

Physicians and Dentists Pay Plan (PDPP) Information Sheet

The PDPP is considered a hybrid pay system because it combines pay authorities under title 5, title 10, and title 38, U.S.C. This blend of authorities provides the structure and authority to establish a compensation system for DoD physicians and dentists that enhances DoD's ability to be competitive in the prevailing labor market. The National Defense Authorization Act for fiscal year 2008, the National Defense Authorization Act for fiscal year 2009, Section 1599c of title 10, U.S.C., and a Delegation Agreement between the DoD and the Office of Personnel Management (OPM) provide the basis for the overarching pay structure which is similar to the VA physician and dentist pay system.

Under the PDPP, physicians and dentists will retain their GS or GM classification and pay grade and step for purposes of determining base pay but are further grouped, for purposes of market pay, into title 38, U.S.C. PDPP Tables. The Tables are based on medical/dental clinical specialty and are further divided into salary Tiers that reflect comparable complexity in salary recruitment and retention considerations and are predicated on the scope of responsibility and type of work environment. This combination of base and market pay becomes the annual pay under the PDPP. Annual pay is basic pay for the purposes of computing civil service retirement benefits; lump sum annual leave payments; life insurance; thrift savings plan; workers' compensation claims; severance pay; danger pay; recruitment, relocation, and retention incentives; continuation of pay; and authorized advances in pay.

Tables and tiers are defined by Veterans Affairs (VA) as primary components of their physician and dentist pay system. DoD table and tier structure is derived from the VA's structure. VA evaluates table and tier definitions on a biennial basis, and may make adjustments to accompanying pay ranges as necessary. During this time they also review the assignment of medical specialties to tables. Ultimately, this endeavor results in the assignment of a medical specialty operating at a particular level to a specific pay range.

Similar to the VA system, the regulations governing the PDPP do not authorize premium pay, locality pay or Physician Comparability Allowance (PCA). Under the PDPP, PCA is assimilated into the market pay portion of annual pay at the time of conversion in order to maintain the incumbent's level of pay. Where regular or pervasive overtime work (one form of premium pay) is required, an adjustment is made at the time of conversion in order to provide sufficient compensation for services rendered.

The PDPP is designed with the flexibility to consider subsequent pay adjustments as recommended by the Health Professions Civilian Compensation Standing Committee (HPCSC) and approved by the Assistant Secretary of Defense, Health Affairs (ASD(HA)) and the Deputy Under Secretary of Defense, Civilian Personnel Policy (DUUSD(CPP)) to reduce strategically relevant pay gaps, both internally and externally, for like positions in the local labor market.