATION (VHA) GENERAL SCHEDULE HEALTH-CARE EMPLOYEES**a. General**

(1) When there is a need for employees to return to duty outside of their regular duty hours on an unscheduled basis, callback overtime remains an appropriate means of providing employee coverage. On-call duty under 38 U.S.C. 7457 shall be used when it is essential for unit employees to be immediately available for a call to duty during other than regular duty hours (see subparagraph a(2) below). Standby duty under 5 U.S.C. 5545(c)(1) shall be used only when an exception to on-call duty policy is authorized under subparagraph b below.

(2) In those situations or work units where assured availability of employees outside regular duty hours is essential to meet patient care needs, on-call duty under 38 U.S.C. 7457 shall be the preferred method of coverage. Except for employees eligible for standby duty pay retention under subparagraph f below, an employee covered by this paragraph who is officially scheduled to be on-call outside the employee's regular duty hours shall receive 10 percent of the employee's applicable overtime rate for on-call duty during the period when scheduled to be on-call. While in an on-call status, an employee shall be available for prompt return to duty to perform service.

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c. **Graduate Nurses and Nurses Pending Graduation.** Graduate nurses and nurses pending graduation shall receive additional pay on the same basis as outlined above for registered nurses. Compensatory time off in lieu of regular and irregular or occasional overtime may be authorized.

d. **Student Nurse Technicians.** [The Secretary has determined that these employees shall receive premium pay as if covered by chapter 55 of title 5, U.S.C., and the Fair Labor Standards Act, unless their position meets one of the exemptions contained in 5 CFR 551, subpart B, that would otherwise apply.]

e. **Pay for Employees Pending Licensure in Occupations Listed Under 38 U.S.C. 7401(3).** [The Secretary has determined that] employees that have completed a full course of training for an occupation listed under 38 U.S.C. 7401(3) and are pending licensure shall receive premium pay [as if covered by] chapter 55 of title 5, U.S.C., and the Fair Labor Standards Act, unless their position meets one of the [] exemptions contained in 5 CFR 551, subpart B[, that would otherwise apply].

f. **Medical Support Personnel Appointed Under 38 U.S.C. 7405(a)(1)(D).** [The Secretary has determined that these employees shall receive premium pay as if covered by] title 5, United States Code, chapter 55. They are also [to be treated as if] covered by the minimum wage and overtime provisions of the FLSA, unless the position meets one of the applicable professional, administrative or supervisory exemptions contained in 5 CFR 551, subpart B[, that would otherwise apply]. FLSA coverage determinations for employees compensated under this paragraph will be consistent with coverage determination made for employees in the competitive service. Premium payments are also to be based on the rate of basic pay computed under 5 U.S.C. 5504 or 5 CFR, part 551, as applicable. They shall receive any applicable non-foreign cost-of-living allowance and post differential (see part VIII, chapter 11 of this handbook).

g. **Trainees and Students Appointed Under 38 U.S.C. 7405(a)(1)(D)**

(1) Per annum basis trainees will be paid their regular straight time base rate, but will not receive any additional premium pay, by reason of working on a legal holiday, on Sunday, or at night. These trainees will receive their regular straight time pay for time off if relieved or prevented from working solely by the occurrence of a legal holiday. No compensation will be paid these trainees by reason of working overtime; however, they may be granted equivalent time off for service in excess of 8 hours in a day or 40 hours in a week.

(2) Summer students will be paid their regular straight-time base rate, but will not receive any additional premium pay by reason of working on a legal holiday, on Sunday, or at night. These students will receive their regular straight time pay for time off if relieved or prevented from working solely by the occurrence of a legal holiday. No compensation will be paid these students by reason of working overtime; however, they may be granted equivalent time off for service in excess of 8 hours in a day or 40 hours in a week.

**APPENDIX B.
RECRUITMENT/RELOCATION SERVICE AGREEMENT (RSA)****1. GENERAL**

A recruitment/relocation service agreement (RSA) is required for a recruitment/relocation bonus. It must include the dollar amount of the bonus and the length of the service obligation in VA. It states the bonus payment conditions, including the effect of the aggregate limitation on pay. It must be signed by the employee and the requesting official and be included in the request for approval. The approving official's authorization certifies that payment of a bonus is needed to fill the position with a high quality candidate. A bonus may be paid only after approval and after the effective date of the personnel action. A bonus must be approved before an individual enters on duty.

2. INSTRUCTIONS FOR PREPARING THE RSA

Before preparing the RSA, HR officials should carefully review the employee's compensation and the policy on aggregate limit restrictions (see part VII of this handbook). Develop the RSA as follows:

- a. **Amount.** Insert the dollar amount of the recruitment[/relocation] bonus.
- b. **X time.** Enter the fraction for the hours of work (e.g., 8/8, 5/8).
- c. **Position.** Insert the title, series, and grade of the position.
- d. **VA Facility.** Name the facility where the employee will work.
- e. **Date.** Insert the date the employee is to report to duty.
- f. **Months.** Insert the number of full months of obligated service due.
- g. **Pay Periods.** Enter the number of pay periods within which payment will be made.
- h. **Employee/Date and Requesting Official/Date.** The RSA must be signed and dated by both. The names should be typed below the line.
- i. **Approving Official/Date.** The approving official must sign and date the RSA. The date must precede the effective date of appointment. The name should be typed below the line.

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SAMPLE RECRUITMENT/RELOCATION SERVICE AGREEMENT

As a condition of being paid a recruitment[/relocation] bonus of (amount) in connection with my appointment on a X time basis, to the position of (position) at (VA facility) on (month, day, year), I agree to complete (number) full consecutive months of employment starting on the above date with the Department of Veterans Affairs (VA) and, in the event of transfer of function, to complete all remaining months of obligated service with the successor agency.

I understand that if I fail to complete this period of employment (at VA facility) or reduce my hours of work, I may be required to repay the recruitment[/relocation] bonus in accordance with prescribed regulations, unless the Secretary of Veterans Affairs or designee determines that failure to complete the obligated service was for reasons beyond my control or that repayment is against equity or is not in the interest of the Government. I further agree that any amount I am obligated to refund will be a debt due the United States, which I hereby agree to pay in full as directed by VA.

I understand that the bonus will be paid to me within X pay periods of the above date on which I will report for duty in the new position, unless compliance with aggregate limit on compensation regulations requires otherwise.

If I apply for another position before fulfillment of the service obligation resulting from this bonus, I will notify the recruiting office of that fact at the time of application. I understand that this agreement is valid only when signed by me, the requesting official, and the approving official.

(Add information for aggregate limit on pay, other.)

(employee name) (date) (requesting official) (date)

APPROVED: I certify that payment of a bonus is appropriate in order to fill the above position.

(approving official) (date)