

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Public Health Service

Chapter CC42--Pay and Allowance Administration
Subchapter CC42.2--Special Pays
Personnel INSTRUCTION 1--Special Pays: Variable Special Pay (VSP), Board
Certified Pay (BCP), Retention Special Pay (RSP),
and Incentive Special Pay (ISP)

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Section A. Purpose and Scope

This INSTRUCTION prescribes regulations governing the award of special pay to medical officers serving on active duty in the Commissioned Corps of the Public Health Service (PHS).

Section B. Authority

The Mental Health Systems Act of 1980 (MHSA) mandates that PHS medical and dental officers be paid special pay in the same amounts as the special pay paid to commissioned medical and dental officers of the Armed Forces under Chapter 5 of Title 37, United States Code. Special pay for medical officers in the Armed Forces is authorized by 37 U.S.C. 302.

Section C. Definitions

For purposes of administration of special pay for PHS medical officers, including implementing policies and procedures contained in Part 2 of this Manual, the following definitions and abbreviations shall apply:

1. "Officer" and "officers" - officers of the PHS Commissioned Corps who are serving on active duty and designated as medical officers, including osteopaths.
2. Medical internship and residency training
 - a. 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.
 - b. Medical residency - a formal program of graduate medical training leading to certification in a medical specialty or subspecialty by an American medical or osteopathic specialty examining board.
3. Initial residency training - that period of time spent in medical or osteopathic training prior to board eligibility in an officer's first residency. Subspecialty training taken prior to completion of initial residency will be considered a part of initial residency training. Masters of Public Health education and fellowship training creditable toward formal completion of initial residency training are a part of such training.
4. Board certified - an officer who is currently credentialed in a medical specialty by an examining board approved by the American Board of Medical Specialties of the American Medical Association (AMA) or the American Osteopathic Association (AOA).
5. Creditable service - for purposes of determining the rates of special pays identified in Section D, below, creditable service is defined as follows:
 - a. Internship and residency training obtained other than as an active duty member of the uniformed services.
 - (1) Credit for an internship will be allowed only if the intern ship was satisfactorily completed. One year of credit will be allowed for such internship. A period of internship in a foreign medical facility will not be included in the computation of creditable service unless acceptable by the appropriate credentialing body of the AMA or AOA. In the case of osteopaths, one 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 will be given in whole years, provided each such year of training is creditable toward satisfaction of board requirements. A statement from the appropriate certifying board will be required prior to giving any credit if the officer has not been credentialed by the appropriate board as a specialist. Maximum credit allowable will be the number of years required to meet requirements for board eligibility.
- b. Active service in the uniformed services as a medical officer.
6. Personnel order - an official commissioned corps personnel document issued by competent authority appointing, or officially announcing the appointment of, a commissioned officer, ordering an officer to active duty or otherwise officially effectuating, documenting and announcing commissioned corps personnel actions, or authorizing travel and transportation and pays and allowances.
7. Call or order to active duty for not less than one year - an order to active duty by personnel order which either:
- a. Specifies no terminal date for the call to active duty; or
- b. Specifies a terminal date for the tour of active duty that is at least one year after the effective date of call to active duty.
8. Contract - a written, signed, and notarized agreement by an officer specified in paragraph 1, above, under which the officer agrees to remain on active duty for at least one year, beginning on the effective date of the agreement, as a condition to the authorization of Retention Special Pay or Incentive Special Pay.
9. Voluntary termination of contract - either the termination of contract, inactivation of commission, termination of commission (other than severance for disability) or retirement (on a basis other than disability), at the request of the officer, except as provided in paragraph 10, below.
10. Involuntary termination of contract:
- a. Termination of contract by competent authority without consent of the officer concerned;
- b. Termination of commission by competent authority without consent of the officer concerned;
- c. Inactivation (release from active duty) of the officer by competent authority without consent of the officer concerned;

- d. Death of officer; or
 - e. Voluntary separation (termination or inactivation) or retirement in lieu of probable involuntary separation or retirement by competent authority.
11. Prorata refund of annual Retention Special Pay or Incentive Special Pay payments - the refund of that portion of such annual payment for the current contract year as represents 1/360ths of that annual payment for each day of the contract year not served.

Section D. Special Pays

Special pay for medical officers is in addition to basic pay and allowances. Special pay may be paid only to medical officers who are on active duty under a call or order to active duty for a period of not less than one year. The special pay(s) to which an officer may be eligible are:

1. Variable Special Pay (VSP)

VSP is payable to eligible medical officers in the amounts specified in 37 U.S.C. 302(a)(2) and (3). Such amounts shall be paid in equal monthly installments. Rates payable are dependent upon years of creditable service as defined in Section C.5, above. VSP is payable to all such officers serving on active duty, including those (a) undergoing training as residents or interns, (b) undergoing other training, or (c) serving obligatory periods of service.

2. Board Certified Pay (BCP)

BCP is payable to board certified medical officers in the amounts specified in 37 U.S.C. 302(a)(5). Such amounts shall be paid in equal monthly installments. Payment shall be effective upon the date of call to active duty, provided documentation of specialty certification is furnished within thirty days of such date. For officers who become board certified after their call to active duty, payment shall be effective the date of board certification, provided documentation of specialty certification is furnished within thirty days of such date. An officer who is board certified in two or more specialties is entitled to only one BCP.

3. Retention Special Pay (RSP)

RSP is payable to medical officers who are not undergoing internship or initial residency training, as defined in Section C.2 and 3, above, provided the officer executes a contract, as defined in Section C.8, above, to remain on active duty for a period of not less than one year. Payment of the amounts specified in 37 U.S.C. 302(a)(4) will be made on an annual basis at the beginning of the period to which the officer agreed to remain on active duty.

4. Incentive Special Pay (ISP)

Pursuant to 37 U.S.C. 302(b) and in accordance with policies and procedures established by the Assistant Secretary for Health, or his/her designee, ISP may be paid to medical officers in pay grades 0-6 and below who are not undergoing medical internship or initial residency training. The policies and procedures may authorize ISP to meet special medical officer staffing requirements of PHS such as officers in isolated, hardship, or hard-to-fill duty stations or officers assigned to high priority programs such as biomedical research. However, the amount of ISP may not exceed the ceiling limitations imposed by 37 U.S.C. 302(b).

Section E. Contractual Payments (RSP and ISP)

1. RSP and ISP contracts may be executed for a period of from one to four years, except that two-year contracts will be required for entry on active duty. The second, and subsequent payments under multiple year contracts must be recertified. The rate payable shall be determined each year based on the rate applicable at the beginning of that contract year.
2. An officer entering into a status described below will have his/her RSP and/or ISP contract terminated effective the day before such event and will be required to repay, on the pro rata basis prescribed in Section C.11, above, a part of the last annual payment(s):
 - a. Internship or initial residency training;
 - b. Leave Without Pay (LWOP) status;
 - c. Foreign Compensation or Foreign Service Reserve pay status.
3. An officer who voluntarily terminates his/her contract, as defined in Section C.9, above, shall refund on a pro rata basis, as defined in Section C.11, above, a portion of the annual payment for the contract year in which he/she defaults on the contract.
4. With the exceptions specified in paragraph 5 below, an officer whose RSP or ISP contract is involuntarily terminated by PHS will not be required to repay any part of the last annual payment.
5. An officer whose RSP or ISP contract is terminated by PHS for the following reasons will repay a part of his last annual payment on the pro rata basis described in Section C.11, above, upon:
 - a. Failure to be recommended for permanent or temporary promotion.

- b. Recommendation by a board composed of medical officers that the officer's performance has deteriorated to a level at which no premium should be placed on his/her continued service;
 - c. Determination that an officer is guilty of misconduct under Subchapter CC46.4, INSTRUCTION 1, or Subchapter CC43.7, INSTRUCTION 1, of this Manual;
 - d. Involuntary retirement of the officer under Subchapter CC23.7b, GUIDE 4, or Subchapter CC23.8, INSTRUCTION 3, of this Manual; or
 - e. Conviction of the officer by a criminal court for commission of a felony.
6. ASH/SG may refuse or delay acceptance of an RSP or ISP contract for the reasons stated in paragraph 5, above, or pending resolution of an adverse action that may result in termination of the commission of the officer concerned.
7. An officer serving under an RSP or ISP contract will not be permitted to voluntarily retire on the basis of 20 or more but less than 30 years of service during the period of the RSP or ISP contract.
8. Under 37 U.S.C. 503(b), any period during which an officer is determined to be in an Absence Without Leave (AWOL) status shall not be credited toward fulfillment of an active duty obligation incurred pursuant to an RSP or ISP contract, and shall serve to extend the period of active duty required by the contract.

Nov 17 1980
Date

/s/ Patricia Robert Harris
Secretary

/s/ Louis W. Sullivan
Secretary

Jul 27 1990
Date