

PAY ADMINISTRATION

- 1. REASON FOR ISSUE:** To implement provisions of the “Department of Veterans Affairs (VA) Health Care Personnel Enhancement Act of 2004” (Public Law 108-445, dated December 3, 2004) as it relates to alternate work schedules for Veterans Health Administration (VHA) nurses.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This handbook contains mandatory pay administration procedures for nurses on alternate work schedules such as 36/40, 9-month, and Baylor Plan. The pages in this handbook replace the corresponding page numbers in VA Handbook 5007. Part VIII, Chapter 9 of the handbook is replaced in its entirety. Appendix VIII-F is rescinded. 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.
- 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:** Appendix F of VA Handbook 5007, Part VIII.

CERTIFIED BY:

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

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

/s/R. Allen Pittman
Assistant Secretary for
Human Resources and Administration

ELECTRONIC DISTRIBUTION ONLY

(3) Leave without pay not to exceed in total 30 calendar days for physicians, dentists, podiatrists, chiropractors, and optometrists; 176 hours for PAs and EFDAs within the period required for one periodic step increase; 80 hours for nurses and nurse anesthetists when the waiting period is 52 calendar weeks and 160 hours when the waiting period is 104 weeks. [See chapter 9 of part VIII for creditable service for nurses on alternate work schedules].

(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 leave without pay, 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 or increases 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 salary rate ranges are approved, are contained in chapter 7 of this part.

g. **Effective Date.** Periodic step increases 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 periodic step increase, 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 are not considered equivalent increases under paragraph 5, subparagraph f below. 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.

2. On- call pay under 38 U.S.C. 7453(h) and 7458 is excluded, as is all overtime pay for FLSA-exempt title 5 and title 38 personnel.
3. Sunday premium pay under title 5 and weekend premium pay under title 38.
4. Physicians' comparability allowances under title 5.
5. Uniform allowances.
6. Special pay under 38 U.S.C. 7431 that has been forfeited as a result of a refund liability. (If a waiver of the refund liability is granted, the special pay will be included in lump-sum calculations.)
7. The following forms of premium pay under title 5 or title 38:
 - a. Overtime pay for General Schedule employees under 5 U.S.C. 5542;
 - b. Shift differential for General Schedule employees under 5 U.S.C. 5545(a);
 - c. Shift differential for hybrids and title 38 employees under 38 U.S.C. 7453(b);
 - d. Overtime pay for hybrids and title 38 employees under 38 U.S.C. 7453(e);
 - e. Additional pay under 38 U.S.C. 7456 [and 7456A (alternate work schedules for nurses)].

PAY ADMINISTRATION

PART V. ADDITIONAL PAY AND PREMIUM PAY

CONTENTS

PARAGRAPH	PAGE
<u>CHAPTER 1. GENERAL</u>	
1. <u>PURPOSE</u>	V-1
2. <u>RESPONSIBILITIES</u>	V-1
<u>CHAPTER 2. OVERTIME AND COMPENSATORY TIME OFF</u>	
1. <u>GENERAL</u>	V-3
2. <u>OVERTIME AND COMPENSATORY TIME OFF FOR EMPLOYEES APPOINTED UNDER 38 U.S.C. 7306, 7401 AND 7405</u>	V-3
[]	
[3.] <u>OVERTIME PAY AND COMPENSATORY TIME OFF FOR EMPLOYEES IN POSITIONS SUBJECT TO 5 U.S.C., CHAPTER 51</u>	V-5
[4.] <u>OVERTIME PAY AND COMPENSATORY TIME OFF FOR EMPLOYEES IN POSITIONS SUBJECT TO THE FWS</u>	V-7
[5.] <u>EXCEPTION TO THE BIWEEKLY PREMIUM PAY LIMITATION FOR MISSION-CRITICAL AND EMERGENCY WORK</u>	V-8
<u>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)</u>	
1. <u>GENERAL</u>	V-11
2. <u>CRITERIA FOR APPROVAL</u>	V-11
3. <u>ADMINISTRATION OF AUTHORITY</u>	V-11
4. <u>FUNDING</u>	V-11
5. <u>REPORTS TO VA CENTRAL OFFICE</u>	V-12
6. <u>TERMINATION</u>	V-12
<u>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)</u>	
1. <u>GENERAL</u>	V-13
2. <u>CRITERIA FOR APPROVAL</u>	V-13
3. <u>COMPETITIVE PREMIUM PAY PRACTICES</u>	V-13
4. <u>ADMINISTRATION OF AUTHORITY</u>	V-14
5. <u>FUNDING</u>	V-14

(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).

[NOTE: See part VIII, chapter 9 of this handbook for overtime provisions for nurses on the Baylor Plan, 36/40 and 9-month work schedules.]

3. [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 an employee on a compressed work schedule, overtime work is work in excess of the employee's daily work requirement.* 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].

(c) In the case of an employee whose rate of basic compensation is in excess of the maximum rate for GS-10, the official authorized to approve overtime work may, at his or her own discretion, provide for compensatory time off in lieu of overtime pay. Such determination shall take into account all pertinent factors, including the employee's views. If, after consideration of all factors, paid overtime is indicated, prior approval will be requested from the field facility head. When a field facility of the National Cemetery Administration is involved, the director of the appropriate Memorial Service Network Office is the approving official. No such approval will be in effect for more than 3 months without a specific re-determination. An employee for whom compensatory time off is directed should be so notified at the time the overtime duty is ordered.

(4) Time Limits on Compensatory Time

(a) Compensatory time off should be taken as soon as possible after it is earned but not later than the end of the 7th pay period following the pay period in which it is earned. Compensatory time off may be taken only during the employee's basic workweek.

(b) For employees exempt from the Fair Labor Standards Act (FLSA), if compensatory time off is not taken within the time limit prescribed above because of the exigencies of the service, the employee will be paid for the overtime work at the overtime rate. If compensatory time is not taken within this period because of personal reasons not due to the exigencies of service, the right to compensatory time off or overtime pay for the duty performed is lost for FLSA-exempt employees. Non-exempt employees must be paid overtime pay.

(c) Compensatory time off must be taken or paid for prior to the effective date of the transfer. Under no circumstances will an obligation for compensatory time off be transferred to the receiving facility.

(d) The date of separation stated in an employee's advance notice of separation due to reduction in force may be administratively extended so as to include any compensatory time due. However, where, due to reasons beyond the control of the employee, compensatory time off is not taken prior to separation and no extension of the separation date is granted, overtime compensation is payable in lieu of the compensatory time off (26 Comp. Gen. 750).

[4.] OVERTIME PAY AND COMPENSATORY TIME OFF FOR EMPLOYEES IN POSITIONS SUBJECT TO THE FWS

a. Overtime pay is to be computed in accordance with the instructions contained in FWS Operating Manual, section S8-4 and 5 CFR, part 551, as appropriate. Overtime entitlement determinations for irregular and occasional overtime and computations for Purchase and Hire (P&H) employees shall be determined as follows, based upon whether or not the employee's position is covered by FLSA.

b. P&H employees in FLSA non-exempt positions (covered by FLSA) shall receive overtime compensation in accordance with 5 CFR, part 551, subpart E. Additional hourly compensation representing fringe benefit considerations and paid to the employee shall be used in computing overtime rates.

PART V
CHAPTER 2

c. P&H employees in FLSA exempt positions (not covered by FLSA) shall receive overtime compensation for authorized work in excess of 8 hours in any one-day or 40 hours in any one week. Such overtime will be approved at such overtime rates as are customarily paid in the locality of the facility for work of a comparable nature, but not less than a rate of 150 percent of the basic hourly day rate of compensation. Additional hourly compensation representing fringe benefit considerations and paid to the employee shall be used in computing overtime rates. All fractional rates shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

d. At the request of a FWS employee, **compensatory time off** may be authorized in lieu of payment for overtime hours. The following provisions apply:

(1) For employees covered by flexible work schedules, the overtime work need not be irregular or occasional. For other FWS employees, the overtime work must be irregular or occasional, i.e., scheduled after the beginning of the administrative workweek.

(2) The seven pay period time limit for using compensatory time applies to FWS employees in the same manner as for other title 5 employees. A FWS employee who is exempt from the provisions of the Fair Labor Standards Act (FLSA-exempt) and fails to take compensatory time earned before the expiration of the seven pay periods shall lose the right to compensatory time off and to overtime pay unless the failure is due to an exigency of the service beyond the employee's control. If compensatory time is not used by a non-exempt FLSA FWS employee before the expiration of the seven pay periods, the employee must be paid for overtime work at the applicable overtime rate.

(3) Managers may not require that FWS employees be compensated for overtime work via compensatory time off in lieu of overtime pay. An employee may not directly or indirectly intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce any other employee for the purpose of interfering with such employee's right to request or not to request compensatory time off in lieu of payment for overtime hours.

[5.] EXCEPTION TO THE BIWEEKLY PREMIUM PAY LIMITATION FOR MISSION-CRITICAL AND EMERGENCY WORK

a. Title 5 General Schedule employees who are exempt from the Fair Labor Standards Act may not receive any combination of premium pay, including overtime pay, which, when added to their base pay, results in total pay above the higher of two rates: GS-15, step 10, or the rate payable for Level V of the Executive Schedule on a biweekly basis (see 5 CFR 550.105). The applicable rate for GS-15, step 10, includes any locality-based comparability payment or special salary rate, as applicable.

b. An exception to the biweekly limitation on overtime or other premium pay cited in paragraph a above may be made when the appropriate official determines that an emergency exists, e.g., a natural disaster, and that an employee is performing work related to that emergency, or the aftermath of that emergency, involving a direct threat to life or property. In this instance, such an employee may be paid overtime, or other premium pay, as applicable, based on an annual limitation (see 5 CFR 550.106). The annual limitation provides that in any calendar year during which an employee has been determined to

CONTENTS - CONTINUED

PARAGRAPH	PAGE
<u>CHAPTER 5. DUAL COMPENSATION</u>	
1. <u>GENERAL</u>	VIII-15
2. <u>EXCEPTIONS TO DUAL COMPENSATION RESTRICTIONS</u>	VIII-15
3. <u>EMPLOYMENT OF CERTAIN PERSONNEL</u>	VIII-16
4. <u>FEES FOR COURT CASES</u>	VIII-17
5. <u>RE-EMPLOYED ANNUITANTS</u>	VIII-17
6. <u>REFERENCES</u>	VIII-18
7. <u>DEFINITIONS</u>	VIII-18
<u>CHAPTER 6. BACKPAY</u>	
1. <u>GENERAL</u>	VIII-19
2. <u>ENTITLEMENT DETERMINATIONS</u>	VIII-19
3. <u>WAIVERS OF SALARY OVERPAYMENTS</u>	VIII-19
4. <u>RESPONSIBILITIES</u>	VIII-19
5. <u>REFERENCES</u>	VIII-20
<u>CHAPTER 7. PAYMENTS DURING EVACUATION</u>	
1. <u>GENERAL</u>	VIII-21
2. <u>EMPLOYEES OF OTHER AGENCIES</u>	VIII-21
3. <u>RESPONSIBILITIES</u>	VIII-21
4. <u>REFERENCES</u>	VIII-22
5. <u>DEFINITIONS</u>	VIII-22
<u>CHAPTER 8. PAY FOR TITLE 5 EXPERTS AND CONSULTANTS</u>	
1. <u>GENERAL</u>	VIII-23
2. <u>DETERMINING RATE OF PAY</u>	VIII-23
3. <u>ADJUSTING RATES OF PAY</u>	VIII-23
4. <u>RESPONSIBILITIES</u>	VIII-23
5. <u>REFERENCES</u>	VIII-24
<u>[CHAPTER 9. PAY ADMINISTRATION POLICIES FOR NURSES ON ALTERNATE WORK SCHEDULES</u>	
1. <u>GENERAL</u>	VIII-25
2. <u>36/40 WORK SCHEDULE</u>	VIII-25
3. <u>9-MONTH WORK SCHEDULE</u>	VIII-26

CONTENTS – CONTINUED

PARAGRAPH	PAGE
CHAPTER 9. PAY ADMINISTRATION POLICIES FOR NURSES ON ALTERNATE WORK SCHEDULES - Continued	
4. <u>BAYLOR PLAN</u>	VIII-28
5. <u>DEFINITIONS</u>	VIII-29
6. <u>REFERENCES</u>	VIII-29]
 <u>CHAPTER 10.</u> ALLOTMENTS AND ASSIGNMENTS FROM PAY	
1. <u>GENERAL</u>	VIII-29
2. <u>RESPONSIBILITIES</u>	VIII-29
3. <u>TYPES OF ALLOTMENTS ALLOWED</u>	VIII-29
4. <u>ADDITIONAL ALLOTMENTS</u>	VIII-30
5. <u>AGREEMENTS WITH EMPLOYEE, LABOR, AND/OR MANAGEMENT ORGANIZATIONS</u>	VIII-31
6. <u>SETTING UP, PAYING, AND CANCELING ALLOTMENTS</u>	VIII-31
7. <u>ADVISORY SERVICES</u>	VIII-32
8. <u>REFERENCES</u>	VIII-32
9. <u>DEFINITIONS</u>	VIII-32
 <u>CHAPTER 11.</u> ALLOWANCES AND DIFFERENTIALS PAYABLE IN NON-FOREIGN AREAS	
1. <u>GENERAL</u>	VIII-35
2. <u>FORMS OF ADDITIONAL COMPENSATION</u>	VIII-35
3. <u>ELIGIBILITY</u>	VIII-35
4. <u>AMOUNTS AND METHODS OF PAYMENT</u>	VIII-35
5. <u>REFERENCES</u>	VIII-35
 <u>CHAPTER 12.</u> ALLOWANCES AND DIFFERENTIALS PAYABLE IN FOREIGN AREAS	
1. <u>GENERAL</u>	VIII-37
2. <u>REFERENCES</u>	VIII-37
3. <u>ELIGIBILITY</u>	VIII-37
4. <u>TYPES OF ALLOWANCES AND DIFFERENTIALS</u>	VIII-38
5. <u>OTHER BENEFITS</u>	VIII-39
6. <u>PAY FOR NON-U.S. CITIZENS IN FOREIGN AREAS</u>	VIII-39

CONTENTS - CONTINUED

PARAGRAPH	PAGE
<u>CHAPTER 16. SPECIAL PAY FOR NURSE EXECUTIVES</u>	
8. <u>PAYMENT OF SPECIAL PAY</u>	VIII-58
9. <u>ADJUSTMENTS IN SPECIAL PAY</u>	VIII-59
10. <u>TERMINATION OF SPECIAL PAY</u>	VIII-59
11. <u>SPECIAL PAY FOR DETAILS</u>	VIII-60
12. <u>INITIAL IMPLEMENTATION INSTRUCTIONS</u>	VIII-60
13. <u>OVERSIGHT AND ACCOUNTABILITY</u>	VIII-60
14. <u>REFERENCES</u>	VIII-60
APPENDICES	
VIII-A. <u>RESCINDED</u>	VIII-A-1
VIII-B. <u>SAMPLE PAY COMPUTATIONS FOR FIREFIGHTERS</u>	VIII-B-1
VIII-C. <u>GUIDELINES (SELECTED COMPTROLLER GENERAL'S DECISIONS) DUAL COMPENSATION</u>	VIII-C-1
VIII-D. <u>GUIDELINES (SELECTED COMPTROLLER GENERAL'S DECISIONS) BACKPAY</u>	VIII-D-1
VIII-E. <u>PAY ADMINISTRATION FOR EXPERTS AND CONSULTANTS – TITLE 5</u>	VIII-E-1
VIII-F. [RESCINDED].....	VIII-F-1
VIII-G. <u>PAY FOR NON-U.S. CITIZEN POSITIONS IN FOREIGN AREAS</u>	VIII-G-1
VIII-H. <u>REQUEST FOR CREDIT OF COMPENSATORY TIME OFF FOR TRAVEL</u>	VIII-H-1
VIII-I. <u>COMPLEXITY LEVEL 1A FACILITIES</u>	VIII-I-1
VIII-J. <u>NURSE EXECUTIVE SPECIAL PAY APPROVAL FORM</u>	VIII-J-1

**[CHAPTER 9. PAY ADMINISTRATION POLICIES FOR NURSES ON
ALTERNATE WORK SCHEDULES**

1. GENERAL. This chapter provides mandatory pay administration policies related to the 36/40 work schedule and Baylor Plan and applies to nurses and nurse anesthetists appointed at VA health-care facilities under 38 U.S.C. 7401(1) or 7405a(1)(A). This chapter also provides pay administration procedures related to the 9-month work schedule for certain nurses and nurse anesthetists appointed under 7405a(1)(A). This chapter applies to all such employees who are providing direct patient care services.

2. 36/40 WORK SCHEDULE. Three regularly scheduled 12-hour tours of duty within an administrative work week that is considered for all purposes to be a full 40-hour basic work week. Procedures for establishing a 36/40 work schedule are contained in VA Handbook 5011.

a. Hourly Rate of Basic Pay

(1) For service performed during a regularly scheduled 36-hour tour of duty within the work week, the hourly rate of basic pay equals the annual rate of basic pay to which the employee is entitled divided by 1,872.

(2) For service performed outside the regularly scheduled 36-hour tour of duty within the work week, the hourly rate of basic pay equals the annual rate of basic pay to which the employee is entitled divided by 2,080.

b. Periodic Step Increases. The following leave without pay (LWOP) is creditable for periodic step increase purposes:

(1) LWOP not to exceed 80 hours for periodic step advancement when the waiting period is 52 weeks of creditable service.

(2) LWOP not to exceed 160 hours for periodic step advancement when the waiting period is 104 weeks of creditable service.

(3) The number of hours of LWOP taken by RNs and nurse anesthetists on the 36/40 Work Schedule shall be multiplied by 1.111 when making the above determinations.

c. Additional Pay. Nurses on an approved 36/40 work schedule are entitled to additional (premium) rates of pay for service performed in a regularly-scheduled 12-hour tour of duty as well as for service on a tour of duty performed outside their own regularly-schedule tour. This includes tour differential, weekend pay and on-call pay.

(1) **Overtime Pay.** A nurse covered by this paragraph is entitled to overtime pay for performing officially ordered or approved overtime service as follows:

(a) Service in excess of a 36-hour tour of duty within a 40-hour administrative work week.

(b) Service in excess of 8 hours on a day other than a day the nurse is regularly scheduled to work a 12-hour tour of duty.

(c) Service in excess of 12 hours for any day included in the nurse's regularly scheduled 36-hour tour of duty.

(d) Service in excess of 40 hours during an administrative work week.

(2) **Holiday Pay.** If a holiday designated by law or Executive Order is included in the scheduled 36-hour tour of duty, the nurse shall receive additional pay at a rate equal to the employee's basic hourly rate of pay for non-overtime service on the calendar holiday. When the basic workweek includes portions of 2 tours on a holiday, the tour that commences on the holiday shall be treated as the holiday for pay and leave purposes. When assigned to duty on a holiday, a nurse shall receive a minimum of 2 hours of holiday pay.

d. **Hours of Duty, Leave and Holidays.** Policies concerning hours of duty, leave and holidays for nurses on the 36/40 work schedule are contained in VA Handbook 5011, Hours of Duty and Leave.

e. **Fringe Benefits.** Nurses on the 36/40 work schedule are considered full-time employees for the purposes of retirement, life insurance, health insurance, and work injury compensation.

f. **Outside Professional Activities.** Nurses on the 36/40 work schedule are covered by the outside professional activities restrictions contained in 38 U.S.C.7423 and VA Handbook 5025, Legal.

3. 9-MONTH WORK SCHEDULE. Nine months full-time with three months off duty, within a fiscal year, paid at 75 percent of the full-time rate for such nurse's grade and step each bi-weekly pay period of the fiscal year.

a. **Hourly Rate of Basic Pay.** The hourly rate of basic pay equals the annual rate of basic pay to which the employee is entitled divided by 2,080.

b. **Bi-Weekly Payments.** A nurse on the 9-month work schedule shall receive 75 percent of the nurse's full-time rate in gross bi-weekly payments during the course of the fiscal year. For example, a nurse with a full-time annual rate of \$47,216 (\$22.70 hourly) will receive \$35,412 (75% of \$47,216) during the course of a fiscal year, paid in bi-weekly payments of \$1,362 ($\$35,412 \div 26$). Bi-weekly payments shall be adjusted as follows:

(1) **Leave Without Pay.** A gross bi-weekly payment will be reduced based on LWOP taken during that pay period. If the monetary value of the LWOP exceeds the scheduled bi-weekly payment, the next bi-weekly payment shall also be reduced. For example, the gross bi-weekly payment of a nurse whose hourly rate of pay is \$22.70 is \$1,362. If that nurse uses 12 hours of LWOP in a pay period, the gross bi-weekly payment for that pay period will be reduced by \$272.40 ($\22.70×12). If that same nurse uses 70 hours of LWOP in a pay period, the entire \$1,362 bi-weekly payment for that pay period will be forfeited and the gross bi-weekly payment for the following pay period will be reduced by \$227 for a total reduction of \$1,589 ($\22.70×70).

(2) **Pay Increases.** The bi-weekly payment amount will be recalculated whenever there is an adjustment in a covered nurse's annual rate of basic pay, e.g., statutory pay increase, general pay increase, periodic step increase. The new bi-weekly payment amount is effective the same pay period as the increase in the annual rate of basic pay and applies to all remaining bi-weekly payments in the fiscal year. For example, a nurse whose annual rate of pay is \$47,216 (\$22.70 hourly) receives a periodic step increase and a new annual rate of pay of \$48,632 (\$23.38 hourly). Beginning with the pay period in which the periodic step increase is effective, the gross bi-weekly payment of the nurse will increase from \$1,362 (see example in paragraph 3b above) to \$1,402.46 (75% of 48,632 ÷ 26).

(3) **Additional pay.** A gross bi-weekly payment will be increased based on unscheduled hours worked or additional pay earned during a pay period. For example, the gross bi-weekly payment of a nurse whose hourly rate of pay is \$23.38 and works 8 unscheduled hours during a pay period contained in the nurse's 3-month off-duty period will be increased by \$187.04 (\$23.38 x 8) in the pay period in which the unscheduled hours are worked. See subparagraph d below for eligibility for additional pay.

c. **Periodic Step Increases.** The following LWOP is creditable for periodic step increase purposes:

(1) LWOP not to exceed 80 hours for periodic step advancement when the waiting period is 52 weeks of creditable service.

(2) LWOP not to exceed 160 hours for periodic step advancement when the waiting period is 104 weeks of creditable service.

d. **Additional Pay.** Additional rates of pay or increased rates of additional pay are authorized under 38 U.S.C. 7453. These include tour differential, weekend pay, holiday pay, overtime pay, and pay for employees on-call outside their regular duty hours or on a holiday.

(1) **Overtime Pay.** A nurse covered by this paragraph is entitled to overtime pay for performing officially ordered or approved overtime service as follows, regardless of whether it is performed during the 9-month duty period or the 3-month off duty period:

(a) Service in excess of 40 hours in an administrative workweek.

(b) Service in excess of 8 hours in a day. For nurses on compressed work schedules, overtime pay is payable for service performed in excess of the employee's daily work requirement.

(2) **Holiday Pay.** A nurse covered by this paragraph who performs service on a holiday designed by Federal statute or Executive Order shall receive, for non-overtime service, additional pay at a rate equal to the employee's basic hourly rate of pay. When the basic workweek includes portions of 2 tours on a holiday, the tour that commences on the holiday shall be treated as the holiday for pay and leave purposes. When assigned to duty on a holiday, a nurse shall receive a minimum of 2 hours of holiday pay.

(3) **Unscheduled hours.** Service performed in addition to a covered nurses regular duty hours that does not meet the overtime pay requirements in subparagraph 3d(1) above will be paid as unscheduled work hours at the nurse's straight time hourly rate of basic pay. For example, a nurse works full-time from February through October and is off duty from November through January. The nurse works 3 12-hour tours during one week of the nurse's off-duty period in December, including the Christmas holiday. The nurse will receive 24 hours of pay at the straight time hourly rate of basic pay and 12 hours at the holiday pay rate in addition to the normal bi-weekly payment. If any of the unscheduled hours included service in the evening or on a weekend, the nurse also receives the differential applicable to the work hours.

e. **Hours of Duty, Leave and Holidays.** Policies concerning hours of duty, leave and holidays for nurses on the 9-month work schedule are contained in VA Handbook 5011, Hours of Duty and Leave.

f. **Fringe Benefits.** Nurses on the 9-Month Work Schedule are considered part-time employees (.75 FTE) for the purpose of retirement benefits under chapters 83 and 84 of title 5 and full-time employees for the purpose of health insurance benefits under chapter 89 of title 5.

g. **Outside Professional Activities.** Nurses on the 9-Month Work Schedule are covered by the outside professional activities restrictions contained in 38 U.S.C.7423 and VA Handbook 5025, Legal.

4. BAYLOR PLAN. Two regularly scheduled 12-hour tours of duty contained entirely within the first and last day of the administrative work week, Sunday and Saturday.

a. **Hourly Rate of Basic Pay.** The hourly rate of basic pay is calculated as follows:

(1) For service performed during a regularly scheduled work week, the hourly rate of basic pay equals the annual rate of basic pay to which the employee is entitled divided by 1,248.

(2) For service performed outside the basic work week, the hourly rate of basic pay equals the annual rate of basic pay to which the employee is entitled divided by 2,080.

b. **Periodic Step Increases.** The following LWOP is creditable for periodic step increase purposes:

(1) LWOP not to exceed 80 hours for periodic step advancement when the waiting period is 52 weeks of creditable service.

(2) LWOP not to exceed 160 hours for periodic step advancement when the waiting period is 104 weeks of creditable service.

(3) The number of hours of LWOP taken by RNs and nurse anesthetists on the Baylor Plan shall be multiplied by 1.667 when making the above determinations.

c. **Additional Pay.** A nurse on the Baylor Plan is not entitled to additional pay for service performed during the 24-hour basic work week. However, such a nurse performing service outside the basic work week 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.

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

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

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

(c) 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 work week shall be credited on an hour-for-hour basis when computing the amount of service performed during the administrative work week.*

(2) **Holiday Pay.** A full-time nurse on the Baylor Plan shall only receive holiday pay for non-overtime holiday service performed outside the nurse's 24-hour basic work week.

d. **Hours of Duty, Leave and Holidays.** Policies concerning hours of duty, leave and holidays for nurses on the Baylor Plan are contained in VA Handbook 5011, Hours of Duty and Leave.

e. **Fringe Benefits.** Nurses on the Baylor Plan are considered full-time employees for the purposes of retirement, life insurance, health insurance, and work injury compensation.

f. **Outside Professional Activities.** Nurses on the Baylor Plan are covered by the outside professional activities restrictions contained in 38 U.S.C. 7423 and VA Handbook 5025, Legal.

5. DEFINITIONS. For the purposes of this chapter, the following definitions shall apply:

a. **Administrative Work Week.** A period of 7 consecutive calendar days which shall coincide with the calendar week, Sunday through Saturday.

b. **Basic Pay.** The annual rate of pay to which an employee is entitled under 38 U.S.C. 7404, including an above-minimum entrance rate or special salary rate range authorized under 38 U.S.C. 7455.

c. **Nurse.** A registered nurse or nurse anesthetist appointed under 38 U.S.C. 7401(1) or 7405a(1)(A), but does not include graduate nurse technicians, nurse technicians, student nurse technicians, or the Chief Nursing Officer of the Office of Nursing Services in VA Central Office, who is appointed under 38 U.S.C. 7306.

d. **Weekend.** The period beginning at midnight Friday and ending at midnight the following Sunday.

6. REFERENCES

a. VA Handbook 5011, Hours of Duty and Leave

b. 38 U.S.C. 7456 and 7456A]