



USUHS



DIRECTIVE SYSTEM TRANSMITTAL

NUMBER	DATE
Instruction 1412	AUG 03 2018
INSTRUCTIONS FOR RECIPIENTS	
<p>The following pen and ink changes are made to USUHS Instruction 1412, Pay Policy for Administratively Determined (AD) Employees.</p>	
<p>Enclosure 2: Definitions. Page 2 - 3.</p>	
<p>15. <u>Merit Pay Increase</u>.aA permanent increase in base pay that is based on a performance rating record of outstanding or a performance rating of record with a numerical rating of at least 4.1. A merit increase may not exceed 10% of an individual's base pay. This pay adjustment to base pay is subject to applicable USUHS salary schedule caps and/or the aggregate pay cap for the total amount of annual compensation (excluding expenses) specified in 3 USC 102.aaa</p>	
<p>19. <u>Recognition Bonus</u>.aA one-time, lump-sum cash award, not to exceed 10% of base pay. Aaaa recognition bonus may be initiated for:aaa</p>	
<p>1)aaA summary rating of record of fully satisfactory or higher;aaa</p>	
<p>2)aaExcellent performance in a project or in a teaching session or assignment; oraaa</p>	
<p>3)aaAn act or service that exceeded normal job requirements and contributed to the efficiency,aaa economy, or improvement of department or agency operations. This award is subject toaaa applicable Federal, state, and local taxes, but is not included when computing benefits suchaaa as retirement, life insurance, disability, etc. Recognition bonuses are subject to theaaa aggregate pay cap for the total amount of annual compensation (excluding expenses)aaa specified in 3 USC 102.aaa</p>	
<p>Enclosure 2. E. Policies and Procedures; 2. Pay, b. Salary Increases. Pages 9 -10.</p>	
<p>3. <u>Merit Increase</u>aaa</p>	
<p>a.aaA merit increase is an increase in base pay designed to reward AD employees whoaaa demonstrate a consistent high level of quality performance during the current rating cycle.aaa</p>	

WHEN PRESCRIBED ACTION HAS BEEN TAKEN, THIS TRANSMITTAL SHOULD BE FILED WITH THE BASIC DOCUMENT

- b. An employee employed by the University must have completed the entire performance rating cycle (1 June to 31 May of each year) to be eligible for a merit increase.
- c. A merit increase may be recommended for an employee who receives a performance rating of record of "Outstanding" or a performance rating of record with a numerical rating of at least 4.1 in the most recent appraisal period. Merit increases can be recommended once per year as part of the annual award process.
- d. A merit increase is a permanent increase in base pay. The recommended merit increase amount may be up to a maximum of 10% of an employee's base pay, subject to USUHS salary schedule limits and applicable pay caps. At the time of recommendation, the appropriate supervisor must ensure that there are sufficient departmental/activity funds available (or grant funds, if the employee is paid by an extramural grant) for the recommended merit increase.
- e. The recommendation for a merit increase must include evidence of the demonstrated high level of performance through documentation in the appraisal of record for the performance period and/or through, a special written narrative of the rationale for the increase, including employee's performance and productivity in teaching, research, clinical (if appropriate); administrative activities; the employee's success in meeting annual goals; and the employee's general and specific contributions to the department or the University. After consulting with the supervisor recommending the action, any reviewing or approving official may alter the recommended increase.
- f. The appropriate supervisor or rating official may recommend eligible department employee's for a merit increase through their chain of command. Approval authority for merit increases up to 5% of base salary rests with the appropriate USUHS School Dean or Vice President. Nominations for merit increases above 5% of base pay will be submitted through the appropriate USUHS School Dean, Vice President, or organization Head, to the CHR for submission to the President, USUHS, for approval.
- g. Recommendations for merit increases for employees who are directly supervised by USUHS School Deans or Vice Presidents will be submitted through the CHR to the President, USUHS, for approval. The President, USUHS, will make the determination on merit increases for his/her direct reports.
- h. A merit increase recommended for an employee who is paid from extramural funds will be made by the principal investigator on whose grant the employee works. In general, these decisions are subject to the funds available in the grant and are based on the performance of the employee's work and productivity. The recommendation will be initiated in accordance with (f) above.
- i. Approved recommendations for merit increases will be forwarded to the CHR for implementation and filing in the employee's Official Personnel Folder.

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- j. An employee may receive both a merit increase and a recognition bonus in the same calendar year, provided the total salary does not exceed the applicable USUHS salary schedule pay band cap or the aggregate pay cap for the total amount of annual compensation (excluding expenses) specified in 3 USC 102.
- k. The amount of, or the lack of receipt of, a merit increase is not grievable under the USUHS Faculty Grievance procedures found in USUHS Instruction 1205 or any other grievance procedures.

Enclosure 2. E. Policies and Procedures; 2. Pay, c. Bonuses. Pages 10 - 11.

1. Recognition Bonus

- a. A recognition bonus is a one-time, lump-sum, cash award that does not affect base pay. It may be recommended for:
 - 1) A summary rating of record of fully satisfactory or higher;
 - 2) Excellent performance in a project or in a teaching session or assignment; or
 - 3) An act or service that exceeded normal job requirements and contributed to the efficiency, economy, or improvement of department or agency operations.
- b. The recognition bonus amount may be up to a maximum of 10% of the employee's base pay and is subject to the aggregate pay cap for the total amount of annual compensation (excluding expenses) specified in 3 USC 102.
- c. The recommendation for a recognition bonus must include a written narrative of the rationale for the bonus, including the project or activity in which the employee was engaged and a summary of the employee's performance on this project/activity; the nature of the award or prize that the employee received; or any other reason for the awarding of this type of bonus. If recommended as a performance-based award, the nomination must include the current performance appraisal.
- d. Supervisors or rating officials may recommend eligible department employee's for recognition bonuses through their chain of command. Approval authority for recognition bonuses up to \$5,000 reside with the appropriate USUHS School Dean or Vice President. Nominations for recognition bonuses above \$5,000 will be submitted through the appropriate USUHS School Dean, Vice President, or organization Head, to the CHR for submission to the President, USUHS, for approval.
- e. Recommendations for recognition bonuses for employees who are directly supervised by USUHS School Deans or Vice Presidents will be submitted through the CHR to the President, USUHS, for approval. The President, USUHS, will make the determination on recognition bonuses for his/her direct reports.

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- f. An employee may receive both a merit increase and a recognition bonus in the same calendar year, provided the total salary does not exceed the aggregate pay cap for the total amount of annual compensation (excluding expenses) specified in 3 USC 102.
- g. Approved recommendations for recognition bonuses are forwarded to the CHR for implementation and filing in the employee's Official Personnel Folder (OPF).
- h. A recognition bonus is not considered part of an employee's annual salary for calculation of retirement contributions or disability payments. This bonus is subject to all appropriate Federal, state, and local taxes, like any other income.
- i. The amount of, or the lack of receipt of, a recognition bonus is not grievable under the USUHS Faculty Grievance procedures found in USUHS Instruction 1205 or any other grievance procedures.

Effective Date

This amendment is effective immediately.

A handwritten signature in black ink, appearing to read "RW Thomas".

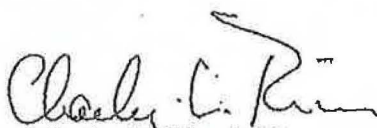
Richard W. Thomas, MD, DDS, FACS
President



USUHS



DIRECTIVE SYSTEM TRANSMITTAL

NUMBER Instruction 1412	DATE FEB 12 2009
ATTACHMENTS	
<p style="text-align: center;">INSTRUCTIONS FOR RECIPIENTS</p> <p>Request you have USU Instruction 1412 amended to increase the maximum pay limit that can be offered for a Physician's Comparability Allowance (PCA) from \$20,000 to \$30,000. This would bring the PCA maximum that could be paid to University faculty in line with Title 5 provisions for payment of PCA, which is \$30,000. This amendment to the instruction will enhance USU AD pay flexibilities. Amend the instruction to read as follows:</p> <p>C. Definitions</p> <p>19. <u>Physicians' Comparability Allowance</u>. An allowance that may be authorized for physicians who are involved in direct patient care or medical research. The maximum amount of a physicians' comparability allowance is \$30,000.</p> <p>D. Policies and Procedures</p> <p>2. Pay, 5) Physician's Comparability Allowance. Physicians who have clinical or medical research responsibilities that are an integral part of their assigned duties may receive additional pay for the performance of these duties, up to a maximum of \$30,000. The President, Dean, or Chairperson will make this determination at the time of the assignment of each physicians' responsibilities. Each physicians' comparability allowance will be reviewed annually for continuance, increase, decrease, or termination. Physicians' comparability pay is subject to the limit on the total amount of annual compensation (excluding expenses) specified in 3 USC Section 102, as reflected in 10 USC Section 2113.</p> <p style="text-align: right;"> Charles L. Rice, M.D. President</p>	

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UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

SUBJECT: Pay Policy for Administratively Determined Employees

SEP 13 2006

Instruction 1412

(CHR)

ABSTRACT

The purpose of this Instruction is to establish the policies and procedures of the Uniformed Services University of the Health Sciences (USUHS) for the setting of pay for Administratively Determined (AD) Employees.

A. Reissuance and Purpose.

This Instruction reissues USUHS Instruction 1412^a and governs pay setting for new employees and for those who are continuing USUHS employees.

B. References. See Enclosure 1.

C. Applicability.

This Instruction applies to all faculty and staff who are in pay plan "AD" and whose salaries are therefore administratively determined. This may include: the President; Vice Presidents; Associate and Assistant Vice Presidents; Deans; Associate and Assistant Deans; Assistants to the President, Vice President, or Deans; Chairs; Professors; Associate Professors; Assistant Professors; instructors; postdoctoral fellows; senior research associates; research associates; visiting scientists, etc. Eligibility for kinds and levels of pay under this Instruction is not retroactive.

D. Definitions. See Enclosure 2.

**E. Policies and Procedures.
See Enclosure 3.**

F. Responsibilities.

1. The Board of Regents shall:
 - a. Evaluate the USUHS faculty salary schedule and provide advice about it to the ASD(HA).
 - b. Evaluate proposed changes to the USUHS benefits package and making recommendations about them to the ASD(HA).
2. The President, USUHS shall:
 - a. Set the salaries of those AD employees directly supervised by the President.
 - b. Approve/disapprove requests for pay increases/decreases, including all merit pay increases in excess of 5%; recognition, recruitment, and relocation bonuses, retention allowances, and physicians' comparability allowances. Authority may be delegated to the DEN.
 - c. Notify the work force of the

percentage of the annual cost-of-living increase for the USUHS faculty and staff.

d. Forward or disapprove changes in the USUHS faculty and staff benefits package. Requests shall be forwarded through the ASD(HA) to the ASD(FM&P) for a final decision.

e. Direct the planning and requesting of the USUHS appropriation so that sufficient funds shall be available to pay for such recommendations.

f. Oversee the development of internal controls to ensure the integrity of this pay system.

3. The Dean, School of Medicine shall:

a. Direct the planning for, and completion of, the annual faculty compensation survey.

b. Review recommendations for changes in the USUHS faculty and staff benefits package and forwarding viable changes to the President, USUHS, for approval/disapproval.

c. Oversee the implementation of the annual cost-of-living increase for faculty and staff.

d. Recommend salary levels, pay increases/decreases, and bonuses for those AD employees whom he/she directly supervises to the President, USUHS, for approval.

e. Review recognition, recruitment, and relocation bonuses and make appropriate recommendations to the President, USUHS.

f. Review requests for pay increases, bonuses, merit or comparability pay, physicians' comparability allowances, or retention allowances, and approve or make appropriate recommendations to the President, USUHS.

g. Approve/disapprove recommendations made by Chairs or Deans who report directly to him/her.

h. Fulfill pay approval authorities delegated by the President, USUHS.

i. Conduct annual reviews of individual physicians' comparability and retention allowances, recommending appropriate increases/decreases, or terminations.

j. Ensure that sufficient funds are available to pay for such recommendations.

k. Implement internal controls to ensure the integrity of this pay system.

4. Deans, Chairs/Activity Heads shall:

a. Evaluate the credentials and recommend the initial salary levels and compensation for new faculty and staff members.

b. Recommend recruitment and relocation bonuses and retention allowances for subordinate staff.

c. Recommend merit increases and recognition bonuses for subordinate staff.

d. Approve/disapprove adjustments to salaries recommended by PIs for employees paid by their grants.

e. Recommend that retention allowances be approved for employees who are engaged in administrative activities or who have special qualifications.

f. Recommend physicians' comparability allowances for employees who have clinical responsibilities or who are engaged in medical research work.

g. Conduct annual reviews of physicians' comparability and retention allowances and recommend appropriate increases/decreases or terminations.

h. Ensure that sufficient funds are available to pay for such recommendations.

i. Implement internal controls to ensure the integrity of this pay system.

5. The Faculty Senate Comparability Committee shall participate in the completion of the annual faculty and staff salary survey.

6. Principal Investigators shall:

a. Recommend, to their Chair/Activity Head or Dean, initial levels of pay for faculty and staff members who are paid from their extramural grants.

b. Recommend, to their Chair/Activity Head or Dean, adjustments to salaries, merit increases, and recognition bonuses for employees who are paid from their grants.

c. Ensure that sufficient funds are available to pay for such recommendations; and

d. Implement internal controls to ensure the integrity of this pay system.

7. The Director, Civilian Human Resources shall:

a. Prepare for, initiate, coordinate, and complete the annual comparability survey.

b. Prepare a recommended pay schedule for submission through the DEN, the President, USUHS, BOR, and ASD(HA) for approval by the SecDef or his/her designee.

c. Ensure that approved salaries do not exceed the official USUHS salary schedule or applicable pay caps.

d. Effect salaries that have been set by the SecDef; President, USUHS; deans; and Chairs/Activity Heads.

e. Effect bonuses, allowances, physicians' comparability pay, or pay increases that have been approved by the appropriate authority.

f. Maintain appropriate documentation in the faculty members' OPF to support each pay setting or bonus decision.

g. Recommend changes to the USUHS faculty benefits package.

h. Implement internal controls to ensure the integrity of this pay system.

8. The Director, Financial and Manpower Management shall:

a. Ensure that departments and activities do not exceed the approved pay levels for Schedule A personnel.

b. Maintain accurate and up-to-date percentages of the costs of faculty benefits to salary.

c. Review requests for merit increases and bonuses to ensure that there are sufficient funds available.

d. Project the cost of faculty compensation (e.g., base pay, special pay, merit increases, awards, and bonuses) and benefits on an annual basis in the USUHS budget for both the current year and out-years.

e. Provide a monthly status of funds report to Department Chairs/Activity Heads, deans, and the President, USUHS. This report shall provide managers with current balances of funds used and those available to operate the activity.

f. Implement internal controls to ensure the integrity of this pay system.

G. Effective Date.

This Instruction is effective immediately.

A handwritten signature in black ink, appearing to read "Charles L. Rice". The signature is written in a cursive style with a large, sweeping initial "C".

**Charles L. Rice, M.D.
President**

Enclosures:

1. References
2. Definitions

REFERENCES

- (a) USUHS Instruction 1412, "Pay Policy for Administratively Determined (AD) Employees," dated April 26, 1993 (hereby cancelled)
- (b) Title 10, United States Code, Chapter 104, "Uniformed Services University of the Health Sciences," Section 2113, "Board of Regents," (f) (1)
- (c) USUHS Instruction 1418, "Civilian Faculty Salary and Benefits Plan," dated October 29, 1993
- (d) Title 5, United States Code, Chapter 53, "General Schedule Pay Rates"
- (e) USUHS Instruction 1205, "Faculty Grievances," dated July 7, 1988
- (f) 5 Code of Federal Regulations, Part 553, "Reemployment of Military and Civilian Retirees to Meet Exceptional Employment Needs"
- (g) OSD Memorandum, dated May 31, 1991, subject: Dual Compensation Restriction Waivers for Civilian Employees

DEFINITIONS

1. Academic Administrators.

USUHS administrative staff, who may or may not have faculty appointments, whose assignments are primarily administrative in nature and whose principal functions are not teaching and/or research. These include, but are not limited to: the President; Vice Presidents; Associate and Assistant Vice Presidents; the Dean, School of Medicine (DEN); Associate and Assistant Deans; Assistants to the President, Vice President, or Deans; and Chairs/Activity Heads.

2. Administratively Determined (AD).

A Federal pay plan for employees whose salaries are not set by the Office of Personnel Management (OPM) or Title 5, USC, Chapter 53^d. The USUHS' enabling legislation grants the Secretary of Defense (SecDef) the authority to establish and approve salary schedules for the USUHS faculty and Schedule A staff members, who are in pay plan "AD."

3. Annual Pay Comparability Study.

An annual, comprehensive review and comparative analysis of the pay and benefits of the faculty (including administrative faculty), professional staff (postdoctoral fellows, research associates, et. al.), and graduate students at the USUHS and the medical schools in the Washington, D.C. vicinity.

4. Base Pay.

The rate of pay for a position held by an employee, which has been fixed by law or administrative action, exclusive of physicians' comparability pay, retention allowances, awards, or bonuses. Base pay may be changed by merit increase, cost-of-living adjustment, comparability increase,

promotion, reassignment, or demotion. Base pay is subject to calculations for retirement and disability benefits, as well as all applicable Federal, state, and local taxes. Base pay is limited to the rate of pay authorized by Title 5, USC, Chapter 53^d for Executive Level IV.

5. Basic Science Faculty.

Those faculty who hold primary appointments in academic departments or sections whose main mission is teaching, research, and scholarship in the basic sciences. Basic science departments include: Anatomy, Cell Biology, Biochemistry, Medical and Clinical Psychology, Military and Emergency Medicine, Microbiology and Immunology, Neuroscience, Pathology, Pharmacology, Physiology, and Preventive Medicine and Biometrics.

6. Civilian Billeted Faculty Members.

Those civilian USUHS faculty members who are paid by the USUHS, either through appropriated or extramural funds, who therefore occupy a USUHS manpower space or billet.

7. Clinical Science Faculty.

Those faculty members who hold primary appointments in departments whose main mission is teaching, research, and scholarship in the clinical medical sciences. Clinical science departments include: Anesthesiology, Dermatology, Family Medicine, Neurology, Obstetrics and Gynecology, Pediatrics, Psychiatry, Radiology, and Surgery.

8. Comparability.

A rate of compensation that is on par with similar specialties and ranks. Salary comparability is achieved when the USUHS mean (or other appropriate measure) for a particular specialty and rank has less than a 1% discrepancy from the mean for a like specialty and rank in the medical schools in the Washington, D.C. vicinity.

9. Comparability Increase.

An increase to base pay or other salary, which can be given at the same time as cost-of-living increases to USUHS faculty and staff. This pay adjusts, incrementally, the base pay or other designated pay category of USUHS faculty members in a specialty and rank, the mean (or other appropriate measure) of which is below that of their counterparts in the Washington, D.C. vicinity.

10. Cost-of-Living Increase.

An annual increase to base pay, which is given at the same time as that provided to medical schools in the Washington, D.C. vicinity. The maximum cost-of-living increase for USUHS faculty members shall not exceed the average of that provided to faculty members at other medical schools in the Washington, D.C. vicinity for the same school year. Cost-of-living increases shall not be given to USUHS AD employees if their counterparts in the Washington, D.C. area schools do not receive cost-of-living raises.

11. Dual Compensation Waiver.

A waiver of dual compensation restrictions for civilian annuitants authorized by the U.S. OPM under 5 CFR, Part 553^f. Waivers may be authorized only when such employment is needed to meet exceptional difficulty in recruiting or retaining qualified candidates for particular positions, or an emergency involving an immediate and

direct threat to life or property. The retired pay received is not considered a part of USUHS compensation (i.e., base pay, bonuses, or allowances).

12. Extramural Grant.

Money awarded by an outside granting authority to fund research protocols. The grant is awarded to support USUHS research and is managed by a primary investigator, who controls expenditures of the funds, and it is administered by the institution to which it is awarded.

13. Involuntary Separation.

Separation initiated by the USUHS against an employee's will and without his/her consent for reasons other than cause, charges of misconduct, or delinquency.

14. Medical Schools in the Washington, D.C. Vicinity.

These include Georgetown, George Washington, Johns Hopkins, Maryland, and Howard University Medical Schools. These schools are surveyed annually for information on the compensation salary and benefits packages offered to their medical school faculty members.

15. Merit Pay Increase.

A permanent increase in base pay or other salary allowances that is based on superior performance when compared with an AD employee's performance standards or objectives. This pay adjusts base pay or other designated pay category within allowable limits.

16. Pay Scale for Faculty with Medical Doctorate Degrees.

The portions of the approved USUHS pay schedule that are used to pay faculty members in Basic and Clinical Sciences Departments who hold medical doctorate degrees and who are physicians or surgeons

licensed to practice applicable professions (e.g., M.D., D.O., etc.).

17. Pay Scale for Faculty with Other Doctoral Degrees.

The portion of the approved USUHS pay scale that is used to pay faculty members in Basic and Clinical Sciences Departments who hold other doctoral degrees (e.g., Ph.D., D.V.M., D.D.S., etc.).

18. Physicians' Comparability Allowance.

An allowance that may be authorized for physicians who are involved in direct patient care or medical research. The maximum amount of a physicians' comparability allowance is \$20,000.

19. Recognition Bonus.

A one-time, lump-sum cash award, not to exceed 10% of base pay, for unusually excellent performance in a project, a teaching session, or a portion of the rating period. This award is subject to applicable Federal, state, and local taxes but is not included when computing benefits such as retirement, life insurance, disability, etc. Recognition bonuses are subject to the aggregate pay cap for Executive Level I.

20. Recruitment Bonus.

A one-time, lump-sum recruitment bonus, not to exceed 25% of base pay, may be provided to a new faculty or staff member, who is unusually well-qualified, whose specialty is in short supply, who must dissolve a private practice in the local commuting area, or whose position has been historically documented as hard to fill. Recruitment bonuses require a continued service agreement of not less than 12 months at the USUHS. This award is subject to applicable Federal, state, and local taxes but is not included when computing benefits such as retirement, life insurance, disability, etc. Recruitment bonuses are subject to the

aggregate pay cap for Executive Level I.

21. Relocation Bonus.

A one-time, lump-sum relocation bonus, not to exceed 25% of the employee's base pay may be provided to new USUHS faculty or staff members, who move from one geographic commuting area to another. A relocation bonus may be authorized to help alleviate the burdens on USUHS faculty members of moving a residence, family, and/or dissolving a medical practice. Relocation bonuses are in addition to permanent change of station costs and require a continued service agreement of not less than 12 months. This award is subject to applicable Federal, state, and local taxes but is not included when computing benefits such as retirement, life insurance, disability, etc. Relocation bonuses are subject to the aggregate pay cap for Executive Level I.

22. Retention Allowance.

A retention allowance, not to exceed 25% of base pay annually, may be provided to current USUHS faculty members and staff in cases in which unusually high qualifications of the employee or a special need of USUHS make retention of the employee essential. A retention allowance is considered part of aggregate salary and is paid in the same manner and at the same time as other salary (base pay and physicians' comparability allowances). This allowance is subject to applicable Federal, state, and local taxes. Retention bonuses are subject to the aggregate pay cap for Executive Level I. Retention allowances can be granted to retain faculty administrators and other employees with special qualifications.

23. Salary. A fixed compensation paid to an individual on a regular basis. Salary includes base pay, physicians' comparability pay, and retention allowance, if applicable.

E. Policies and Procedures.**1. Salary and Benefits Survey.**

a. The USUHS enabling legislation, Title 10, USC, Chapter 2113^b, authorizes the Secretary of Defense to establish salary schedules and to grant retirement benefits so as to place employees of the USUHS on a comparable basis with the employees of fully accredited schools of the health professions within the vicinity of Washington, D.C. To meet this requirement, the Civilian Human Resources (CHR), in coordination with the Pay Comparability Committee of the Faculty Senate, conducts a salary and benefits survey annually to obtain information about the salary and benefits packages at the Schools of Medicine at George Washington; Johns Hopkins; Georgetown; Maryland; and Howard Universities. These data are collected at the beginning of the calendar year from both the schools themselves and the American Association of Medical Colleges (AAMC), and are analyzed to develop a faculty salary schedule for implementation the following calendar year.

b. The resulting recommended salary schedule, which includes ranges for the various academic ranks within the various medical specialties, is forwarded to the Dean, School of Medicine (DEN), for review. When the DEN approves the recommended salary schedule, it will be forwarded with a recommendation to the President, USUHS, for approval/disapproval.

c. If the President, USUHS, concurs with the DEN's recommendation, he/she presents the salary schedule, with the advice

of the USUHS Board of Regents (BOR), through the Assistant Secretary of Defense for Health Affairs (ASD(HA)) to the Assistant Secretary of Defense for Force Management and Personnel (ASD(FM&P)) for approval/disapproval on behalf of the

Secretary of Defense (SecDef).

d. If the SecDef (through ASD(FM&P)) approves the recommended salary schedule, it is returned with appropriate approval documents through the organizational chain to the USUHS for implementation.

e. The annual study shall be completed so that cost is implemented at the beginning of the calendar year.

f. Specific information on the USUHS faculty benefits plan is contained in USUHS Instruction 1418^c.

2. Pay.**a. Salary Setting.**

All AD pay is subject to the ranges approved in the annual USUHS pay schedule.

(1) Considerations in Determining Initial Pay Levels

(a) When setting base pay for initial appointments of faculty members, the DEN, or Chairs/Activity Heads, several factors must be considered:

i. The level of the position that the appointment is to be made and the value of that position to the USUHS.

ii. Criticality of the candidate's medical or scientific specialty to the USUHS' special needs.

iii. Degree type.

iv. Number of years of experience after the postdoctoral level.

v. Number of publications, the type of journals in which they have been published, the recency of those publications, and the value of those publications to the field of science.

vi. The type and value of the research that has been undertaken by the prospective faculty member.

vii.

Recommendations by former supervisors or mentors.

viii. The scarcity of the

medical specialty or scientific discipline of the candidate.

ix. Extramural funds that the candidate has generated for research support.

x. Labor market competition.

xi. Availability of funds.

(b) In setting base pay for initial appointments of Schedule A staff members, including postdoctoral fellows, senior research associates, research associates, and visiting scientists, the DEN or Chair must consider:

i. The level of the position that the appointment is to be made and the value of that position to the USUHS

recency;

iii. Previous postdoctoral experience, if any.

iv. Previous professional or technical experience.

v. Recommendations by former supervisors or mentors.

vi. Labor market competition.

vii. Availability of funds.

(2) President's Pay.

The annual base pay of the President, USUHS, is set by the SecDef. The SecDef shall also decide on the use of any physicians' comparability pay or recruitment, relocation, recognition, or retention incentives for the appointment and/or retention of the USUHS President, as described in paragraphs E.2.a.(4) and E.2.c. below.

(3) Base Pay.

(a) Base pay of other faculty and academic administrative staff members (Vice Presidents, Deans, Associate and Assistant Deans, and other Schedule A administrators) is set by the President, USUHS, within the appropriate ranges for the respective academic ranks and medical

specialties or within ranges for comparable administrative appointments at medical schools in the Washington, D.C. vicinity, if there is no specific currently approved range.

(b) Base pay of faculty and academic administrative staff members (associate and assistant deans, Chairs/Activity Heads) who report directly to the DEN is recommended by the DEN within the appropriate range on the current salary schedule, and is approved by the President, USUHS.

(c) Base pay of faculty and staff in the various academic departments and activities who are paid from appropriated funds is recommended by the respective Chair/Activity Head and is approved by the DEN.

(d) Base pay of faculty and staff who are paid by extramural funds is recommended by the Principal Investigator (PI) on whose grant such an employee is working. All salary recommendations for grant employees must be reviewed by the respective Chair/Activity Head and approved by the DEN as appropriate.

(e) Base pay is annotated on the Notification of Personnel Action (SF-50) in the Remarks section and, as appropriate, is combined with any physicians' comparability allowance or retention allowance in the "TOTAL" Salary block.

(f) Individual base pay levels for teaching and research faculty members and chairs must be set within the salary schedule range for the academic specialty and rank and shall not exceed Executive Level IV. Aggregate salary, including base pay, physicians' comparability allowance, retention allowance, or any merit or comparability increases, shall not exceed the approved schedule range for a specialty and rank or Executive Level I, except as approved by the SecDef or his designated representative.

(g) Individual base pay levels

for academic administrators shall be commensurate with the level of the position and any available comparability data. Aggregate salary, including base pay, physicians' comparability allowance, retention allowance, or any merit or comparability increases, shall not exceed the approved schedule range for academic administrators or Executive Level I, except as approved by the SecDef or his designated representative.

(h) Salaries for faculty members who are Ph.D.s are set using the approved basic sciences pay schedule (Group I). Salaries for academic employees who are M.D.s in basic sciences departments shall be based on the approved schedule for Basic Science M.D.s (Group III).

(i) The pay range for salaries of visiting scientists is from the lowest of the range for instructor for that specialty to the highest of the range for professor for that specialty, depending upon the responsibilities and the credentials of the visiting scientist, and the availability of funds.

(j) Documentation to support salary setting rationale and decisions shall be maintained in the faculty members' Official Personnel Folder (OPF).

(4) Retention Allowances.

(a) Retention allowances may be awarded by the President, USUHS, to USUHS academic staff members at the assistant professor level and above in those cases in which unusually high qualifications of the employee or special need of the USUHS make retention of the employee essential. There are two types of retention allowances: retention allowances for USUHS faculty administrators and retention allowances for faculty members with special qualifications. Consideration for a retention allowance results from a recommendation from a dean or a Department Chair/Activity Head whose activities would be significantly

affected by the loss of an exceptionally qualified and productive employee. These recommendations shall be made through the DEN.

(b) In recommending a retention allowance, the approving official must certify in writing that, absent a retention allowance, the employee would be likely to leave the Federal service for employment outside the USUHS. The documentation must include a written description of the extent that the employee's departure would affect the organization's ability to carry out an activity or perform a mission-essential function. As appropriate, the written certification may describe such things as the results of recent efforts to attract and retain employees with similar qualifications or the availability in the labor-market of candidates for employment with the qualifications necessary to perform the full range of duties of the position with a minimum of training or disruption.

(c) To be considered for a retention allowance, the employee must have been on the USUHS payroll for at least one complete school year and may not still be under a service agreement for a prior recruitment or relocation bonus and/or a retention allowance.

(d) A retention allowance is approved for a one year period and may not exceed 25% of an employee's annual base pay.

(e) The aggregate salary of the employee (i.e., base pay plus any merit or comparability increases, physicians' comparability allowance, retention allowances, recruitment, relocation, or recognition bonuses) may not exceed the maximum of the range for the appropriate academic specialty/rank on the approved salary schedule or Executive Level I.

(f) A retention allowance is considered part of an employee's annual salary for calculation of retirement

contributions and disability payments, and is subject to all appropriate federal, state, and local taxes like any other income.

(g) Amounts of retention allowances shall be reviewed and approved annually for continuance, increase/decrease, or termination, and are effective for one year unless terminated earlier or specified for a shorter period.

(h) Retention allowances shall be paid in the same manner and at the same time as base pay.

(i) Retention allowances are annotated on the Notification of Personnel Action (SF-50) in the Remarks section by category and amount, and are combined with any base pay and physicians' comparability allowances in the "TOTAL" Salary block.

(j) A retention allowance may be paid during the year for as long as conditions warranting the allowance continue to exist. An annual recommendation and recertification of necessity must be made to continue payment of a retention allowance.

(k) The amount of the retention allowance may be reduced or the allowance terminated when it is determined that:

i. A lesser amount or no allowance at all would be sufficient to retain the employee;

ii. Labor-market conditions have changed and recruitment of employees with needed qualifications would be possible;

iii. The need for the services of the employee has lessened; or

iv. Budgetary considerations preclude payment.

(l) The amount of, or the lack of receipt of, a retention allowance is not grievable under the USUHS Faculty Grievance procedures found in USUHS Instruction 1205^e or any other grievance

procedures.

(m) Deans, Department Chairs/Activity Heads who recommend retention allowances must ensure that there are sufficient funds available for the payment of such allowances.

(n) Approving officials are responsible for ensuring that the basis for any retention allowance is fully documented and retained in the employee's OPF. Documentation shall be readily available for review and submission upon request.

(o) At a minimum, the following information shall be maintained on a fiscal year basis:

i. The number of employees offered/accepting a retention allowance.

ii. The percentage of salary offered/accepted in each individual case.

iii. A summary statement assessing the effect of allowance authority on the activity's ability to retain quality employees in key positions.

(p) Retention of Faculty Administrators:

i. Faculty members who have administrative responsibilities, in addition to teaching and research responsibilities (e.g., President, Vice Presidents, Deans, Associate and Assistant Deans, Chairs, or heads of interdepartmental programs), may be eligible for a retention allowance to retain them in administrative positions.

ii. Faculty members who are assigned administrative responsibilities in an acting capacity are also eligible for administrative retention allowances for the duration of their temporary assignments for periods up to one year. Such allowances can be extended in one year increments.

iii. Upon termination of assigned administrative responsibilities, the appropriate amount of administrative

retention allowance shall be eliminated.

(q) Retention of Faculty Members with Special Qualifications:

i. Faculty members who have had significant professional achievements that add continuing value to their professional credentials are eligible for retention allowances.

(5) Physicians' Comparability Allowance.

(a) Physicians who have clinical or medical research responsibilities that are an integral part of their assigned duties may receive additional pay for the performance of these duties, up to a maximum of \$20,000. The President, DEN, or Chair shall determine this at the time of the assignment of each physician's responsibilities. Each physicians' comparability allowance shall be reviewed annually for continuance, increase/decrease, or termination. Physicians' comparability pay is subject to the aggregate pay limit set in Title 5, USC, Chapter 53^d for Executive Level I.

(b) If the physician ceases his/her clinical or medical research responsibilities, the appropriate amount of physicians' comparability allowance shall be eliminated.

(c) Physicians' comparability allowances are considered along with base pay and retention allowances for the calculation of benefits and taxes.

(d) The amount of, or the lack of receipt of, a physicians' comparability allowance is not grievable under the USUHS Faculty Grievance procedures found in USUHS Instruction 1205^e or any other grievance procedures.

b. Salary Increases.

There are three types of salary increases and all are subject to the maximum payable rate in the authorized ranges on the annual USUHS pay schedule and applicable pay caps.

(1) Cost of Living Increases

(a) The President, USUHS, shall direct the increase of base pay for all faculty and staff members who are paid by appropriated funds by a percent of base pay that is not more than the average percentage of cost-of-living increases provided to faculty members at the other medical schools in the Washington, D.C. vicinity, during that school year.

(b) Departmental budgets shall be allocated funds to support cost-of-living salary increases described above, including the resulting benefits increases for those employees.

(c) Provided sufficient funds are available, the cost-of-living increase shall be effective at the beginning of the first full pay period following the beginning of the calendar year, the time when other Federal agencies receive such increases.

(d) Cost-of-living increases for faculty and staff members who are paid by extramural grants are strongly recommended; however, the granting of such increases shall depend on the availability of extramural funds. Decisions to grant no cost-of-living increases shall be documented with appropriate rationale and submitted to the President, USUHS, for approval.

(e) All planned cost-of-living increases are subject to sufficient appropriations and applicable pay caps.

(2) Comparability Increases.

(a) One of the calculations that is made as a part of the annual salary survey is the percentage by which the USUHS mean (or other appropriate measure) and range for each specialty and rank meets, exceeds, or lacks comparability with medical schools.

(b) For those ranks and specialties that lack comparability with the Washington, D.C. schools, one-fifth of the percentage amount of FY92 disparity is

added to the authorized pay ranges in 1992. In 1993, one-fourth of the annual comparability disparity shall be added to the range, in addition to an appropriate percentage for a cost-of-living increase. In 1994, one-third of the annual comparability disparity shall be added to the range, in addition to an appropriate percentage for a cost-of-living increase. In 1995, one-half of the annual comparability disparity shall be added to the range, plus an appropriate percentage for a cost-of-living increase. In 1996, 100% of any comparability disparity shall be added to the range, in addition to an appropriate percentage for a cost-of-living increase. All planned comparability increases are subject to sufficient appropriations. Specialties and ranks currently at comparability will not be authorized comparability increases.

(c) The percentages of comparability increases shall vary by each specialty and rank and shall be consistent with the approved USUHS faculty and staff pay schedule and applicable pay caps.

(d) Departmental budgets shall be allocated funds to support the cost of comparability increases described above, including the resulting benefits increases for those employees. Such allocations shall be authorized specifically for comparability increases. The President, USUHS, shall approve the allocation of funds for comparability increases to departments and to individuals within each specialty and rank after considering recommendations made by Department Chairs/Activity Heads, through the DEN.

(e) Provided sufficient funds are available, the comparability increase shall be effective at the same time as the USUHS faculty cost-of-living increase, which is the first full pay period following the beginning of the calendar year.

(3) Merit Increases.

(a) The faculty performance

rating period ends on May 31 each year. In June, performance ratings are given to faculty and staff members based on the quality of performance during the prior rating period. If the appropriate supervisor decides that a faculty or staff member has performed in an exceptional manner or has contributed significantly to the mission of the department or the USUHS, which must be substantiated in his/her performance rating, he/she may recommend to the second level supervisor that this employee be granted a merit increase. Such an increase, which affects the level of base pay permanently and affects the level of physicians' comparability pay, retention allowance, or both within allowable caps and time limits, may be recommended to reward exceptional performance by a faculty or staff member that has been exhibited throughout the entire rating cycle. Merit increases can be recommended once per year as part of the annual USUHS faculty pay adjustment process. Approved merit increases shall be timed, as closely as possible, for concurrent implementation with the annual cost-of-living increase.

(b) The amount of a recommended merit increase may be up to a maximum of 10% of an individual faculty or staff member's base pay, subject to applicable pay caps and categorical limits. At the time of recommendation, the appropriate supervisor must ensure that there are sufficient departmental/activity funds available (or grant funds, if the employee is paid by an extramural grant) for the recommended merit increase.

(c) The recommendation for a merit increase must include evidence of superior performance, either through documentation in the official performance appraisal for the period or through a special narrative discussion of the rationale for the increase, including employee's performance and productivity in teaching, research,

clinical (if appropriate), and administrative activities; the employee's success in meeting annual goals; and the employee's general and specific contributions to the department or the USUHS. Any reviewing or approving official may alter the recommended increase.

(d) Chairs recommend and/or review recommendations from subordinate supervisors for merit increases for faculty members in their departments. Approval authority for merit increases up to 5% of base salary rests with the DEN. Approval of merit increases in amounts over 5% of base pay shall be given by the President, USUHS.

(e) Recommendations for merit increases for Deans, Associates or Assistant Deans, and other faculty members who report directly to the DEN will be made for approval by the President, USUHS.

(f) Approved recommendations for merit increases are forwarded to CHR for implementation and for filing in the OPF.

(g) A recommended merit increase for a faculty or staff member who is paid from extramural funds shall be made by the PI on whose grant the employee works. In general, these decisions are subject to the funds available in the grant, and are based on the excellence of the employee's work and productivity. The recommendation shall be forwarded through the Chair to the DEN for a final approval/disapproval for amounts up to 5% of base pay. Merit increases in excess of 5% shall be approved by the President, USUHS.

(h) A faculty or staff member may receive both a merit increase and a recognition bonus in the same calendar year, provided the total salary does not exceed the aggregate pay cap for Executive Level I.

(i) The amount of, or the lack of receipt of, a merit increase is not grievable under the USUHS Faculty Grievance procedures found in USUHS Instruction 1205^e or any other grievance

procedures.

c. Bonuses.

There are three types of bonuses which may be awarded to USUHS faculty and staff members. All types of bonuses are subject to the maximum payable rate in the authorized range on the annual USUHS pay schedule and are subject to the aggregate pay limit for Executive Level I in Title 5, USC, Chapter 53^d. Bonuses shall not be considered as compensation for the purpose of assessing comparability or for computing retirement, life insurance, or disability insurance benefits.

(1) Recognition Bonus.

(a) A recognition bonus is a one-time, lump-sum, cash award that does not affect base pay, and is given to recognize excellent performance on a project, in a series of teaching exercises, or for a particular period. A recognition bonus may also be awarded for single honors to USUHS faculty and staff members, including the receipt of international or national professional awards or prizes.

(b) The amount of a recognition bonus may be up to a maximum of 10% of the employee's base pay and is subject to the Title 5, USC, Chapter 53^d aggregate pay cap for Executive Level I.

(c) The recommendation for a recognition bonus must include: a narrative discussion of the rationale for the bonus, including the project or activity that the employee was engaged and a summary of the employee's performance on this project/activity; the nature of the award or prize that the employee received; or any other reason for the awarding of this type of bonus.

(d) Chairs recommend and/or review recommendations from subordinate supervisors for recognition bonuses for faculty members in their departments. As appropriate, approval authority for these

bonuses rests with the DEN.

(e) Recommendations for recognition bonuses for Chairs or other faculty and staff members who are directly supervised by the DEN shall be made for approval by the President, USUHS.

(f) A recognition bonus is given in a lump-sum, as soon as possible after its approval.

(g) A faculty or staff member may receive both a merit increase and a recognition bonus in the same calendar year, provided the total salary does not exceed the aggregate pay cap for Executive Level I.

(h) Approved recommendations for recognition bonuses are forwarded to CHR for implementation and filing in the OPF.

(i) A recognition bonus is not considered part of an employee's annual salary for calculation of retirement contributions or disability payments. However, it is subject to all appropriate Federal, state, and local taxes like any other income.

(j) The amount of, or the lack of receipt of, a recognition bonus is not grievable under the USUHS Faculty Grievance procedures found in USUHS Instruction 1205^e or any other grievance procedures.

(2) Recruitment Bonus.

(a) To facilitate the recruitment of individuals with superior qualifications and stature to USUHS academic positions at the rank of Assistant Professor and above, within the scope of the appropriate departmental budget, the President, USUHS, may approve the use of a one-time, lump-sum payment of not more than 25% of base pay to unusually well-qualified candidates or those candidates whose specialties are in short supply, who must dissolve a private practice in the local commuting area, or for whom there has been a historically documented recruiting

difficulty. A recruitment bonus is subject to the aggregate pay limit for Executive Level I in Title 5, USC, Chapter 53^d

(b) A recommendation for a recruitment bonus shall be submitted in writing by the appropriate dean, Department Chair/Activity Head through the DEN, to the President, USUHS. This recommendation shall include, at a minimum, a description of the qualifications sought, a summary of the recruitment methods used to obtain candidates for the position and the results of this recruitment, a description of the availability of qualified candidates in the region and in the country, a discussion of the methods used to attract minority candidates, and a comparison of the candidate's qualifications to the qualifications sought.

(c) The amount of the recruitment bonus to be paid, if any, shall be determined based on various criteria, including the level of the candidate's qualifications, the significance of this candidate to the USUHS teaching and/or research programs, scarcity of qualified candidates, the extent of recruitment activity, and the period of service commitment.

(d) Recruitment bonuses will be paid only to newly appointed employees or to former civilian federal employees who are returning to the federal service after a break in service of at least one year.

(e) Prior to the receipt of a recruitment bonus, candidates must sign a formal, written commitment to remain in the position for a minimum of 12 months. Longer commitment periods can be required. Such employees who leave their positions prior to the completion of the commitment period shall be required to repay the USUHS the prorated balance of their recruitment bonuses.

(f) Recruitment bonuses shall be paid to employees in a lump-sum, as soon as possible after their appointment at the

USUHS.

(g) Appropriate records of the approval of recruitment bonuses, the rationale for such approval, and a copy of the service agreement shall be maintained on the left side of the OPF.

(h) A recruitment bonus is not considered part of an employee's annual salary for calculation of retirement contributions and disability payments. However, it is subject to all federal, state, and local taxes like any other income.

(i) Associate and Assistant Deans and Department Chairs/Activity Heads who recommend recruitment bonuses must ensure that there are sufficient funds available for the payment of such bonuses.

(j) The amount of, or the lack of receipt of, a recruitment bonus is not grievable under the USUHS faculty grievance system found in USUHS Instruction 1205^e or any other grievance procedures.

(k) An employee may not receive simultaneous recruitment and relocation bonuses.

(l) Employees who fail to complete a service agreement because they are involuntarily separated shall not be subject to repayment of recruitment bonuses.

(3) Relocation Bonus.

(a) Selectees for academic positions at the assistant professor level and above, who move from one geographic commuting area to another, are eligible for relocation bonuses. Approval authority for these bonuses rests with the President, USUHS.

(b) Relocation bonuses are available to help alleviate the burdens on current Federal employees of moving a residence, family, and possibly dissolving a medical practice. Relocation bonuses may not exceed 25% of base pay. This relocation bonus is in addition to permanent change of station (PCS) costs. This bonus is subject to

the aggregate pay limit for Executive Schedule I in Title 5, USC, Chapter 53^d.

(c) Approval of a relocation bonus shall be made by the President, USUHS, in response to a written recommendation from the appropriate Dean or Chair/Activity Head through the DEN. This recommendation should include, at a minimum, information on the recruitment process, the recruitment efforts to attract minority candidates, the scarcity of qualified candidates, and the essentiality of the prospective employee to the USUHS teaching and/or research programs. In addition, this recommendation should describe the rationale for the relocation bonus, including the anticipated impact that the relocation is expected to have on the new employee and his/her family.

(d) Determination of the amount of the relocation bonus to be paid, if any, shall be based on various criteria, including the qualifications of the selectee, the difficulty in attracting highly qualified candidates in the local commuting area, the scarcity of candidates with the selectee's level of qualifications, and the impact that the relocation has had/will have on the employee and his/her family.

(e) In return for the relocation bonus, the selectee must sign a formal, written commitment to remain with the USUHS for a minimum of 12 months. Longer commitment periods can be required. Any employees who have accepted relocation bonuses and who leave the USUHS before the completion of their committed service shall be required to reimburse the USUHS for the prorated balance of their relocation bonuses.

(f) A relocation bonus is paid in a lump-sum as soon as possible after approval.

(g) A relocation bonus is not considered part of an employee's annual salary for calculation of retirement

contributions or disability payments. However, it is subject to all appropriate Federal, state, and local taxes like any other income, as well as the aggregate pay limits for Executive Schedule I.

(h) Appropriate records on the approval of relocation bonuses, the rationale for such approval, and a copy of the service agreement shall be maintained on the left side of the employee's OPF.

(i) Deans and Department Chairs/Activity Heads who recommend relocation bonuses must ensure that there are sufficient funds available for the payment of such bonuses.

(j) The amount of, or the lack of receipt of, a relocation bonus is not grievable under the USUHS faculty grievance system found in USUHS Instruction 1205^e or any other grievance procedures.

(k) An employee may not receive simultaneous recruitment and relocation bonuses.

(l) Employees who fail to complete a service agreement because they are involuntarily separated shall not be subject to repayment of relocation bonuses.

3. Dual Compensation Waiver.

a. A waiver of dual compensation restrictions for retired civilian annuitants may be requested through the Office of the Secretary of Defense (OSD) to the U.S. Office of Personnel Management (OPM) under 5 CFR, Part 553^f. The OPM may authorize waivers only when such employment is needed to meet exceptional difficulty in recruiting or retaining qualified candidates for particular positions or an emergency involving an immediate and direct threat to life or property. The retired pay received is not considered a part of USUHS compensation (i.e., base pay, bonuses, or allowances).

b. Specific instructions for

requesting waivers and documentation requirements are provided in an OSD Memorandum^g.

4. The Secretary of Defense shall:

a. Authorize the establishment of salary schedules and granting of retirement benefits so as to place employees of the USUHS on a comparable basis with the employees of fully accredited schools of the health professions within the Washington, D.C. vicinity.

b. Set the pay of the President, USUHS, including the use of any physician's comparability allowances or recognition, recruitment, relocation, or retention incentives.

5. The Assistant Secretary of Defense (Force Management and Personnel) shall approve/disapprove the USUHS faculty salary schedule on behalf of the SecDef.

6. The Assistant Secretary of Defense (Health Affairs) shall:

a. Evaluate the proposed USUHS faculty salary schedule and either recommend its approval to the ASD(FM&P) or disapprove it and return it to the USUHS.

b. Evaluate recommended changes to the USUHS benefits package and approve/disapprove them.