

## PAY ADMINISTRATION

1. **REASON FOR ISSUE.** To revise Department of Veterans Affairs (VA) policy regarding pay administration as it relates to defining Head Nurse/Nurse Manager role.
2. **SUMMARY OF CONTENTS/MAJOR CHANGES.** This handbook contains mandatory VA procedures on pay administration. The pages in this issuance replace the corresponding page numbers in [VA Handbook 5007](#). Revised text is contained in [brackets]. These changes will be incorporated into the electronic version of VA Handbook 5007 that is maintained on the [Office of Chief Human Capital Officer website](#) and [VA Publications](#) website.
3. **RESPONSIBLE OFFICES.** Office of Human Resources and Administration (HRA) (006), Office of the Chief Human Capital Officer (OCHCO) (05), Compensation and Classification Service (055).
4. **RELATED DIRECTIVE.** VA Directive 5007, Pay Administration.
5. **RESCISSIONS.** Not applicable.

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

/s/  
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Assistant Secretary for  
Human Resources Administration

**DISTRIBUTION:** Electronic Only

PART III  
CHAPTER 8**CHAPTER 8. HIGHER RATES OF PAY FOR ASSIGNMENT AS HEAD NURSE/NURSE MANAGER OR POSSESSION OF SPECIALIZED SKILLS**

- 1. ASSIGNMENT AS A HEAD NURSE/NURSE MANAGER.** A Registered Nurse (RN) serving in a head nurse or nurse manager assignment shall, while serving [at least 75 percent of their VA appointment as head nurse or nurse manager], receive basic pay at a rate two steps above the rate that would otherwise be applicable. The adjustment is made even if it causes the RN to exceed the maximum authorized step of the grade, even when the rate range is 175 percent. For example, a head nurse/nurse manager may receive a constructed step 13 or 14 if step 12 is the maximum authorized step of the grade or step 27 or 28 if step 26 is the maximum authorized step of the grade. Head nurses/nurse managers are eligible for PSIs until they reach two steps above the maximum authorized step of the grade, e.g., a head nurse/nurse manager at a constructed step 13 who meets the requirements of part III, chapter 5, is eligible for a PSI to step 14. The differential is also in addition to any pay retention under paragraph 6 of chapter 6, this part.

[ ]

- a. **Head Nurse/Nurse Manager Supervisory Responsibilities.** [The head nurse/nurse manager is responsible for the clinical and administrative operations of the subordinate patient care team within the practice setting, where direct patient care is provided either in person or through virtual platforms. This includes accountability for the standards of care and services provided by the subordinate direct patient care team.] The head nurse/nurse manager ensures that the subordinate personnel provide timely nursing care that adheres to generally accepted standards of clinical practice. This responsibility includes the authority to accept, amend, or reject the work of [nursing] subordinates [within the practice setting]. Additionally, to be eligible for head nurse/nurse manager pay, individuals assigned to this role must have continuing responsibility for all of the following functions:
- (1) Planning work to be accomplished by subordinates, setting priorities and preparing schedules for completion of work;
  - (2) Assigning work to subordinates based on priorities, selective consideration of the difficulty and the requirements of the assignments, and the capabilities of subordinates;
  - (3) Evaluating the performance of subordinates;
  - (4) Making recommendations for appointments, advancements or reassignments of subordinates;
  - (5) Giving advice, counsel, or instruction to subordinate personnel on work and administrative matters;

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- (6) Hearing and resolving complaints of subordinates and referring more serious complaints not resolved to higher level supervisors.
  - (7) Recommending and/or taking disciplinary action where appropriate; and
  - (8) Identifying developmental and training needs of subordinates and providing or making provisions for such development and training.
- b. **Exclusions.** Head nurse/nurse manager pay does not apply to the following:
- (1) Second or higher-level supervisors and upper-level managers, such as Associate or Assistant Chiefs, or Chief of the Nursing Home Care Unit;
  - (2) Assignments that do not involve the [supervision] of direct patient care (such as assignments in roles described as quality assurance, [academic, consultation, research, management, and administration] or regional medical education centers); and
  - (3) Evening supervisors, night supervisors, or other supervisory assignments that do not possess the full range of supervisory responsibilities described in the preceding.
  - (4) Employees detailed to head nurse/nurse manager assignments except as provided in paragraph 6.a.(2).
  - (5) Employees at Nurse IV or Nurse V since assignment to these grades is based on a scope of duties and responsibilities beyond those associated with a head nurse/nurse manager position.
- c. **[Restrictions.** Assignments must include first line supervisory responsibility over a patient care team consisting of at least the equivalent of three full-time subordinate patient care team members. Of these three members, at least two must be in a nursing position such as a registered nurse, licensed practical nurse, or nursing assistant.]
- d. **Other Supervisory Assignments.** Facility directors, or their designees, may establish supervisory assignments that do not meet the preceding criteria; however, individuals in those assignments are not eligible for head nurse/nurse manager pay. For example, a nurse may be given an assignment that may meet the definition of a first-line supervisor for labor relations purposes under [5 U.S.C. § 7103\(a\)\(10\)](#) but not meet the eligibility requirements for head nurse/nurse manager pay.

**2. HIGHER RATES OF PAY BASED ON SPECIALIZED SKILLS.**

- a. **Appointments and Reappointments.** Facility directors may appoint or reappoint individuals to covered positions at any step of the grade for which they

qualify if vacancies for such employees exist, and such action is necessary to obtain their services. This action may only be taken to recruit employees with specialized skills, particularly specialized skills that are difficult or demanding. The step rate may exceed the maximum authorized step of the grade only when the individual is appointed to a head nurse/nurse manager position (see par. 1 above), or if pay retention is authorized under chapter 4, paragraph 1.c.(2)(b) or (c).

- b. **Employees Currently Employed at the Facility.** When an adjustment is made under subparagraph 2.a., salary rates of onboard employees in assignments requiring the same specialized skills may be adjusted up to the same number of steps. The step may exceed the maximum authorized step of the grade only if the individual is in a head nurse/nurse manager assignment.

**NOTE:** *The purpose of this adjustment is to ensure that current employees are receiving rates of pay that are comparable to corresponding positions in the Local Labor Market Area (LLMA). An adjustment would not be appropriate if the employee's skills have already been recognized under superior qualification appointment, special advancement, or other means.*

- c. **Coordination.** Higher rates for specialized skills will be coordinated with other affected VA health care facilities in the LLMA.

LLMA, all reductions or terminations must be coordinated with those affected facilities. The reduction or termination of an authorization does not affect the basic pay of employees who were receiving higher rates of pay for specialized skills before the authorization was reduced or terminated.

- (2) Higher rates for specialized skills also terminate if a facility director or a group of facility directors in a given LLMA establish a specialty pay schedule or special rates for these employees are approved under [38 § U.S.C. 7455](#). For example, higher rates of pay for a specialized skill (operating room nursing) would terminate if a specialty pay schedule or special rates were established for operating room nurses at that facility. When placing these employees on the new pay schedule or the special rate range, they are to be treated as if the higher rates for specialized skills had not been approved. The individual's employment history is to be reconstructed disregarding the higher rates for specialized skills, and the employee is then to be placed on the corresponding step of the new pay/special rate schedule. The reconstruction should not result in any employee losing money when placed on a specialty schedule or special rates. **NOTE:** For further information about the reconstruction process, see chapter 7 of this part. For example, if employees with the specialized skill are appointed at step 3, and a new schedule for employees with the specialized skill is established, employees at step 3 on the old schedule are to be placed at step 1 on the new schedule.

## 6. DETAILS AND REASSIGNMENTS.

### a. Details.

- (1) Higher rates of pay for head nurses and for specialized skills continue while the employee is detailed to another assignment. Details of individuals receiving higher rates of pay as head nurses or because of specialized skills should only be approved in emergency situations and should be kept to a minimum duration.
- (2) An individual detailed to a head nurse[/nurse manager] assignment or who serves in such an assignment in an acting capacity shall receive a two-step adjustment in pay effective the beginning of the first full pay period after serving 30 consecutive days in the assignment. The higher rate of pay remains in effect only so long as the employee serves in the head nurse assignment. Upon approval of the higher pay rate, the following statement will be placed in the "Remarks" item of Standard Form SF-50, Notification of Personnel Action: "Employee informed of conditions of temporary assignment". In addition, the employee shall sign a statement of understanding regarding the higher rate of pay (see sample in app. III-A-1).

The statement is to be filed on the [ ][permanent] side of the employee's [electronic official] personnel folder [(eOPF)].

- (3) An individual detailed to an assignment with higher rates of pay for specialized skills or who serves in such an assignment in an acting capacity is not eligible for a higher rate of pay under this chapter.

**b. Reassignments.**

- (1) **Determining Pay.** Higher rates for serving as a head nurse or for having specialized skills continue in effect with respect to the employee only so long as the employee continues to serve in such an assignment at least 75 percent of their VA appointment. If an employee is reassigned to a position other than head nurse or to a position which does not require specialized skills, the higher rate of pay shall not be used to determine the employee's pay in the new assignment.
  - (a) To determine the appropriate step for head nurses who are reassigned to another position in the same grade, remove the additional two steps for the head nurse position.
  - (b) To determine the appropriate step for employees who have received higher rates based on specialized skills, the individual's employment history must be reconstructed disregarding any higher rates of pay for specialized skills (see chapter 7 of this part).
- (2) **Voluntary Reassignment.** If an employee receiving pay under this paragraph voluntarily requests an assignment that is not covered by this paragraph, the request shall be submitted to the Director, or designee, through channels in writing (see sample request contained in app. III-A). The employee's signed request is to be filed on the [ ][permanent] side of the employee's [(eOPF)].

**APPENDIX A.  
STATEMENTS OF UNDERSTANDING FOR ASSIGNMENT AS HEAD NURSE OR  
POSSESSION OF SPECIALIZED SKILLS**

**1. CHANGES TO ASSIGNMENTS WHICH RESULT IN A HIGHER RATE OF PAY:**

Employees placed in assignments which entitle them to such pay shall be required to sign the following Statement of Understanding at the time of the assignment (head nurses) or upon the Director's approval of a higher rate of pay for specialized skills (for employees with the skill who are already on board). The statement is to be filed on the [ ] [permanent] side of the employee's [(eOPF)].

I, (Name), accept assignment to the position of (head nurse, location; or nurse, location where higher rates for specialized skills are authorized; etc.) effective (Date), which entitles me to a higher rate of pay only so long as I continue to serve in this assignment. I understand that if I am reassigned to another position, voluntarily or involuntarily, this higher rate of pay will NOT be used to determine my rate of pay in the new assignment.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**2. CHANGES TO ASSIGNMENTS WHICH RESULT IN A LOWER RATE OF PAY:**

Employees voluntarily requesting assignments at the same facility which discontinue such pay shall be required to sign the following Statement of Understanding, which is to be filed on the [ ] [permanent] side of the employee's [eOPF][]. Generally, such requests should not be effected until the employee has had 24 hours to consider the matter.

I, (Name), voluntarily request my assignment as (head nurse, location [or] nurse, location where higher rates for specialized skills are authorized; etc.) be changed to (new assignment) effective (Date).

I am voluntarily requesting this change without coercion or influence and understand that I will no longer be eligible for a higher rate of pay as a result of (being a head nurse or possessing specialized skills). This decision is being made of my free will, and I fully understand the significance of this request (i.e., the loss of salary and benefits related to the higher salary).

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date