

# FEDERAL PHYSICIAN

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## Survey Results Raise Concerns Over Pay Inequity

One of the objectives of the 2007-2008 Federal Physicians Association pay survey was to begin identifying how the special pay of physicians varied by agency, specialty and geographic area. Over 850 federal physicians have completed the survey and the results confirm FPA's long-held belief that the patchwork of federal physician pay systems is creating confusion and possible inequities in physician pay.

Samples of the pay discrepancies are detailed on page 2. Because responses to some of the survey questions indicated that respondents did not have adequate information about their pay, FPA cannot make firm conclusions on pay discrepancies, for example:

- The majority, 62% of survey respondents, either had not seen their agency policy on physician pay, did not know if an agency policy existed or said

there was no agency policy. In fact, every federal agency that employs federal physicians has a policy directive on physician pay.

- Only two physicians indicated that the maximum amount of total annual pay, including special pay, they could receive in their agency was more than \$300,000 a year. Physician pay tables for the Departments of Health and Human Services and Veterans Affairs include one specialty eligible for pay of \$350,000 a year. Physicians under the National Security Personnel System can be paid more than \$300,000 a year.
- Several physicians who responded to the survey and indicated that they did not know what type of physician pay they received or how much special pay they

See **PAY INEQUITY**, page 2

## How the National Security Personnel System (NSPS) Affects Federal Physicians

By Brian Riberio, M.D., Department of the Army, Ft. Benning, Georgia

Decisions by federal courts and Congress will result in changes to the pay and benefit rules governing the National Security Personnel System (NSPS). Some are predicting the end of NSPS. However, many Department of Defense (DOD) physicians have already been "spiraled" into NSPS.

Federal physicians who are part of NSPS no longer receive the Physicians Comparability Allowance (PCA). Should NSPS authority be eliminated the FPA will continue to support the use of the PCA for federal physicians.

### *Overview of DOD Physician Pay*

Currently, most if not all, physicians employed by the Department of Defense are paid under Title 5 authority, otherwise known as the Legacy System. Department of Defense is also implementing Title 38 pay authority for designated classifications but has no plan to apply this to physician pay at the present time.

The National Security Personnel System (NSPS) is

now being implemented in the Department of Defense. Selected groups are being "spiraled" into the system. The initial spiral was implemented over one year ago and those employees have gone through their first performance evaluation with performance payouts. Recent reports indicate an average payout of 7.5% of base pay. Physicians in management or supervisory positions started spiraling into the system regardless of bargaining unit representation. Anyone covered by a bargaining unit will not initially spiral into NSPS.

Under NSPS, physicians and dentists are NOT eligible for any pay/compensation above their salary. Physicians and dentists are considered salaried employees who can be directed to work beyond their 80 hours in a pay period without compensation. This means that compensatory time and overtime no longer exists under NSPS. Likewise temporary duty assignments will only be reimbursable for travel expenses incurred, meals and lodging. Time spent at the temporary duty assignment and travel to and from the site will not be compensated.

See **NSPS**, page 4

# FPA Asks That \$20,000 PCA Overpayments be Waived

Last year, an Army physician, who is a long-time member of the Federal Physicians Association (FPA) contacted the FPA office to ask for help regarding a notice he received that indicated he had been overpaid more than \$20,000. The overpayment was due an error by the Army payroll service because he continued to receive his Physicians Comparability Allowance (PCA) after he was converted to the National Personnel Security System (NSPS).

Other Army physicians who are members of FPA have also been notified that they had been overpaid.

As stated in DOD Instruction 1400.25-M SC1911.4.3 "...neither the physicians comparability allowance nor premium pay are authorized for physicians and dentists under NSPS.

Although the Army physician was told he would have 30 days to request a waiver of the overpayment, his paychecks were adjusted to collect the overpayment before he had the opportunity to request a waiver.

FPA has written Congress to ask that adjustments to Army physicians' pay to collect the overpayments be stopped until waiver requests have been filed and considered by the Department of Defense.

The physicians who were erroneously overpaid by DoD payroll offices had signed two-year PCA contracts that stated in part,

"e. If, while serving under this agreement, a new implementation plan become effective, providing different payable rates than available under the plan in effect when this agreement was executed, I may, with management concurrence, terminate this agreement and execute a new agreement reflecting entitlement under the new plan. If this option is effected, I will be entitled to retain that portion of the allowance earned to the date of termination."

The physicians who were erroneously overpaid by DoD did not have the opportunity to terminate their PCA contract in accordance with the above paragraph. Furthermore, the physicians were not informed that their PCA would be discontinued with the conversion to NSPS. In fact, they received no official notice that their PCA contracts were terminated.

Under 5 U.S.C. § 5584, DoD has the

authority to waive the collection of erroneous overpayments made to a DoD employee provided there is no indication of fraud, misrepresentation or lack of good faith on the part of the employee.

There are precedents for waiving overpay-

ments of pay when an employee is unaware that he/she is being overpaid, e.g., Defense Office of Hearings and Appeals (DOHA) Claims Case No. 05110118. Therefore, FPA believes that the affected physicians should be offered the opportunity to request a waiver. •

## PAY INEQUITY, from page 1

received.

These types of survey responses suggest that many survey respondents answered the question on their special pay without com-

pletely understanding criteria for their pay. Even with these caveats, FPA found wide disparities in special pay among physicians employed by the government (see Table below).

## SPECIAL PAY BY LOCALITY, SPECIALTY AND YEAR OF SERVICE

City/State	Specialty	Years of Service	Special Pay Range
Atlanta, GA	Family Practice	21-25 years	\$0 - \$45,000
Atlanta, GA	Preventative Medicine	11-15 years	\$3,000 - \$39,000
Bethesda, MD	Internal Medicine	21-25 years	\$0 - \$55,000
Bethesda, MD	Oncology	21-25 years	\$44,500 - \$74,000
Bethesda, MD	Pediatrics	5 - 10 years	\$16,000 - \$27,000
Phoenix, AZ	Family Practice	11 - 15 years	\$30,000 - \$52,000
Phoenix, AZ	Ob/GYN	5-10 years	\$31,400 - \$60,000
Rockville, MD	Internal Medicine	16 - 20 years	\$0 - \$80,000
Rockville, MD	Pathology	11 - 15 years	\$30,000 - \$65,000
Sells, AZ	Family Practice	less than five years	\$9,000 - \$78,000
Silver Spring, MD	Internal Medicine	less than five years	\$0 - \$24,000
Tahlequah, OK	Pediatrics	11 - 15 years	\$36,000 - \$56,651
Washington, DC	Emergency Medicine	5-10 years	\$26,832 - \$35,000

The survey is still open and can be accessed from the FPA website – [www.fedphy.com](http://www.fedphy.com) •



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### FEDERAL PHYSICIANS ASSOCIATION

*Views expressed are those of the Federal Physicians Association and are not Department or Agency positions.*

# Government Reports that 4301 Physicians are Eligible for PCA

The Office of Personnel Management is collecting data from all federal agencies employing physicians on the use of PCA. Last year's report shows that the percentage of PCA-eligible physicians who actually receive the PCA was expected to decline in 2007 (see Table, Number & Compensation of Federal Physicians Receiving PCA). A summary of the data for the five largest users of PCA in 2006 and 2007 is shown in the table below.

Number & Compensation of Federal Physicians Receiving PCA

	FY 2006	FY 2007*
Physicians Eligible for PCA	3,539	4,301
Physicians Receiving PCA	1,737	1,863
Percent of Eligible Receiving PCA	49%	43%
Weighted Average Salary of PCA Physicians (PCA Excluded)	\$120,081	\$125,498
Weighted Average PCA	\$21,341	\$20,080
Weighted Average Total Salary and PCA	\$141,422	\$145,578
Total PCA Spending (in millions)	\$37.1	\$37.4

Source: OPM collection from Federal agencies using PCA

\*Data for FY2007 are estimated.

Comparative Data on the Five Largest Users of PCA, FY 2006 vs. FY 2007

	FY 2006					FY 2007*				
	Receiving PCA	Avg. PCA Amount	Avg. Comp. (PCA+Salary)	Accession Rate	Separation Rate	Receiving PCA	Avg. PCA Amount	Avg. Comp. (PCA+Salary)	Accession Rate	Separation Rate
Army	538	\$21,051	\$129,193	13%	5%	565	\$18,135	\$138,299	14%	5%
NIH	176	\$22,642	\$151,141	9%	9%	174	\$22,740	\$152,284	3%	3%
CDC	122	\$22,007	\$133,618	9%	12%	132	\$21,815	\$136,297	5%	6%
IHS	250	\$20,464	\$137,604	10%	11%	218	\$22,963	\$153,131	12%	9%
BOP	201	\$21,200	\$154,200	10%	9%	208	\$21,300	\$157,732	11%	12%
Weighted Average		\$21,268	\$138,153	11%	8%		\$20,446	\$145,581	11%	7%

Source: OPM collection from Federal agencies using PCA

\*Data for FY2007 are estimated.

## FPA Members Entitled to Discounted Retirement Counseling

Government Retirement & Benefits, Inc. (GRB) has agreed to provide members of the Federal Physicians Association with a 10 percent discount on the firm's retirement counseling services. The founder of GRB Inc, Peter Lynn Sr., was one of the authors of the Federal Employees Retirement System (FERS) legislation and the firm has contracts with a number of federal agencies, including the Department of Justice, that offer retirement counseling. GRB has done extensive work and analysis on Law Enforcement

Officer (LEO) retirement benefits.

The firm's counseling services include estimating retirement, Social Security and Thrift Savings Plan benefits. Employees who are not sure when they want to retire may find it useful to have GRB compute annuities for several possible retirement dates.

FPA members must identify themselves as members when contacting GRB or they will not get the discount. GRB can be contacted by phone at 703-461-9100 or by the website: [www.grbinc.com](http://www.grbinc.com).

### *If FPA Never Existed*

*If the Federal Physicians Association never existed, there would have been no paid staff to lobby Congress to successfully include the Physicians Comparability Allowance in base pay for the purpose of calculating a physician's retirement annuity under the authority of P. L. 106-571.*

## Factors Affecting Pay

Physician pay under the Legacy System (Title 5) is composed of:

- a) Base pay + locality adjustment,
- b) Physicians Comparability Allowance (PCA maximum of \$30,000), and
- c) Retention Bonus (maximum up to 25% of the base pay).

Physician pay under NSPS is composed of:

- a) Base salary (The pay schedule will be the Physician/Dentist (YG) scale with pay bands 2 and 3. Most physicians will fall under pay band 2),
- b) Performance Pay Awards,
- c) Retention Bonus (up to 25% of the base pay) and

- d) Local Market Supplement. (The LMS is calculated with a factor determined by DOD and is the product of the base pay and the LMS percentage)

When federal physicians are initially spiraled into NSPS base pay will be determined by a combination of the base pay and PCA under the Legacy System. For example if an employee's base pay is \$125,000 and PCA is \$15,000 then their base pay under NSPS will be \$140,000. Added to this will be the

- a) Performance Pay award b) Retention Bonus and c) the Local Market Supplement. Under NSPS the base pay is used for calculations for retirement pay.

## Performance Awards

Performance pay awards will be based on the yearly evaluation of the employee by

their supervisor. The ratings range from 1 (lowest rating) to 5 (highest rating). The rating received will be linked with a percentage that will determine a federal physician's performance award. This percentage will be determined by the local pay pool. The total amount of money in a pay pool is determined by the number of employees in the pool and a factor determined by DOD. For example, if there are 100 employees in the pay pool and the factor is 3% then the total amount available to distribute is the product of the sum of all the base pays factored by 3%. The members of the pay pool are typically the senior leaders of the organization along with representation from the employee pay pool. The pay pool recommendations are finalized by the pay pool manager who has final say on the amount each employee receives.

Performance awards can be distributed in two ways: a) as a percentage increase in the base pay and /or b) as a one-time performance award. DOD will typically make recommendations as to what percentage will increase base pay and as a yearend bonus, but the pay pool and more specifically the pay pool manager has ultimate discretionary authority over distribution. The Local Market Supplement and Retention Bonus are paid out as a percentage of the base pay. The retention bonus is totally discretionary while the LMS is determined by DOD.

Performance standards/criteria are envisioned as a collaborative agreement between the supervisor and the employee. As such one would expect that these criteria would be specific for the position and duties performed. The work that the Federal Physician Association is doing to develop pay-for-performance standards for federal physicians is intended to provide guidelines in developing performance standards.

Members of the Federal Physicians Association are encouraged to submit questions about NSPS and its affect on federal physicians through the website – [www.fedphy.com](http://www.fedphy.com). •

### Recruit New FPA Members

FPA members who want to increase the Association's influence to improve pay and benefits should call the office at 877-FED-PHYS and request copies of the FPA brochure.

## Federal Employees' Sick Leave Benefit Legislation Introduced

Congressman Jim Moran, (D-VA) has introduced legislation, H.R. 5573, providing federal employees under the FERS retirement system the ability to cash out their remaining sick leave at retirement. When he introduced the bill, Rep. Moran said "Our current use-it or lose-it system under FERS hurts productivity and increases training costs. We need to be incentivizing the accrual of sick leave, not keeping a policy in place that encourages people to call in sick in the weeks leading up to retirement.

According to the Office of Personnel Management (OPM) the current use-it or lose-it policy costs the government \$68 million a year.

The FERS retirement system, created by Congress in 1986, does not include a sick leave benefit. However, federal employees under the old CSRS retirement system (those who joined the civil service prior to 1968) are currently able to convert unused sick leave at retirement into an increase in their annual annuity.

A Congressional Research Service report from August 2007, found that sick

leave balances are lower for FERS employees than CSRS employees. Independent studies by the Bureau of Prisons have reached the same conclusion with OPM confirming it in their own analysis. In a recent survey of FERS and CSRS employees, 85% of CSRS employees said they conserved as much sick leave as possible. On the other hand, 75% of FERS employees said they would use as much sick leave as possible during their last years.

The incentive would provide a lump-sum payout up to \$10,000 to employees under the FERS system for unused sick leave upon their retirement. Employees receive 15 percent of the value of all the accrued sick leave at their final salary. The benefit begins for all hours of accrued sick leave exceeding 500 hours. A federal employee with 2,000 hours of accrued sick leave would receive the payout for 1,500 hours of benefit.

As an example, a GS 12, Step 10 making roughly \$75,000 in 2008 with 1,250 hours sick leave accrued would receive a \$4,000 payment received upon retirement. •

## Certification for Physicians Comparability Allowances (PCA)

Physicians Comparability Allowance received on or after December 28, 2000, is considered basic pay for:

- Computing disability retirement benefits, and
- Computing survivor benefits for death-in-service

For all other retirement computations, employees must have at least 15 years of service as a Government physician before PCA received on or after December 28, 2000, can be considered as basic pay for the average salary computation. The amount of PCA included in basic pay is based on the total amount of service performed as a Government physician on or after December 28, 2000.

1. Name of employee	2. Date of Birth	3. Social Security Number
4. Type of Retirement Action		5. Has retiree met the 15 year service requirement as a physician?
<input type="checkbox"/> Death (100% of PCA received after 12/27/00 included as basic pay) <input type="checkbox"/> Disability (100% of PCA received after 12/27/00 included as basic pay) <input type="checkbox"/> Other Retirement: Voluntary, Early, DSR, Deferred, etc.		<input type="checkbox"/> N/A (Death-in-Service or Disability Retirement) <input type="checkbox"/> No (not eligible for PCA in base pay) <input type="checkbox"/> Yes (See item 6)
6. PCA payment attributable to service performed on or after December 28, 2000, will be included as basic pay for retirement purposes, based on the total amount of service performed as a Government physician on or after December 28, 2000, as indicated below. (Check appropriate box below)		
<input type="checkbox"/> Less than 2 years service (0% of PCA included as basic pay) <input type="checkbox"/> At least 6 but less than 8 years service (75% of PCA included as basic pay) <input type="checkbox"/> At least 2 but less than 4 years service (25% of PCA included as basic pay) <input type="checkbox"/> At least 8 years service (100% of PCA included as basic pay) <input type="checkbox"/> At least 4 but less than 6 years service (50% of PCA included as basic pay)		

7. Summary of Pay Adjustments with Physicians Comparability Allowance on or after December 28, 2000

A	B	C	D	E	F
Effective Date of Pay Change	PCA Amount	x % =	Creditable PCA	Basic Pay Rate	Average Salary Pay Rate
		x =	0 +	=	0
		x =	0 +	=	0
		x =	0 +	=	0
		x =	0 +	=	0
		x =	0 +	=	0
		x =	0 +	=	0
		x =	0 +	=	0
		x =	0 +	=	0
		x =	0 +	=	0
		x =	0 +	=	0

8. **Agency Certification:** I certify that the information on this form accurately reflects information contained in the Official Personnel Folder and/or Payroll records in the custody of this agency.

Print or type name	Agency name and address
Signature	Date
Title and telephone number (including area code)	

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## INSTRUCTIONS FOR PCA FORM ON PAGE 5

Instructions for entering data into chart:

Column A: Enter the effective date for the adjustment in pay.

Column B: Enter the entire PCA amount

Column C: Enter 100% if separation is due to death-in-service or for disability retirement. Otherwise, the employee is entitled to 25% of the amount in Column B for each two years of service performed as a government physician after December 27, 2000.

Enter the following percentages:

- If less than two years, enter 0%
- If at least two years but less than four years, enter 25%
- If at least four years but less than six years, enter 50%
- If at least six years but less than eight years, enter 75%
- If eight years or more, enter 100%

Column D: Enter the amount of creditable PCA pay by multiplying **Columns B and C**.

Column E: Enter the basic pay rate.

Column F: Add **Columns D and E** and enter the amount. This is the amount creditable as average salary.

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## News Briefs

### ***Congress Approves Student Loan Forgiveness for Public Servants***

Late last year, Congress passed legislation, H.R. 2669, The College Cost Reduction Act of 2007, which provides student loan forgiveness of \$5,000 for graduates who go into public service professions. The legislation also would forgive outstanding debt of borrowers who have made 10 years of monthly repayments of their loans while serving in full-time government or non-profit jobs. Under old law, the repayment provision requires 25 years of repayment.

The legislation also phases-in cuts in the interest rate charged undergraduate student borrowers under the Federal Family Education Loan (FFEL) and Direct Loan (DL) programs, reducing such rate from 6.8% in July 2006 to 3.4% in July 2012. Increases FFEL annual loan limits for third and fourth year students from \$5,500 to \$7,500. Increases aggregate limits from \$23,000 to \$30,500 for undergraduate students and from \$65,500 to \$73,000 for graduate students.

### ***Federal Military Reservists Eligible for Back Pay or Annual Leave***

The U.S. Court of Appeals for the Federal Circuit has ruled that active and retired federal

employees who took military leave for reserve activities are eligible for annual leave or thousands of dollars of back pay. In the case of *Hernandez v. Department of the Air Force*, a claim was filed with the Merit Systems Protection Board alleging that he had been erroneously charged military leave from 1980 to 2001, forcing him to use annual and sick leave, along with leave without pay, to perform his reserve duties.

Under a law passed in 2000, federal employee reservists are given 15 days of military leave annually, with the ability to carry unused leave into the following year. Before 2000, the government charged reservists with military leave for every day on reserve duty, even if a portion of the leave occurred on weekends. The result was that a reservist called to training from Monday through Sunday would be charged with seven days of military leave, rather than five.

The decision will allow reservists to seek compensation for improperly charged leave since 1980. Potentially, 300,000 federal employees could be affected by the Court's decision and the average amount of compensation per employee could be more than \$3,000. Current federal employees will be compensated with either military or annual leave and retired federal employees will be compensated with cash.

FPA members can get details on filing a claim on the "Members Only" page of the FPA website.

### ***Mileage Reimbursement Rate Increased***

Effective February 1, 2008, the reimbursement rate for use of a privately-owned vehicle for official travel was increased to \$48.5 a mile. •

### ***FPA Bylaw Changes***

Over 70% of FPA members voted to approve the recent change in the bylaws to require a simple majority vote of at least 30% of eligible members to approve future changes in the bylaws.

The Board of Directors of FPA is considering a number of amendments to the governing bylaws to streamline the operations of FPA and allow the Board and staff to devote more time to physician pay concerns. All FPA members in good standing will receive a ballot in the mail to vote on the proposed bylaw changes.

# Federal Physician Association Tackles Pay-for-Performance

**T**he Board of Directors of the Federal Physicians Association has agreed to undertake possibly the most ambitious project in its history – developing a broad framework to be used as the basis for pay-for-performance plans for federal physicians. **FPA members are encouraged to submit their thoughts and/or examples of good and not so good federal physician performance plans or performance elements to the office to assist in this effort.**

A coalition of federal employee groups, the Coalition for Effective Change (CEC) has developed certain guidelines for all federal performance management systems that purport to provide pay-for-performance. The FPA Board is reviewing these guidelines and may incorporate them into the FPA framework. Those elements are:

1. Adherence to merit principles set forth in section 2301 of title 5 U.S.C.
2. A fair, credible, and transparent employee appraisal system.
3. A link between elements of the pay-for-performance system, the employee performance appraisal system, and the agency's strategic plan.
4. A means for ensuring employee involvement in the design and implementation of the system.
5. Adequate training and retraining for supervisors, managers, and employees in the implementation and operation of the pay-for-performance system.

## ***If FPA Never Existed***

*If the Federal Physicians Association never existed, there would have been no paid staff to persuade the leadership at the Department of Health and Human Services to adopt the Title 38, Department of Veterans Affairs, special pay plans.”*

6. A process for ensuring ongoing performance feedback and dialogue between supervisors, managers, and employees throughout the appraisal period, and setting time-tables for review.
7. Effective safeguards to ensure that the management of the system is fair and equitable and based on employee performance.
8. A means for ensuring that adequate agency resources are allocated for the design, implementation, and administration of the pay-for-performance system.
9. Determinations to award higher pay and bonuses, and to take corrective actions because of poor performance, must be based on a credible process for evaluating performance that is tailored to the individual needs and culture of each organization (avoiding the temptation to implement a "one size fits all approach) and which is developed, implemented, evaluated, and adjusted over time with the active involvement of employees and managers. Employees not represented by a union should have representation through their professional or managerial associations.
10. Recognize that judging overall performance and contributions involves a degree of subjective judgment by the rater, the system should strive for as much objectivity as possible while recognizing that an inherent aspect of good management is the ability to exercise and support sound judgment with regard to the quality and quantity of work, the effects on outcomes of inputs, and the impact of environment and unforeseen developments.
11. Recognize that the proportion of high performers differs among agencies and work groups within agencies, the amount and distribution of awards should be controlled via budget allocations and not by arbitrary quotas or forced distribution. In addition, the system should specifically allow for the possibility of team awards rather than individual awards where that makes the most sense.
12. Provide for third party review (preferably peer review) and a rational and reason-

able process for the appeals of actions having a material effect upon the employee. Results or outcomes of the pay for performance system should be openly available to those participating in the system to build the credibility of the system over time.

13. New or revised performance management system should be tested and evaluated on an ongoing basis and refined based on the results, all with stakeholder participation. The test should be communicated to all employees before starting, and the results and actions to be taken based on those results should also be communicated. Finally, reviews of the system by an agency or by the Office of Personnel Management should include an assessment of the impact of the system on agency workforce diversity goals and initiatives.
14. The performance award system, both in testing and full implementation, must be adequately funded with a specific allocation of funds for both implementation and ongoing operation. If unforeseen and uncontrollable circumstances intervene, the circumstances and effect on performance awards should be immediately communicated to all participants. At a minimum, any employee whose performance is deemed to be satisfactory should expect to receive an annual pay increase that at least keeps pace with cost of living increases in their area. •

## ***If FPA Never Existed***

*If the Federal Physicians Association never existed, there would be no Physicians Comparability Allowance (PCA) since it was the founders of FPA who helped draft the legislation, and in 1977 and 1978 lobbied members of the House and Senate to pass P. L. 95-603, the Federal Physicians Comparability Allowance Act of 1978.”*

# Federal Retirement Myths

- 1** Employees who want to retire early may take a reduced benefit at 50 if they have 20 years of service or at any age if they have completed 25 years of service.
- 2** If you add your age plus your service and it adds up to 80, you can retire even if you are younger than 55.
- 3** You may be able to retire at age 55 of your minimum retirement age, but you cannot begin receiving Thrift Savings Plan distributions until age 59 unless you are willing to pay a 10 percent early withdrawal tax penalty.
- 4** If you haven't completed 30 years of service by the time you reach age 55 (or your MRA), you must wait to retire until 60.
- 5** Since Social Security is an integral part of retirement planning under FERS, employees must wait until they turn 62 to fully retire since they won't be eligible for Social Security before then.
- 6** Unless given a special exemption, federal employees are required to retire at 70.
- 7** If you have 30 years of service, you may resign and apply for a deferred retirement at age 55 (or your MRA under FERS).
- 8** There is a maximum retirement benefit that you achieve after 41 years and 11 months of creditable service.
- 9** If you have completed a minimum of 20 years of covered law enforcement, firefighter or air traffic controller service, you may resign and apply for a deferred retirement at age 50.
- 10** If you have completed a minimum of 20 years of covered law enforcement, firefighter or air traffic controller service, you may transfer to a noncovered federal job and still qualify for "liberalized" eligibility and computation. You will no longer be subject to mandatory retirement if you retire from a "noncovered" position. •



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# The Answers to the Myths

**1 Myth:** The only employees who are eligible to retire before age 55 (or at the MRA for FERS) with immediate unreduced benefits are those in special groups (such as law enforcement officers, air traffic controllers and firefighters), those who are offered voluntary early retirement by their agencies and those subject to discontinued service retirement

**2 Myth:** I'm not sure where this one started, but every once in a while it comes up. There are some state and probably some local public retirement systems that have this rule, but it does not pertain to CSRS or FERS.

**3 Myth:** If you leave federal service the year you turn 55 (or later), you are eligible to begin TSP withdrawals without a tax penalty. Those who retire younger than 55 must be careful of the timing and type of withdrawal they choose. The TSP Web site has more information.

**4 Myth:** You do not have to wait until 60 if you meet the minimum age and service requirements before then. For example, if Paul is covered under CSRS and is 55 with 28 years of service, he will become eligible as soon as he completes 30 years of service. Or suppose Wanda is covered under FERS and is at her MRS, but only has 22 years of service. She can choose to retire with a reduced immediate benefit (under what is known as MRS+10 requirements) or she can continue working until age 60, when she will qualify for an unreduced immediate benefit. She also has the option to resign and postpone her MRA+10 retirement until age 60.

**5 Fact, but...:** Even though it is true that the earliest age to apply for Social Security retirement is 62, under FERS you may be entitled to a Retirement Supplement that will bridge the years between your FERS retirement and age 62. To learn more, see Supplementing FERS (Jan. 26, 2007) and Supplementary Information (Feb. 2, 2007).

**6 Myth:** Believe it or not, I still run into people who believe this is true. There is no mandatory retirement age for most federal employees. However, there are limits on employees in special positions. Law enforcement officers and firefighters, for example, must retire at 57. For air traffic controllers, the age is 56.

**7 Fact for FERS, Myth for CSRS:** There is only one age for a deferred retirement under CSRS – 62. FERS employees may apply for deferred retirement benefits as early as their MRA as long as they had at least 10 years of service when they left the government (and did not apply for a refund of their retirement contributions).

**8 Fact for CSRS, Myth for FERS:** CSRS employees max out after 41 years and 11 months of service. This provides a retirement benefit equal to 80 percent of an employee's high-three average salary. Employees who work beyond this time will be entitled to a refund of excess retirement contributions. They may use their unused sick leave to add to the retirement computation and exceed the 80 percent maximum. FERS employees are not subject to a maximum basic benefit computation. It is possible for them to replace 100 percent of their pre-retirement income when you consider the value of their basic benefit, TSP investments and Social Security retirement benefits.

**9 Myth:** To be eligible for the "liberalized" benefits for special groups, you must retire after meeting the minimum age and service requirements. Employees who leave early are eligible for a deferred retirement computed as it is for any other separated federal employee. See Chapter 46 of the CSRS and FERS Handbook: Special Retirement Provision for Law Enforcement Officers, Firefighters, Air Traffic Controllers and Military Reserve Technicians.

**10 Fact:** An employee must be at least 50 at the time of separation and have at least 20 years of service as a law enforcement officer or firefighter to be eligible for retirement under special provision, but does not have to be in a law enforcement officer or firefighter position at separation. Likewise, an employee is not required to separate from a position as an air traffic controller to retire under the special provisions. Once an employee meets the minimum service requirement (that is, 20 or 25 years), he or she may exercise the right to retire under the special provisions even if the employee is no longer covered by these provisions at the time of retirement.

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*Tammy Flanagan is the senior benefits director for the National Institute of Transition Planning Inc. which conducts federal retirement planning workshops and seminars. She has spent 25 years helping federal employees take charge of their retirement by understanding their benefits. •*

**Final Approved Pay Ranges For Physicians and Dentists  
Effective January 6, 2008**

<b>Pay Table 1</b>	<b>Specialty/Assignment</b>	<b>Pay Table 2</b>	<b>Specialty/Assignment</b>
Tier 1: \$93,818 - 175,000 Tier 2: \$110,000 - 200,000 Tier 3: \$120,000 - 215,000 Tier 4: \$130,000 - 225,000	Allergy and Immunology Endocrinology Endodontics General Practice - Dentistry Geriatrics Infectious Diseases Internal Medicine / Primary Care / Family Practice/Admitting Physician Neurology Periodontics Preventive Medicine Prostodontics Psychiatry Rheumatology All other specialties or assignments not requiring a specific specialty training or certification	Tier 1: \$93,818 - 200,000 Tier 2: \$115,000 - 215,000 Tier 3: \$130,000 - 225,000 Tier 4: \$140,000 - 235,000	Critical Care (board certified) Emergency Medicine Gynecology Hematology – Oncology Nephrology Pathology PM&R / SCI Pulmonary
<b>Pay Table 3</b>	<b>Specialty/Assignment</b>	<b>Pay Table 4</b>	<b>Specialty/Assignment</b>
Tier 1: \$93,818 - 245,000 Tier 2: \$120,000 - 265,000 Tier 3: \$135,000 - 275,000 Tier 4: \$145,000 - 285,000	Cardiology Dermatology Gastroenterology Nuclear Medicine Ophthalmology Oral Surgery Otolaryngology	Tier 1: \$93,818 - 270,000 Tier 2: \$125,000 - 285,000 Tier 3: \$140,000 - 295,000 Tier 4: \$150,000 - 305,000	Anesthesiology Cardiology (Invasive) General Surgery Plastic Surgery Radiology Therapeutic Radiology Urology Vascular Surgery
<b>Pay Table 5</b>	<b>Specialty/Assignment</b>	<b>Pay Table 6</b>	<b>Specialty/Assignment</b>
Tier 1: \$150,000 - 260,000 Tier 2: \$145,000 - 240,000 Tier 3: \$140,000 - 220,000	VHA Chiefs of Staff – Tier assignments are based on published facility complexity level	Tier 1: \$110,000 - 230,000 Tier 2: \$110,000 - 250,000	Tier 1 – All VACO physicians or dentists not otherwise defined Tier 2 – Chief Officers, Deputy Under Secretaries for Health, Medical Center Directors, Network Chief Medical Officers, Network Directors
<b>Pay Table 7</b>	<b>Specialty/Assignment</b>		
Tier 1: \$93,818 - 325,000 Tier 2: \$140,000 - 350,000	Cardio-Thoracic Surgery Interventional Radiology Neurosurgery Orthopedic Surgery		



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## FPA Agency Contacts

In order to keep members of the Federal Physicians Association informed of actions and/or the concerns of federal physicians in the field, and to insure that FPA members are made aware of FPA activities, FPA is working to develop agency contacts in federal agencies employing physicians. The goal is to have a FPA contact in each of the NIH Institutes, at each Indian Health Service hospital, at each major DoD facility, etc. FPA members who would be willing to volunteer to be an agency contact should call the office, 877-FED-PHYS, for more information.

**Current agency contacts are:**

Bureau of Prisons  
Michael Borecky, M.D.  
bork1969@earthlink.net

Indian Health Service, Phoenix, AZ  
Gloria E. Castro, M.D.  
gloria.castro@ihs.hhs.gov •



## Federal Physicians Association Membership Application

Name: \_\_\_\_\_ Office Phone: \_\_\_\_\_  
*last first*

Address: \_\_\_\_\_ Email: \_\_\_\_\_  
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*\*PCA, T38, etc.*

Annual: \$100/year \$182/2 years  Check enclosed payable to FPA

Amex  Mastercard  Visa *Account Number:* \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ *Exp Date:* \_\_\_\_\_ / \_\_\_\_\_

Mail to: FPA, 12427 Hedges Run Dr, Suite 104, Lake Ridge, VA 22192

May we print your name as a new member in the newsletter?  yes  no

50% of dues is attributable to nondeductible lobbying activity and is therefore not deductible under Internal Revenue Code Section 162 as an ordinary and necessary business expense.

May 2008

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# Agency/Employee Relationships with the FPA

Over the last two years, *every* new member of the Federal Physicians Association (FPA) has asked that their name not be published as a member. The FPA has also received e-mails and phone calls from physicians around the country who were told they could not be a member of FPA. In fact, most federal agencies, including the Department of Health and Human Services, encourage employees to participate in professional associations.

Apparently, the federal agency regulations governing the relationships between federal agencies and employee associations have not been widely distributed. 5 CFR part 251 provides a framework for agency consultation and communication with non-labor organizations representing federal employees. Since FPA is not a union, the following regulation applies to FPA, FPA members and federal physicians.

“§ 251.202 Agency support to organizations representing Federal employees and other organizations.

- (a) An agency may provide support services to an organization when the agency determines that such action would benefit the agency's programs or would be warranted as a service to employees who are members of the organization and complies with applicable statutes and regulations. Examples of such support services are as follows:
  - (1) Permitting employees, in appropriate cases, to use agency equipment or administrative support services for preparing papers to be presented at conferences or symposia or published in journals;
  - (2) Using the authority under 5 U.S.C. 4109 and 4110, as implemented by 5 CFR part 410, to pay expenses of employees to attend professional organization meetings when such attendance is for the purpose of employee development or directly concerned with agency functions or activities and the agency can derive benefits from employee attendance at such meetings; and
  - (3) Following a liberal policy in authorizing excused absence for other employees who are willing to pay their own expenses to attend a meeting of a professional association or other organization from which an agency could derive some benefits.
- (b) Agencies may provide Government resources support to organizations (such as space in Government facilities for meeting purposes and the use of agency bulletin boards, internal agency mail distribution systems, electronic bulletin boards and other means of informing agency employees about meetings and activities) in accordance with appropriate General Services Administration regulations contained in title 41 of the Code of Federal Regulations. The mere provision of such support to any organization is not to be construed as Federal sponsorship, sanction, or endorsement of the organization or its activities. •



## Federal Physician

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