

EMPLOYEE/MANAGEMENT RELATIONS

- 1. REASON FOR ISSUE:** To revise Department of Veterans Affairs (VA) procedures regarding employee/management relations.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This handbook contains VA procedures on employee/management relations. The pages in this issuance replace the corresponding page numbers in VA Handbook 5021. Revised text is contained in [brackets]. These changes will be incorporated into the electronic version of VA Handbook 5021 that is maintained on the [Office of Human Resources Management Website](#). This revision provides clarification that a reduction in basic pay of a title 38 employee for cause (performance or conduct deficiencies), including a reduction due to a change to another annual salary table, is considered a major adverse action.
- 3. RESPONSIBLE OFFICE:** The Employee Relations and Performance Management Service (051), Office of the Deputy Assistant Secretary for Human Resources Management.
- 4. RELATED DIRECTIVE:** VA Directive 5021, Employee/Management Relations.
- 5. RESCISSIONS:** None.

CERTIFIED BY:

/s/
Stephen W. Warren
Executive in Charge and Chief Information Officer
Office of Information and Technology

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

/s/
Gina S. Farrissee
Assistant Secretary for
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d. As employees appointed under the authority of 38 U.S.C. 7306 are centralized to the Secretary, disciplinary and major adverse actions will be decided by the Secretary. [Disciplinary and major adverse actions for employees appointed under 38 U.S.C. 7306](#) are as follows:

(1) [Disciplinary actions for employees appointed under 38 U.S.C. 7306](#) are admonishments and reprimands.

(2) [Major adverse actions for employees appointed under 38 U.S.C. 7306](#) are suspensions of 15 days or more, transfers or terminations (see Part VI of this handbook for information on terminations for employees appointed under 38 U.S.C. 7306).

e. Actions covered under this part are subject to the prohibited personnel practices listed in 5 U.S.C. 2302, prohibiting:

(1) Discrimination because of race, color, religion, sex, national origin, age, disabling condition, marital status, or partisan political reasons; and

(2) Reprisal for the proper exercise of an employee's legal or administrative appeal rights.

4. DEFINITIONS. Unless otherwise noted, the following definitions apply to this part only:

a. **Admonishment.** An official letter of censure to an employee for minor act(s) of misconduct or deficiency in competence. This letter normally remains in the employee's personnel folder for 2 years.

b. **Discharge.** The involuntary separation of an employee from employment based on conduct or performance.

c. **Disciplinary Actions.** These are adverse actions, other than major adverse actions, which include admonishment and reprimand based on conduct or performance.

d. **Disciplinary Appeals Board.** The three member Board designated to hear a full-time permanent employee's appeal of major adverse action which is based in whole or in part on a question of professional conduct or competence.

e. **Grade.** The established grades for the positions covered by this chapter will be as defined by 38 U.S.C. 7404, and the qualification standards issued pursuant to 38 U.S.C. 7402. (See VA Handbook 5005, Staffing.)

f. **Indefinite Suspension.** The involuntary placement of an employee in a non-duty, non-pay status for a temporary indefinite period of time pending investigation, inquiry, or further management action.

g. **Major Adverse Actions.** These are suspension (including indefinite suspension), transfer, reduction in grade, reduction in basic pay, and discharge based on conduct or performance. For purposes of this Handbook, a reduction in basic pay includes a reduction in the market pay of a physician or dentist as a result of an involuntary reassignment or change in assignment when taken for disciplinary reasons, i.e. conduct or performance reasons. [The loss of head nurse differential (two

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steps) due to the reassignment of a head nurse to another position that does not allow for this differential is not considered a major adverse action even when the reassignment is for cause. However, a major adverse action has occurred if the facility has established a specialty schedule for head nurses under the Locality Pay System and the reassignment for cause results in a change to a nurse pay schedule with a lower annual salary rate. This is also applicable if other employees in title 38 occupations, excluding physicians and dentists, are reassigned for cause from one annual salary rate table to a lower annual salary rate table (e.g., from a special rate authorized under 38 U.S.C. 7455 to a lower special rate table; from a special rate authorized under 38 U.S.C. 7455 to a regular rate.)]

h. **Mixed Case.** This is a case that includes both:

(1) A major adverse action arising out of, or including, a question of professional conduct or competence, and

(2) A major adverse action which does not arise out of a question of professional conduct or competence, or a disciplinary action.

i. **Official Time.** Time granted to an employee and/or representative to review the material relied upon to support a proposed action, to prepare a reply, and to secure affidavits, if the employee is otherwise in a duty status.

j. **Professional Conduct or Competence.** A question of professional conduct or competence involves direct patient care and/or clinical competence. The term clinical competence includes issues of professional judgment.

k. **Reduction in Basic Pay.** The involuntary reduction, based on conduct or performance, of the annual rate of basic pay to which an employee is entitled under 38 U.S.C. 7404, including above minimum entrance rates and special salary rates authorized under 38 U.S.C. 7455. This includes a reduction in the market pay of a physician or dentist as a result of an involuntary reassignment or change in assignment when taken for disciplinary reasons. However, this does not apply to other reductions in pay, such as the loss or reduction of:

(1) Physician and dentist performance pay, and

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(2) Physician and dentist market pay, unless the reduction in market pay is the result of an involuntary reassignment or change in assignment taken for disciplinary reasons, i.e. conduct or performance reasons. (Note: Reductions in market pay that are not the result of an involuntary reassignment or change in assignment for conduct or performance reasons are not covered by this chapter.),

(3) Head nurse differential, [unless a reassignment for cause results in a change to a nurse pay schedule with a lower annual salary rate]

(4) Nurse Executive Special Pay,

(5) Other differentials,

(6) Allowances, or

(7) Premium pay such as:

(a) Standby,

(b) On-call,

(c) Shift,

(d) Overtime,

(e) Sunday,

(f) Holiday,

(g) Night work,

(h) Hazardous duty, and

(i) Interim geographic adjustment.

1. **Reduction in Grade.** The involuntary assignment to a lower grade on the same pay schedule based on conduct or performance.

m. **Reprimand.** An official letter of censure to an employee for an act of misconduct or deficiency in competence. A reprimand is a more severe disciplinary action than an admonishment. This letter normally remains in the employee's personnel folder for 3 years.

n. **Suspension.** The involuntary placement of an employee, for disciplinary reasons, in a non-duty, non-pay status for a temporary period of time