



National Capital Region  
Medical Directorate  
**ADMINISTRATIVE INSTRUCTION**



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NUMBER 1403.01

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PERS

SUBJECT: Pay Setting

References: See Enclosure 1

1. PURPOSE. This Administrative Instruction (AI), based on the authority of References (a) through (e), and in accordance with (IAW) References (f) through (j), establishes the National Capital Region Medical Directorate's (NCR MD) implementing procedures for pay setting determinations where administrative discretion is permitted by the Office of Personnel Management (OPM) or DoD regulations.
  
2. APPLICABILITY. This AI applies to all civilian employees who are paid from appropriated funds and assigned to the NCR MD, Walter Reed National Military Medical Center to include the DiLorenzo Clinic and the Tri-Service Dental Clinic, Fort Belvoir Community Hospital to include the Dumfries and Fairfax Clinics, and the Joint Pathology Center. Hereafter, these facilities are collectively referred to as Joint Medical Treatment Facilities (MTFs) and Centers. For more exact circumstances where this AI applies or does not apply, please see Enclosure 2 for more information.
  
3. POLICY. IAW the principles and intent of References (f) through (i), it is NCR MD policy that:
  - a. Non-discretionary aspects of setting civilian pay will be carried IAW existing law, rule, and regulation.
  
  - b. Where administrative discretion is permitted, pay setting decisions will be made that will be of greatest benefit to the employee. For instance, when an initial pay determination falls between two steps, pay will be set at the higher step.
  
  - c. An employee's existing rate of pay will be preserved to the maximum extent allowed within the framework of governing regulations. Highest previous rate will be used to set pay whenever it is most advantageous to the employee.

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d. The following five primary rules will govern pay setting:

(1) Pay is set using the pay setting directives of the pay system the employee is moving to.

(2) Pay is set using the pay setting directives for the action that is being taken.

(3) Pay cannot be set at a rate below the first step or the lowest rate of the grade of the position to which assigned.

(4) Pay cannot be set at the rate above the top step or the highest rate of a grade unless authorized under grade and/or pay retention regulations.

(5) Pay on simultaneous actions is generally set in the order that gives the employee the maximum benefit.

#### 4. RESPONSIBILITIES

a. Director, NCR MD and Directors, Joint MTFs and Centers. The NCR MD Director and Joint MTFs and Center Directors will participate as needed with the Civilian Human Resources Center (CHRC) staff to appropriately apply the overarching principles of the Director's pay setting policy.

b. CHRC. The CHRC will:

(1) Administer guidance to ensure the spirit and intent of the Office of Personnel Management (OPM), DoD, legal, and regulatory guidance are met.

(2) Disseminate information and provide expert advice, guidance, and assistance on the technical details of setting pay to appropriate members of the staff, management, and leadership.

(3) Ensure appropriate Civilian Human Resource audits and reviews are accomplished on pay setting decisions.

c. Managers and Supervisors. Managers and supervisors are responsible for participating as needed in pay setting decisions and communicating such results to employees, as needed.

5. PROCEDURES. As a general rule, the CHRC will make pay setting determinations IAW law, rule, and any regulation governing the organization. Where discretionary action is permitted by such guidelines, the CHRC will consult with the appropriate management official to make such discretionary decisions, ensuring that the results are consistent with applicable Director's policy statements in the AI.

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6. RELEASABILITY. **Cleared for public release.** This AI is approved for public release and is available on the NCR MD Website at [www.capmed.mil](http://www.capmed.mil).

7. EFFECTIVE DATE. This AI:

a. Is effective immediately.

b. Will expire 10 years from the publication date if it hasn't been revised or cancelled before this date IAW DoD Instruction 5025.01 (Reference (j)).

  
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RADM, MC, USN  
Director

Enclosures

1. References
2. Additional Applicability Information

Glossary

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ENCLOSURE 1

REFERENCES

- (a) Deputy Secretary of Defense Action Memorandum, "Implementation of Military Health System Governance Reform," March 11, 2013
- (b) DoD Directive 5136.13, "Defense Health Agency (DHA)," September 30, 2013
- (c) National Capital Region Medical Directorate (NCR MD) Concept of Operations, September 10, 2013
- (d) Deputy Secretary of Defense Memorandum, "Authority for Joint Task Force National Capital Region Medical (JTF CapMed)," February 7, 2012
- (e) Office of the Assistant Secretary of Defense Health Affairs Memorandum, "Legal Effect of Joint Task Force Guidance after October 1, 2013," October 4, 2013
- (f) Title 5, United States Code
- (g) Part 531, Chapter 1, Subchapter B of Title 5, United States Code, "Pay Under the General Schedule"
- (h) Part 536, Chapter 1, Subchapter B of Title 5, United States Code, "Grade and Pay Retention"
- (i) Part 53, Chapter 1, Subchapter IV of Title 5, United States Code, "Prevailing Rate Systems"
- (j) DoD Instruction 5025.01, "DoD Issuances Program," June 6, 2014 as amended

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ENCLOSURE 2

ADDITIONAL APPLICABILITY INFORMATION

1. If provisions of this AI differ from law or regulation, the changes in law or regulation will apply.

2. This AI does not apply to employees who are:

a. Serving in an internship or residency training program.

b. Employed on less than a quarter-time basis or on an intermittent basis.

c. Covered by the National Security Personnel System.

d. Reemployed annuitants.

e. In the Senior Executive Service (SES).

f. In senior level, scientific or professional positions paid pursuant to Section 5376 of Reference (f) or hired as highly qualified experts paid pursuant to Section 9903 of Reference (f).

g. Foreign nationals paid consistent with local nation pay schedules.

GLOSSARY

ABBREVIATIONS AND ACRONYMS

AI	Administrative Instruction
CHRC	Civilian Human Resources Center
IAW	in accordance with
MTF(s)	Medical Treatment Facility/Facilities
NCR MD	National Capital Region Medical Directorate
OPM	Office of Personnel Management