

Date: May 10, 2022

From: Assistant Under Secretary for Health of Patient Care Services/Chief Nursing Officer (12)

Subj: Important Update: Retention and Income Security Enhancement Act (RAISE Act) (VIEWS 7404967)

To: Veterans Integrated Service Network (VISN) Directors (10N1-23)

Thru: Medical Center Directors (00)
VAMC Chief of Staffs
VISN Chief Nursing Officers
Associate Directors for Patient Care Services

1. Public Law 117-103 Department of Veterans Affairs Nurse and Physician Assistant Retention and Income Security Enhancement Act (RAISE Act)

Statutory pay caps for Registered Nurses (RN), Advanced Practice Registered Nurses (APRN), and Physician Assistants (PA), are causing significant pay compression in high paying, high cost of living labor markets. The RAISE Act, signed into law on March 15, 2022, increases the existing pay limitations by an additional \$50,000 for APRNs and PAs, and \$27,400 for RNs. Prior to the RAISE Act, the occupations were capped at Executive Level IV, which for 2022, is \$176,300. The new pay cap for APRNs and PAs is Executive Level I, which for 2022, is \$226,300. For other RNs, the new pay cap is Executive Level II, which for 2022, is \$203,700.

2. Who will receive a pay increase?

Some, but not all, APRNs, PAs and RNs will receive a pay increase based on the new limits effective March 27, 2022. Individuals currently earning the old pay cap of \$176,300 will receive an increase once the Locality Pay Schedules are updated to incorporate the new pay caps by applying the current periodic step increase approved for that grade. VA is actively testing and programming Human Resources and Payroll information system changes to implement the higher pay caps. The anticipated timeline for processing retroactive pay adjustments is within the next three pay periods, dependent on information system changes.

3. How is the pay increase determined?

The steps on Locality Pay Schedules capped at the old limit of \$176,300 will be increased by applying the current periodic step increase authorized for the Grade. The periodic step increase is the amount utilized to increase each step of a grade

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starting at step 1 up to the maximum step authorized. One example would be a Nurse 5, Step 10 already making \$176,300. They will see an increase. However, a Nurse V at a Step 2 at the \$176,300 cap may not see that same level of increase due to being at a lower step of the grade.

4. How do I know if I am impacted?

Individuals currently earning the old pay cap of \$176,300 will receive an increase once the Locality Pay Schedules are updated to incorporate the new pay caps by applying the current periodic step increase approved for that grade.

5. When will pay increases be effective?

Pay increases for the RNs, APRNs, and PAs currently at the old pay cap will be retroactive to March 27, 2022 and are estimated to take effect within the next three pay periods, dependent on information system changes.

6. What is a locality pay schedule? Who determines what the locality pay schedule is?

The Locality Pay System (LPS) covers Registered Nurses and Physician Assistants and is a five grade pay structure with rates of pay based on the local labor market. Each grade includes a minimum of 12 steps and step increases are earned after the prescribed creditable service is met. For the higher grades (II-V), which are predominately impacted by the existing limit, there is a two-year waiting period for step increases. Lifting the EX-IV pay cap will not automatically place individuals at the new pay cap. The methodology used to develop the LPS schedule and the increments between each step will be used to increase the steps previously set at the cap until the new pay cap is reached. Discretionary pay adjustments are subject to market rates and VA cannot be the pay leader.

7. What about everyone else?

Medical Center Directors are currently reviewing Locality Pay Schedules within 10% of the old pay cap for pay compression and to determine if increases are needed to recruit and retain VA RNs, APRNs and PAs. Pay increases, based off these discretionary adjustments, will be effective the pay period after the determination is made and will begin shortly after the statutory adjustments are completed.

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The RAISE Act gives VA more flexibility to be competitive for these provider salaries who are critical to achieving access standards for Veteran health care. This legislation enables VA to offer competitive salaries in high-paying, high cost of living labor markets and positively impacts VA's ability to recruit and retain RNs, APRNs and PAs.

Attached are "Frequently Asked Questions" that can assist with helping to answer many of the most common questions related to the RAISE Act. If you have any additional questions, please email VHAHR@va.gov.

MARK C.

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Beth Ann Taylor, DHA, RN, FAAN, NEA-BC

Attachment

RAISE Act Frequently Asked Questions

1. What is the RAISE Act?

The RAISE Act increases the existing pay limitations for Registered Nurses (RN), Advanced Practice Registered Nurses (APRN), and Physician Assistants (PA). The new pay cap for APRNs and PAs is Executive Level I which for 2022 is \$226,300. For other RNs the new pay cap is Executive Level II which for 2022 is \$203,700. The occupations are currently capped at Executive Level IV which for 2022 is \$176,300.

2. Does everyone receive an immediate pay raise?

Only those APRNs, PAs, and RNs currently earning the old pay cap of \$176,300 will receive an immediate pay increase. These immediate pay adjustments are statutory increases. The effective date is March 27, 2022. Medical Center Directors are reviewing Locality Pay Schedules within 10% of the old pay cap for pay compression and to determine if increases are needed to recruit and retain VA nurses and PAs.

3. If the effective date for the statutory increase is March 27, 2022, why have I still not received the increase?

VA is actively testing and programming Human Resources and Payroll information system changes to implement the higher pay caps. The anticipated timeline for processing retroactive pay adjustments is within the next three pay periods.

4. If my salary is at the old pay cap of \$176,300, will my salary automatically increase to the new pay cap?

The steps on a Locality Pay Schedules capped at the old limit of \$176,300 will be increased by applying the current periodic step increase authorized for the Grade. The periodic step increase is the amount utilized to increase each step of a grade starting at step 1 up to the maximum step authorized. One example would be a Nurse 5, Step 10 already making \$176,300. They will see an increase. However, a Nurse V at a Step 2 at the \$176,300 cap may not see that same level of increase due to being at a lower step of the grade.

5. What if my salary is not at the old pay cap of \$176,300?

Medical Center Directors are reviewing Locality Pay Schedules within 10% of the old pay cap for pay compression and to determine if increases are needed to recruit and retain VA nurses and PAs. Discretionary increases may be approved as a result of the reviews and will be effective the pay period following approval.

6. What is the difference between a statutory increase and a discretionary increase?

Statutory increases, (for example, the adjustments resulting from the RAISE Act and the January General Adjustment) are required by the law. The statutory increases resulting from the RAISE Act will occur automatically and are effective March 27,

2022. Discretionary increases are made by the authorized approving official and are effective the pay period following approval.