



GAO Technical Bulletin

Arizona Department of Administration ♦ General Accounting Office

Subject:	<i>National Disaster Medical System Differential Pay</i>	Issued:	07/29/10
Manual Section(s):	N/A	Effective:	07/29/10
Supersede(s):	N/A	Page:	1 of 10

TO: Technical Bulletin Administrators Human Resources Personnel Payroll Personnel All Agencies	FROM: D. Clark Partridge State Comptroller
---	---

AUTHORITY

38 U.S.C. 4317	Health plans
38 U.S.C. 4318	Employee pension benefit plans
38 U.S.C. 5121-5207	Collectively, the Robert T. Stafford Disaster Relief and Emergency Assistance Act
A.R.S. § 38-610	Leave of absence for certain federal training; definition
A.R.S. § 38-610.02	Leave of absence and compensation for national disaster medical system employment
A.R.S. § 41-703	Duties of the director
A.R.S. § 41-722	Powers and duties relating to finance
A.R.S. § 41-732	Powers and duties relating to general accounting activities
A.R.S. § 41-761	Personnel administration
A.R.S. § 41-763	Powers and duties of the director relating to personnel
A.R.S. § 41-771	Exemptions
A.R.S. § 41-783	Personnel rules
A.A.C. R2-5-101	Definitions
A.A.C. R2-5-414	Leave Without Pay

DEFINITIONS

Activate / activation: Under the authority of the Stafford Act and as part of the National Disaster Medical System, to deploy / the act of deploying civilian medical specialists for service during major medical emergencies and disasters. The term activation does not extend to days on which an employee is engaged in NDMS training duty.

Adjusted NDMS pay rate: An employee's NDMS pay and allowances restated as an hourly rate as if earned during a standard workweek.

Adjusted State hourly rate: For purposes of this technical bulletin, an employee's adjusted State hourly rate is his annual base salary, as defined by A.A.C. R2-5-101, to which has been added all other applicable annual salaries, wages and emoluments such as signing bonuses, special

Subject:	<i>National Disaster Medical System Differential Pay</i>	Issued:	07/29/10
Manual Section(s):	N/A	Effective:	07/29/10
Supersede(s):	N/A	Page:	2 of 10

assignment payments, stipends, shift differentials, etc., except overtime, divided by two thousand eighty (2080 (the number of working hours in a year)).

ADOA-HITF: Arizona Department of Administration, Health Insurance Trust Fund.

Civilian medical specialist: A State employee who is also designated by the Federal government to be an intermittent special government employee and who may be activated to serve in the National Disaster Medical System in the case of emergency.

CLES: *Civilian Leave and Earnings Statement*, a document substantiating periods of deployment and NDMS Civilian Pay received for periods of deployment.

COBJ: Comptroller object; in governmental accounting, a code used to classify revenues and expenditures.

Deploy / deployment: To call / the act of calling a civilian medical specialist into temporary employment in the NDMS.

Differential pay: NDMS differential pay, as described herein.

Elective benefits program: Any of several benefits programs that are normally funded through voluntary deductions from an employee's gross pay. Such programs include, but are not limited to, vision and dental coverage, short-term disability insurance, health insurance contributions, and dependent life insurance.

Employee: Any employee or officer of the State of Arizona except one described by A.R.S. §§ 41-771(A)(6), 41-771(A)(14), or 41-771(B)(6).

Employing agency: The agency in control of the employee's master pay record and responsible for seeing that the employee is paid.

He/him/his: For brevity and clarity, masculine singular pronouns are used throughout. Feminine or plural pronouns may be substituted, as appropriate.

HRIS: Human Resources Information Solution, the State's primary automated personnel and payroll system.

HRO: Human resources office of the employing agency.

LWOP: Leave without pay. Although still employed, an employee on leave without pay neither performs his normally assigned duties nor receives the compensation related to those duties.

Subject:	<i>National Disaster Medical System Differential Pay</i>	Issued:	07/29/10
Manual Section(s):	N/A	Effective:	07/29/10
Supersede(s):	N/A	Page:	3 of 10

Modified differential pay: Differential pay less taxes and any court-ordered, involuntary deductions.

NDMS: National Disaster Medical System. The NDMS is currently a section of the United States Department of Health and Human Services. It is responsible for managing the Federal Government’s medical responses to major emergencies and disasters. It is staffed, in part, by civilian medical specialists.

NDMS pay: Compensation and allowances paid to a civilian medical specialist during his period of deployment.

Order: Any form of communication used to advise a civilian medical specialist of his activation.

Period of deployment: The period of time during which a civilian medical specialist is deployed.

PRO: Payroll office of the employing agency.

Scheduled State Pay: The amount of compensation an employee would have earned and been paid had he worked the hours he would have been scheduled to work were he not activated.

Stafford Act: Title 42, United States Code, §§ 5121-5207; the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended. The Stafford Act is the statutory authority for most Federal disaster response activities in general and for the National Disaster Medical System in particular.

Y.E.S.: Your Employee Services; an employee self service web portal maintained by the Arizona Department of Administration.

INTRODUCTION

The National Disaster Medical System manages people—civilian medical specialists—who enroll with the NDMS to provide certain types of relief assistance during national disasters. A civilian medical specialist may be engaged in training duty, during which time he is on paid leave, or be on deployment, during which time he is on LWOP and may qualify for differential pay.

A.R.S. § 38-610.02 authorizes and directs State agencies to pay an employee who is a civilian medical specialist, while deployed, the amount by which his State compensation, had it been paid, would have exceeded his NDMS pay. This policy establishes the guidelines for paying that difference.

Additional information concerning an employee’s status when on training duty or on deployment can be found in Policies and Procedures Memorandum entitled *National Disaster Medical System*

Subject:	<i>National Disaster Medical System Differential Pay</i>	Issued:	07/29/10
Manual Section(s):	N/A	Effective:	07/29/10
Supersede(s):	N/A	Page:	4 of 10

(NDMS) Leave, published by the Human Resources Division of the Arizona Department of Administration.

GAO Forms to support the policy and procedures outlined below have been published on the GAO Website at www.gao.az.gov.

POLICY

1. An eligible employee who is a civilian medical specialist and is activated shall, during his period of deployment, be deemed to be on authorized LWOP.
2. An eligible employee who is a civilian medical specialist and is activated may be qualified to receive, for his period of deployment, the equivalent of his State salary or compensation, computed with reference to his adjusted State hourly rate, less the sum of all NDMS pay and allowances received during his period of deployment.
3. An employee is eligible to receive differential pay if **all** of the following conditions are met:
 - a. The pay the employee would have earned from the State for a day upon which he was scheduled to work exceeds the pay he actually received for a day on which he was deployed. If the amount NDMS pay received on any given day equals or exceeds the amount he would have earned from State employment on a day he would normally have been scheduled to work, the employee is not entitled to any differential pay. This computation is based upon the daily difference between his scheduled State pay and the actual NDMS pay received.
 - b. He provides advance written or verbal notice of his activation to his supervisor or other appropriate agency personnel. The requirement for advance notice may be waived if precluded by NDMS necessity or if otherwise impossible or unreasonable under the circumstances.
 - c. He provides documentation of all NDMS pay and allowances received during his period of deployment. This can be accomplished by filing his CLEs with his PRO.
 - d. Prior to receiving any differential pay, but not later than sixty (60) calendar days after the completion of the period of deployment during which the employee would be eligible to receive differential pay, he provides his agency head proof of not having been terminated for misconduct during his period of deployment. This can be accomplished by the employee's preparing a written request for a verification letter to this effect from his NDMS team commander or other appropriate Federal authority.
 - e. He does not receive any pay, other than differential pay, from the State for the period of his deployment.

Subject:	<i>National Disaster Medical System Differential Pay</i>	Issued:	07/29/10
Manual Section(s):	N/A	Effective:	07/29/10
Supersede(s):	N/A	Page:	5 of 10

- f. He is **not** an employee described by A.R.S. §§ 41-771(A)(6), 41-771(A)(14), or 41-771(B)(6).
4. The State may seek recovery of any differential pay incorrectly paid to an employee.
5. An employee is not entitled to accrue annual leave or sick leave while drawing differential pay.
6. Differential pay is taxable compensation, subject to both the employee's and employer's shares of all applicable payroll taxes.
7. Differential pay is subject to creditor garnishments; Federal and State tax levies and liens; Arizona Department of Economic Security orders; court ordered spousal and child support payments; court ordered collections of spousal and child support arrearages; and Federal student loan collection actions.
8. Computation and payment of differential pay will be made with reference to the employee's most recent payroll related documents on file with the employing agency. In the case of computation of net pay, this means that the marital status and dependency exemptions claimed on the employee's Federal Form W-4 and State of Arizona Form A-4 will be used. Direct deposits, if any, will continue to be made to the bank account specified on the Form GAO-65, Authorization for a Direct Deposit of Net Pay or Payroll Deduction. The employee's payroll advices will be posted on Y.E.S.
9. All benefits funded by State or employee contributions that were in effect at the time of an employee's activation will, to the extent practicable, be reinstated upon his return to State employment.
10. For accounting purposes, differential pay is to be posted to COBJ 6044, Military and National Disaster Medical System Differential Pay.
11. Any proposed personnel action with respect to an individual, including promotions, reassignments and transfers between agencies, will be taken into account as of the originally contemplated effective date in computing an employee's adjusted State hourly rate if the corresponding authorizing paperwork (such as Form AD-100, *Request for Personnel Action*, Form SF-302, *Classification Action Request*, or a similar form initiating the personnel action under consideration) was executed before the date of the employee's activation.
12. None of the costs associated with an employee's LWOP or receiving NDMS differential pay during a deployment are to be allocated to any non-State funding source or program.
13. An employee can only receive differential pay for days, irrespective of the shift worked, on which, except for his deployment, he would have worked for the State. The differential pay

Subject: ***National Disaster Medical System
Differential Pay***

Issued: 07/29/10

Manual Section(s): N/A
Supersede(s): N/A

Effective: 07/29/10
Page: 6 of 10

is, on a daily basis, the excess, if any, of the employee's scheduled State pay less the actual NDMS pay received.

Example 1: An employee is activated. When working for the State, he works Monday through Friday, 8:00 a.m. until 5:00 p.m., taking one hour, from 12:00 noon until 1:00 p.m., for lunch (a daily eight-hour shift). While on deployment as a civilian medical specialist, his assignment calls for him to work Thursday through Sunday, 12:00 noon through 11:00 p.m., taking one hour, from 5:00 p.m. through 6:00 p.m., for lunch (a daily ten-hour shift). His is entitled, **if otherwise qualified**, to receive differential pay for Thursday and Friday. The differential pay, if any, would equal the excess of the employee's scheduled State pay less the actual NDMS pay received for Thursday and Friday.

Example 2: An employee is activated. When working for the State, he works Monday through Friday, 8:00 a.m. until 5:00 p.m., taking one hour, from 12:00 noon until 1:00 p.m., for lunch (a daily eight-hour shift). While on deployment as a civilian medical specialist, his assignment calls for him to work Tuesday through Thursday. On Tuesday and Wednesday, he worked from 10:00 a.m. until 8:00 p.m., taking one hour, from 2:00 p.m. until 3:00 p.m., for lunch (daily nine-hour shifts). On Thursday, he is only required to work from 10:00 a.m. until 2:00 p.m. (a four-hour shift). He is entitled, **if otherwise qualified**, to receive for differential pay for Tuesday, Wednesday and Thursday. The differential pay, if any, would equal the excess of the employee's scheduled State pay less the actual NDMS pay received for Tuesday, Wednesday and Thursday.

14. Payments of differential pay shall be treated as expenditures in the fiscal year made.
15. Requests for NDMS differential pay should be submitted after the conclusion of NDMS deployment and return to State employment.
16. Requests for NDMS differential pay must be supported by **all** appropriate documentation for the period of deployment, including:
 - a. A copy of the employee's activation (if possible);
 - b. Copies of all CLEsSs;
 - c. Copies of all NDMS timesheets; and
 - d. A letter from his NDMS commander or other appropriate Federal authority verifying that the employee was not terminated for misconduct.

Subject: ***National Disaster Medical System
Differential Pay***

Issued: 07/29/10

Manual Section(s): N/A
Supersede(s): N/A

Effective: 07/29/10
Page: 7 of 10

17. It is the **employee's responsibility** to ensure that the required documentation is provided on a timely basis.

PROCEDURES

Employee

At time of activation

- Provides his supervisor with written or verbal notice of his activation; if not precluded from doing so by circumstance, such notice should be made in advance of deployment.

At the conclusion of NDMS employment and within sixty (60) days of return to State employment

- Provides to his HRO
 - A copy of his activation (if possible);
 - Copies of all CLEs covering his period of deployment;
 - Copies of all NDMS timesheets covering his period of deployment; and
 - A letter from his NDMS commander or other appropriate Federal authority verifying that the he was not terminated for misconduct.
- If the sum of his modified differential pay and his State pay is insufficient to fully fund his elective benefits, remits a payment to fully fund them. Payment should be in the form of a check or money order made payable to ADOA-HITF and should be sent to his HRO so as to arrive not later than the first day of the month to which coverage applies.
- Takes such steps as may be necessary to effect his employing agency's payment of his retirement contributions for his period of deployment.

Employee's Supervisor

At time of activation

- Notifies the HRO of the employee's activation.

Subject: ***National Disaster Medical System
Differential Pay***

Issued: 07/29/10

Manual Section(s): N/A
Supersede(s): N/A

Effective: 07/29/10
Page: 8 of 10

HRO

At time of activation

- Verifies that the employee is not one identified by A.R.S. §§ 41-771(A)(6), 41-771(A)(14), or 41-771(B)(6).
- Notifies the PRO of the employee's activation and potential eligibility for differential pay.

At the conclusion of NDMS employment and within sixty (60) days of the employee's return to State employment

- Collects
 - A copy of the employee's activation (if possible);
 - Copies of all CLEs covering the employee's period of deployment;
 - Copies of all NDMS timesheets covering the employee's period of deployment; and
 - A letter from his NDMS commander or other appropriate Federal authority verifying that the he was not terminated for misconduct.
- If necessary, collects from the employee a remittance sufficient to fund the voluntary benefits selected by the employee for the period of deployment.
 - Completes, if applicable, the Health Insurance Trust Fund LWOP Payment Form, Personal Payments, and forwards it, together with the appropriate remittance, to the ADOA-HITF.
- Forwards to the employee's PRO
 - A copy of the employee's activation (if possible);
 - Copies of all CLEs covering the employee's period of deployment;
 - Copies of all NDMS timesheets covering the employee's period of deployment; and
 - The letter from his NDMS commander or other appropriate Federal authority verifying that the he was not terminated for misconduct.

Subject: ***National Disaster Medical System
Differential Pay***

Issued: 07/29/10

Manual Section(s): N/A
Supersede(s): N/A

Effective: 07/29/10
Page: 9 of 10

PRO

At the conclusion of NDMS employment and within sixty (60) days of the employee's return to State employment

- Collects from the HRO
 - A copy of the employee's activation (if possible);
 - Copies of all CLEs covering the employee's period of deployment;
 - Copies of all NDMS timesheets covering the employee's period of deployment; and
 - The letter from his NDMS commander or other appropriate Federal authority verifying that the he was not terminated for misconduct.
- As soon as practicable, using Form GAO-44, *National Disaster Medical System Differential Pay Computation Worksheet*, computes the amount, if any, of differential pay to be paid to the employee. This form is to be retained by the PRO for the duration prescribed for other payroll related documents.
 - If the employee's Federal NDMS pay for each day of his deployment is greater than or equal to the pay he would have received for the time he would otherwise have been scheduled to work for the State, he does not qualify for differential pay and no further actions will need to be taken
- Enters the amount of differential pay, if any, on HRIS Screen XR35.2, using Pay Code 385 and Attendance Code ND.

ADOA-HITF

- Processes Forms GAO-40, *Personal Payments*, and checks or money orders it receives in connection with such forms, crediting payments on behalf of the appropriate employee.

GAO Technical Bulletin

No. 10-06

Subject: ***National Disaster Medical System
Differential Pay***

Issued: 07/29/10

Manual Section(s): N/A
Supersede(s): N/A

Effective: 07/29/10
Page: 10 of 10

ON-LINE AVAILABILITY

Copies of all Technical Bulletins and many GAO Forms are available for viewing and downloading from the General Accounting Office Website located at:

<http://www.gao.az.gov/>

AREAS IMPACTED

All State agencies.

CONTACTS

If you have any questions concerning this Technical Bulletin, please contact your GAO Liaison. You may also e-mail questions or comments concerning State policy and procedure to us at:

gaopolicy@azdoa.gov