Highlights of Changes - 2006 SPRING GUIDANCE

- Retained “Background” information to highlight differences between (g) and (f), especially for new folks
- Deleted requirement for self-assessments but included section on written documentation based on performance is required for (f) but optional for (g)
- Identified $212,000 pay cap for Extramural and $230,000 for Intramural (f).
- Identified that NCC review is required when total compensation increases from between $212,000 to $230,000.
- Identified that NIH Quartile 4 Review Committee is required for all compensation adjustments proposed for Band IV, Quartile 4 ($230,000 to $250,000) including quadrennial increases for Senior Investigators.
- Retained guidelines for annual performance assessment for intramural and extramural scientists (Appendices 1 and 2).

TITLE 42 PAY MODEL

2006 GUIDANCE FOR SPRING INCREASES

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TITLE 42 PAY MODEL
GUIDANCE FOR 2006 SPRING INCREASES

I. BACKGROUND

At NIH, "Title 42" scientists are appointed under one of two statutory authorities – 42 USC 209(f) or 42 USC 209(g) (hereinafter referred to as Title 42 (f) and (g), respectively). In August 2004, HHS issued new policy governing the use of Title 42 (f), including new provisions regulating the frequency and amount of annual pay increases. As a result, annual pay increase provisions for Title 42 (g) and Title 42 (f) employees became different.

Because the new HHS policy only affects Title 42 (f) scientists, **NOT** Title 42 (g), it is particularly important to understand which scientists are appropriately appointed under each of these authorities.

Appointing Authorities:

Title 42 (f): Includes

- Senior Investigators in the Intramural Programs [Title 42 Pay Model Intramural (Basic) and Intramural (Clinical) Categories, Band IV, except Senior Scientists and Senior Clinicians]

- Extramural and other IC and NIH scientists whose qualifications and responsibilities meet Title 42 criteria (including certain HSAs, SRAs, Program Administrators, Program and Project Officers, Division Directors, and senior IC and/or NIH Office of the Director staff, etc.) [Title 42 Pay Model Extramural Category, all Bands]

Title 42 (g): Includes

- Research Fellows, Senior Research Fellows, Staff Scientists, Staff Clinicians, Investigators (Tenure Track), Senior Scientists and Senior Clinicians. [Title 42 Pay Model Intramural (Basic) and Intramural (Clinical) Categories, Bands I, II, and III and Band IV, except Senior Investigators]

II. "SPRING" TIMEFRAME

The "Spring" timeframe will begin each year on the first pay period on or after April 1, and end on the first pay period on or after June 1. In 2006, the "Spring" timeframe will begin on April 1 and end as of June 10.

III. PERFORMANCE RATINGS AND JUSTIFICATION

A narrative justification will be required to support the rating for all scientists appointed under Title 42 (f), and may be required for scientists appointed under Title 42 (g) at IC discretion. The narrative should include a written summary explaining how the employee's final rating was determined, after comparing actual performance to each of the stated outputs/outcomes and/or critical elements in employee contracts and plans, and should address the breadth, scope, and/or impact of the employee's achievements.

2006 SPRING INCREASE GUIDANCE FOR TITLE 42 (g)

A. Annual Adjustments for Title 42 (g):

1. **For scientists in Intramural (Basic), Band I, the IC Director may grant:**

   - Individual scientists in Tercile 1 up to a 5 percent adjustment without further review
   - Individual scientists in Terciles 2 and 3 up to a 2 percent adjustment without further review
   - Individual scientists in Terciles 2 and 3 up to a 5 percent adjustment following review and recommendation by the IC Standing Committee

   PROVIDED that the scientist received an Acceptable annual rating and that the proposed adjustment will not result in movement into the next higher Pay Band.

2. **For scientists in Band I (Clinical)**: Clinical Fellows are not eligible for "spring" increases per se, but rather will receive adjustments on their anniversary date. ICs should process individual actions to effect such increases, which must be made in accordance with the requirements and provisions of the standardized NIH PGY Scale

   PROVIDED that the scientist received an Acceptable annual rating and that the proposed adjustment does not result in movement into the next higher PGY rate or above PGY 10.

3. **For scientists in Intramural (Basic) and (Clinical) Bands II, III, and IV (including Senior Scientists and Senior Clinicians, and excluding Senior Investigators), the IC Director may grant**:

   - Individual scientists up to a 2 percent adjustment without further review

   PROVIDED that the IC's combined increase for all *eligible* scientists in these Bands averages no more than 1 percent. This is not a 1 percent pool of money, but rather an average of the percentage increase awarded to each eligible IC scientist in these combined Bands. ***Eligible*** scientists are those who received an Acceptable annual rating and for whom the proposed adjustment will not result in movement into the next higher Band, or base salary that for the first time exceeds EX-I (currently $183,500), or total compensation above $200,000. Scientists whose base pay already exceeds EX-I are *eligible*, in accordance with these same provisions.

   Ineligible scientists must be excluded from calculation of the IC's 1 percent average. That is, they may not be counted as receiving a zero percentage increase and factored into the average calculation.

4. **NCC review is required for Title 42 (g) annual adjustments**:

   - Greater than 5 percent for scientists in Band I (Intramural (Basic) (except for Clinical Fellows, who must be paid in accordance with the NIH PGY scale)
   - Increases for Clinical Fellows exceeding the applicable PGY rate or PGY 10

- Greater than 2 percent for scientists in Intramural (Basic) or (Clinical) Bands II, III, and IV
- That would cause a scientist's base pay to exceed the pay band
- That would cause a scientist's base pay to exceed EX-I for the first time
- That would cause a scientist's total compensation to exceed $200,000

Increases approved by the NCC are not included in the 1 percent limitation on average increases in Bands II, III, and IV, as described in item A.3 above**.**

B. Quadrennial Increases for Title 42 (g):

1. For scientists in the Intramural (Basic) and (Clinical) Categories, in Bands II (*except* Senior Research Fellows), III and IV (Senior Scientists and Senior Clinicians), the IC Director may grant:

- Increases of greater than 2 percent every 4 years, following review by the IC Standing Committee, and based on pay factors as described in the Title 42 Pay Model as well as the criteria and requirements as defined in the IR Sourcebook

PROVIDED that the proposed increase does not result in movement into the next higher Band, or cause base pay to exceed EX-I (currently $183,500) or total compensation to exceed $200,000. (Increases may be granted to scientists whose base pay already exceeds EX-I, in accordance with these same provisions.)

NOTE: Quadrennial increases are not available to scientists in Intramural (Basic) or (Clinical), Band I, or to Senior Research Fellows in Band II. Scientists who receive a spring quadrennial increase are ineligible to receive a spring annual increase.

2. NCC review is required for quadrennial adjustments:

- That would cause a scientist's base pay to exceed the pay band
- That would cause a scientist's base pay to exceed EX-I for the first time
- That would cause a scientist's total compensation to exceed $200,000

C. Documentation and Processing Requirements for Title 42 (g):

1. For Annual Adjustments Approved by the IC Director:

- A table listing the scientists approved for an annual adjustment, and including the following information, should be submitted electronically (preferably an Excel spreadsheet) to the Office of the Director, CSD, OHR (Diane Sullivan), and to the Special Programs Branch, CSD, OHR (Jane Spencer).

  - Name
  - Empl ID
  - Title

- Series
- Current Pay Band Category, Band, Tercile
- Proposed Tercile
- Current Base Pay
- Proposed Base Pay
- Percent Increase

- A certifying memo, signed by the IC Director and servicing Branch Chief of the CSD, OHR, should be submitted to Jane Spencer (Building 31, Room 1C-39), verifying adherence to the 1 percent average increase requirement for annual adjustments in Bands II, III, and IV combined.

2. <u>For Title 42 (g) Intramural Quadrennial Increases Approved by the IC Director</u>:

- Individual requests must be submitted to the servicing Operations Branch of the CSD, OHR, in support of each proposed increase. Normal IC, OIR and OHR review requirements apply. Documentation must include a memorandum approved by the IC Director describing the merits of the proposed increase and justifying the salary level proposed based on the pay factors and criteria described in the Title 42 Pay Model. Verification that the IC Standing Committee has reviewed the request must also be included.

- A final table listing the scientists approved for a quadrennial increase, and including the following information, must be submitted electronically in an EXCEL spreadsheet to the Special Programs Branch, CSD, OHR (Jane Spencer).

  - Name
  - Professional Designation
  - Organizational Title, if any (e.g., Chief, Section on . . . etc.)
  - Series
  - Current Pay Band Category, Band, Tercile
  - Proposed Tercile
  - Current Base Pay
  - Proposed Base Pay
  - Percentage Increase
  - Date of Last BSC Review

3. Documentation For Pay Actions Requiring NCC Review:

Requirements for submission of cases to the NCC are listed at http://hr.od.nih.gov/employment/Title42/NCCCaseRequirements.pdf
A checklist for internal use ("Checklist for NCC Cases") is also available at http://hr.od.nih.gov/employment/Title42/NCCChecklist.pdf.

2006 SPRING INCREASE GUIDANCE FOR TITLE 42 (f)

A. Annual Adjustments for Title 42 (f)

1. IC Directors may approve performance-based pay increases for individual Title 42 (f) scientists of up to 6 percent, provided that the IC average of all increases for Title 42 (f) scientists does not exceed 4 percent and individual base pay does not exceed $212,000 for Extramural and $230,000 for Intramural (f). This is not a 4 percent pool of money, but rather an average of the percentage increase granted to each eligible Title 42 (f) scientist. Pay increases are expected to be granted in varying amounts to individual employees, reflective of distinction in performance.

2. **NCC review is required for all annual adjustments for scientists in the Senior Scientific Leaders category. In addition, NCC review (following review by the IC Standing Committee and approval by the IC Director) is required for annual adjustments that would cause:**
   - A scientist's base pay to exceed the pay band
   - A scientist's base pay to exceed EX-I for the first time
   - A scientist's total compensation to increase from $212,000 to $230,000.

3. NIH Quartile 4 Review Committee review is required for all compensation adjustments (e.g. base pay increases, retention incentives, performance bonuses, and cash awards, etc.) proposed for scientists in Band IV, Quartile 4 ($230,001 to $250,000).

B. Quadrennial Increases:

1. **For Senior Investigators,** the IC Director may grant quadrennial increases of greater than 6 percent every 4 years, following review by the IC Standing Committee and based on pay factors as described in the Title 42 Pay Model as well as the criteria and requirements as defined in the OIR Sourcebook

   PROVIDED that the proposed increase does not result in movement into the next higher Band or cause base pay to exceed EX-I (currently $183,500) for the first time or total compensation to exceed $212,000. (Increases may be granted to scientists whose base pay already exceeds EX-I, not to exceed $212,000, in accordance with these same provisions. Because HHS policy limits Title 42 (f) scientists to one annual pay increase, recipients of a quadrennial increase cannot also receive an annual 0 - 6 percent pay increase.

2. **For scientists in the Extramural Category:**

   A quadrennial review process for extramural scientists remains to be developed. Until such time as it is completed and implemented, quadrennial adjustments for extramural scientists in these pay bands must be reviewed by the NCC and approved by the Director, NIH, or designee.

3. **NCC review (following review by the IC Standing Committee and approval by the IC Director) is required for quadrennial adjustments:**

- For all scientists in the Extramural Category
- That would cause a scientist's base pay to exceed the pay band
- That would cause a scientist's base pay to exceed EX-I for the first time
- That would cause a scientist's total compensation to increase from between $212,000 to $230,000.

4. NIH Quartile 4 Review Committee review is required for all compensation adjustments, including quadrennials, proposed members in Band IV, Quartile 4 ($230,001 to $250,000).

C. **Performance Ratings and Justification**

As required by HHS Personnel Instruction 42-1, "Appointment of USC 209(f) Scientists," all pay increases for Title 42 (f) scientists must be performance based, must be consistent with the scientist's annual performance appraisal, and must be fully documented and justified.

A narrative justification will be required to support the rating for all scientists appointed under Title 42 (f). The narrative should include a written summary explaining how the employee's final rating was determined, after comparing actual performance to each of the stated outputs/outcomes and/or critical elements in employee contracts and plans, and should address the breadth, scope, and/or impact of the employee's achievements.
The rating narrative will serve as the pay increase documentation required by HHS, and will replace the self-assessment that was required for Title 42 (f) scientists as part of the 2005 "spring increase" process.

Appendices 1 and 2 provide guidelines for annual performance assessment for Title 42 (f) Scientists.

D. Documentation For Pay Actions Requiring NCC Review:

Requirements for submission of cases to the NCC are listed at
http://hr.od.nih.gov/employment/Title42/NCCCaseRequirements.pdf
A checklist for internal use ("Checklist for NCC Cases") is also available at
http://hr.od.nih.gov/employment/Title42/NCCChecklist.pdf

6. Documentation for Pay Actions Requiring NIH Quartile 4 Review Committee Review

Required documentation is similar to that required for pay requests reviewed by the NCC, with the exception that while references are not required for all NCC cases, six references, the majority from outside the NIH, will be required for Quartile 4 consideration. Information on the submission process for the NIH Quartile 4 Review Committee will be issued under separate guidance.

APPENDIX 1

Guidelines for Annual Performance Assessment for NIH Intramural Title 42 (f) Scientists

For the past year, please address the following:

- Peer-reviewed manuscripts published or accepted for publication
- Review articles published or accepted for publication
- Seminar and symposium talks presented; invitations received
- Participation in grant reviews
- Participation as ad hoc reviewer for journals
- Participation on NIH committees
- Participation in NIH interest groups
- Collaborations within NIH
- Collaborations outside NIH
- Mentoring and training activities
- Budget/resource management
- Honors and awards received this year
- Other notable accomplishments during the past year not reflected above

Provide one paragraph outlining research goals for the coming year

APPENDIX 2

Guidelines for Annual Performance Assessment for NIH Extramural Title 42 (f) Scientists

Recognizing that responsibilities vary greatly among NIH extramural scientists, it was felt that some guidelines for annual performance assessments might nevertheless be helpful. The assessment should demonstrate the scientific leadership displayed by the employee during the assessment period and within the context of the position's responsibilities and the performance contract. When possible, meaningful quantitative measures should be included but not to the exclusion of a qualitative evaluation conveying the importance, significance, or difficulty of the accomplishments. In addition to core business activities listed for Scientific Review Administrators and Extramural Program Officials, scientific accomplishments that enhance the employee's ability to perform may be documented. However, the core business activities should be the primary focus of the assessment. The following lists are areas that might be appropriate to consider for certain realms of responsibility. Not all areas are required or even appropriate. Indeed, some of the activities listed below that might be pursued as outside activities may be discouraged or disapproved for certain extramural scientists depending on the responsibilities of the NIH position held. Thus the items on these lists are neither required nor comprehensive, but are meant only to serve as examples of items that may be appropriate to address. Participation in any activity must meet all ethics and conflict of interest standards.

Scientific Review Administrators

Core Activities

- Timely assignments of applications
- Consistent recruitment of highly-qualified and diverse review panels
- Timely mail-outs for review meetings
- Timely release of summary statements
- Successful completion of an appropriate review workload
- Timely submission of nomination slate(s)
- Appropriate interactions, cooperation and teamwork with other NIH staff
- Dissemination of information about NIH and NIH peer review to NIH stakeholders

Other Professional Activities

- Participation on NIH committees
- Participation in NIH interest groups
- Collaborations within NIH
- Collaborations outside NIH
- Mentoring and training activities
- Budget/resource management
- Peer-reviewed manuscripts published or accepted for publication
- Review articles published or accepted for publication
- Seminar or symposium talks presented
- Participation in grant or journal reviews
- Participation on editorial boards
- Other notable accomplishments not reflected above

Extramural Program Officials

Pre-application Activities

- Dissemination of information on NIH programs and goals

- Development of initiatives

Post-Review/Pre-Award Activities

- Development of funding plans, based on IC priorities
- Dissemination of advice to unfunded applicants

Post-Funding and ongoing Activities

- Administration of the timely and accurate payment of grants
- Administration of funded grants/cooperative agreements/contracts to improve performance, through monitoring of scientific progress and active oversight of compliance with policies
- Portfolio analysis
- Positive interactions with other NIH ICs with shared programmatic goals
- Positive interactions with IC stakeholders, such as health voluntaries
- Participation in planning and evaluation activities
- Planning and organizing workshops

Other Professional Activities

- Participation on NIH committees
- Participation in NIH interest groups
- Collaborations within NIH
- Collaborations outside NIH
- Representation of the IC in NIH, federal, and other scientific, leadership and managerial activities
- Mentoring and training activities
- Budget/resource management
- Peer-reviewed manuscripts published or accepted for publication
- Review articles published or accepted for publication
- Seminar or symposium talks presented
- Participation in grant or journal reviews
- Participation on editorial boards
- Other notable accomplishments not reflected above

Extramural Division and Office Directors and Deputy Directors

- Scientific and managerial leadership in extramural activities
- Evidence of emphasis on preventive health measures (Preventing Disease and Illness)
- Leadership in preparing for and effectively responding to Bioterrorism and other public health emergencies (Protecting our Homeland)
- Improvement of health outcomes (Preventing Disease and Illness)
- Improvement of the quality of health care (21st Century Health Care)
- Advancement of science and medical research (Improving Health Science)
- Leadership and participation in NIH Roadmap activities
- Recruitment and retention of a highly-qualified and diverse staff
- Mentoring and training activities
- Development of funding plans based on IC priorities
- Administration of the timely and accurate payment of grants

- Administration of funded grants/cooperative agreements/contracts to improve performance, through monitoring of scientific progress and active oversight of compliance with policies
- Oversight of budget/resource management
- Effective management of staff to achieve the IC and NIH goals
- Dissemination of scientific information to relevant stakeholders
- Dissemination of information on IC and NIH programs and goals, including development of initiatives
- Representation of the IC in NIH, Federal, and other scientific, leadership, and managerial activities
- Representation of the NIH in Federal, scientific, leadership and managerial activities
- Peer-reviewed manuscripts published or accepted for publication
- Seminar or symposium talks presented
- Participation on editorial boards
- Oversight of compliance with relevant EEO laws, regulations and NIH EEO policies
- Leadership in ensuring that all employees are trained on the statutes and regulations governing conflict of interest, standards of conduct, outside activity prior approval process, representational activities, salary supplementation, post-employment, political activity, awards, honorary degrees, prohibited gifts, impartiality, and related ethics provisions, and their responsibility for compliance
- Leadership in ensuring timely submission of and review of requests to determine real, apparent, or potential conflict of interest
- Other notable accomplishments not reflected above