

## PAY ADMINISTRATION

- 1. REASON FOR ISSUE:** To revise Department of Veterans Affairs (VA) policy regarding pay administration related to duty location based pay entitlements.
- 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. 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 Human Resources Management Website](#). Significant changes include:
  - a. Clarifies guidance as it relates to location-based pay entitlements and how they are affected by the determination of an employee's official worksite; and
  - b. Establishes a reporting requirement to conduct an annual review and certification of all employee duty station designations.
- 3. RESPONSIBLE OFFICE:** The Compensation and Classification Service (055), Office of the Deputy Assistant Secretary for Human Resources Management.
- 4. RELATED DIRECTIVE:** VA Directive 5007, Pay Administration.
- 5. RESCISSIONS:** None

**CERTIFIED BY:**

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**BY DIRECTION OF THE SECRETARY  
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**CHAPTER 9. LOCATION BASED PAY ENTITLEMENTS**

**1. DETERMINING AN EMPLOYEE'S OFFICIAL WORKSITE.** Certain pay entitlements ([General Schedule] locality pay, special rate supplements, [VA Nurse 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 Personnel and Accounting Integrated Data (PAID) 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 PAID 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 form. [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 electronic Official Personnel Folder (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 CFR, part 302-2, subpart E, in connection with a long-term assignment (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 CFR 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.

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b. For a telework employee whose work location varies on a daily basis, the employee need not report at least twice each biweekly pay period to the established official worksite (where the employee's work activities are based) in order for that office to be designated as the employee's official worksite, as long as the employee is (regularly performing work within the same locality pay area for the worksite.

c. The authorizing official may make an exception to the twice in a pay period requirement in appropriate situations of a temporary nature, such as:

(1) An employee is recovering from an injury or medical condition; or

(2) An employee is affected by an emergency situation, which temporarily prevents the employee from commuting to his or her regular official worksite; or

(3) An employee has an extended approved absence from work; or

(4) An employee is in a temporary duty travel status away from the official worksite; or

(5) An employee is temporarily detailed to work at a location other than a location covered by a telework agreement.

d. If an employee covered by a telework agreement does not meet the requirements outlined in this paragraph, the employee's official worksite is the location of the employee's telework site.

**[4. ANNUAL VALIDATION OF DUTY STATIONS.** On an annual basis the Office of Human Resources Management (OHRM) will notify Under Secretaries, Assistant Secretaries, and Other Key Officials of the requirement to conduct an annual review and certification of all employees' official worksite (duty station) designations. The OHRM Human Resources Information Service (HRIS) will provide a standardized report that will contain a listing of all employees and their designated duty stations for use in conducting this review and certification.

**5. RESPONSIBILITIES**

a. Under Secretaries, Assistant Secretaries, Other Key Officials, or their designees are responsible for conducting an annual review and certification to ensure all employees within the organization have the correct duty station based on the employee's official worksite.

b. The Assistant Secretary for Human Resources and Administration is responsible for establishing and communicating the annual reporting requirements to all Under Secretaries, Assistant Secretaries, and Other Key Officials.

c. OHRM is responsible for advising management officials on the policies and procedures in this chapter, conducting oversight and reviews to ensure compliance with policy, and for providing reports used by managers and supervisors to validate and certify employee duty stations. On an annual basis, HRIS will send a notification on all Leave and Earnings Statements (LES) reminding employees to check the duty station listed in block 39 of their SF-50 to ensure the official worksite is correct. HRIS

will also send an annual notification to all supervisors and managers with a reminder that a SF-52 must be initiated and processed each time an employee changes duty stations.

d. Human Resource Management Officers are responsible for advising management officials on the provisions of this chapter, providing technical advice on determining the appropriate official worksite (duty station), determining the amount of basic pay or other pay entitlements based on an employee's official worksite, and for ensuring the timely coding of personnel actions affecting duty station changes.

e. Supervisors and managers are responsible for submitting a SF-52, Request for Personnel Action to the Human Resources office each time an employee's official worksite is changed.]



**[APPENDIX C. DUTY STATION DETERMINATION AND EXAMPLES**

The SF-50, Notification of Personnel Action documents an employee's organizational assignment and duty station. The duty station is the location of the employee's official worksite. The official worksite determines certain location based pay entitlements, such as the amount of General Schedule locality pay an employee will receive. For this reason, it is imperative that an employee's duty station is correctly annotated on the SF-50. A SF-52, Request for Personnel Action is required at any time an employee's official worksite (duty station) is changed. Block 39 on the SF-50 is where the duty station location (City-County-State or Overseas Location) is documented. A current list of established duty station codes can be found on the [HRIS website](#). HR will contact HRIS to establish a new duty station location code, as needed.

**Example 1 – Virtual or Remote Employee**

A GS employee is organizationally assigned to Station 101, VA Central Office, but the employee's official worksite (duty station) is located in Richmond, VA. The SF-50, Blocks 14 and 22, show the Name and Location of the Position's Organization, which would be VA Central Office, Washington, DC; however block 39 designates the Duty Station as Richmond, VA. In this example, the GS employee would be paid based on the GS locality rates paid in the Richmond, VA area. The employee is not entitled to receive the higher GS locality rates paid in Washington, DC because the employee's official work site is not located in Washington, DC, but rather in Richmond, VA.

**Example 2 – Employee on a Telework Agreement**

An employee is organizationally assigned to Station 539, VA Medical Center, Cincinnati, OH. The employee is required by the supervisor to report each Monday and Wednesday to the VA Community Based Outpatient Clinic in Florence, KY (Duty Station 539-K). The rest of the time the employee has been authorized to telework from home, which is located Owenton, KY. The official worksite is designated as the VA Community Based Outpatient Clinic in Florence, KY (539-K) because the employee is scheduled to report to the VA location at least twice each biweekly pay period on a regular and recurring basis. Florence, KY is in the GS Cincinnati-Middleton-Wilmington, OH-KY-IN Locality Pay Area, while Owenton, KY (Owen County) is in GS Rest of the United States (RUS) locality pay area. In this example the employee is paid from the higher Cincinnati GS locality pay rates.

**Example 3 – Employee Relocation**

A GS employee is organizationally assigned to the Veterans Benefit Office located in Washington, DC. The employee's official worksite (duty station) is the VA Medical Center in San Francisco, CA; therefore the employee is paid from the San Francisco GS Locality Pay Chart. The employee is authorized to relocate and work from home at a new location in Colorado Springs, CO. The GS Locality pay area for the Colorado Springs area is much lower than the San Francisco GS locality pay area rates. While the employee's position and organizational assignment does not change, the supervisor must generate a Request for Personnel Action, SF-52 to change the duty station (official worksite). The employee's rate of pay is reduced to reflect the lower GS Locality rate paid in the Colorado Springs area.]