



Enterprise Human Resources and Payroll (EHRP) Instructional Letter

Number: EHRP06-03R

Date: June 12, 2007

Subject: Processing Market Pay

General Information

HHS requested authorization from OPM to implement a “hybrid pay system” for HHS physicians and dentists who are covered by the title 38 delegated personnel provisions. The authorization was approved on December 1, 2005 and allowed HHS to continue providing base pay to its physicians and dentists under the General Schedule pay system instead of implementing the base pay provisions in 38 U.S.C 7431(b). This allows DHHS to pay market pay and performance pay under 38 U.S.C. 7431(c) and (d) in addition to the GS base rates. However, HHS physicians and dentists paid market pay will no longer be entitled to receive any locality payments under 5 U.S.C. 5304 or special rate supplements under 5 U.S.C. 5305.

In order to be eligible for Market Pay the employee must be in occupational series 0602 or 0680 and have a Service Agreement for Market Pay. Other requirements include:

- Can not be in Pay Rate Determinant 3, 5, or 6
- Must have salary plan (pay table) of 0000
- Can not share a Job Code with someone who doesn't receive Market Pay

The Office of Personnel Management created new pay plans GP and GR to identify employees receiving market pay. The job code and position records of the employees that will be receiving market pay should reflect pay plan GP if the employee was in pay plan GS or GR if the employee was in pay plan GM.

OPM has also instructed that the market pay amount be identified as supplemental pay and recorded on the SF-50 in the locality amount field.

When hiring an employee please hire the employee into pay plan GP or GR and insert the Market Pay in the locality field on the hire action. Then process the NOAC 894 and insert the Market Pay in the locality field.

Processing Instructions

- **All actions are processed using the following breadcrumbs:**
- **ADMINISTERWORKFORCE>ADMINISTER WORKFORCE (USF)>USE2>SERVICE AGREEMENTS**
- - Tab to the Service Agreement Field and select Market Pay

- Tab to Market Pay Table and select the appropriate Pay Table and Specialties.
- Tab to Tier Level and select the appropriate level.
- Tab to Clinical Specialty and select the appropriate specialty.
- Then click Save.

Then navigate to:

- **ADMINISTERWORKFORCE>ADMINISTER WORKFORCE (USF)>USE>HR PROCESSING**

- Click the + to Add a row
- Enter the EFFECTIVE DATE * the effective date will need to be 03/04/07 or later.
- Enter the ACTION - PAY
- Enter the REASON CODE – OTHER
- Enter the NOA – 894
 Enter the NOA EXT – A (Add) to add Market Pay
 C (change) to Change the amount to Market Pay
 S (stop) to Stop the Market Pay
- Enter the Legal Authority – ZLM * the description: (P.L. 108-445 Sec 3, dated 12-03-04) will have to be typed (keyed) manually.
- Click the PAR Remarks hyperlink
- Enter Remark CD - ZZZ (The remark should read: “Employee entitled to Market Pay in the amount of ***** ”) and click OK.

- **Click the Compensation Tab**

- **Insert the Market Pay into the Locality field.** (market pay will be the equivalent of any special rate salary or locality and PSP)
- **Click SAVE**

NOTE: The NOA 850 has been inactivated effective 6/10/2007 and is no longer a valid NOA.

For further assistance or for questions regarding the information in this letter, please contact Theresa.Lewis@psc.hhs.gov or Ronald A. Ferguson@PSC.HHS.GOV.
