



APR 05 2005

TO: Title 42 (f) Employees

FROM: Director, NIH

SUBJECT: New Department of Health and Human Services Title 42 (f) Policy -  
Discontinuance of Cost-of-Living Increase for Title 42 (f) Employees

### Background

In the fall of 2004, the Department of Health and Human Services (DHHS) issued departmental policy on the use of section 209 (f) of the Public Health Service Act (42 USC code or Title 42). The intent of the new policy is to standardize issues related to pay increases, performance management, pay caps, base salary limitations, pay incentives, and benefits and awards as well as establish minimum qualification and eligibility standards among the DHHS Operating Divisions for employees employed under a Title 42 (f) appointment.

At NIH, the reference to "Title 42 appointment" means that scientists are appointed under one of two statutory authorities existing under the Public Health Service Act. The Title 42 (g) authority is reserved for doctoral level intramural scientists on time-limited appointments who are personally and directly engaged in research. Scientists appointed under Title 42 (g) include Investigators (Tenure Track), Senior Scientists, Senior Clinicians, Staff Scientists, Staff Clinicians, Research Fellows, and Clinical Fellows. (In rare instances, scientists outside the intramural programs who meet certain specified criteria may also be appointed under Title 42 (g).) The Title 42 (f) authority is used to appoint doctoral level scientists on either a time-limited or "indefinite" basis who are engaged in research or in science administration, management, or policy. Scientists on Title 42 (f) appointments include Senior Investigators and extramural and other IC and NIH scientists who meet appointment criteria (including certain HSAs, SRAs, Program Administrators, Program and Project Officers, Division Directors, senior IC and/or NIH Office of the Director staff, etc.). **As indicated above, the new DHHS policy applies only to scientists appointed under Title 42 (f).**

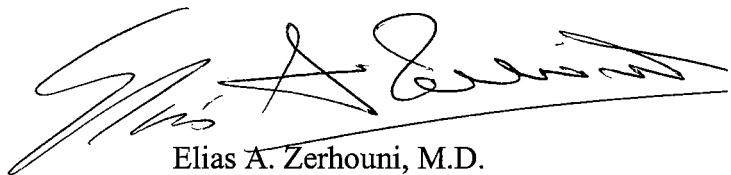
An NIH Title 42 (f) Committee composed of representatives from the Office of Intramural Research, Extramural Research community, IC Executive Officers, and Office of Human Resources was established to develop NIH policy and implementation recommendations with respect to the departmental policy. When practical and feasible, the NIH Title 42 (f) policy and implementation procedures will be issued as they are developed and approved.

### **Discontinuance of Cost-of-Living Increases**

In previous years, at the discretion of the Director, NIH, comparability pay increases (frequently referred to as cost-of-living or COLA increases) for all Title 42 employees have been approved around this time of year. While Title 42 (g) employees will continue to receive COLAs at the Director's discretion, the new DHHS policy prohibits COLAs for Title 42 (f) employees. Yearly pay increases for Title 42 (f) employees will be performance-based, will be consistent with the employee's annual performance appraisal, and will be limited to one increase per year that will range from 0 to 6 percent. Furthermore, DHHS expects that not all Title 42 (f) scientists will receive a 6 percent increase but, rather, that increases will be granted in varying amounts reflective of distinctions in performance. While the departmental policy grants the NIH Director authority to approve higher increases on an individual basis where performance clearly warrants, DHHS expects such exceptions to be rare and to be fully documented and justified.

### **Future**

The NIH is fully aware of the important contributions made by Title 42 scientists. Within the construct of the departmental policy governing pay increases, the Title 42 (f) Committee is developing recommendations that will, to the extent possible, preserve NIH's ability to recognize and reward outstanding performance and to attract and retain scientists who are critical to the attainment of NIH's mission.



Elias A. Zerhouni, M.D.

cc:  
IC Directors  
IC Executive Officers