TO: All Regular and Reserve Corps Dental Officers on Extended Active Duty

SUBJECT: ISP for Oral and Maxillofacial Surgeons

1. Subject to authorization under Title 37 U.S. Code, a dental officer who is an oral and maxillofacial surgeon (OMFS) may be paid Incentive Special Pay (ISP) under 37 USC 302b(a)(6) under the same terms and conditions as ISP available for medical officers under 37 USC 302(b). To be eligible, OMFSs must:

a. Be entitled to Variable Special Pay (VSP) under 37 USC 302b(a)(2);

b. Be in pay grade of O-6 or below;

c. Be a fully trained and qualified OMFS which means the officer has completed an OMFS residency program accredited by the Commission on Dental Accreditation or is board certified by the American Board of Oral and Maxillofacial Surgery;

d. Not be participating in Department of Health and Human Services (HHS)-supported long-term training as defined in CC25.2.1, “Extramural Training”;

Note. For those dental officers who are enrolled in a 2-year training program that requires only half-time training and is designed to lead to a certificate which allows 1 year of training credit for the 2 years of half-time training, such officers will be ineligible for the ISP for the first full year of half-time training; however, they will be deemed eligible for ISP for the second year of such half-time training provided they have successfully completed the first year. If an officer has not successfully completed the first year of half-time training, then he/she shall remain ineligible until he/she can provide proof of successful completion of that year. If an officer, who has lost eligibility for the first year of half-time training, does not complete the second year of half-time training, there shall be no prorata payment for the initial year of training, nor shall the officer be considered eligible for ISP during any portion of that training year completed.

If the officer changes his/her residency and enters a program that requires full-time training for completion of education qualification, then the officer working half-time would lose ISP eligibility.
Note. ISP contracts will not be processed for dental officers who have or will attain 30 years of active service prior to the expiration date of the contract unless the HHS Operating Division (OPDIV)/Staff Division (STAFFDIV), or non-HHS organization Head concerned indicates that the officer will be recommended for retention for the entire period of the contract and the retirement extension is approved.

e. Submit documentation of a current, unrestricted and valid license or approved waiver consistent with the licensure policy in CC26.1.4, “Professional Licensure/Certification”; and

f. Execute an ISP contract to remain on active duty for a period of not less than 1 year beginning on the date the officer accepts the award of ISP.

2. Rate. Annual ISP payments for contracts will be in the amount of $30,000.

a. Officers presently serving under an Additional Special Pay (ASP) contract who are eligible to receive ISP shall terminate the current ASP contract and shall execute a new ASP contract with dates concurrent with the ISP contract. A payback for the unserved portion of the ASP contract shall be calculated based on 1/360th for each day not served. The payback shall be collected from the new ASP contract amount at the time of payment for the new ASP and ISP contracts.

b. ISP contracts will be payable in one installment. The annual installment will be paid upon acceptance of the ISP service agreement and issuance of personnel orders. Payment will normally be made within 90 days after the effective date of the contract. Payments for ISP are payable only in the regular monthly payroll.

c. Unless otherwise precluded by law, dental officers who sign an ISP contract who would be eligible for a larger payment under future special pay legislation will have the option of executing an agreement under the new legislation only if the new agreement would extend beyond the officer’s current ISP obligation.

d. Officers are not eligible for voluntary retirement for the duration of the contract.

e. Officers serving under a Multiyear Retention Bonus (MRB) contract will be eligible to enter into an ISP agreement and receive ISP at the rate allowed by a Personnel Policy Memorandum.

f. If the ISP rates increase, officers serving an MRB contract will be eligible to renegotiate the MRB contract to receive the increase in ISP rate.

g. All ASP, MRB and ISP contracts shall be served concurrently.

3. Termination of ISP.

a. Voluntary Termination of ISP agreement.

(1) An officer who voluntarily terminates his/her service on active duty shall be required to repay a pro rata portion of the ISP. In addition, the officer and his/her dependents shall be divested of entitlements for travel and transportation allowances, shipment of household goods, and transfer of, use of, and payment for unused annual leave. Officers separating prior to the end of the ISP agreement shall have their commissions terminated.
(2) The ISP payment of officers promoted to pay grade O-7 or above, or officers who enter an HHS-supported long-term training program, shall be recouped for the unserved portion of the contract based upon the effective date of promotion or date of entrance into long-term training.

(3) An officer with fewer than 30 years of creditable service will not be permitted to retire prior to the expiration date of the current contract. The effective date of retirement shall be no earlier than the 1st of the month subsequent to the expiration date of the contract.

b. Involuntary Termination of ISP agreement.

(1) Professional Qualifications. An officer, who receives ISP and fails to remain qualified as an OMFS, will have his/her ISP agreement terminated and will be required to refund a pro rata portion of the payment.

(2) Misconduct. An officer, disciplined under regulations of the Commissioned Corps of the U.S. Public Health Service (Corps), and punished by a reduction in grade, or more severe administrative action, or an officer who is separated from active duty for substandard performance or misconduct under the probationary authority prescribed in CC23.7.1, “Involuntary Separation (Probation Period),” will have his/her ISP agreement terminated as of the date of the disciplinary or separation action. The officer will be required to repay a pro rata portion of the payment.

(3) Deterioration of Performance. If there is deterioration in an officer’s performance, the Director, Office of Commissioned Corps Operations (OCCO), may at any time refer the officer’s record to the Dental Officer Special Pay (DOSP) Review Board for recommendations regarding the continuance of ISP. If the DOSP Review Board finds that the officer’s performance has deteriorated to a level at which no premium should be placed on continued service, and the appropriate HHS official concurs, the officer’s ISP contract shall be terminated within 30 days of such recommendation. The officer shall be required to repay a pro rata portion of the last annual payment as specified in Section 4. In addition, such officer shall not again be considered for ISP for at least 1 year after the date the contract is terminated.

(a) If the DOSP Review Board approves the officer’s continued eligibility and the appropriate HHS official concurs, then the officer and the Commissioned Corps Liaison will be so notified by OCCO.

(b) If the DOSP Review Board finds that the officer’s performance has deteriorated to a level at which no bonus should be paid for the officer’s current service and the appropriate HHS official concurs, then the officer and the officer’s Commissioned Corps Liaison will be notified by OCCO. The effective date for contract termination will be the date the appropriate HHS official concurs in the DOSP Review Board’s recommendation. This officer shall be ineligible for ISP for 1 full year of active duty from the date of contract termination. The officer shall be required to repay a pro rata portion of the last annual payment as specified in Section 4.
If, after the DOSP Review Board’s recommendation to approve payment of ISP, the OPDIV/STAFFDIV/non-HHS organization subsequently submits another Commissioned Officers’ Effectiveness Report (COER) citing poor performance, then the next DOSP Review Board may evaluate only that performance which is subsequent to the date of the original DOSP Review Board’s recommendation. Subsequent to the denial of ISP by a DOSP Review Board and termination of the existing ISP contract, if an officer requests separation from the Corps, there shall be no divestiture action taken against an officer for breaking a contract, provided the separation occurs prior to the next ISP contractual agreement. If an officer under contract submits a request for separation prior to a recommendation by the DOSP Review Board, then he/she shall be treated as having broken a contract and divestiture of lump-sum leave, travel, and transportation entitlements apply. An officer, who has been denied ISP by a DOSP Review Board, shall not again be eligible for ISP until a satisfactory COER, covering at least a 6-month period of time, has been received by OCCO.

(c) Failure to be Recommended for Promotion. If a promotion board recommends against either permanent or temporary promotion while under an ISP agreement, the officer shall be referred to a special pay review board at the time of renewal or subsequent annual payment for consideration. If the officer separates prior to the completion of his/her current agreement, the officer shall be required to repay a pro rata for the unserved portion of the payment.

(d) Leave Without Pay (LWOP) Status. An officer who enters LWOP status will have his/her agreement terminated as of the effective date of the LWOP. An officer whose ISP agreement is terminated under this provision will be required to repay a pro rata portion of the payment received. The officer shall not again be eligible for ISP until his/her return to pay status.

(e) Involuntary Retirement. An officer who is involuntarily retired under the provisions contained in CC23.8.4, “Involuntary Retirement (20 Years)” will have his/her ISP agreement terminated on the effective date of the officer's retirement. An officer whose ISP agreement is terminated under this provision will be required to repay a pro rata portion of the payment.

(f) Disability Retirement. An officer, who is retired (temporarily or permanently) for disability while serving under an ISP agreement, will have his/her agreement automatically terminated as of the date the officer is placed in retired status. An officer whose ISP agreement is terminated under this provision will not be required to repay a pro rata portion of the payment, provided that the disability is not the result of misconduct or willful neglect and not incurred during a period of unauthorized absence. An officer eligible for an ISP agreement, who is considering applying for a disability retirement, may sign an ISP agreement since there is no assurance that the disability retirement will be approved.
(g) Involuntary Separation/Retirement for Convenience of the Government. An officer, who is released from active duty or retired because of a reduction in strength, numbers limitation, or other reasons for the convenience of the government, while serving under an ISP agreement, will have his/her agreement automatically terminated as of the date of the officer's separation or retirement. There will be no repayments of any pay payments already received. This does not apply to those officers who are involuntarily separated due to unacceptable performance.

(h) Death. In the event an officer dies while serving under an ISP agreement, the agreement is automatically terminated as of the date of the officer's death. No repayment of the ISP is required for amounts previously received by the officer, so long as, the death is not the result of misconduct or willful neglect, and is not incurred during a period of unauthorized absence.

(i) Absent Without Leave (AWOL). Any period during which an officer is determined to be in an AWOL status will not be credited toward the fulfillment of an active duty obligation incurred pursuant to an ISP agreement, and will serve to extend the period of active duty required by the agreement. (See 37 USC 503(b) and CC43.7.1, “Involuntary Separation,” Section E.6.)

4. Computation of Repayment for Failure to Complete ISP Agreement. An agreement terminated prior to the expiration of an active duty obligation is subject to recoupment of unearned ISP consistent with 37 USC 302(f), 37 USC 303a(e), and CC22.2.10, “Incentive Special Pay,” as follows:

a. As set forth in Sections 3.a. and 3.b., an officer who terminates service on active duty before the end of the period for which ISP payment was made, will be required to refund a pro rata portion of the payment received which represents the unserved portion of that payment.

b. In determining the amount to be refunded by the officer, the earned portion of the ISP agreement will be determined on the basis of 1/360th of the annual lump-sum payment received for each day of the annual payment period during which the officer terminated. For this purpose, the 31st day of any month will be disregarded, and the month of February will be treated as a 30-day month.

c. Repayment of ISP for failure to complete the period of active duty obligation specified in the agreement may be waived under certain circumstances as specified in the provisions listed in Section 3.

5. Bankruptcy. The provisions of 37 USC 303a(e)(3) for bankruptcy shall apply to the discharge of an officer’s debt related to the receipt of ISP.


a. Officers shall submit their ISP agreements to the Chief, Compensation Branch, Office of Commissioned Corps Support Services (OCCSS), through the OPDIVs/STAFFDIVs administrative chain. The Chief, Compensation Branch, in consultation with OCCO will determine an officer’s eligibility for ISP and active duty obligation. If deemed eligible, the Director, OCCO, will accept the agreement and notify the officer of the acceptance through a personnel order issued by the Director, OCCO, and corresponding active duty obligation.
b. If an officer’s ISP agreement is terminated, OCCO will notify the officer and appropriate HHS collection official concerning an officer’s indebtedness resulting from voluntary or involuntary termination of a special pay agreement.

c. If an officer’s ISP agreement is terminated by an action other than a Board, the officer may appeal the decision to the Surgeon General (SG) or his/her designee. If the SG or his/her designee affirms the decision, the officer may appeal the decision to the Assistant Secretary for Health (ASH). The decision of the ASH is final.

d. If an officer’s ISP agreement is denied, the officer may appeal the decision to the SG or his/her designee. If the SG or his/her designee affirms the decision, the officer may appeal the decision to the ASH. The decision of the ASH is final.

e. The OPDIV/STAFFDIV/non-HHS organization to which the officer is assigned is responsible for:
   
   (1) Designating the individual responsible for receiving ISP agreements;
   
   (2) Certifying that the officer is eligible for an ISP agreement by providing an endorsement to the Chief, Compensation Branch, on the ISP agreement;
   
   (3) Forwarding all original ISP agreements with documentation to the Chief, Compensation Branch, in a timely manner; and
   
   (4) Maintaining a copy of the ISP agreements submitted by officers assigned to the OPDIVs/STAFFDIVs/non-HHS organizations.

7. This PPM will remain in effect until rescinded.

/s/
ADM Joxel Garcia
Assistant Secretary for Health