

Title 38 Physician, Dentist and Podiatrist Pay

Options for Adjusting Salary and Additional Compensation

Overview

The IHS pays physicians under the Title 38 Physician, Dentist, and Podiatrist Pay (PDP) system, a unique and flexible pay program. Salary is composed of **General Schedule base pay and Market Pay** based on clinical specialty, skills, and responsibilities. Physicians are also eligible to receive **cash awards and recruitment/retention/relocation incentives (3Rs)**. Area leadership is encouraged to consider, at least every two years, whether a Market Pay adjustment is needed to ensure that salary continues to be appropriate.

Salary Adjustments possible through:

- Grade Promotions (e.g., GS 14 to GS 15) And/or
- Market Pay Adjustments
- Salary typically capped at VA table/tier max
- Salary max is \$400K

Total Compensation (also called Aggregate Compensation) includes salary and:

- 3Rs
- Cash Awards
- Total compensation ≤ \$400K per CY
- No deferral over \$400K in a CY

Total Compensation Limits

- The IHS cannot pay more than \$400K in total compensation per calendar year (CY) for Title 38 PDP due to HHS payroll system limitations. Until the payroll system is resolved, Areas may strategize to pay 3Rs at points in the CY and/or in installments across multiple CYs to ensure that the combination of salary, 3Rs, and cash awards received in any one CY does not exceed \$400K, as illustrated below:

Impact of Payment Timing in CY

- Physician hired 12/15/2024 at \$350K salary with a \$87.5K recruitment incentive paid in lump sum upon hire – system would allow since the amount *received* in CY2024 < \$400K
- Physician hired 1/12/2025 at \$350K salary with a \$87.5K recruitment incentive paid in lump sum upon hire – system would *not* allow since system would project that total compensation >\$400K in CY2025.

Impact of Installment Payments Over Multiple CYs

- Current IHS physician with \$350K salary granted \$87.5K retention incentive, paid biweekly, on 1/12/2025 – system would not allow full payment since total compensation received in CY25 > \$400K
- Current IHS physician with \$350K salary granted \$87.5K retention incentive, paid in equal installments over CY25, CY26, and CY27 – system would allow since total compensation received in any CY < \$400K

Area managers should work with their local HR staff to determine an appropriate 3Rs & Awards payment strategy to ensure that no greater than \$400K is received in any CY.

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