

MANUAL: Personnel
Chapter Series CC--Commissioned Corps Personnel Manual
Part 2--Commissioned Corps Personnel Administration

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Chapter CC22--Pay and Allowance Administration
Subchapter CC22.2--Special Pays
Personnel INSTRUCTION 3--Retention Special Pay

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Section A. Purpose and Scope

This INSTRUCTION states the conditions and circumstances under which medical officers of the PHS Commissioned Corps may be paid retention special pay (RSP) and the procedures for processing RSP contracts. The purpose of RSP is to aid the Department of Health and Human Services (HHS) in recruiting and retaining competent medical officers.

Section B. Authority

Medical officers in the Armed Forces are authorized RSP by 37 U.S.C. 302(a)(4). Section 805 of the Mental Health Systems Act (MHSA) of 1980 (Public Law 96-398) added Section 208(a)(2) of the PHS Act (42 U.S.C. 210(a)(2)) which specifies that medical and dental officers on active duty in the PHS Commissioned Corps are authorized special pay in the same amounts as, and under the same terms and conditions which apply to, the special pay paid to commissioned medical and dental officers of the Armed Forces under chapter 5 of title 37, U.S. Code. The effective date of the MHSA of 1980 was October 7, 1980. Due to enactment of the MHSA of 1980, RSP replaces variable incentive pay for medical officers in pay grade 0-6 or below and continuation pay for medical officers in pay grade 0-7 or above. Regulations implementing this authority are contained in Subchapter CC42.2, INSTRUCTION 1, "Special Pays: Variable Special Pay (VSP), Board Certified Pay (BCP), Retention Special Pay (RSP), and Incentive Special Pay (ISP)," of the Commissioned Corps Personnel Manual (CCPM).

The authority to administer the PHS Commissioned Corps is prescribed in 42 U.S.C. 216 of the PHS Act. The authority for daily administration of the PHS Commissioned Corps has been delegated to the Director, Division of Commissioned Personnel (DCP), Human Resources Service (HRS), Program Support Center (PSC).

Section C. Definitions

For purposes of this INSTRUCTION, the following definitions shall apply:

1. Medical Officer. Individuals, including osteopaths, who are commissioned as medical officers in the PHS Commissioned Corps, and who are called to active duty (CAD) for a period of not less than 1 year, as defined in Section C.5., below.
2. Medical Internship. The first year of graduate medical training, whether a formal internship or the first year of residency training, including, in the case of Doctors of Osteopathic Medicine, both osteopathic internships and medical internships.

3. Initial Residency Training. That period of time spent by an officer in medical or osteopathic residency training prior to the officer's first becoming eligible to take a specialty board examination administered by an American medical or osteopathic examining board. Any medical officer who is assigned to a formal clinical, research, or administrative residency program for which credit may be awarded for purposes of determining board eligibility by an American medical or osteopathic examining board, shall not be eligible for RSP unless the officer has previously met the requirements for board eligibility of one such examining board. Subspecialty training taken prior to completion of initial residency training will be considered a part of initial residency training. Initial residency training shall also include participation in Masters of Public Health education, fellowship training, or any other formal training program for which credit may be awarded for the purposes of determining board eligibility by an American medical or osteopathic examining board if the officer concerned has not previously met the requirements for board eligibility by such examining board. For example, medical officers who have not met the requirements for board eligibility of an American medical or osteopathic examining board, shall not be eligible for RSP if participating in one of the following or similar types of training programs:
- a. Formal clinical residency programs administered by the Health Resources Services Administration (HRSA), HHS.
 - b. Preventive Medicine Residency Program administered by the Centers for Disease Control and Prevention (CDC), HHS;
 - c. Pulmonary Disease Fellowship Program administered by the National Institute of Occupational Safety and Health, CDC; and
 - d. Anatomical Pathology Residency Program administered by the National Institutes of Health, HHS.
4. Creditable Service.
- a. Internship and residency training obtained other than as an active-duty member of the Uniformed Services.
 - (1) Credit for an internship shall be allowed only if the internship was satisfactorily completed. One year of credit shall be allowed for such internship. A period of internship in a foreign medical facility shall not be included in the computation of creditable service unless acceptable by the appropriate credentialing body of the American Medical Association (AMA) or the American Osteopathic Association (AOA). In the case of osteopaths, 1 year of credit

will be awarded for a satisfactorily completed osteopathic internship, and a second year will be awarded for a medical internship.

- (2) Credit for periods of residency training shall be given in whole years, provided such year of training is creditable toward satisfaction of medical specialty board requirements. A statement from the appropriate certifying board or the training institution, verifying that the training concerned is creditable toward fulfillment of the requirements for board certification, shall be required prior to giving any credit if the officer has not been credentialed by the appropriate board as a specialist. Maximum credit allowable shall be the minimum amount of training required for board eligibility at the time the training was completed.
- b. Active service in the Uniformed Services as a medical officer.
5. Call or Order to Active Duty for Not Less Than 1 Year. An order to active duty by personnel order which specifies either:
 - a. No terminal date for the CAD; or
 - b. A terminal date for the tour of active duty that is at least 1 year after the effective date of CAD.
 6. RSP Contract. A written agreement, (see Exhibit I, "Form PHS-6300-1, "Medical Special Pay (MSP) Contract Request,") under which an officer agrees to remain on active duty for at least 1 year, beginning on the effective date of the agreement. Except for medical officers initially entering on active duty, medical officers, if otherwise eligible, may execute contracts to remain on active duty for 1, 2, 3, or 4 years. Medical officers initially entering on active duty, if otherwise eligible, must execute contracts for a period of at least 2 years.
 7. HHS Component Head. The head of the HHS Component, or a designated official at the headquarters level within that Component, to which the medical officer is assigned.

Section D. Eligibility

1. Officers Who Are Eligible for RSP. To be eligible for RSP, a medical officer must:
 - a. Be entitled to Variable Special Pay under 37 U.S.C. 302(a)(2) or (3);

- b. Be on active duty under a CAD for a period of not less than 1 year as defined in Section C.5., above;
 - c. Be selected for RSP by the Director, DCP;
 - d. Be eligible to remain on active duty for a period of at least 1 year from the effective date of the RSP contract;
 - e. Submit documentation of a current unrestricted licensure or approved waiver consistent with the licensure policy which is found in CCPM, INSTRUCTION 4, Subchapter CC26.1, "Professional Licensure/Certification Requirements for Commissioned Officers in the Public Health Service," of this manual. All licensure waivers will expire on December 31, 1999. Officers who are not in compliance with this policy will face involuntary separation from active duty; and
 - f. Execute an RSP contract to remain on active duty.
2. National Health Service Corps obligees are eligible for RSP if serving in the Indian Health Service.
 3. Officers Who Are Not Eligible for RSP. A medical officer is not eligible for RSP if any one of the following conditions applies:
 - a. The officer is participating in a medical internship or in initial residency training as defined in Section C.2. and 3., above,
 - b. The officer is on a leave without pay (LWOP) detail under authority of 42 U.S.C. 215 of the PHS Act;
 - c. The officer is on a limited tour of duty for medical reasons and the date of separation would occur prior to the end of the period covered by the contract. If an officer was so appointed, but with the option of medical reevaluation and extension of a tour of duty, he/she may, within the year preceding the specified date of separation, apply for reevaluation to the Chief, Medical Affairs Branch (MAB), DCP, at the address specified below:

Division of Commissioned Personnel/HRS/PSC
ATTN: Chief, Medical Affairs Branch
5600 Fishers Lane, Room 4C-06
Rockville, MD 20857-0001

If approved for an extension of the date of separation, an RSP contract may be executed, but the period covered by the contract shall not extend past the new predetermined date of separation;

- d. The officer is on a limited tour of duty to fulfill an active-duty obligation incurred pursuant to participation in a scholarship or other training program and the date of separation would occur prior to the end of the period covered by the contract. Such an officer may enter into an RSP contract only after the limited tour restriction is extended or removed;
- e. The officer has failed to be recommended for permanent or temporary promotion within the 12-month period preceding the effective date of the contract;
- f. The officer's HHS Component Head has recommended that the officer not be paid RSP because the officer's performance has deteriorated to a level at which no premium should be placed on the officer's continued service, and such recommendation is concurred in by the MOSP Review Board and the appropriate HHS official;
- g. An officer who is assigned to the clinical, research, or staff associate program administered by the National Institutes of Health; or
- h. The officer has been disciplined under applicable PHS Commissioned Corps regulations, or the officer has been convicted of a felony for an offense involving moral turpitude or bringing discredit upon the Service within the 12-month period preceding the effective date of the contract.

Section E. Payment of Retention Special Pay

1. Amount of Annual Payment. Under 37 U.S.C. 302(a)(4), as amended by the Defense Authorization Act for 1990, an officer is entitled, if otherwise eligible, to RSP of \$15,000 a year.
2. Annual Payment. RSP shall be paid in a lump-sum on an annual basis. Payment normally will be made within 90 days after the effective date of the RSP contract or, in the case of a multiple-year contract, the date the contract is recertified. Each annual RSP payment will be authorized on a personnel order.
3. Rate Changes. The increased rate of RSP is applicable for officers entering into RSP contracts on or after January 1, 1990, or at the next annual installment.
4. Withholding of Payment. Documentation of a current valid license must be on file in DCP for payments to be processed unless the licensure requirement has been waived.

Section F. Responsibilities

1. Director, DCP. The Director, DCP, is responsible for overall administration of the RSP program, including, but not limited to, the following:
 - a. Developing policies and procedures for the RSP program;
 - b. Evaluating the RSP program;
 - c. Obtaining recommendations from HHS Component Heads regarding initial selection and recertification of officers for RSP;
 - d. Obtaining certifications regarding the training status of the officer;
 - e. Appointing, convening, instructing, and referring cases and providing executive secretariat services to the MOSP Review Board;
 - f. Determining that medical officers meet RSP eligibility requirements;
 - g. Notifying each officer who applies for RSP of the decision in his/her case;
 - h. Enforcing RSP policies pertaining to officers approved for LWOP detail, and in cases involving death of the officer;
 - i. Preparing and issuing personnel orders authorizing, adjusting the rates of, or terminating RSP;
 - j. Notifying the appropriate HHS Component collection officials concerning an officer's indebtedness resulting from voluntary or involuntary termination of an RSP contract if the officer is no longer on active duty; and
 - k. Computing the total amount of an officer's compensation under the "save pay" provisions described in Section O., below.

2. HHS Component Head. The head of the HHS Component to which the officer is assigned is responsible for:
 - a. Designating appropriate individuals, who will be responsible for distributing RSP contracts to eligible medical officers as identified by DCP, and for determining whether such officers have submitted RSP contracts;

- b. Notifying the officer in writing, that his/her HHS Component intends to recommend that the officer not be paid RSP and the specific reasons for making such a recommendation, or that the officer be approved for a contract for a fewer number of years than he/she requested;
- c. Certifying that the officer is eligible for RSP and making a recommendation about whether the officer should be approved or disapproved for an RSP contract as specified in Section H.3., below; and
- d. Maintaining duplicate copies of current RSP contracts submitted by officers in that HHS Component.

Section G. Medical Officer Special Pay Review Board

1. Composition of Board. The MOSP Review Board will consist of three or more medical officers in pay grade 0-6 or above, who are appointed by the Director, DCP. The board members will not be assigned to the same program as the officer being reviewed.
2. When will the Board Convene. The Director, DCP, will convene the MOSP Review Board, as necessary, to provide recommendations about an officer's eligibility for RSP as well as whether the officer's performance merits such payment. For example, the MOSP Review Board may be convened to review and make a recommendation in instances where a medical officer is not recommended for an RSP contract by his/her HHS Component Head.
3. Board Considerations. The MOSP Review Board will consider, in addition to any other relevant information, the following in making recommendations:
 - a. The officer's Commissioned Officers' Effectiveness Report (COER) and other performance evaluations;
 - b. Reports relating to the officer's conduct, including any reports about whether the officer possesses personal characteristics which may adversely affect the ability of the officer or his/her program to fulfill stated objectives;
 - c. Recommendations of HHS Component officials; and
 - d. The officer's utilization potential.

4. Board Recommendations. The MOSP Review Board will recommend for or against selection of medical officers referred to it by the Director, DCP (see Section H.5., below). If their review warrants, the board may also recommend to the Director, DCP, that the officer be considered for involuntary retirement or separation. Both officer and Program are to be informed by DCP of the basis for the Board's recommendation.

Section H. Retention Special Pay Contracts

1. Provision of RSP Contract Forms to Eligible Officers. The procedures below will be followed in providing RSP contract forms to eligible medical officers:
 - a. If a medical officer is being CAD, DCP will include a copy of the RSP contract, along with the necessary instructions and information, to the officer in his/her call to duty packet.
 - b. DCP will identify officers who either will become initially eligible for RSP after their CAD, or will be eligible to enter into another RSP contract because of expiration of a previous contract. A list of these officers will be provided to the designated Component representatives along with copies of RSP contracts. The list will be provided each month and will contain the names of all officers who have contracts that will expire 3 months after the list is provided and, in addition, the names of those officers who will be initially eligible. For example, the list provided in January will contain the names of medical officers who will be initially eligible for RSP in April as well as the names of those officers whose current RSP contracts will expire in April. The designated Component representative will be responsible for distributing the contracts to each medical officer on the list and to follow up to determine whether each officer has or has not submitted his/her contract.
 - c. DCP will identify officers whose RSP contracts require recertification. A list of these officers will be provided to the designated Component representatives 3 months in advance as specified in Section H.1.b., above. The designated Component representative will be responsible for obtaining a recommendation about whether the officer is to be recertified for the next annual payment, and ensuring that the recommendation is received by the Compensation Branch (CB), DCP, prior to the effective date of the officer's contract.
 - d. Eligible officers who are returning to active-duty status from an LWOP detail will be provided an RSP contract by DCP along with necessary instructions and information.

2. Completion of RSP Contract by Officer. The officer will complete the contract in triplicate and have all three copies notarized. The original and duplicate copies of the contract must be submitted through administrative channels to the HHS Component official responsible for completing the certification statement set forth on the reverse side of each contract. The officer should retain the triplicate copy of the contract to verify, if necessary, that a contract was completed and notarized on a certain date.
3. Recommendation for Payment of RSP. If the officer is recommended for an RSP contract, the HHS Component Head shall certify, on both the original and duplicate copies of the contract, that the officer:
 - a. Will not be participating in a medical internship or in initial residency training (as defined in Section C.2. and 3., above) during the first year of the proposed contract;
 - b. Is performing at a satisfactory level;
 - c. Has received a satisfactory or above performance rating on his/her most recent COER as required by Subchapter CC25.1, INSTRUCTION 1, "Commissioned Officer Effectiveness Report," of the CCPM; and
 - d. Is recommended for an RSP contract for the period specified by the officer.
4. Recommendation Against Payment of RSP. The HHS Component Head may recommend that an officer not be selected for RSP, or that an RSP contract be approved for a fewer number of years than the number requested by an officer. However, the HHS Component Head must notify the officer prior to the submission of the contract to DCP. In addition, the HHS Component Head must provide to the Director, DCP, a written explanation setting forth the reasons why such recommendation is being made.
5. Submission of RSP Contracts to DCP. The HHS Component will forward the original of all RSP contracts, including the recommendation for or against payment, to the Compensation Branch, DCP, at the address below:

Division of Commissioned Personnel/HRS/PSC
ATTN: Compensation Branch
5600 Fishers Lane, Room 4-50
Rockville, MD 20857-0001

6. Approval or Disapproval of RSP Contracts.

- a. Upon receipt of recommendations from the HHS Component Head, the Director, DCP, may convene the MOSP Review Board, if deemed appropriate, to conduct its review and make recommendations. In addition, the Director, DCP, will also inform board members of failures of promotion, pending involuntary separations or retirements, official disciplinary actions, and the reasons therefor, and any other matters pertinent to the board's deliberations.
- b. Upon receipt of the recommendations of the MOSP Review Board, if applicable, the Director, DCP, will:
 - (1) Notify each HHS Component Head of the decision concerning the officer's contract.
 - (2) Notify each medical officer of the decision concerning his/her contract; and
 - (3) Authorize RSP payment by personnel orders for each medical officer whose RSP contract is approved.

7. Nonselected Officers. An officer who is not selected for RSP shall not be considered for RSP for at least 1 year after the date of nonselection, defined as the date his/her existing contract is terminated, or the date of initial eligibility in those cases where an officer is denied RSP upon his/her submission of an initial agreement.

8. Delay of Approval. A medical officer's request for an RSP contract may be delayed pending resolution of an adverse action that may result in termination of the commission of the officer concerned.

Section I. Effective Date of RSP Contract

1. Effective Date of Contract. The effective date of an RSP contract is determined as follows:

- a. Initial Contract. An initial contract entered into incident to entry on active duty or after entry on active duty shall be effective on one of the following dates:
 - (1) Date the officer attains eligibility for RSP, provided the completed contract is received by CB, DCP, within 60 days after the officer is initially eligible, and the contract is signed and notarized within 30 days after the officer is initially eligible for RSP;

- (2) Date the completed contract is notarized if received by CB, DCP, within 60 days of date of eligibility, but has not been notarized within 30 days of date of initial eligibility;
 - (3) Date the completed, notarized contract is received by CB, DCP, if not received by CB, DCP, within 60 days of date of eligibility; or
 - (4) Later date specified by the officer in his/her RSP contract.
- b. Subsequent Contract. The effective date of an officer's second or subsequent RSP contract shall be one of the following dates:
- (1) Date following the date the preceding contract expires, provided the completed contract is received by CB, DCP, within 60 days after the date of expiration of the previous contract, and the contract is signed and notarized on or before the date following the date the preceding contract expired;
 - (2) Date the completed contract is notarized if the contract is received by CB, DCP, within 60 days after the date of expiration of the previous contract, but has not been notarized on or before the date the previous contract expired;
 - (3) Date the completed, notarized contract is received by CB, DCP, if not received by CB, DCP, within 60 days of the date following the date that the preceding contract expired; or
 - (4) Later date specified by the officer in his/her contract.
- c. Officer Returning from an LWOP Detail. The effective date of an RSP contract executed by an officer returning to Uniformed Service pay status from an LWOP detail shall be established in the same manner as in Section I.1.a., above. The earliest possible effective date of the RSP contract shall be the date of return to pay status.
2. Invalidation of Contracts. Once executed, an officer's RSP contract shall remain in effect unless voluntarily or involuntarily terminated under either Section K. or L., below.

Section J. Computation of Refund Due When Officer
Fails to Complete RSP Contract

1. Refund of RSP. As set forth in Sections K. and L., below, an officer who does not serve on active duty for the entire period for which he/she had received RSP shall be required to refund a pro rata portion of any payment received which represents the unexpired part of his/her active-duty obligation.
2. Computation of Refund. In determining the amount to be refunded by the officer, the earned portion of his/her RSP contract shall be determined on the basis of 1/360th of the lump-sum payment received for each day of service from the effective date of the RSP contract through the date of separation. 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.

Example:

Effective date of contract:	November 28, 1996
Date of separation	February 28, 1997
November 1996-----	3 days
December 1996-----	30 days
January 1997-----	30 days
February 1997-----	<u>30 days</u>
Earned Portion of RSP Contract-----	93 days

Section K. Voluntary Termination of RSP Contracts

1. General. A medical officer may, at any time, voluntarily terminate an RSP contract. However, the officer shall be required to repay a pro rata portion of the last annual RSP payment as specified in Section J., above. In addition, an officer who voluntarily terminates his/her RSP contract shall be divested of entitlements for travel and transportation allowances for himself/herself and his/her dependents, shipment of household goods, use of, transfer of, or payment for unused annual leave under authority of the Joint Travel Regulations of the Uniformed Services and annual leave regulations and policies, respectively, if he/she separates from active duty prior to the expiration date of the contract. Officers separating prior to the end of the contract shall have their commission terminated.
2. Voluntary Retirement. An officer in receipt of RSP who applies for retirement (other than disability) on the basis of 20 or more, but less than 30 years of service, shall not be permitted to retire prior to the expiration date of the current contract. An HHS official cannot refuse to retire an officer with 30 or more years of service, or who has attained the age of 64 years or older, but if the retirement occurs prior to the date the

current contract expires, the officer shall be required to repay a pro rata portion of the last annual payment as specified in Section J., above, and shall be divested of the entitlements specified in Section K.1., above.

3. Separation Requested While RSP Action is Pending. If an officer requests separation from active duty while selection or reselection of RSP is pending, or after selection or reselection, but prior to dispatch of the annual payment, the contract becomes null and void and RSP shall not be paid.
4. Reduction in Period of Contract. A medical officer shall not be permitted to terminate an RSP contract and be approved for another contract for a fewer number of years.
5. Propriety of Divestment Action. Decisions with respect to divestment of transfer of, use of, or payment of unused annual leave and travel and transportation allowances may be forwarded by DCP to the Department of Defense Office of Hearings and Appeals, Claims Office, for review if an officer questions whether the divestment action is in concert with applicable laws and regulations.

Section L. Involuntary Termination of RSP Contracts

1. Misconduct. If an officer is disciplined for misconduct while under an RSP contract, the officer shall be referred to a special pay review board. A special pay review board will be convened within 30 days of the disciplinary action or as directed by the Director, DCP. A special pay review board will recommend to the Director, DCP, when the officer will be next eligible for special pay consideration.
2. Deterioration of Performance. If there is deterioration in an officer's performance, the Director, DCP, may at any time, refer the officer's record to the MOSP Review Board for recommendations regarding continuance of RSP. If the MOSP 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 RSP 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 J., above. In addition, such officer shall not again be considered for RSP for at least 1 year after the date the contract is terminated.
 - a. If the MOSP Review Board approves the officer's continued eligibility and the appropriate HHS official concurs, then the officer and the program liaison official will be so notified by DCP.

- b. If the MOSP Review Board finds that the officer's performance is at a level or 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 program liaison official will be notified by DCP. The effective date for contract termination will be the date the appropriate HHS official concurs in the MOSP Board's recommendation. This officer shall be ineligible for RSP for one 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 J., above. If, after the MOSP Review Board's recommendation to approve payment of RSP, the program subsequently submits another COER citing poor performance, then the next MOSP Review Board may evaluate only that performance which is subsequent to the date of the original MOSP Review Board's recommendation. Subsequent to denial of RSP by a MOSP Review Board and termination of the existing RSP 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 RSP contractual agreement. If an officer under contract submits a request for separation prior to a recommendation by the MOSP Board, then he/she shall be treated as having broken a contract and divestiture of lump-sum leave, travel, and transportation entitlements shall apply. An officer, who has been denied RSP by a MOSP Review Board, shall not again be eligible for RSP until a satisfactory COER, covering at least a 6-month period of time, has been received by DCP.
3. Failure to be Recommended for Promotion. If a promotion board recommends against either a permanent or temporary promotion while under a special pay contract, 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 contract, the officer shall be required to repay a pro rata for the unserved portion of the payment.
4. Failure of Annual Recertification. An officer serving under a multiple-year contract who is not recertified for the second or subsequent year(s), will have the contract terminated as of the last day of the period for which the last payment was received. There are to be no repayments of any amounts already paid. Such officer shall not again be considered for RSP for at least 1 year after the date the contract is terminated.

5. Entry into Training. If a medical officer serving under an RSP contract enters into a medical internship or into initial residency training as defined in Section C.2. and 3., above, respectively, the contract shall be terminated as of the effective date of assignment to training. An officer whose RSP contract is terminated under this provision shall be required to repay a pro rata portion of the last annual payment as specified in Section J., above.
6. LWOP Status. A medical officer who enters LWOP status shall have his/her contract terminated as of the effective date of the LWOP. An officer whose RSP contract is terminated under this provision shall be required to repay a pro rata portion of the last annual payment as specified in Section J., above. The officer shall not again be eligible for RSP until his/her return to pay status.
7. Involuntary Retirement. A medical officer who is involuntarily retired under the provisions contained in Subchapter CC23.8, INSTRUCTION 3 or 4, of the CCPM, shall have his/her RSP contract terminated on the effective date of the officer's retirement. An officer whose RSP contract is terminated under this provision shall be required to repay a pro rata portion of the last annual payment as specified in Section J., above.
8. Disability Retirement. If a medical officer is retired (temporarily or permanently) for disability while serving under an RSP contract, the contract is automatically terminated as of the date the officer is placed in retired status. An officer whose RSP contract is terminated under this provision will not be required to repay a pro rata portion of the last annual 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 RSP contract who is considering applying for a disability retirement may sign an RSP contract since there is no assurance that the disability retirement will be approved.
9. Involuntary Separation or Retirement for Convenience of the Government. If a medical officer 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 RSP contract, the contract is automatically terminated as of the date of the officer's separation or retirement. There are to be no repayments of any amounts already received.
10. Death. In the event an officer dies while serving under an RSP contract, the contract is automatically terminated as of the date of the officer's death. There are to be no repayments of any amounts already received.

Section M. Absence Without Leave (AWOL)

Under 37 U.S.C. 503(b), any period during which an officer is determined to be in an AWOL status shall not be credited toward fulfillment of an active-duty obligation incurred under an RSP contract, and shall serve to extend the period of active duty required by the contract.

N. Privacy Act Provisions

Payroll records are subject to the Privacy Act of 1974. The applicable systems of records are 09-37-0002, "PHS Commissioned Corps Personnel Records," HHS/OASH/OSG; 09-37-0005, "PHS Commissioned Corps Board Proceedings," HHS/OASH/OSG; and 09-37-0008, "PHS Commissioned Corps Unofficial Personnel Files and Other Station Files," HHS/OASH/OSG.

EXHIBIT I

Medical Special Pay Contract

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PUBLIC HEALTH SERVICE			DCP USE ONLY
MEDICAL SPECIAL PAY (MSP) CONTRACT REQUEST <i>(Privacy Act Notice on Reverse)</i>			DATE REC.:
1 IDENTIFICATION			
a. NAME (Last, First, Middle Initial)	b. GRADE/RANK	c. PHS SERIAL NUMBER	CT. DATE:
d. ORGANIZATION	e. DUTY PHONE NUMBER	f. SSN	EXP. DATE:
2 SPECIAL PAYS REQUESTED (Check appropriate boxes)			
<input type="checkbox"/> RETENTION SPECIAL PAY (RSP) (1, 2, 3, or 4 year contracts)	<input type="checkbox"/> MULTIYEAR RETENTION BONUS (MRB) (2, 3, or 4 year contracts, concurrent with RSP)	<input type="checkbox"/> INCENTIVE SPECIAL PAY (ISP) (1 year--if MRB contract, rate of concurrent ISP fixed for duration of MRB)	
3 CONDITIONS OF CONTRACT			
<p>In consideration of payment of the above requested special pay for which I qualify under 42 U.S.C. 210(a)(2), 37 U.S.C. 302(a)(4), 302(b), and 301d, and implementing policies prescribed in INSTRUCTIONS 3, 9, and/or 10, Subchapter CC22.2, of the Commissioned Corps Personnel Manual (CCPM), I hereby agree to the following:</p> <p>A. To remain on active duty in the Public Health Service (PHS) Commissioned Corps for 12, 24, 36, or 48 consecutive months from the effective date of this contract. (CHECK ONLY ONE) <input type="checkbox"/> 12 months <input type="checkbox"/> 24 months <input type="checkbox"/> 36 months <input type="checkbox"/> 48 months</p> <p>B. That the EFFECTIVE date will be the DATE THE NOTARIZED CONTRACT IS RECEIVED in the Commission Branch (CB), Division of Commissioned Personnel (DCP), except for conditions listed below: (1) Effective date for annual contracts will be the: (a) Date I attain eligibility for MSP provided the completed contract is received in CB, DCP, within 60 days after I am usually eligible, and the contract bears my signature, notarized within 30 days after I am usually eligible for MSP; or (b) Date the completed contract is notarized if received in CB, DCP, within 60 days of the date of eligibility but has not been notarized within 30 days of date of initial eligibility; or (c) Later date, if eligible, specified by me, which is _____ (2) Effective date for subsequent contracts will be the: (a) Date following the date the preceding contract expires, provided the completed contract is received in CB, DCP, within 60 days after the date of expiration of the previous contract, and the contract bears my signature, notarized on or before the date following the date the preceding contract expired; or (b) Date the completed contract is notarized if received in CB, DCP, within 60 days after the date of expiration of the previous contract, but has not been notarized on or before the date the previous contract expired.</p> <p>C. If this contract is terminated prior to its expiration date for reasons other than as identified in F, below: (1) I will be required to refund a pro rata portion of any payment received pursuant to this contract. (For one year RSP and/or ISP and two year MRB contracts, that portion that represents 1/360 of the annual payment for each day of the year not served. In the case of three and four year MRB contracts, the amount prorated will be the maximum bonus (two year bonus amount). The additional bonus amount for three and four year contracts will not be prorated and must be repaid in its entirety; (2) I will be divested of entitlements for travel and transportation allowances for myself and my dependents, shipment of household goods, and transfer of or payment for unused annual leave to my credit upon separation from the PHS Commissioned Corps; and (3) Any amount which I am obligated to refund because this contract is terminated will be a debt due to the United States which I hereby agree to pay in full as directed by the appropriate collection officials. In accordance with Treasury Fiscal Requirements Manual (1 TFRM 6-8000, Cash Management), late charges may be assessed for payments made after the due date on amounts owed to the U.S. Government.</p> <p>D. That a period of Absence Without Leave (AWOL) shall not be credited to fulfillment of the active duty obligation incurred pursuant to this contract and that the period of such active duty obligation shall be extended by the number of days of AWOL.</p> <p>E. That the policies (INSTRUCTIONS 3, 9, and/or 10, Subchapter CC22.2, of the CCPM) which implement the MSP provisions of 42 U.S.C. 210(a)(2) and 37 U.S.C. 302(a)(4), 302(b), and 301d are incorporated into and made part of this contract.</p> <p>F. That if I enter a long-term training program as defined in INSTRUCTION 1, Subchapter CC22.2, of the CCPM or medical internship or residency training program (i.e. training which is creditable toward board certification) this contract will be terminated and I will repay an amount as specified in C.(1), above.</p> <p>G. That I am NOT ELIGIBLE for voluntary retirement for the duration of this contract.</p>			
4 CERTIFICATION			
I certify that I understand and agree to the terms of this contract as stated above.			
SIGNATURE			DATE
5 NOTARIZATION			
Subscribed and sworn before me this _____ day of _____, A.D., _____, 19____			
at City _____, State _____, Zip Code _____			
SIGNATURE		Date Commission Expires	

PHS-4380-1 (FORM 7/88)

1st Copy DCP

2nd Copy AGENCY/OPERATING DIVISION/ PROGRAM

3rd Copy OFFICER