

## PAY ADMINISTRATION

**1. REASON FOR ISSUE:** To issue 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 handbook 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 and Labor Relations Web site. Significant changes include:

- a. Clarifies pay-setting rules for nurse executives when simultaneously promoted and transferred to another VA facility.
- b. Clarifies overtime entitlement for employees on compressed work schedules.
- c. Changes annual reporting requirements on the Student Loan Repayment Program.

**3. RESPONSIBLE OFFICE:** The Compensation and Classification Service (055), Office of the Deputy Assistant Secretary for Human Resources Management and Labor Relations.

**4. RELATED DIRECTIVE:** VA Directive 5007, Pay Administration.

**5. RESCISSIONS:** None

**CERTIFIED BY:**

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**APPENDIX B. PAY POLICIES FOR FIELD FACILITY NURSE EXECUTIVES  
AND KEY NURSING PERSONNEL**

**1. SCOPE.** This appendix applies to Nurse Executives at Department of Veterans Affairs (VA) field facilities. The term Nurse Executive refers to Chiefs of Nursing Service or equivalent positions that represent the highest ranking nurse management position at a facility. This appendix also applies to key nursing personnel and nurse anesthetists in Nurse IV and Nurse V who are employed at a VA medical center and are appointed on a full- or part-time basis under title 38 United States Code (U.S.C.) Section 7401(1) or 7405(a)(1)(A). **NOTE:** *Employees at the Veterans Integrated Service Network (VISN) and Veterans Health Administration (VHA) Central Office are covered by part X, chapter 5, VHA Central Office and VISN Office Nurse Pay.*

**2. NURSE EXECUTIVES****a. Pay Administration**

(1) **Promotions to a Higher Grade.** Employees promoted from a grade to a higher grade 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. **NOTE:** *See paragraphs 1c(2) and (3) of part III, chapter 2, for promotions of head nurses or employees receiving a higher rate based on specialized skills.*

(2) **[Promotions Simultaneous with Reassignments or Transfers to Another VA Facility.** Employees 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 location. Once the new grade and step rate are determined, the employee's salary rate is determined under the provisions in paragraph 1c(2) of part III, chapter 4.

(3) **Placement of a Nurse Executive.** **NOTE:** *See subparagraphs 1c(2)(b) and (c) of part III, chapter 4.*

(a) **At a Facility With the Same Complexity Level.** The appropriate NPSB may recommend a pay adjustment upon placement of a Nurse Executive at a facility with the same complexity level if such an adjustment is consistent with the criteria contained herein, and the placement is made for reasons other than cause or the employee's request.

(b) **At a Facility With a Higher Complexity Level.** The appropriate NPSB may recommend a pay adjustment upon placement of a Nurse Executive at a facility with a higher complexity level provided such an adjustment is consistent with the criteria contained herein.

(c) **To a Facility With a Lower Complexity Level.** The appropriate NPSB shall recommend one of the following options upon placement of a Nurse Executive to a facility with a lower complexity level, provided the placement is for reasons other than cause or the employee's request.

1. The employee shall receive the lowest step in the grade which equals or exceeds his or her existing rate of pay.

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2. If there is no such rate, the employee will be eligible for pay retention under paragraph 6 of chapter 6 of part III.

(d) **Placement in a Key Nursing Assignment.** The appropriate NPSB shall recommend one of the following options upon placement of a Nurse Executive in a key nursing assignment, provided such placement is made for reasons other than cause or at the employee's request.

1. The employee shall receive the lowest step in the grade which equals or exceeds their existing rate of pay.

2. If there is no such rate, the employee will be eligible for pay retention under paragraph 6 of chapter 6 of part III.

(e) **Voluntary Changes to a Lower Grade.** **NOTE:** *See paragraph 4.*

b. **Changes in Complexity Level.** If the Under Secretary for Health changes facility complexity levels, Nurse Executives at facilities with changed levels are to be reviewed as follows:

(1) **Change to a Higher Facility Complexity Level.** If a facility is changed to a higher complexity level, the appropriate NPSB shall review the grade and step of the Nurse Executive, and may recommend an increase provided the increase is consistent with the criteria contained herein.

(2) **Change to a Lower Complexity Level.** If the facility is changed to a lower complexity level and the grade of the Nurse Executive is not supported by the lower facility complexity level, the Nurse Executive shall be entitled to the lowest step in the lower grade which equals or exceeds the employees existing rate of pay. If there is no such pay rate in the lower grade, the employee shall be entitled to pay retention under paragraph 7 of part III, chapter 6.

(3) **Exceptions.** Facility directors may request exceptions to established grades if the complexity of the Nursing program is comparable to those found at facilities with a higher complexity level. The VHA Central Office NPSB is the appropriate NPSB for actions involving a waiver of facility complexity level.

c. **Periodic Step Increase.** Nurse executives are eligible for periodic step increases in accordance with paragraph 1 of part III, chapter 5.



(c) Overtime is payable for service performed in excess of 40 hours in an administrative workweek, or in excess of 8 hours in a day, whichever is greater, at a rate of one and one-half times the employee's basic hourly rate of pay. **NOTE:** *[For a full-time employee on a compressed work schedule, overtime is payable for hours of work in excess of the basic work requirement. For a part-time employee on a compressed work schedule, overtime is payable for hours of work in excess of the basic work requirement for a day (but must be in excess of 8 hours) or for a week (but must be in excess of 40 hours)].*

**c. Call-Back Overtime**

(1) Any overtime on a day when a nurse, PA or EFDA was not scheduled to work, or for which an employee is required to return to his or her place of employment, shall be deemed to be a minimum of 2 hours in duration, regardless of whether or not service is performed for a full 2 hours. When an employee is called back from an on-call status to perform overtime work, the callback overtime provisions shall be applied upon return to duty of the employee.

(2) To be eligible for the full 2 hours of overtime, employees must be called into work at a time which is outside of and unconnected with their basic workweek (45 Comp. Gen. 53).

**d. Compensatory Time Off in Lieu of Regular and Irregular or Occasional Overtime for Nurses, PAs, and EFDAs**

(1) An official authorized to approve overtime work may, at the written request of eligible employees, grant such employees compensatory time off from their scheduled tour of duty in lieu of overtime pay. The amount of the compensatory time off will equal the amount of time spent in overtime work. Requests for compensatory time off for title 38 and hybrid title 38 employees paid premium pay on the same basis as registered nurses must be in writing.

(2) **Limit on Compensatory Time.** The limitation on overtime pay contained in 5 U.S.C. 5547 does not apply to title 38 employees covered by this paragraph.

**(3) Time Limit on Compensatory Time for Nurses, PAs, and EFDAs**

(a) Compensatory time should be taken as soon as possible after it is earned, but not later than the end of the seventh pay period following the pay period in which it is earned.

(b) If the compensatory time is not taken within the time limit prescribed above because of exigencies of the service, the employee will be paid for the overtime work at the overtime rate. If the compensatory time off is not taken within this period because of personal reasons not due to exigencies of service, the right to compensatory time off and overtime pay for the duty is lost.

(c) In cases of inter-station transfers, compensatory time off must be taken or paid for prior to the effective date of transfer. Under no circumstances will the obligation for compensatory time off be transferred to the receiving facility.

(d) The date of separation resulting from a staffing adjustment and failure to transfer may be administratively extended to include any compensatory time off due. However, where, due to circumstances beyond the control of the employee, the compensatory time off is not taken prior to separation, and no extension of the separation date is granted, overtime is payable in lieu of the compensatory time off (26 Comp. Gen. 750).

### 3. OVERTIME PAY FOR NURSES COVERED BY THE BAYLOR PLAN

a. A nurse on the Baylor Plan is not entitled to additional pay for service performed during the 24-hour basic workweek. However, such a nurse performing service outside the basic workweek shall be eligible for any applicable additional pay under 38 U.S.C 7453(b)-(d), (f)-(h) and (j). This includes tour differential, weekend pay, holiday pay and on-call pay. The regular pay for full-time nurses on the Baylor Plan (i.e., the 24-hour basic workweek) shall be based on a basic hourly rate derived by dividing the employee's annual rate of basic pay by 1,248.

b. A nurse on the Baylor Plan is also entitled to overtime pay under 38 U.S.C. 7453(e) or (j) for performing officially ordered and approved overtime service as follows:

(1) Service in excess of 24 hours on the weekend.

(2) Service in excess of 8 hours on a day other than Saturday or Sunday.

(3) All or part of actual service performed in excess of 40 hours in an administrative workweek, provided such payments were officially authorized. **NOTE:** *Hours of duty during the basic workweek shall be credited on an hour-for-hour basis when computing the amount of service performed during the administrative workweek.*

### 4. OVERTIME PAY AND COMPENSATORY TIME OFF FOR EMPLOYEES IN POSITIONS SUBJECT TO 5 U.S.C., CHAPTER 51

a. **Regular Overtime.** A regularly scheduled administrative workweek consisting of a period of overtime work, either as a part of or in addition to the 40-hour basic workweek, may be established by Administration Heads or staff office heads, or their designees, for their respective personnel within Central Office, and by facility directors. When a National Cemetery is involved, the director of the appropriate National Cemetery Area Office will make this determination. Overtime work is work performed by an employee that is in excess of 8 hours in a day, or in excess of 40 hours in an administrative workweek, that is *officially ordered or approved*. **NOTE:** *[For a full-time employee on a compressed work schedule, overtime is payable for hours of work in excess of the basic work requirement. For a part-time employee on a compressed work schedule, overtime is payable for hours of work in excess of the basic work requirement for a day (but must be in excess of 8 hours) or for a week (but must be in excess of 40 hours)].* For purposes of leave and overtime pay administration, the authorization shall specify for such employee(s), by calendar days and number of hours a day, the overtime periods included in the regularly scheduled administrative workweek. Compensatory time off in lieu of premium pay may not be granted for such overtime work.

b. **Irregular or Occasional Overtime.** Administration Heads, staff office heads, and facility directors, or their designees, are authorized to order and approve irregular or occasional overtime.

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disbursed on a bi-weekly basis. See [OPM's Questions and Answers on the Student Loan Repayment Program](#) for tax implications.

### 9. LOSS OF ELIGIBILITY FOR STUDENT LOAN REPAYMENTS AND EMPLOYEE REIMBURSEMENT TO VA

a. An employee receiving a student loan repayment will become ineligible for continued benefits if the employee:

(1) Voluntarily vacates the position (this includes going to another organization, another VA facility, or another government agency);

(2) Does not maintain an acceptable level of performance. The employee's most recent rating of record must be a pass or equivalent rating; or

(3) Violates any of the conditions of the service agreement.

b. Except as provided in subparagraph e. below, an employee who fails to complete the specified period of employment or meet other terms as stipulated in the service agreement will be indebted to VA for all student loan repayments made under the service agreement.

c. If an employee fails to reimburse VA for the amount owed under subparagraph 9b, a sum equal to the amount outstanding will be recovered from the employee under Federal regulations for collection by offset from an indebted Government employee under 5 U.S.C. 5514 and 5 CFR 550, subpart k; or if the individual is no longer a Federal employee, the Debt Collection Act of 1996 governing debt collection.

d. An approving official may waive, in whole or in part, a right of recovery of an employee's debt if it is determined that recovery would be against equity and good conscience or against the public interest. Requests for waivers will be submitted, through channels, to the official responsible for the authorization of the student loan repayment.

e. An employee will not be indebted to VA when the failure to complete the employment period established under a service agreement is because the employee is involuntarily separated for reasons other than misconduct or performance or is in a non-pay status due to compensation for an on-the-job injury or military obligation.

f. A VA facility is not obligated to honor an employee's student loan repayment service agreement with another agency or another VA facility.

**10. RECORDS MAINTENANCE.** Records of student loan repayment approvals, including those for centralized field positions, sufficient to reconstruct the action will be maintained at the facility for [3] years after the [completion or] termination of the employee service agreement. Records on student loan repayments for VA Central Office positions will be maintained by Central Office Human Resources Service (0[5HRS]). Records will include, at a minimum, the request, the approval with supporting documentation, employee service agreement described in paragraph 4 of this chapter, and notices of terminations, if applicable, along with the reason for the termination.



**11. [ANNUAL REPORTS.** On an annual basis, the HRM officer will submit through channels to the Compensation and Classification Service (055) an annual report on the student loan repayment program containing cumulative information on the number of employees that received student loan repayments during the preceding fiscal year, the job title and occupation series of each recipient, and the dollar amount of each student loan repayment during that fiscal year. A description of the program's impact on recruitment and retention abilities and an explanation of how the program was publicized shall also be included. Additional information may be specified in the annual reporting notification. Field facilities and the Central Office Human Resources Service will be notified annually of the due date of the report. The Compensation and Classification Service will aggregate report data for submission to OPM.]

## **12. DEFINITIONS**

a. **Employee Service Agreement (ESA).** A written agreement between VA and the employee under which the employee agrees to a specified period of employment with an organization at a specific VA facility of not less than 3 years, in return for payments toward a student loan previously taken out.

### **b. Student Loan**

(1) A loan made, insured, or guaranteed under Part B, D, or E of Title IV of the Higher Education Act of 1965; or

(2) A health education assistance loan made or insured under Part A of Title VII of the Public Health Service Act, or under Part E of Title VIII of the Act.

## **13. REFERENCES**

a. 5 CFR, part 537

b. 5 U.S.C. 2105

c. 5 U.S.C. 5379